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Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

2010

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

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

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

Name of foundation THE HILLCREST FOUNDATION		A Employer identification number 31-1501699
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 132961	Room/suite	B Telephone number 281-367-4082
City or town, state, and ZIP code THE WOODLANDS, TX 77393		C If exemption application is pending, check here ☐ D 1 Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 6592494.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part II Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		135762.	135762.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		217996.			
b Gross sales price for all assets on line 6a	4591205.				
7 Capital gain net income (from Part IV, line 2)			217996.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		353758.	353758.		
13 Compensation of officers, directors, trustees, etc.		12000.	12000.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees	STMT 2	13620.	13620.		0.
b Accounting fees	STMT 3	3325.	3325.		0.
c Other professional fees	STMT 4	49296.	49296.		0.
17 Interest					
18 Taxes					
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings		8014.	8014.		0.
22 Printing and publications					
23 Other expenses	STMT 5	518.	518.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		86773.	86773.		0.
25 Contributions, gifts, grants paid		290151.			290151.
26 Total expenses and disbursements. Add lines 24 and 25		376924.	86773.		290151.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-23166.			
b Net investment income (if negative, enter -0-)			266985.		
c Adjusted net income (if negative, enter -0-)				N/A	

SCANNED NOV 28 2011

Operating and Administrative Expenses

G114

1A

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	261281.	358912.	358912.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 6	5522187.	5401390.	6233582.
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	5783468.	5760302.	6592494.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ☐ and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	5783468.	5760302.	
30 Total net assets or fund balances	5783468.	5760302.		
31 Total liabilities and net assets/fund balances	5783468.	5760302.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	5783468.
2 Enter amount from Part I, line 27a	2	-23166.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	5760302.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	5760302.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	AVALON (SEE ATTACHED STMTS)	P	VARIOUS	VARIOUS
b	AVALON (SEE ATTACHED STMTS)	P	VARIOUS	VARIOUS
c	AVALON (SEE ATTACHED STMTS)	P	VARIOUS	VARIOUS
d	AVALON (SEE ATTACHED STMTS)	P	VARIOUS	VARIOUS
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	295675.		311005.	-15330.
b	2029826.		1844126.	185700.
c	1732603.		1706430.	26173.
d	533101.		511648.	21453.
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			-15330.
b			185700.
c			26173.
d			21453.
e			

2	Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	217996.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	{ }	3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	297178.	5835172.	.050929
2008	228982.	6041277.	.037903
2007	212407.	4602175.	.046154
2006	210113.	4424383.	.047490
2005	156400.	4265303.	.036668

2	Total of line 1, column (d)	2	.219144
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.043829
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	6405697.
5	Multiply line 4 by line 3	5	280755.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	2670.
7	Add lines 5 and 6	7	283425.
8	Enter qualifying distributions from Part XII, line 4	8	290151.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	2670.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	2670.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	2670.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	1742.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	1742.	
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	928.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax ☐ Refunded ☒	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ☐ \$ 0. (2) On foundation managers. ☐ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☐ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ <u>TX</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses <u>STMT 7</u>	X	

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► NONE	13	X	
14	The books are in care of ► RENEE J. KELLY Telephone no. ► 281-684-2511 Located at ► 42 THUNDER COVE PLACE THE WOODLANDS, TEXAS ZIP+4 ► 77381			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes	☒ No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes	☒ No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes	☒ No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes	☒ No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes	☒ No
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes	☒ No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If "Yes," list the years ►	☐ Yes	☒ No
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes	☒ No
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

6b

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

X

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

7b

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 8		12000.	0.	0.

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

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

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

0

Form 990-PF (2010)

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	6111672.
b	Average of monthly cash balances	1b	391574.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	6503246.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	6503246.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	97549.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6405697.
6	Minimum investment return. Enter 5% of line 5	6	320285.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	320285.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	2670.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2670.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	317615.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	317615.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	317615.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	290151.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	290151.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	2670.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	287481.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				317615.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			290145.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ 290151.				
a Applied to 2009, but not more than line 2a			290145.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				6.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				317609.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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

- 1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling

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

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
AVALON 16H80163	73405.	0.	73405.
AVALON 16H80164	62357.	0.	62357.
TOTAL TO FM 990-PF, PART I, LN 4	135762.	0.	135762.

FORM 990-PF	LEGAL FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	13620.	13620.		0.
TO FM 990-PF, PG 1, LN 16A	13620.	13620.		0.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREP	3325.	3325.		0.
TO FORM 990-PF, PG 1, LN 16B	3325.	3325.		0.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADVISORY FEES	49296.	49296.		0.
TO FORM 990-PF, PG 1, LN 16C	49296.	49296.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
POSTAGE	40.	40.		0.	
BANK FEES	30.	30.		0.	
SUPPLIES	448.	448.		0.	
TO FORM 990-PF, PG 1, LN 23	518.	518.		0.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	6
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
BROKERAGE ACCOUNTS	5401390.	6233582.		
TOTAL TO FORM 990-PF, PART II, LINE 10B	5401390.	6233582.		

FORM 990-PF	LIST OF SUBSTANTIAL CONTRIBUTORS PART VII-A, LINE 10	STATEMENT	7
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NAME OF CONTRIBUTOR	ADDRESS
ESTATE OF L.C. KUNG	200 RIVER POINTE DRIVE CONROE, TX 77304

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 8

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
DR. DAVID MOUTON 5634 CANDLEWOOD HOUSTON, TX 77056	DIRECTOR 0.00	0.	0.	0.
EDDY SCOTT 901 LONGMIRE # 9 CONROE, TX 77304	DIRECTOR 0.00	0.	0.	0.
WILLIAM PANILL 3709 PIPING ROCK HOUSTON, TX 77027	DIRECTOR 0.00	0.	0.	0.
KELLY REED 72 LA JOLLA CIRCLE MONTGOMERY, TX 77356	DIRECTOR 0.00	0.	0.	0.
ELIZABETH GIMMLER 1572 CHAPPARAL MONTGOMERY, TX 77356	DIRECTOR 0.00	0.	0.	0.
DIANE KEIR 7 HOPE VALLEY PLACE THE WOODLANDS, TX 77382	DIRECTOR 0.00	0.	0.	0.
DAVID MYERS 4024 OAKMEADOW PLANO, TX 75093	DIRECTOR 0.00	0.	0.	0.
RENEE J. KELLY 42 THUNDER COVE PLACE THE WOODLANDS, TX 77381	DIRECTOR/ACCOUNTING 3.00	12000.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		12000.	0.	0.

**The Hillcrest Foundation
2010 Donations**

Memorial Sloan Kettering Cancer Center P O Box 21706 New York, NY 10087-7106	N/A	10 00%	\$	29,015.00
Susan G. Komen for the Cure 5005 LBJ Freeway, Suite 250 Dallas, TX 75244	75-1835298	DM	\$	7,500 00
Isabel's Community Outreach Isabel Garcia, President 4576 Hinton Drive Plano, TX 75024	32-0120358	DM	\$	4,000 00
Children's Medical Center of Dallas 2777 Stemmons Freeway, Suite 1025 Dallas, TX 75207-2230	N/A	DM	\$	11,000 00
Beta Upsilon Chi (Religious Fraternity) 741 Kentucky Derby Ln Fort Worth, TX 76179	74-2911848	DM	\$	1,000 00
Presbyterian Children's Homes & Services 4407 Bee Cave Road, Suite 520 Austin TX 74747 512 476 1234	75-0818172	DM	\$	6,000.00
ALS Association, North Dallas Chapter 1231 Greenway Drive, Suite 270 Irving, TX 75038 www.alsanorthtexas.org		DM	\$	3,142 00
Montgomery County Food Bank 111 South Second Street Conroe, TX 77301 www.montgomerycountyfoodbank.org	76-0153892 Guidestar	RK	\$	1,892 00
The Community Clinic 101 Pine Manor Drive Oak Ridge North, TX 77385	75-2634623 Guidestar	RK	\$	2,000 00
Star of Hope Dept NO76 P O Box 1505 Houston, TX 77251-1505 www.sohmission.org	74-1152599 Guidestar	RK	\$	2,000 00
Montgomery County Committee on Aging, Inc. The Friendship Center 1202 Callahan Avenue Conroe, Texas 77301 www.thefriendshipcenter.com	23-7310650 936-756-5828	RK	\$	2,000 00
Houston PBS 4343 Elgin Street Houston, TX 77204-0008	N/A Guidestar	RK	\$	1,000 00

Focus on the Family P O. Box 2816 Omaha, NE 68103-2816		RK	\$	2,750 00
Manresa P O Box 89 Convent, LA 70723-0089		RK	\$	1,000 00
Tomball Bible Church 400 N. Walnut Street Tomball, TX 77375	Africa Water Well Project	RK & DK	\$	20,000.00
Wounder Warrior Project P O Box 758516 Topeka, Kansas 66675-8516	20-2370934	RK	\$	1,642 00
Orbis International 5050 Ambassador Way, Suite 101 Houston, TX 77056		RK	\$	1,000 00
Angelica Thnft Shop 727 W. Davis Street Conroe, TX 77301-4235		ES	\$	3,262 00
CCSC Houston P O Box 27924 Houston, TX 77227	74-2128141	ES	\$	14,690 00
Lupus Foundation of America, Inc. Texas Gulf Coast Chapter 3730 Kirby Drive, Suite 720 Houston, TX 77098-3933		ES	\$	14,690 00
Interfaith of the Woodlands c/o Ann Snyder, CEO 4242 Woodrush Drive The Woodlands, Texas 77381	73-1543300	DK	\$	5,000 00
Shriner's Hospital for Children - Houston Unit c/o Tomball Shrine Club 14107 Spy Glen Lane Cypress, TX 77429	36-2193608	DK	\$	5,000.00
Texas New Community Alliance Kathy Sanders, President 1610 Woodstead Court, #350 The Woodlands, TX 77380	14-1925138 936-522-7279	DK	\$	2,500 00
Montgomery County Women's Center Attn Sarah Raleigh, Exec Director P O Box 8669 The Woodlands, TX 77387	76-0061208 281-292-4155 x 229	DK	\$	2,500.00
Child Advocates of Montgomery County 412 West Phillips, Suite 107 Conroe, TX 77301	76-0333595	DK	\$	2,500 00

2010 BP MS150 National MS Society P.O. Box 4125 Houston, TX 77210	Team IBM	DK	\$	5,000 00
Memorial Hermann Foundation 929 Gessner, Suite 2650 Houston, TX 77210		DK	\$	2,500 00
Montgomery County Youth Services 1600 Lake Front Circle The Woodlands, TX 77380 Attn: Gregory Feede		DK	\$	2,500 00
Disabled Sports USA Inc. Kirk M Bauer, JD 451 Hungerford Drive, Suite 100 Rockville, MD 20850	94-6174016	DK	\$	2,500.00
Red River Fighter Pilots Association P.O. Box 1553 Front Royal, VA 22630-0033	23-7033827 Scholarship Fund	LG	\$	1,000.00
John Hopkins University The Patrick C. Walsh Prostate Cancer Research Fund Brady Urological Institute One Charles Center 100 N. Charles Street Baltimore, Maryland 21201	52-0595110 Research	LG	\$	10,000 00
Houston Audubon Society 440 Wilchester Boulevard Houston, TX 77079	20-8703827 Habitat Conservation-High Island	LG	\$	1,000 00
Gulf Coast Bird Observatory Inc 103 West Highway 332 Lake Jackson, TX 77566	76-0553113 Habitat Conservation	LG	\$	3,000 00
St. Vincent DePaul Society Romero Center Sacred Heart Church 119 N. Frazier Street Conroe, TX 77301	N/A Food, Medical, Utilities	LG	\$	3,000 00
Galveston Bay Area Chapter of Master Naturalists 5115 Highway 3 Dickinson, TX 77539	 Jr master naturalist & educ	LG	\$	3,000 00
The University of Texas M D Anderson Cancer Center P O Box 4486 Houston, TX 77210	 Inflammatory Breast Cancer Research & liver disease	LG	\$	10,000 00
Galveston Bay Foundation 17330 Highway 3	 Oyster Restoration	LG	\$	1,642 00

Webster, TX 77598

Marine Corps Heritage Foundation 3800 Fettler Park Drive, Suite 104 Dumfries, Virginia 22025	52-1147967 National Museum	WP	\$	1,000 00
Ars Lyrica Houston Attn Van Richard Viebig, Treasurer 401 W Alabama Houston, TX 77006	30-0194631	WP	\$	5,000 00
Richmond Battlefields- P.O. Box 13945 Richmond, VA 23225		WP	\$	2,500 00
Central Virginia Battlefields Trust Linda Wandres, Executive Director P O. Box 3417 Fredericksburg, Virginia 22402	54-1828344	WP	\$	2,500 00
The Confederate Memorial Literary Society 1201 E. Clay Street Richmond, Virginia 23219	54-0699599	WP	\$	2,500 00
The Fort Delaware Society John L. Whitehead, Treasurer P.O. Box 553 Delaware City, Delaware 19706	51-6015459 Guidestar	WP	\$	2,000 00
The Jeb Stuart Birthplace Trust Brian Jessup, Treasurer P.O. Box 240 Ararat, Virginia 24053	54-1551645 Guidestar	WP	\$	1,000.00
James Dick Foundation P.O. Box 89 Round Top, TX 78954-0089	74-1732353	WP	\$	2,500 00
Houston Early Music Ed Rinehart, Treasurer P.O. Box 271193 Houston, TX 77277	74-6016764 Guidestar	WP	\$	1,000 00
Civil War Preservation Trust P O Box 17686 Baltimore, MD 21298-8333	54-1426643 Guidestar	WP	\$	2,500.00
Texas Civil War Monuments Fund Texas Historical Commission P O Box 12276 Austin, TX 78711-2276	State Agency Texas Civil War Monument Fund	WP	\$	2,500 00
J S Bach Society Christ the King Lutheran Church Dr Douglas Koch, President 2353 Rice Boulevard Houston, TX 77005	76-0678451	WP	\$	2,000 00

Texas Toot, Inc. Daniel Johnson, Executive Director P O Box 4328 Austin, TX 78765		WP	\$	2,000 00
SNAP Houston Wellness Clinic 1801 Durham Drive, Suite 1 Houston, TX 77007		WP	\$	642 00
Houston Ballet 1921 W Bell Street Houston, TX 77019		WP	\$	1,500 00
Houston Grand Opera 510 Preston Street Houston, TX 77002		WP	\$	1,500 00
Faith in Montgomery County P O Box 445 Conroe, TX 77305	Mammograms for Underserved Women	KR	\$	2,000 00
Laura Bush Institute for Women's Health 1400 Wallace Blvd Amarillo, TX 79106	Mammograms for Underserved Women	KR	\$	8,000 00
Rotary Club of Conroe Foundation P O. Box 1293 Conroe, TX 77305 Children's Dental Fund	76-0594535 Youth dental program	KR	\$	5,642 00
Montgomery United Methodist Church P O Box 1330 Montgomery, TX 77356	Food Pantry	KR	\$	7,000 00
Montgomery County Crime Stoppers Inc. P.O Box 1491 Conroe, TX 77305		KR	\$	10,000 00
St. Thomas High School 4500 Memorial Drive Houston, TX 77007	Indicate Dr Mouton as source of donation	DrM	\$	8,000 00
Duchesne Academy of the Sacred Heart 10202 Memorial Drive Houston, TX 77024	Indicate Dr Mouton as source of donation	DrM	\$	6,000 00
Houston Livestock Show and Rodeo P O Box 20070 Houston, TX 77225-0070 832-667-1000	74-1142851 Guidestar	DrM	\$	17,642 00
Kelsey Research Foundation 5615 Kirby, Suite 650 Houston, TX 77005	713-442-1214	DrM	\$	1,000 00
Total 2010 Contributions to Charity			\$	290,151 00

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
ACCOUNT #16H80163

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
09-05-08	01-06-10	134	AMAZON COM INC COM	10,689.047		17,753.405	7,064.358
08-08-08	01-06-10	476	AMAZON COM INC COM	37,640.651		63,064.335	25,423.684
08-08-08	01-08-10	57	AMAZON COM INC COM	4,507.389		7,522.718	3,015.329
09-26-08	01-08-10	237	AMAZON COM INC COM	16,354.370		31,278.669	14,924.299
10-08-08	01-08-10	59	AMAZON COM INC COM	3,370.139		7,786.673	4,416.534
01-07-09	01-08-10	90	GOOGLE INC CL A	29,034.558		54,012.110	24,977.552
09-05-08	01-25-10	103	BURLINGTON NRTHN SANTA COM	10,217.355		10,222.948	5.593
03-26-08	01-25-10	62	BURLINGTON NRTHN SANTA COM	5,835.040		6,153.619	318.579
05-18-07	01-25-10	173	BURLINGTON NRTHN SANTA COM	16,275.649		17,170.583	894.934
05-18-07	01-28-10	64	BURLINGTON NRTHN SANTA COM	6,021.049		6,367.927	346.878
04-14-08	01-28-10	94	BURLINGTON NRTHN SANTA COM	8,829.420		9,352.893	523.473
04-14-08	02-01-10	41	BURLINGTON NRTHN SANTA COM	3,851.130		4,084.221	233.091
08-13-07	02-01-10	131	BURLINGTON NRTHN SANTA COM	10,787.850		13,049.583	2,261.733
09-20-07	02-01-10	21	BURLINGTON NRTHN SANTA COM	1,716.960		2,091.918	374.958
10-08-08	02-01-10	48	BURLINGTON NRTHN SANTA COM	3,871.560		4,781.526	909.966
10-16-08	02-01-10	120	BURLINGTON NRTHN SANTA COM	9,633.420		11,953.816	2,320.396
12-18-08	02-01-10	5	BURLINGTON NRTHN SANTA COM	370.700		498.076	127.376
09-05-08	02-03-10	101	VISA INC	7,144.206		8,388.189	1,243.983
04-14-08	02-03-10	197	VISA INC	12,946.840		16,361.121	3,414.281
04-14-08	02-04-10	143	PEPSICO INC	10,155.860		8,593.662	(1,562.198)
09-05-08	02-04-10	175	PEPSICO INC	12,051.570		10,516.719	(1,534.851)
08-13-07	02-04-10	344	PEPSICO INC	23,612.160		20,672.866	(2,939.294)
05-19-08	02-04-10	24	PEPSICO INC	1,632.480		1,442.293	(190.187)

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
ACCOUNT #16H80163

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
08-13-07	02-04-10	134	SCHLUMBERGER LTD ADR	12,244.920		8,506.453	(3,738.467)
04-14-08	02-04-10	126	SCHLUMBERGER LTD ADR	11,478.600		7,998.605	(3,479.995)
03-26-08	02-04-10	57	SCHLUMBERGER LTD ADR	4,889.440		3,618.416	(1,271.024)
09-05-08	02-04-10	98	SCHLUMBERGER LTD ADR	8,366.190		6,221.137	(2,145.053)
10-08-08	02-04-10	45	SCHLUMBERGER LTD ADR	2,787.180		2,856.645	69.465
10-16-06	02-04-10	230	SCHLUMBERGER LTD ADR	13,917.621		14,600.628	683.007
10-16-08	02-04-10	112	SCHLUMBERGER LTD ADR	5,873.380		7,109.871	1,236.491
12-18-08	02-04-10	5	SCHLUMBERGER LTD ADR	197.400		317.405	120.005
04-14-08	02-04-10	25	DIAGEO PLC SPON ADR (NEW)	2,101.750		1,615.062	(486.688)
03-26-08	02-04-10	70	DIAGEO PLC SPON ADR (NEW)	5,879.870		4,522.173	(1,357.697)
08-13-07	02-04-10	144	DIAGEO PLC SPON ADR (NEW)	11,914.560		9,302.756	(2,611.804)
05-19-08	02-04-10	36	DIAGEO PLC SPON ADR (NEW)	2,884.680		2,325.689	(558.991)
03-26-08	02-10-10	149	YUM BRANDS INC COM	5,661.221		4,925.013	(736.208)
04-14-08	02-10-10	331	YUM BRANDS INC COM	12,445.600		10,940.800	(1,504.800)
01-11-08	02-10-10	291	YUM BRANDS INC COM	10,924.430		9,618.649	(1,305.781)
09-05-08	02-10-10	257	YUM BRANDS INC COM	9,462.840		8,494.821	(968.019)
01-04-08	02-10-10	662	YUM BRANDS INC COM	24,215.630		21,881.601	(2,334.029)
12-18-08	02-10-10	13	YUM BRANDS INC COM	390.390		429.699	39.309
10-08-08	02-10-10	118	YUM BRANDS INC COM	3,306.700		3,900.346	593.646
10-16-08	02-10-10	294	YUM BRANDS INC COM	8,113.110		9,717.811	1,604.701
03-26-08	04-09-10	14	APPLE INC	2,022.567		3,373.424	1,350.857
09-20-07	04-09-10	30	APPLE INC	4,219.800		7,228.765	3,008.965

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
ACCOUNT #16H80163

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
08-13-07	04-09-10	92	APPLE INC	11,877.200		22,168.211		10,291.011
10-16-08	04-09-10	149	ABBOTT LABS	8,313.993		7,863.080		(450.913)
01-04-10	04-09-10	201	AMGEN INC	11,596.313		12,218.240	621.927	
10-08-08	04-09-10	43	AMAZON COM INC COM	2,456.203		6,015.840		3,559.637
02-03-10	04-09-10	603	BANK OF AMERICA CORP	9,427.785		11,173.400	1,745.615	
09-05-08	04-09-10	43	BECTON DICKINSON & CO.	3,654.876		3,379.706		(275.170)
04-14-08	04-09-10	39	BECTON DICKINSON & CO.	3,293.940		3,065.314		(228.626)
03-09-09	04-09-10	178	BHP BILLITON LTD SPONSORED ADR	6,536.694		14,570.830		8,034.136
02-12-09	04-09-10	450	BRISTOL-MYERS SQUIBB CO	9,934.201		11,812.390		1,878.189
05-19-08	04-09-10	6	CONOCOPHILLIPS	559.200		329.462		(229.738)
03-04-08	04-09-10	143	CONOCOPHILLIPS	11,488.707		7,852.178		(3,636.529)
09-05-08	04-09-10	198	COSTCO WHOLESALE CORP NEW	13,406.384		12,076.060		(1,330.324)
04-14-08	04-09-10	597	CISCO SYS INC	13,945.920		15,850.080		1,904.160
04-14-08	04-09-10	15	CHEVRON CORP	1,339.800		1,190.679		(149.121)
03-26-08	04-09-10	77	CHEVRON CORP	6,598.130		6,112.155		(485.975)
08-13-07	04-09-10	10	CHEVRON CORP	833.900		793.786		(40.114)
05-19-08	04-09-10	86	DIAGEO PLC SPON ADR (NEW)	6,891.180		6,028.200		(862.980)
02-04-10	04-09-10	469	FORD MOTOR CO NEW	5,318.929		5,923.370	604.441	
02-10-10	04-09-10	271	GAP INC DELAWARE	5,390.027		6,706.460	1,316.433	
01-22-09	04-09-10	290	HOME DEPOT INC	6,330.729		9,606.820		3,276.091
10-03-08	04-09-10	512	LOWE'S COMPANIES INC	11,485.336		13,060.900		1,575.564
04-14-08	04-09-10	62	FLUOR CORP NEW COM	4,595.750		3,147.395		(1,448.355)
03-26-08	04-09-10	54	FLUOR CORP NEW COM	3,845.320		2,741.279		(1,104.041)
09-05-08	04-09-10	42	FLUOR CORP NEW COM	2,743.506		2,132.106		(611.400)
08-13-08	04-09-10	163	GENZYME CORPORATION	13,119.415		8,593.217		(4,526.198)

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT

ACCOUNT #16H80163

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
09-23-08	04-09-10	8	GENZYME CORPORATION	619,297		421,753		(197,544)
02-01-10	04-09-10	228	GILEAD SCIENCES INC	10,953,464		10,396,670	(556,794)	
02-03-09	04-09-10	14	GOOGLE INC CL A	4,777,251		7,917,510		3,140,259
10-24-08	04-09-10	176	HJ HEINZ CO	6,975,038		8,049,410		1,074,372
01-22-09	04-09-10	279	HEWLETT-PACKARD CO CMN	9,810,477		14,940,370		5,129,893
10-12-07	04-09-10	10	INTL BUSINESS MACHINES CORP	1,180,610		1,277,290		96,680
04-14-08	04-09-10	111	INTL BUSINESS MACHINES CORP	13,033,620		14,177,924		1,144,304
09-20-07	04-09-10	4	INTL BUSINESS MACHINES CORP	467,920		510,916		42,996
01-10-07	04-09-10	216	INTEL CORP	4,643,958		4,851,278		207,320
10-11-06	04-09-10	521	INTEL CORP	10,966,060		11,701,462		735,402
12-13-07	04-09-10	169	JOHNSON & JOHNSON	11,437,532		10,981,430		(456,102)
10-02-08	04-09-10	548	JP MORGAN CHASE & CO	26,808,982		25,010,300		(1,798,682)
10-08-08	04-09-10	57	COCA COLA CMN	2,710,332		3,100,361		390,029
03-02-07	04-09-10	10	COCA COLA CMN	463,783		543,923		80,140
12-18-08	04-09-10	11	COCA COLA CMN	497,420		598,315		100,895
10-16-08	04-09-10	44	COCA COLA CMN	1,981,215		2,393,261		412,046
02-04-10	04-09-10	328	MACY'S INC COM	5,516,632		7,560,270	2,043,638	
10-02-08	04-09-10	143	MCDONALDS CORP COM	8,853,144		9,780,978		927,834
12-18-08	04-09-10	11	MCDONALDS CORP COM	674,140		752,383		78,243
05-19-08	04-09-10	117	MCDONALDS CORP COM	7,097,616		8,002,619		905,002
07-09-09	04-09-10	93	MEDCO HEALTH SOLUTIONS INC	4,449,129		5,959,950	1,510,821	
03-12-09	04-09-10	122	MONSANTO CO NEW DEL COM	9,705,880		8,390,090		(1,315,790)
03-05-09	04-09-10	438	MORGAN STANLEY	7,799,905		13,490,520		5,690,615
06-27-07	04-09-10	242	MICROSOFT CORP	7,195,384		7,315,560		120,176

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
ACCOUNT #16H80163
From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
09-05-08	04-09-10	46	NORTHERN TR CORP COM	3,659 764		2,657.150	(1,002.614)
07-25-08	04-09-10	213	NORTHERN TR CORP COM	16,301.402		12,303 760	(3,997.642)
10-02-08	04-09-10	156	NOVARTIS AG-ADR	8,124 901		8,265.100	140.199
09-05-08	04-09-10	545	ORACLE CORP	11,052 600		14,126.760	3,074.160
08-14-08	04-09-10	264	OCCIDENTAL PETE CORP	20,231.640		22,711 056	2,479.416
09-26-08	04-09-10	17	OCCIDENTAL PETE CORP	1,289 535		1,462.454	172.919
05-19-08	04-09-10	91	PEPSICO INC	6,189 820		6,017.210	(172.610)
09-17-08	04-09-10	433	PHILIP MORRIS INTL INC COM	22,487.118		22,755 290	268 172
03-10-09	04-09-10	250	TEVA PHARMACEUTICAL INDS ADR	10,771 025		15,764 380	4,993 355
03-06-08	04-09-10	95	UNITED PARCEL SERVICE CL B	6,859.427		6,096 190	(763 237)
05-19-08	04-09-10	129	US BANCORP	4,398 137		3,475.316	(922.821)
03-27-08	04-09-10	147	US BANCORP	4,936.952		3,960.244	(976 708)
10-21-08	04-09-10	142	UNITED TECHNOLOGIES CORP	7,277.599		10,451.600	3,174.001
04-14-08	04-09-10	27	VISA INC	1,774.440		2,486.912	712 472
03-26-08	04-09-10	105	VISA INC	6,611 090		9,671 323	3,060.233
03-19-08	04-09-10	132	VISA INC	7,783 933		12,158 235	4,374 302
10-16-08	04-09-10	54	WELLS FARGO & CO NEW	1,829 439		1,733.911	(95.528)
10-08-08	04-09-10	199	WELLS FARGO & CO NEW	6,203 350		6,389 783	186.433
09-05-08	04-09-10	175	WELLS FARGO & CO NEW	5,378.889		5,619.156	240 267
05-19-08	04-09-10	218	WAL-MART STORES INC	12,319 180		11,990 494	(328 686)
04-14-08	04-09-10	126	WAL-MART STORES INC	6,956 460		6,930 286	(26 174)
08-13-07	04-09-10	277	EXXON MOBIL CORP	23,295 700		19,056 840	(4,238 860)
08-13-07	05-10-10	33	APPLE INC	4,260 300		8,338 806	4,078 506
10-16-08	05-10-10	67	APPLE INC	6,678 122		16,930 304	10,252 182

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT

ACCOUNT #16H80163

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss		
						Proceeds	Short Term	Long Term
10-16-08	05-10-10	13	ABBOTT LABS	725.382		640.824		(84.558)
05-19-08	05-10-10	97	ABBOTT LABS	5,338.880		4,781.536		(557.344)
01-04-10	05-10-10	145	AMGEN INC	8,365.499		8,031.050	(334.449)	
10-08-08	05-10-10	17	AMAZON COM INC COM	971.057		2,219.964		1,248.907
12-18-08	05-10-10	12	AMAZON COM INC COM	624.880		1,567.034		942.154
10-16-08	05-10-10	2	AMAZON COM INC COM	100.258		261.172		160.914
02-03-10	05-10-10	439	BANK OF AMERICA CORP	6,863.677		7,466.820	603.143	
04-14-08	05-10-10	60	BECTON DICKINSON & CO.	5,067.600		4,493.460		(574.140)
03-09-09	05-10-10	132	BHP BILLITON LTD SPONSORED ADR	4,847.436		9,185.030		4,337.594
01-21-10	05-10-10	326	BRISTOL-MYERS SQUIBB CO	8,163.659		7,798.740	(364.919)	
03-04-08	05-10-10	109	CONOCOPHILLIPS	8,757.126		6,115.800		(2,641.326)
03-26-08	05-10-10	121	COSTCO WHOLESALE CORP NEW	8,059.850		6,910.385		(1,149.465)
04-14-08	05-10-10	24	COSTCO WHOLESALE CORP NEW	1,568.400		1,370.655		(197.745)
04-14-08	05-10-10	67	CISCO SYS INC	1,565.120		1,738.372		173.252
09-05-08	05-10-10	370	CISCO SYS INC	8,316.935		9,599.968		1,283.033
08-13-07	05-10-10	75	CHEVRON CORP	6,254.250		5,925.310		(328.940)
05-19-08	05-10-10	3	DIAGEO PLC SPON ADR (NEW)	240.390		194.008		(46.382)
02-28-07	05-10-10	58	DIAGEO PLC SPON ADR (NEW)	4,598.362		3,750.812		(847.550)
02-04-10	05-10-10	354	FORD MOTOR CO NEW	4,014.714		4,265.420	250.706	
09-05-08	05-10-10	47	FLUOR CORP NEW COM	3,070.114		2,269.034		(801.080)
03-17-08	05-10-10	69	FLUOR CORP NEW COM	4,291.576		3,331.136		(960.440)
09-23-08	05-10-10	125	GENZYME CORPORATION	9,676.512		6,401.580		(3,274.932)
02-01-10	05-10-10	167	GILEAD SCIENCES INC	8,022.932		6,360.740	(1,662.192)	
02-03-09	05-10-10	11	GOOGLE INC CL A	3,753.554		5,724.130		1,970.576
02-10-10	05-10-10	200	GAP INC DELAWARE	3,977.880		4,690.840	712.960	

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
ACCOUNT #16H80163

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
01-22-09	05-10-10	212	HOME DEPOT INC	4,627.981		7,411.370		2,783.389
10-24-08	05-10-10	128	HJ HEINZ CO	5,072.755		5,918.360		845.605
01-22-09	05-10-10	205	HEWLETT-PACKARD CO.CMN	7,208.415		10,014.860		2,806.445
03-18-08	05-10-10	54	INTL BUSINESS MACHINES CORP	6,284.640		6,775.724		491.084
03-26-08	05-10-10	37	INTL BUSINESS MACHINES CORP	4,269.031		4,642.626		373.595
10-11-06	05-10-10	538	INTEL CORP	11,323.878		12,049.220		725.342
12-13-07	05-10-10	51	JOHNSON & JOHNSON	3,451.563		3,276.696		(174.867)
05-19-08	05-10-10	72	JOHNSON & JOHNSON	4,793.760		4,625.924		(167.836)
10-02-08	05-10-10	16	JP MORGAN CHASE & CO	782.744		664.098		(118.646)
10-16-08	05-10-10	352	JP MORGAN CHASE & CO	13,835.400		14,610.145		774.745
10-08-08	05-10-10	34	JP MORGAN CHASE & CO	1,335.704		1,411.207		75.503
10-16-08	05-10-10	89	COCA COLA CMN	4,007.458		4,785.840		778.382
10-03-08	05-10-10	375	LOWE'S COMPANIES INC	8,412.112		9,907.520		1,495.408
02-04-10	05-10-10	241	MACY'S INC COM	4,053.379		5,709.600	1,656.221	
05-19-08	05-10-10	63	MCDONALDS CORP COM	3,821.793		4,430.109		608.315
09-05-08	05-10-10	136	MCDONALDS CORP COM	8,165.154		9,563.411		1,398.257
07-09-09	05-10-10	69	MEDCO HEALTH SOLUTIONS INC	3,300.967		4,005.800	704.833	
03-12-09	05-10-10	89	MONSANTO CO NEW DEL COM	7,080.519		5,233.640		(1,846.879)
03-05-09	05-10-10	321	MORGAN STANLEY	5,716.369		9,143.340		3,426.971
06-27-07	05-10-10	55	MICROSOFT CORP	1,635.314		1,583.929		(51.385)
01-07-05	05-10-10	123	MICROSOFT CORP	3,301.320		3,542.241		240.921
07-25-08	05-10-10	189	NORTHERN TR CORP COM	14,464.625		10,295.210		(4,169.415)
10-02-08	05-10-10	114	NOVARTIS AG-ADR	5,937.428		5,493.330		(444.098)
09-05-08	05-10-10	79	ORACLE CORP	1,602.120		1,911.113		308.993
04-14-08	05-10-10	320	ORACLE CORP	6,368.000		7,741.217		1,373.217
09-26-08	05-10-10	206	OCCIDENTAL PETE CORP	15,626.132		17,204.170		1,578.038

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT ACCOUNT #16H80163 From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
05-19-08	05-10-10	66	PEPSICO INC	4,489.320		4,356.410	(132.910)
09-17-08	05-10-10	317	PHILIP MORRIS INTL INC COM	16,462.855		15,233.240	(1,229.615)
03-10-09	05-10-10	183	TEVA PHARMACEUTICAL INDS ADR	7,884.390		10,780.090	2,895.700
03-06-08	05-10-10	69	UNITED PARCEL SERVICE CL B	4,982.110		4,630.970	(351.140)
03-27-08	05-10-10	203	US BANCORP	6,817.696		5,309.880	(1,507.816)
10-21-08	05-10-10	104	UNITED TECHNOLOGIES CORP	5,330.073		7,530.270	2,200.197
03-19-08	05-10-10	193	VISA INC	11,381.054		16,673.550	5,292.496
09-05-08	05-10-10	260	WELLS FARGO & CO NEW	7,991.491		8,427.996	436.505
08-15-08	05-10-10	53	WELLS FARGO & CO NEW	1,591.426		1,718.014	126.588
04-14-08	05-10-10	227	WAL-MART STORES INC	12,532.670		11,829.880	(702.790)
10-08-08	05-10-10	25	WAL-MART STORES INC	1,370.096		1,302.850	(67.246)
01-21-10	05-10-10	201	EXXON MOBIL CORP	13,474.518		12,992.320	(482.198)
02-10-10	07-22-10	1,808	GAP INC DELAWARE	35,960.033		32,990.920	(2,969.113)
02-04-10	07-22-10	2,179	MACY'S INC COM	36,648.599		41,534.740	4,886.141
03-27-08	07-23-10	45	US BANCORP	1,511.312		1,065.195	(446.117)
03-19-08	07-23-10	696	US BANCORP	23,088.480		16,475.019	(6,613.461)
09-05-08	07-23-10	281	US BANCORP	9,127.810		6,651.552	(2,476.258)
04-14-08	07-23-10	361	US BANCORP	11,476.190		8,545.232	(2,930.958)
10-08-08	07-23-10	129	US BANCORP	4,035.970		3,053.560	(982.410)
10-16-08	07-23-10	321	US BANCORP	9,824.170		7,598.392	(2,225.778)
04-14-08	07-23-10	8	BECTON DICKINSON & CO	675.680		532.744	(142.936)
05-19-08	07-23-10	87	BECTON DICKINSON & CO	7,321.920		5,793.589	(1,528.331)
12-14-07	07-23-10	67	BECTON DICKINSON & CO	5,575.997		4,461.729	(1,114.268)

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
ACCOUNT #16H80163

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
12-13-07	07-23-10	241	BECTON DICKINSON & CO.	19,895.130		16,048.907		(3,846.223)
10-08-08	07-23-10	38	BECTON DICKINSON & CO.	2,891.820		2,530.533		(361.287)
10-16-08	07-23-10	95	BECTON DICKINSON & CO.	6,743.340		6,326.333		(417.007)
12-18-08	07-23-10	5	BECTON DICKINSON & CO.	337.090		332.965		(4.125)
07-09-09	07-23-10	618	MEDCO HEALTH SOLUTIONS INC	29,565.179		30,969.560		1,404.381
06-03-09	07-28-10	323	APPLE INC	45,207.210		84,579.252		39,372.042
10-16-08	07-28-10	8	APPLE INC	797.388		2,094.842		1,297.454
10-08-08	07-28-10	22	APPLE INC	1,989.205		5,760.816		3,771.611
03-12-09	10-06-10	86	MONSANTO CO NEW DEL COM	6,841.850		4,208.993		(2,632.857)
01-21-09	10-06-10	726	MONSANTO CO NEW DEL COM	56,162.920		35,531.727		(20,631.193)
07-08-09	10-06-10	746	MORGAN STANLEY	18,890.806		18,922.864		32.058
03-05-09	10-06-10	1,133	MORGAN STANLEY	20,176.466		28,739.416		8,562.950
03-09-09	10-06-10	1,033	MORGAN STANLEY	17,372.890		26,202.840		8,829.950
02-03-10	10-26-10	3,974	BANK OF AMERICA CORP	62,132.698		44,955.510	(17,177.188)	
02-01-10	10-27-10	82	GILEAD SCIENCES INC	3,939.404		3,220.750	(718.654)	
01-27-10	10-27-10	313	GILEAD SCIENCES INC	15,007.820		12,293.838	(2,713.982)	
01-22-09	10-27-10	1,115	GILEAD SCIENCES INC	54,200.038		43,794.342		(10,405.696)
10-03-08	10-28-10	422	LOWE'S COMPANIES INC	9,466.430		9,006.087		(460.343)
10-08-08	10-28-10	195	LOWE'S COMPANIES INC	3,803.750		4,161.580		357.830
10-09-08	10-28-10	1,324	LOWE'S COMPANIES INC	24,882.196		28,256.063		3,373.867
10-09-08	10-29-10	482	LOWE'S COMPANIES INC	9,058.322		10,280.020		1,221.698
10-09-08	11-01-10	382	LOWE'S COMPANIES INC	7,179.002		8,182.112		1,003.110
10-16-08	11-01-10	595	LOWE'S COMPANIES INC	10,899.570		12,744.388		1,844.818
02-04-10	11-11-10	1,033	CISCO SYS INC	24,315.270		21,431.808	(2,883.462)	
01-22-10	11-11-10	867	CISCO SYS INC	20,111.370		17,987.782	(2,123.588)	
09-05-08	11-11-10	193	CISCO SYS INC	4,338.293		4,004.200		(334.093)

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
ACCOUNT #16H80163

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
09-05-08	11-17-10	266	CISCO SYS INC	5,979,202		5,207,260		(771,942)
10-08-08	11-17-10	172	CISCO SYS INC	3,108,230		3,367,101		258,871
08-12-05	11-17-10	977	CISCO SYS INC	17,423,818		19,125,914		1,702,096
10-16-08	11-17-10	430	CISCO SYS INC	7,550,330		8,417,752		867,422
12-18-08	11-17-10	20	CISCO SYS INC	330,800		391,523		60,723
09-23-08	11-17-10	129	GENZYME CORPORATION	9,986,161		8,996,540		(989,621)
01-08-08	11-17-10	326	GENZYME CORPORATION	25,072,240		22,735,441		(2,336,799)
09-05-08	11-17-10	142	GENZYME CORPORATION	10,794,840		9,903,168		(891,672)
04-14-08	11-17-10	113	GENZYME CORPORATION	8,301,120		7,880,690		(420,430)
03-26-08	11-17-10	52	GENZYME CORPORATION	3,815,810		3,626,512		(189,298)
10-08-08	11-17-10	80	GENZYME CORPORATION	5,544,990		5,579,249		34,259
05-19-08	11-17-10	93	GENZYME CORPORATION	6,395,610		6,485,878		90,268
10-16-08	11-17-10	198	GENZYME CORPORATION	12,974,760		13,808,642		833,882
03-19-08	12-01-10	319	VISA INC	18,811,172		23,965,646		5,154,474
04-08-09	12-01-10	393	VISA INC	22,563,425		29,525,074		6,961,649
04-08-09	12-22-10	472	VISA INC	27,099,075		32,226,291		5,127,216
12-18-08	12-22-10	9	VISA INC	493,120		614,484		121,364
03-05-09	12-22-10	278	VISA INC	15,022,590		18,980,739		3,958,149
10-16-08	12-22-10	199	VISA INC	10,306,090		13,586,933		3,280,843
10-08-08	12-22-10	80	VISA INC	3,963,090		5,462,083		1,498,993
TOTAL GAINS							16,656,880	331,679,159
TOTAL LOSSES							(31,986,539)	(145,979,213)
TOTAL REALIZED GAIN/LOSS				2,155,130,724	0.000	2,325,501,010	(15,329,660)	185,699,945

170,370,286

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
09-10-09	01-08-10	40,000	UNITED STATES TREAS NTS	41,243 749	(38 267)	40,146.870	(1,058 612)	
08-25-03	01-15-10	2	3.750% Due 11-15-18 FHLMC PC GUAR ADJ 30YR	1,919	0.000	1,790		(0.129)
08-18-03	01-15-10	131	2.747% Due 12-01-32 FHLMC PC GOLD GUAR 20	131.080	0.000	131.080		0.000
07-08-09	01-15-10	568	5.500% Due 07-01-23 FHLMC REMIC SERIES 2777	595 900	0.000	568.200	(27.700)	
10-02-07	01-19-10	123	5.000% Due 04-15-15 GNMA REMIC TRUST 2007-52	119 388	0.000	123 120		3.732
07-30-08	01-19-10	15	4.054% Due 06-16-27 GNMA REMIC TRUST 2007-52	15.307	0.000	15.390		0.083
05-05-06	01-19-10	187	4.054% Due 06-16-27 GNMA REMIC TRUST 2003-49	175.082	0.000	187.340		12.258
03-23-09	01-25-10	528	2.212% Due 10-16-17 FNMA REMIC TRUST 2003-80	550 786	0.000	527 699	(23.087)	
08-19-09	01-25-10	555	5.000% Due 04-25-16 FNMA REMIC TRUST 2003-80	585 541	0.000	554 691	(30 850)	
04-02-09	01-25-10	186	5.000% Due 04-25-16 FNR 2008-54	194 580	0.000	186 201	(8 379)	
08-03-09	01-25-10	216	5.000% Due 07-25-19 FNR 2008-54	225.251	0.000	215 809	(9.442)	
08-13-08	01-25-10	1,580	5.000% Due 07-25-19 FNMA PASS-THRU INT 15 YEAR	1,580 380	0.000	1,579 640		(0.740)
			5.500% Due 12-01-22					

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
12-08-09	02-04-10	50,000	UNITED STATES TREAS NTS	50,347.660	(19,060)	50,265.623	(62,977)
11-24-09	02-04-10	75,000	1.375% Due 10-15-12 UNITED STATES TREAS NTS	75,439.450	(29,494)	75,398.435	(11,521)
12-16-09	02-04-10	5,000	1.375% Due 10-15-12 UNITED STATES TREAS NTS	5,021.875	(1,041)	5,026.562	5,728
08-25-03	02-16-10	2	1.375% Due 10-15-12 FHLMC PC GUAR ADJ 30YR	2,401	0.000	2,240	(0,161)
08-18-03	02-16-10	160	2.747% Due 12-01-32 FHLMC PC GOLD GUAR 20	160,170	0.000	160,170	0,000
07-08-09	02-16-10	571	5.500% Due 07-01-23 FHLMC REMIC SERIES 2777	598,375	0.000	570,560	(27,815)
10-02-07	02-16-10	124	5.000% Due 04-15-15 GNMA REMIC TRUST 2007-52	119,948	0.000	123,698	3,750
07-30-08	02-16-10	15	4.054% Due 06-16-27 GNMA REMIC TRUST 2007-52	15,379	0.000	15,462	0.083
05-05-06	02-16-10	188	4.054% Due 06-16-27 GNMA REMIC TRUST 2003-49	175,895	0.000	188,210	12,315
12-16-09	02-19-10	70,000	2.212% Due 10-16-17 UNITED STATES TREAS NTS	70,306.250	(18,943)	70,092.970	(194,337)
03-23-09	02-25-10	530	1.375% Due 10-15-12 FNMA REMIC TRUST 2003-80	553,081	0.000	529,898	(23,183)
			5.000% Due 04-25-16				

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
08-19-09	02-25-10	557	FNMA REMIC TRUST 2003-80	587,981	0.000	557,002	(30,979)
			5.000% Due 04-25-16				
04-02-09	02-25-10	187	FNR 2008-54	195,388	0.000	186,974	(8,414)
			5.000% Due 07-25-19				
08-03-09	02-25-10	217	FNR 2008-54	226,187	0.000	216,706	(9,481)
			5.000% Due 07-25-19				
08-13-08	02-25-10	1,123	FNMA PASS-THRU INT 15 YEAR	1,123,346	0.000	1,122,820	(0,526)
			5.500% Due 12-01-22				
01-08-09	03-04-10	6,073	VANGUARD FXD INC SECS INTRM INVGRDAD	52,838,919		59,701,903	6,862,984
02-02-09	03-04-10	114,797	VANGUARD FXD INC SECS INTRM INVGRDAD	991,850		1,128,454	136,604
03-02-09	03-04-10	164,554	VANGUARD FXD INC SECS INTRM INVGRDAD	1,393,770		1,617,566	223,796
12-01-09	03-04-10	85,365	VANGUARD FXD INC SECS INTRM INVGRDAD	837,430		839,138	1,708
03-01-10	03-04-10	45,657	VANGUARD FXD INC SECS INTRM INVGRDAD	447,900		448,808	0,908
02-01-10	03-04-10	46,697	VANGUARD FXD INC SECS INTRM INVGRDAD	457,630		459,031	1,401
01-04-10	03-04-10	17,962	VANGUARD FXD INC SECS INTRM INVGRDAD	173,150		176,566	3,416
01-04-10	03-04-10	48,938	VANGUARD FXD INC SECS INTRM INVGRDAD	470,780		481,061	10,281
05-01-09	03-04-10	174,587	VANGUARD FXD INC SECS INTRM INVGRDAD	1,511,920		1,716,190	204,270
04-28-09	03-04-10	4,640,371	VANGUARD FXD INC SECS INTRM INVGRDAD	40,000,000		45,614,846	5,614,846
04-01-09	03-04-10	179,296	VANGUARD FXD INC SECS INTRM INVGRDAD	1,522,220		1,762,479	240,259
03-30-09	03-04-10	35,506	VANGUARD FXD INC SECS INTRM INVGRDAD	301,090		349,024	47,934

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
03-30-09	03-04-10	75.449	VANGUARD FXD INC SECS INTRM INVGRDAD	639.810		741.664	101.854	
08-25-03	03-15-10	2	FHLMC PC GUAR ADJ 30YR	2.434	0.000	2.270		(0.164)
08-18-03	03-15-10	4,577	FHLMC PC GOLD 2.747% Due 12-01-32	4,577.330	0.000	4,577.330		0.000
07-08-09	03-15-10	573	FHLMC REMIC SERIES 2777 5.500% Due 07-01-23	600.871	0.000	572.940	(27.931)	
08-01-07	03-16-10	3,400	GNMA REMIC TRUST 2003-96 5.000% Due 04-15-15	3,305.665	0.000	3,399.960		94.295
10-02-07	03-16-10	124	GNMA REMIC TRUST 2007-52 4.891% Due 04-16-31	120.517	0.000	124.284		3.767
07-30-08	03-16-10	16	GNMA REMIC TRUST 2007-52 4.054% Due 06-16-27	15.452	0.000	15.536		0.084
05-05-06	03-16-10	189	GNMA REMIC TRUST 2003-49 4.054% Due 06-16-27	176.718	0.000	189.090		12.372
03-23-09	03-25-10	532	FNMA REMIC TRUST 2003-80 2.212% Due 10-16-17	555.386	0.000	532.106		(23.280)
08-19-09	03-25-10	559	FNMA REMIC TRUST 2003-80 5.000% Due 04-25-16	590.432	0.000	559.324	(31.108)	
04-02-09	03-25-10	188	FNR 2008-54 5.000% Due 04-25-16	196.206	0.000	187.757	(8.449)	
08-03-09	03-25-10	218	FNR 2008-54 5.000% Due 07-25-19	227.134	0.000	217.613	(9.521)	

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
08-13-08	03-25-10	1,271	FNMA PASS-THRU INT 15 YEAR	1,271.196	0.000	1,270.600		(0.596)
08-18-03	04-01-10	2,725	5.500% Due 12-01-22 FHLMC PC GOLD GUAR 20	2,724.880	0.000	2,724.880		0.000
07-08-09	04-01-10	575	5.500% Due 07-01-23 FHLMC REMIC SERIES 2777	603.377	0.000	575.330	(28.047)	
08-01-07	04-01-10	5,024	5.000% Due 04-15-15 GNMA REMIC TRUST 2003-96	4,884.323	0.000	5,023.650		139.327
10-02-07	04-01-10	125	4.891% Due 04-16-31 GNMA REMIC TRUST 2007-52	121.077	0.000	124.862		3.785
07-30-08	04-01-10	16	4.054% Due 06-16-27 GNMA REMIC TRUST 2007-52	15.524	0.000	15.608		0.084
05-05-06	04-01-10	190	4.054% Due 06-16-27 GNMA REMIC TRUST 2003-49	177.540	0.000	189.970		12.430
03-23-09	04-01-10	534	2.212% Due 10-16-17 FNMA REMIC TRUST 2003-80	557.701	0.000	534.325		(23.376)
08-19-09	04-01-10	562	5.000% Due 04-25-16 FNMA REMIC TRUST 2003-80	592.893	0.000	561.655	(31.238)	
04-02-09	04-01-10	189	5.000% Due 04-25-16 FNR 2008-54	197.019	0.000	188.535	(8.484)	
08-03-09	04-01-10	219	5.000% Due 07-25-19 FNR 2008-54	228.075	0.000	218.515	(9.560)	
08-13-08	04-01-10	2,155	5.000% Due 07-25-19 FNMA PASS-THRU INT 15 YEAR	2,155.720	0.000	2,154.710		(1.010)
			5.500% Due 12-01-22					

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
08-25-03	04-15-10	2	FHLMC PC GUAR ADJ 30YR	2,273	0.000	2,120		(0.153)
03-23-09	05-01-10	537	2.747% Due 12-01-32 FNMA REMIC TRUST	560.022	0.000	536.548		(23,474)
08-19-09	05-01-10	564	5.000% Due 04-25-16 FNMA REMIC TRUST	595.360	0.000	563.992	(31.368)	
04-02-09	05-01-10	189	5.000% Due 04-25-16 FNR 2008-54	197.842	0.000	189.323		(8.519)
08-03-09	05-01-10	219	5.000% Due 07-25-19 FNR 2008-54	229.027	0.000	219.427	(9.600)	
08-13-08	05-01-10	1,131	5.000% Due 07-25-19 FNMA PASS-THRU INT	1,131.760	0.000	1,131.230		(0.530)
08-18-03	05-01-10	113	5.500% Due 12-01-22 FHLMC PC GOLD	112.980	0.000	112.980		0.000
07-08-09	05-01-10	578	5.500% Due 07-01-23 FHLMC REMIC SERIES	605.894	0.000	577.730	(28.164)	
08-01-07	05-01-10	8,293	5.000% Due 04-15-15 GNMA REMIC TRUST	8,063.389	0.000	8,293.400		230.011
10-02-07	05-01-10	125	4.891% Due 04-16-31 GNMA REMIC TRUST	121.646	0.000	125.449		3.803
07-30-08	05-01-10	16	4.054% Due 06-16-27 GNMA REMIC TRUST	15.596	0.000	15.681		0.085
05-05-06	05-01-10	191	4.054% Due 06-16-27 GNMA REMIC TRUST	178.363	0.000	190.850		12.487
			2.212% Due 10-16-17					

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
07-23-09	05-05-10	70,000	UNITED STATES TREAS NTS	69,786.720	55.083	70,853.130	1,011.327	
08-25-03	05-17-10	2	1.500% Due 07-15-12 FHLMC PC GUAR ADJ 30YR	2.444	0.000	2.280		(0.164)
07-10-09	06-09-10	75,000	2.747% Due 12-01-32 OKLAHOMA AGRIC & MECHANICAL CO TAXABLE-B	75,000.000	0.000	75,153.000	153.000	
05-03-10	06-09-10	69,766	2.553% Due 08-01-11 GNMA 2010-39	72,535.286	0.000	72,208.260	(327.026)	
03-23-09	06-09-10	43,084	5.000% Due 12-16-39 FNMA REMIC TRUST 2003-80	44,969.243	0.000	45,723.220		753.977
08-19-09	06-09-10	44,183	5.000% Due 04-25-16 FNMA REMIC TRUST 2003-80	46,639.880	0.000	46,888.760	248.880	
08-25-03	06-15-10	2	5.000% Due 04-25-16 FHLMC PC GUAR ADJ 30YR	2.187	0.000	2.040		(0.147)
08-18-03	06-15-10	2,090	2.747% Due 12-01-32 FHLMC PC GOLD GUAR 20	2,089.870	0.000	2,089.870		0.000
07-08-09	06-15-10	580	5.500% Due 07-01-23 FHLMC REMIC SERIES 2777	608.411	0.000	580.130	(28.281)	
08-01-07	06-16-10	1,750	5.000% Due 04-15-15 GNMA REMIC TRUST 2003-96	1,701.805	0.000	1,750.350		48.545
10-02-07	06-16-10	126	4.891% Due 04-16-31 GNMA REMIC TRUST 2007-52	122.224	0.000	126.044		3.820
			4.054% Due 06-16-27					

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164
From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
07-30-08	06-16-10	16	GNMA REMIC TRUST 2007-52	15,670	0.000	15,756		0.086
05-05-06	06-16-10	192	4.054% Due 06-16-27 GNMA REMIC TRUST 2003-49	179,185	0.000	191,730		12,545
05-03-10	06-16-10	78	2.212% Due 10-16-17 GNMA 2010-39	81,284	0.000	78,180	(3,104)	
08-19-09	06-25-10	1,106	5.000% Due 12-16-39 FNMA REMIC TRUST 2003-80	1,166,990	0.000	1,105,130	(61,860)	
05-03-10	06-25-10	540	5.000% Due 04-25-16 FNMA REMIC TRUST 2003-74	562,680	0.000	540,470	(22,210)	
04-02-09	06-25-10	190	4.500% Due 08-25-18 FNR 2008-54	198,665	0.000	190,110	(8,555)	
08-03-09	06-25-10	220	5.000% Due 07-25-19 FNR 2008-54	229,980	0.000	220,340	(9,640)	
08-13-08	06-25-10	2,575	5.000% Due 07-25-19 FNMA PASS-THRU INT 15 YEAR	2,575,827	0.000	2,574,620	(1,207)	
05-19-10	07-08-10	150,000	5.500% Due 12-01-22 UNITED STATES TREAS NTS	153,234,378	(64,930)	156,023,440	2,853,992	
08-25-03	07-15-10	2	3.000% Due 08-31-16 FHLMC PC GUAR ADJ 30YR	2,176	0.000	2,030	(0,146)	
08-18-03	07-15-10	106	2.747% Due 12-01-32 FHLMC PC GOLD GUAR 20	105,640	0.000	105,640	0.000	
03-25-09	07-15-10	281	5.500% Due 07-01-23 FREDDIE MAC- FHR 2541 5.000% Due 12-15-17	295,823	0.000	280,900	(14,923)	

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
07-08-09	07-15-10	583	FHLMC REMIC SERIES 2777	610 949	0.000	582.550	(28 399)
08-01-07	07-16-10	3,091	5.000% Due 04-15-15 GNMA REMIC TRUST 2003-96	3,004.914	0.000	3,090.630	85 716
10-02-07	07-16-10	127	4.891% Due 04-16-31 GNMA REMIC TRUST 2007-52	122.793	0.000	126.631	3.838
07-30-08	07-16-10	16	4.054% Due 06-16-27 GNMA REMIC TRUST 2007-52	15.743	0.000	15 829	0 086
05-05-06	07-16-10	2,675	4.054% Due 06-16-27 GNMA REMIC TRUST 2003-49	2,499 891	0.000	2,674 910	175 019
03-25-09	07-21-10	49,719	2.212% Due 10-16-17 FREDDIE MAC- FHR 2541	52,360 427	0.000	53,151.896	791 469
05-03-10	07-26-10	1,172	5.000% Due 12-15-17 FNMA REMIC TRUST 2003-74	1,220 235	0.000	1,172.070	(48 165)
04-02-09	07-26-10	191	4.500% Due 08-25-18 FNR 2008-54	199 493	0.000	190.902	(8.591)
08-03-09	07-26-10	221	5.000% Due 07-25-19 FNR 2008-54	230 938	0.000	221 258	(9 680)
08-13-08	07-26-10	805	5.000% Due 07-25-19 FNMA PASS-THRU INT 15 YEAR	805 788	0.000	805 410	(0 378)
08-19-09	08-03-10	40,000	5.500% Due 12-01-22 FNMA REMIC TRUST 2003-16	42,250.000	0.000	43,762 501	1,512.501
05-08-09	08-03-10	75,000	5.000% Due 03-25-18 FNMA REMIC TRUST 2003-16	79,042 950	0.000	82,054 689	3,011.739
			5.000% Due 03-25-18				

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
04-02-09	08-03-10	25,564	FNR 2008-54	26,714,378	0.000	27,784,869		1,070,491
			5.000% Due 07-25-19					
08-03-09	08-03-10	29,215	FNR 2008-54	30,493,301	0.000	31,753,201	1,259,900	
			5.000% Due 07-25-19					
08-25-03	08-16-10	51	FHLMC PC GUAR ADJ 30YR	54,665	0.000	50,990		(3,675)
			2.747% Due 12-01-32					
08-18-03	08-16-10	109	FHLMC PC GOLD GUAR 20	109,080	0.000	109,080		0.000
			5.500% Due 07-01-23					
07-08-09	08-16-10	585	FHLMC REMIC SERIES 2777	613,498	0.000	584,980		(28,518)
			5.000% Due 04-15-15					
08-01-07	08-16-10	158	GNMA REMIC TRUST 2003-96	153,317	0.000	157,690		4,373
			4.891% Due 04-16-31					
10-02-07	08-16-10	127	GNMA REMIC TRUST 2007-52	123,370	0.000	127,227		3,857
			4.054% Due 06-16-27					
07-30-08	08-16-10	16	GNMA REMIC TRUST 2007-52	15,817	0.000	15,903		0.086
			4.054% Due 06-16-27					
05-05-06	08-16-10	190	GNMA REMIC TRUST 2003-49	178,026	0.000	190,490		12,464
			2.212% Due 10-16-17					
02-03-10	08-17-10	70,000	FEDERAL HOME LN MTG CORP	70,000,000	0.000	70,000,000	0.000	
			3.000% Due 02-17-15					
05-03-10	08-25-10	929	FNMA REMIC TRUST 2003-74	967,062	0.000	928,890	(38,172)	
			4.500% Due 08-25-18					
08-03-09	08-25-10	414	FNR 2008-54	432,006	0.000	413,880		(18,126)
			5.000% Due 07-25-19					

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
08-13-08	08-25-10	921	FNMA PASS-THRU INT 15 YEAR	921.882	0.000	921.450	(0.432)
05-19-10	08-31-10	100,000	5.500% Due 12-01-22 UNITED STATES TREAS NTS	102,156.252	(90.210)	107,546.875	5,480.833
11-25-09	08-31-10	100,000	3.000% Due 08-31-16 UNITED STATES TREAS NTS	101,515.620	(157.417)	107,546.875	6,188.672
04-29-10	09-09-10	100,000	3.000% Due 08-31-16 FEDERAL NATL MTG ASSN	100,312.500	(312.500)	100,000.000	0.000
08-25-03	09-15-10	22	3.000% Due 03-09-15 FHLMC PC GUAR ADJ 30YR	23.200	0.000	21.640	(1.560)
08-18-03	09-15-10	107	2.747% Due 12-01-32 FHLMC PC GOLD GUAR 20	106.680	0.000	106.680	0.000
07-08-09	09-15-10	587	5.500% Due 07-01-23 FHLMC REMIC SERIES 2777	616.057	0.000	587.420	(28.637)
08-01-07	09-16-10	434	5.000% Due 04-15-15 GNMA REMIC TRUST 2003-96	422.440	0.000	434.490	12.050
10-02-07	09-16-10	128	4.891% Due 04-16-31 GNMA REMIC TRUST 2007-52	123.896	0.000	127.769	3.873
07-30-08	09-16-10	16	4.054% Due 06-16-27 GNMA REMIC TRUST 2007-52	15.885	0.000	15.971	0.086
05-05-06	09-16-10	4,553	4.054% Due 06-16-27 GNMA REMIC TRUST 2003-49	4,254.762	0.000	4,552.640	297.878
			2.212% Due 10-16-17				

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
05-03-10	09-27-10	1,139	FNMA REMIC TRUST 2003-74	1,186,316	0.000	1,139,490	(46,826)	
08-13-08	09-27-10	1,847	4.500% Due 08-25-18 FNMA PASS-THRU INT 15 YEAR	1,847,586	0.000	1,846,720		(0.866)
08-13-08	10-13-10	43,546	5.500% Due 12-01-22 FNMA PASS-THRU INT 15 YEAR	43,566,691	0.000	47,166,070	3,599,379	
08-25-03	10-15-10	2	5.500% Due 12-01-22 FHLMC PC GUAR ADJ 30YR	2,251	0.000	2,100		(0.151)
08-18-03	10-15-10	107	2.747% Due 12-01-32 FHLMC PC GOLD GUAR 20	107,200	0.000	107,200	0.000	
07-08-09	10-15-10	590	5.500% Due 07-01-23 FHLMC REMIC SERIES 2777	618,616	0.000	589,860	(28,756)	
08-01-07	10-18-10	2,313	5.000% Due 04-15-15 GNMA REMIC TRUST 2003-96	2,248,666	0.000	2,312,810	64,144	
10-02-07	10-18-10	128	4.891% Due 04-16-31 GNMA REMIC TRUST 2007-52	124,482	0.000	128,373	3,891	
07-30-08	10-18-10	16	4.054% Due 06-16-27 GNMA REMIC TRUST 2007-52	15,960	0.000	16,047	0.087	
04-27-07	10-18-10	7,859	4.054% Due 06-16-27 GNMA REMIC TRUST 2004-78	7,631,035	0.000	7,859,450	228,415	
05-05-06	10-18-10	1,845	4.259% Due 10-16-21 GNMA REMIC TRUST 2003-49	1,724,525	0.000	1,845,260	120,735	
			2.212% Due 10-16-17					

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
05-03-10	10-25-10	1,463	FNMA REMIC TRUST 2003-74	1,522,641	0.000	1,462,540	(60,101)	
08-13-08	10-25-10	1,919	4.500% Due 08-25-18 FNMA PASS-THRU INT 15 YEAR	1,919,939	0.000	1,919,060		(0.879)
02-03-10	10-29-10	70,000	5.500% Due 12-01-22 FEDERAL NATL MTG ASSN	70,364,000	(364,000)	70,000,000	0.000	
06-29-10	11-01-10	75,000	3.000% Due 10-29-14 UNITED STATES TREAS NTS	76,426,760	(48,556)	79,458,982	3,080.778	
07-15-10	11-01-10	25,000	3.125% Due 05-15-19 UNITED STATES TREAS NTS	25,456,054	(13,596)	26,486,328	1,043.870	
08-25-03	11-15-10	3	3.125% Due 05-15-19 FHLMC PC GUAR ADJ 30YR	2,884	0.000	2,690		(0.194)
08-18-03	11-15-10	108	2.747% Due 12-01-32 FHLMC PC GOLD GUAR 20	107,870	0.000	107,870	0.000	
07-08-09	11-15-10	592	5.500% Due 07-01-23 FHLMC REMIC SERIES 2777	621,196	0.000	592,320		(28.876)
05-18-05	11-15-10	30,000	5.000% Due 04-15-15 UPPER UAMPA WTR CONS COLO	30,333,000	(333,000)	30,000,000	0.000	
08-01-07	11-16-10	6,124	4.540% Due 11-15-10 GNMA REMIC TRUST 2003-96	5,954,544	0.000	6,124,400	169,856	
10-02-07	11-16-10	127	4.891% Due 04-16-31 GNMA REMIC TRUST 2007-52	123,267	0.000	127,120		3,853
			4.054% Due 06-16-27					

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
07-30-08	11-16-10	16	GNMA REMIC TRUST 2007-52	15,804	0.000	15,890		0.086
04-27-07	11-16-10	3,885	4.054% Due 06-16-27 GNMA REMIC TRUST 2004-78	3,771.616	0.000	3,884.510		112.894
05-05-06	11-16-10	3,676	4.259% Due 10-16-21 GNMA REMIC TRUST 2003-49	3,435.630	0.000	3,676.160		240.530
07-15-10	11-19-10	35,000	2.212% Due 10-16-17 UNITED STATES TREAS NTS	35,638.476	(22.194)	36,464.260	847.977	
05-03-10	11-26-10	1,586	3.125% Due 05-15-19 FNMA REMIC TRUST 2003-74	1,650.821	0.000	1,585.660	(65.161)	
05-05-10	11-30-10	100,000	4.500% Due 08-25-18 UNITED STATES TREAS NTS	100,828.127	(61.543)	106,937.500	6,170.916	
08-25-03	12-01-10	15	3.125% Due 04-30-17 FHLMC PC GUAR ADJ 30YR	16.370	0.000	15.270	(1.100)	
08-18-03	12-01-10	108	2.747% Due 12-01-32 FHLMC PC GOLD GUAR 20	108.350	0.000	108.350	0.000	
07-08-09	12-01-10	595	5.500% Due 07-01-23 FHLMC REMIC SERIES 2777	623.786	0.000	594.790	(28.996)	
05-03-10	12-01-10	1,816	5.000% Due 04-15-15 FNMA REMIC TRUST 2003-74	1,890.637	0.000	1,816.010	(74.627)	
08-01-07	12-01-10	8,755	4.500% Due 08-25-18 GNMA REMIC TRUST 2003-96	8,511.769	0.000	8,754.570	242.801	
			4.891% Due 04-16-31					

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
10-02-07	12-01-10	131	GNMA REMIC TRUST 2007-52	127,456	0.000	131,440		3,984
07-30-08	12-01-10	16	4 054% Due 06-16-27 GNMA REMIC TRUST 2007-52	16,341	0.000	16,430		0.089
04-27-07	12-01-10	511	4 054% Due 06-16-27 GNMA REMIC TRUST 2004-78	496,479	0.000	511,340		14,861
05-05-06	12-01-10	180	4.259% Due 10-16-21 GNMA REMIC TRUST 2003-49	168,671	0.000	180,480		11,809
09-10-09	12-16-10	10,000	2.212% Due 10-16-17 UNITED STATES TREAS NTS	10,310,937	(37,413)	10,477,340		203,816
06-04-10	12-16-10	60,000	3.750% Due 11-15-18 UNITED STATES TREAS NTS	59,826,560	9,042	59,531,250	(304,352)	
07-15-10	12-16-10	40,000	3.125% Due 05-15-19 UNITED STATES TREAS NTS	40,729,687	(30,789)	39,687,500	(1,011,398)	
11-03-10	12-21-10	125,000	3.125% Due 05-15-19 UNITED STATES TREAS NTS	125,434,570	(7,770)	119,375,000	(6,051,800)	
09-10-09	12-21-10	20,000	1.875% Due 09-30-17 UNITED STATES TREAS NTS	20,621,874	(75,653)	21,274,220		727,998
11-10-09	12-21-10	50,000	3.750% Due 11-15-18 UNITED STATES TREAS NTS	51,373,040	(147,681)	53,185,550		1,960,191
TOTAL GAINS							36,085,250	21,769,552
TOTAL LOSSES							(9,912,649)	(315,933)
TOTAL REALIZED GAIN/LOSS		47,626,220		2,219,887,106	(1,809,930)	2,265,703,396	26,172,601	21,453,619

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on **e-file for Charities & Nonprofits**.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization THE HILLCREST FOUNDATION	Employer identification number 31-1501699
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 132961	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. THE WOODLANDS, TX 77393	

Enter the Return code for the return that this application is for (file a separate application for each return)

04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

RENEE J. KELLY

- The books are in the care of ► **42 THUNDER COVE PLACE THE WOODLANDS, TEXAS - 77381**

Telephone No. ► **281-684-2511**

FAX No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ☐ . If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2011**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
► ☒ calendar year **2010** or
► ☐ tax year beginning , and ending

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	1742.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA **For Paperwork Reduction Act Notice, see Instructions.**

Form **8868** (Rev. 1-2011)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing your return. See instructions.	Name of exempt organization	Employer identification number
	THE HILLCREST FOUNDATION	31-1501699
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 132961	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. THE WOODLANDS, TX 77393	

Enter the Return code for the return that this application is for (file a separate application for each return)

04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

RENEE J. KELLY

- The books are in the care of **42 THUNDER COVE PLACE THE WOODLANDS, TEXAS - 77381**
Telephone No. **281-684-2511** FAX No.

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2011.**5 For calendar year **2010**, or other tax year beginning , and ending .6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

7 State in detail why you need the extension

INFORMATION NEEDED FROM THIRD PARTIES HAS NOT BEEN RECEIVED; THUS, A COMPLETE AND ACCURATE RETURN CANNOT BE FILED.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	1742.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete, and that I am authorized to prepare this form

Signature ▶

Title ▶

Date ▶

Form 8868 (Rev. 1-2011)