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

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

2010

For calendar year 2010, or tax year beginning **May 1**, 2010, and ending **April 30**, 2011

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 HILLIARD FOUNDATION, INC.		A Employer identification number 16-1176159
Number and street (or P O box number if mail is not delivered to street address) 100 WEST FOURTH ST.		B Telephone number (see page 10 of the instructions) 607-733-7121
City or town, state, and ZIP code ELMIRA, NY 14901		C If exemption application is pending, check here ► <input type="checkbox"/> D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 786,301 (Part I, column (d) must be on cash basis)		

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	105,050			
	2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities . . .	15,551	15,551	15,551	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	(1,776)			
	b Gross sales price for all assets on line 6a	31,763			
	7 Capital gain net income (from Part IV, line 2) . . .		(1,776)		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less: Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	118,825	13,775	15,551	
	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	2,535	2,535	2,535	
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) <i>RECEIVED</i>				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings <i>62 SEP 21 2011</i>				
	22 Printing and publications				
	23 Other expenses (attach schedule) <i>ODDEN, UT</i>	361			361
	24 Total operating and administrative expenses <i>2,535</i>				
	Add lines 13 through 23	2,896	2,535	2,535	361
	25 Contributions, gifts, grants paid	20,000			20,000
	26 Total expenses and disbursements. Add lines 24 and 25	22,896	2,535	2,535	20,361
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	95,929			
	b Net investment income (if negative, enter -0-)		11,240		
	c Adjusted net income (if negative, enter -0-)			13,016	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
	1 Cash—non-interest-bearing	100	188	188
	2 Savings and temporary cash investments	228,500	136,533	136,533
Assets	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 (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ►			
	Less allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule)		224,685	221,559
	b Investments—corporate stock (attach schedule)	264,338	252,790	401,412
	c Investments—corporate bonds (attach schedule)	50,343	25,015	26,609
	11 Investments—land, buildings, and equipment, basis ►			
	Less: accumulated depreciation (attach schedule) ►			
Liabilities	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ►)			
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	543,281	639,211	786,301
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
Net Assets or Fund Balances	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 Total liabilities (add lines 17 through 22)			
	Foundations that follow SFAS 117, check here ► <input type="checkbox"/> 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 ► <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	543,281	639,211	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see page 17 of the instructions)	543,281	639,211	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	543,281	639,211	

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	543,281
2 Enter amount from Part I, line 27a	2	95,929
3 Other increases not included in line 2 (itemize) ► ROUNDING	3	1
4 Add lines 1, 2, and 3	4	95,930
5 Decreases not included in line 2 (itemize) ►	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	639,211

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 SEE ATTACHED SCHEDULE			P	VAR	VAR
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a 31,763		33,539	(1,776)		
b					
c					
d					
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					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	(1,776)	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8			3	(1,776)	

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 page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	95,415	606,767	.1573
2008	40,493	488,850	.0828
2007	149,935	567,015	.2644
2006	159,389	654,287	.2436
2005	170,729	701,306	.2434

2 Total of line 1, column (d)	2	.9915
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	.1983
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	675,679
5 Multiply line 4 by line 3	5	133,987
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	112
7 Add lines 5 and 6	7	134,099
8 Enter qualifying distributions from Part XII, line 4	8	20,361
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 on page 18.		

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)	1	225	00
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b			
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2		
3	Add lines 1 and 2	3	225	00
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	225	00
6	Credits/Payments:			
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a		
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	0	00
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	225	00
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

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?	Yes	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	✓	
1c	<i>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.</i>	✓	
2	Did the foundation file Form 1120-POL for this year?	✓	
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ _____ (2) On foundation managers. ► \$ _____		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ _____		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	✓	
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? <i>If "Yes," attach a conformed copy of the changes</i>	✓	
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	✓	
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? <i>If "Yes," attach the statement required by General Instruction T.</i>	✓	
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?	✓	
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ►	✓	
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	✓	
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 on page 27)? <i>If "Yes," complete Part XIV</i>	✓	
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	✓	

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 page 20 of the instructions)	11	✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ►	13	✓
14	The books are in care of ► GORDON WEBSTER Located at ► 100 W. 4TH ST. ELMIRA, NY	Telephone no ►	6077337121
		ZIP+4 ►	14901
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	□
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

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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 ►	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	✓
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 ► 20 ___, 20 ___, 20 ___, 20 ___	<input type="checkbox"/> Yes	<input type="checkbox"/> 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 page 22 of the instructions.)	2b	✓
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20 ___, 20 ___, 20 ___, 20 ___		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input type="checkbox"/> 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	✓
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	✓

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:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? (see page 22 of the instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>		5b	
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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870.		6b	✓
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?		7b	

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

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

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ►

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.		Expenses
1	N/A	
2		
3		
4		

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	N/A	
2		
All other program-related investments See page 24 of the instructions		
3		
Total. Add lines 1 through 3 ►		

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	685,739
b	Average of monthly cash balances	1b	230
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	685,969
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	685,969
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	10,290
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	675,679
6	Minimum investment return. Enter 5% of line 5	6	33,784

Part XI Distributable Amount (see page 25 of the 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	33,784
2a	Tax on investment income for 2010 from Part VI, line 5	2a	225
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	225
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	33,559
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	33,559
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	33,559

Part XII Qualifying Distributions (see page 25 of the 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	20,361
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	20,361
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	20,361

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				33,559
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only			65281	
b Total for prior years: 20 ____,20 ____,20 ____				
3 Excess distributions carryover, if any, to 2010:				
a From 2005	34,777			
b From 2006	32,447			
c From 2007	28,210			
d From 2008	16,192			
e From 2009	65,281			
f Total of lines 3a through e	176,907			
4 Qualifying distributions for 2010 from Part XII, line 4. ► \$ 20,361				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2010 distributable amount				20,361
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)		13,198		13,198
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	163,709			
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a		21,579		
10 Analysis of line 9:				
a Excess from 2006	32,447			
b Excess from 2007	28,210			
c Excess from 2008	16,192			
d Excess from 2009	65,281			
e Excess from 2010	0			

Part XIV **Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9)

Part XV **Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)**

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ► if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:

JAN VAN DEN BLINK 100 W. 4TH ST. ELMIRA, NY 14901

b The form in which applications should be submitted and information and materials they should include.

BY LETTER

c Any submission deadlines:

NONE

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors.

NONE

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
SEE ATTACHED SCHEDULE				
Total				► 3a
b <i>Approved for future payment</i>				
NONE				
Total				► 3b

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

(See worksheet in line 13 instructions on page 29 to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions.)
	N/A

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Tax Year Ending April 30, 2011

Part 1, Line 1	Contributions Received from The Hilliard Corp	105,000.00
	Contributions Received from Individuals	<u>50.00</u>
	Total contributions	<u><u>105,050.00</u></u>
Part 1, Line 16c	Other Professional Fees	
	Chemung Canal Trust Co. - Trustee Fees	2,535.00
Part 1, Line 23		
	Foreign tax from investment account	49.00
	Internal Revenue Service	212.00
	New York State Dept. of Law	<u>100.00</u>
	Total	<u><u>361.00</u></u>

TIN 16-1176159

Tax Year Ending April 30, 2011

Part IV - Capital Gains and Losses for tax on investment income

<u>Kind of Property</u>	How <u>Acquired</u>	Date <u>Acquired</u>	Date <u>Sold</u>	Gross <u>Sales Price</u>	<u>Basis</u>	Gain or <u>(Loss)</u>
See attached 4 page listing for details of capital gains and losses	P	Var	Var	31,763.00	33,539.00	(1,776.00)

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WEALTH MANAGEMENT GROUP
Gain and Loss Report
THE HILLIARD FOUNDATION INC
INVESTMENT MANAGEMENT ACCOUNT

ACCOUNT # 1050061705
TAX ID 16-1176159
FROM 05/01/10
TO 04/30/11
FISCAL YEAR: 04/30

CUSIP #/ PROPERTY DESCRIPTION	DATE SOLD/ ACQUIRED	GAIN AND LOSS DETAIL	
		PROCEEDS OF SALE	COST
LONG TERM CAPITAL GAIN (LOSS)			
670346105 150 SHARES OF NUCOR	05/25/10 07/01/08	6,210.95	10,962.00
35906A108 .012 SHARES OF FRONTIER COMMUNICATIONS CORPORATION	07/07/10 02/10/06	0.09	0.10
35906A108 72 SHARES OF FRONTIER COMMUNICATIONS CORPORATION	08/02/10 02/10/06	551.80	586.34
617446GM5 25000 UNITS OF MORGAN STANLEY CO N/C FROM MORGAN STANLEY DEAN WITTER 6.75% 04/15/2011	04/15/11 06/07/01	25,000.00	25,327.50
TOTAL LONG TERM CAPITAL GAIN (LOSS)		31,762.84	(5,113.10)
		36,875.94	
			✓

Questions regarding this information?
Contact Trust Tax Services
at (607) 737-3896 or
1-800-836-3711 ext. 3896

ACCOUNT # 1050061705
TAX ID 16-1176159
FROM 05/01/10
TO 04/30/11
FISCAL YEAR: 04/30

WEALTH MANAGEMENT GROUP
Gain and Loss Report
THE HILLIARD FOUNDATION INC
INVESTMENT MANAGEMENT ACCOUNT

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SALES WITH UNKNOWN COST/ACQUISITION DATE		GAIN AND LOSS DETAIL	
CUSIP #/ PROPERTY DESCRIPTION	DATE SOLD/ ACQUIRED	PROCEEDS OF SALE	GAIN OR LOSS
59018YM40 RECEIPT OF CASH FROM MERRILL LYNCH & CO DTD 02/05/2008 F/C 08/05/2008 5 45% 02/05/2013			150.99
B5628B104 RECEIPT OF CASH FROM LERNOUT & HAUSPIE SPEECH PRODUCT S NV			218.26
TOTAL SALES WITH UNKNOWN COST/ACQUISITION DATE		0.00	<u>369.25</u>

GAIN AND LOSS DETAIL

DATE SOLD/ ACQUIRED	PROCEEDS OF SALE	GAIN OR LOSS
		0.00
		<u>369.25</u>

CUSIP #/
PROPERTY DESCRIPTION

DATE SOLD/
ACQUIRED

PROCEEDS
OF SALE

GAIN OR LOSS

COVEREDREG

ACCOUNT # 1050061705
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FROM 05/01/10
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WEALTH MANAGEMENT GROUP
Gain and Loss Report
THE HILLIARD FOUNDATION INC
INVESTMENT MANAGEMENT ACCOUNT

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CUSIP # / PROPERTY DESCRIPTION		DATE SOLD/ ACQUIRED	PROCEEDS OF SALE	GAIN OR LOSS	COVEREDREG
LONG TERM CAPITAL GAINS DIVIDENDS					
31428P103	18425.461 BASIS SHARES OF FEDERATED US GOVT 2-5 YEAR INSTL	10		1,530.05	
31428P103	18579.183 BASIS SHARES OF FEDERATED US GOVT 2-5 YEAR INSTL	10		1,438.03	
	TOTAL LONG TERM CAPITAL GAINS DIVIDENDS		0.00	2,968.08	

ACCOUNT # 1050061705
TAX ID 16-1176159
FROM 05/01/10
TO 04/30/11
FISCAL YEAR: 04/30

WEALTH MANAGEMENT GROUP
Gain and Loss Report
THE HILLIARD FOUNDATION INC
INVESTMENT MANAGEMENT ACCOUNT

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SUMMARY OF CAPITAL GAINS AND LOSSES

TOTAL SHORT TERM CAPITAL GAIN (LOSS)	
TOTAL SHORT TERM CAPITAL GAINS	0.00
NET SHORT TERM CAPITAL GAIN (LOSS)	0.00
TOTAL LONG TERM CAPITAL GAIN (LOSS)	
TOTAL LONG TERM CAPITAL GAINS	(5,113.10)
TOTAL 28% RATE CAPITAL GAINS	2,968.08
TOTAL SEC 1250 CAPITAL GAINS	0.00
TOTAL SEC 1202 CAPITAL GAINS	0.00
NET LONG TERM CAPITAL GAIN (LOSS)	(2,145.02)
NET CAPITAL GAIN (LOSS)	(2,145.02)
TOTAL GAIN/LOSS FROM SALES WITH UNKNOWN COST/ACQUISITION DATE	369.25

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 Hilliard Foundation, Inc.
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Part VII - Statement regarding Officers, Directors, Trustees, etc.

<u>Name and Address</u>	Title and Average Hours Per Week Devoted to <u>Position*</u>	Contributions To Employee <u>Benefit Plans</u>	Expense Account Other <u>Allowances</u>	<u>Compensation</u>
Jan van den Blink The Hilliard Corporation 100 West Fourth St. Elmira, NY 14901	Pres., Trustee	0	0	0
Mary Welles Mooers Smith 624 West Church Street Elmira, NY 14901 John Alexander One West Church Street	Vice Pres., Trustee	0	0	0
Gordon Webster The Hilliard Corporation 100 West Fourth St. Elmira, NY 14901	Treasurer, Trustee	0	0	0
Paul H. Schweizer PO Box 147 Elmira, NY 14902	Trustee	0	0	0
George L. Howell 79 Pennsylvania Avenue Elmira, NY 14902	Trustee	0	0	0

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Part VII - Statement regarding Officers, Directors, Trustees, etc.

<u>Name and Address</u>	Title and Average Hours Per Week	Contributions Devoted to <u>Position*</u>	To Employee <u>Benefit Plans</u>	Other <u>Allowances</u>	Expense Account <u>Compensation</u>
Allen C. Smith PO Box 554 Elmira, NY 14902	Trustee	0	0	0	0
Richard W. Swan 208 Ridgehaven Drive Horseheads, NY 14845	Trustee	0	0	0	0
Gerald F. Schichtel 1917 Perry Point Road Penn Yan, NY 14527	Trustee	0	0	0	0
Nelson Mooers van den Blink 100 West Fouth Street Elmira, NY 14901	Trustee	0	0	0	0

* Note - Less than (1) hour per week.

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The Hilliard Foundation, Inc.
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Fund Year Ending April 30, 2011

Part XV 3a - Grants Paid during the year

<u>Recipients Name</u>	<u>If Recipient is Foundation an Individual</u>	<u>Status</u>	<u>Grant or Contributor</u>	<u>Amount</u>
Clemens Center	N/A	Public	General support	7,500.00
National Soaring Museum	N/A	Public	General support	7,500.00
St. Josep's Hospital Foundation	N/A	Public	Centennial campaign	<u>5,000.00</u>
				\$20,000.00