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

2011

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

For calendar year 2011 or tax year beginning

, and ending

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 ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		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) \$ 6686423.	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 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))		(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		200246.	200246.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		313759.			
b Gross sales price for all assets on line 6a 5234225.					
7 Capital gain net income (from Part IV, line 2)			313759.		
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		514005.	514005.		
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		5875.	5875.		0.
b Accounting fees STMT 3		2325.	2325.		0.
c Other professional fees STMT 4		51146.	51146.		0.
17 Interest					
18 Taxes STMT 5		3608.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings		941.	941.		0.
22 Printing and publications					
23 Other expenses STMT 6		7039.	7039.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		82934.	79326.		0.
25 Contributions, gifts, grants paid		318000.			318000.
26 Total expenses and disbursements. Add lines 24 and 25		400934.	79326.		318000.
27 Subtract line 26 from line 12		113071.			
28 Net investment income (if negative, enter -0-)			434679.		
29 Adjusted net income (if negative, enter -0-)				N/A	

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	358912.	180744.	180744.
	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 7	5401390.	5692629.	6505679.
	c Investments - corporate bonds			
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)	5760302.	5873373.	6686423.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	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	5760302.	5873373.		
30 Total net assets or fund balances	5760302.	5873373.		
31 Total liabilities and net assets/fund balances	5760302.	5873373.		

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	5760302.
2 Enter amount from Part I, line 27a	2	113071.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	5873373.
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	5873373.

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 STMT)	P	VARIOUS	VARIOUS
b AVALON (SEE ATTACHED STMT)	P	VARIOUS	VARIOUS
c AVALON (SEE ATTACHED STMT)	P	VARIOUS	VARIOUS
d AVALON (SEE ATTACHED STMT)	P	VARIOUS	VARIOUS
e AVALON (SEE ATTACHED STMT)	P	VARIOUS	VARIOUS

(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 341241.		346249.	-5008.
b 1025232.		1110553.	-85321.
c 2099127.		1702642.	396485.
d 1466597.		1463196.	3401.
e 302028.		297826.	4202.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			-5008.
b			-85321.
c			396485.
d			3401.
e			4202.

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	313759.
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))
2010	287481.	6405697.	.044879
2009	297178.	5835172.	.050929
2008	228982.	6041277.	.037903
2007	212407.	4602175.	.046154
2006	210113.	4424383.	.047490

2 Total of line 1, column (d)	2	.227355
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	.045471
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	6673538.
5 Multiply line 4 by line 3	5	303452.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	4347.
7 Add lines 5 and 6	7	307799.
8 Enter qualifying distributions from Part XII, line 4	8	318000.

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	4347.
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	4347.
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	4347.
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 2011 estimated tax payments and 2010 overpayment credited to 2011	6a 2680.	7	2680.
b Exempt foreign organizations - tax withheld at source	6b	8	31.
c Tax paid with application for extension of time to file (Form 8868)	6c	9	1698.
d Backup withholding erroneously withheld	6d	10	
7 Total credits and payments. Add lines 6a through 6d		11	
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached			
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be Credited to 2012 estimated tax	Refunded		

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) ☐ TX		
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 2011 or the taxable year beginning in 2011 (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	X	

N/A

STMT 8

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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	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 2011, 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 the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country N/A	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 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 2011? N/A	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No If "Yes," list the years N/A	2a	
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) N/A	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 N/A		
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	3a	
b	If "Yes," did it have excess business holdings in 2011 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 2011.) N/A	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 2011?	4b	X

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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

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

N/A

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.

(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 9		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 (2011)

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	6500998.
b	Average of monthly cash balances	1b	274167.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	6775165.
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	6775165.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	101627.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6673538.
6	Minimum investment return. Enter 5% of line 5	6	333677.

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	333677.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	4347.
b	Income tax for 2011 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	4347.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	329330.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	329330.
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	329330.

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	318000.
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	318000.
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	4347.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	313653.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				329330.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			317609.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 318000.				
a Applied to 2010, but not more than line 2a			317609.	
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 2011 distributable amount				391.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (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 2010. Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				328939.
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 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

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 2011, 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)

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

Recipient Name and address (home or business)	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
a Paid during the year				
PER SUPPLEMENTARY SCHEDULE ATTACHED	NONE	VAR. PUBLIC CHARITIES	SUPPORT PROGRAMS	318000.
Total			3a	318000.
b Approved for future payment				
NONE				
Total			3b	0.

FORM 990-PF		DIVIDENDS AND INTEREST FROM SECURITIES		STATEMENT	1
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT		
AVALON 16H80163	67608.	0.	67608.		
AVALON 16H80164	56061.	0.	56061.		
AVALON 16H95842	76577.	0.	76577.		
TOTAL TO FM 990-PF, PART I, LN 4	200246.	0.	200246.		

FORM 990-PF		LEGAL FEES		STATEMENT	2
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
LEGAL FEES	5875.	5875.		0.	
TO FM 990-PF, PG 1, LN 16A	5875.	5875.		0.	

FORM 990-PF		ACCOUNTING FEES		STATEMENT	3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
TAX PREP	2325.	2325.		0.	
TO FORM 990-PF, PG 1, LN 16B	2325.	2325.		0.	

FORM 990-PF		OTHER PROFESSIONAL FEES		STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ADVISORY FEES	51146.	51146.		0.	
TO FORM 990-PF, PG 1, LN 16C	51146.	51146.		0.	

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL INCOME TAX	3608.	0.		0.
TO FORM 990-PF, PG 1, LN 18	3608.	0.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
POSTAGE	42.	42.		0.
BANK FEES	37.	37.		0.
SUPPLIES	176.	176.		0.
STORAGE	720.	720.		0.
BOND AMORTIZATION	6064.	6064.		0.
TO FORM 990-PF, PG 1, LN 23	7039.	7039.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
BROKERAGE ACCOUNTS	5692629.	6505679.
TOTAL TO FORM 990-PF, PART II, LINE 10B	5692629.	6505679.

FORM 990-PF	LIST OF SUBSTANTIAL CONTRIBUTORS PART VII-A, LINE 10	STATEMENT 8
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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 9
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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.

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - EQUITY INCOME ACCOUNT

ACCOUNT #16H95842

From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
02-10-11	04-08-11	268	PPG INDUSTRIES	23,377 640		25,653 190	2,275 550
02-10-11	05-26-11	0	VALLEY NATL BANCORP COM	4 520		4 750	0 230
02-10-11	06-03-11	639	CINCINNATI FINL CORP COM	21,291 480		18,874 040	(2,417 440)
02-10-11	07-28-11	1,058	NEW YORK CMNTY BANCORP COM	19,573 000		14,353 710	(5,219 290)
02-10-11	09-27-11	1,087	DONNELLEY R R & SONS COM	20,359 510		15,892 500	(4,467 010)
02-10-11	09-27-11	100	ISHARES IBOXX INVESTM GRADE BOND ETF	10,713 620		11,241 100	527 480
02-10-11	11-29-11	509	WASTE MGMT INC DEL COM	19,459 070		15,500 680	(3,958 390)
02-10-11	11-30-11	20	WASTE MGMT INC DEL COM	764 600		622 704	(141 896)
02-10-11	12-07-11	735	PITNEY BOWES INC COM	18,860 100		13,809 940	(5,050 160)
02-10-11	12-19-11	109	BRISTOL-MYERS SQUIBB CO	2,798 030		3,747 360	949 330
02-10-11	12-19-11	263	CENTERPOINT ENERGY INCCMN	4,250 080		5,028 460	778 380
02-10-11	12-19-11	104	CONOCOPHILLIPS	7,283 120		7,078 100	(205 020)
02-10-11	12-19-11	49	CHEVRON CORP	4,735 850		4,911 170	175 320
02-10-11	12-19-11	65	DOMINION RES VA NEW COM	2,847 000		3,288 290	441 290
02-10-11	12-19-11	49	DU PONT EI DE NEMOURS & CO	2,651 880		2,126 070	(525 810)
02-10-11	12-19-11	26	DIAGEO PLC SPON ADR (NEW)	1,994 980		2,185 260	190 280
06-03-11	12-19-11	53	DR PEPPER SNAPPLE GRP COM	2,141 740		2,041 520	(100 220)
02-10-11	12-19-11	213	DUKE ENERGY CORP NC NPV	3,803 988		4,456 450	652 462

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - EQUITY INCOME ACCOUNT
ACCOUNT #16H95842
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
02-10-11	12-19-11	80	CONSOLIDATED EDISON COM	4,007 072		4,752 710	745 638
02-10-11	12-19-11	40	EQUITY RESIDENTIAL SH BEN INT	2,160 504		2,223 560	63 056
02-10-11	12-19-11	70	EXELON CORP CMN	3,028 200		2,962 340	(65 860)
02-10-11	12-19-11	289	GENERAL ELECTRIC CO	6,129 576		4,860 890	(1,268 686)
02-10-11	12-19-11	42	GENUINE PARTS CO	2,249 940		2,431 750	181 810
02-10-11	12-19-11	82	GLAXOSMITHKLINE PLC SPONSORED A	3,130 760		3,698 130	567 370
02-10-11	12-19-11	133	HCP INC COM	4,885 928		5,152 320	266 392
02-10-11	12-19-11	80	HJ HEINZ CO	3,842 400		4,237 520	395 120
02-10-11	12-19-11	82	ISHARES TR HIGH YLD CORP	7,534 505		7,189 620	(344 885)
02-10-11	12-19-11	202	INTEL CORP	4,409 660		4,670 660	261 000
04-08-11	12-19-11	73	INTERNATIONAL PAPER CO CMN	2,214 229		2,014 400	(199 829)
09-15-11	12-19-11	64	JP MORGAN CHASE & CO	2,136 423		1,949 720	(186 703)
02-10-11	12-19-11	125	KRAFT FOODS INC VA CL A	3,872 500		4,536 160	663 660
02-10-11	12-19-11	45	KIMBERLY CLARK	2,925 000		3,208 440	283 440
02-10-11	12-19-11	83	COCA COLA CMN	5,259 710		5,604 050	344 340
02-10-11	12-19-11	103	ELI LILLY & CO	3,679 160		4,207 470	528 310
02-10-11	12-19-11	42	LOCKHEED MARTIN CORP	3,441 060		3,232 260	(208 800)
02-10-11	12-19-11	70	ISHARES IBOXX INVESTM GRADE BOND ETF	7,499 534		7,925 950	426 416
02-10-11	12-19-11	51	MCDONALDS CORP COM	3,867 840		4,983 110	1,115 270
02-10-11	12-19-11	80	MARSH & MCLENNAN COS INC	2,284 800		2,419 150	134 350
02-10-11	12-19-11	423	ALTRIA GROUP INC	10,206 990		12,423 400	2,216 410
02-10-11	12-19-11	81	MERCK & CO INC SHS	2,676 240		2,962 520	286 280
07-28-11	12-19-11	111	MARATHON OIL CORP	3,476 709		2,956 980	(519 729)

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - EQUITY INCOME ACCOUNT
ACCOUNT #16H95842
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
10-03-11	12-19-11	123	MICROSOFT CORP	3,110 214		3,170 990	60 776	
02-10-11	12-19-11	77	MEADWESTVACO CORP	2,258 410		2,190 610	(67 800)	
12-07-11	12-19-11	88	NATIONAL RETAIL PROPERTIES INC	2,288 352		2,271 240	(17 112)	
02-10-11	12-19-11	248	PFIZER INC	4,719 440		5,277 590	558 150	
02-10-11	12-19-11	141	ISHARES TR US PFD STK IDX	5,531 430		4,995 530	(535 900)	
02-10-11	12-19-11	60	PROCTER & GAMBLE CO	3,882 000		3,893 920	11 920	
02-10-11	12-19-11	44	PROGRESS ENERGY INC	2,018 720		2,347 790	329 070	
02-10-11	12-19-11	109	PHILIP MORRIS INTL INC COM	6,450 620		8,271 010	1,820 390	
02-10-11	12-19-11	48	PINNACLE WEST CAPITAL CORP	2,010 240		2,222 840	212 600	
02-10-11	12-19-11	258	REYNOLDS AMERICAN INC COM	8,258 529		10,454 610	2,196 081	
02-10-11	12-19-11	103	ROYAL DUTCH SHELL PLC SPON ADR B	7,085 164		7,438 520	353 356	
02-10-11	12-19-11	48	SCANA CORP NEW COM	2,038 560		2,036 600	(1 960)	
02-10-11	12-19-11	102	SOUTHERN CO COM	3,812 760		4,520 810	708 050	
02-10-11	12-19-11	59	SYSCO CORP	1,656 720		1,693 860	37 140	
02-10-11	12-19-11	291	AT&T CORP	8,258 580		8,360 740	102 160	
02-10-11	12-19-11	110	TECO ENERGY INC	1,951 400		2,003 060	51 660	
02-10-11	12-19-11	154	VALLEY NATL BANCORP COM	1,988 800		1,764 810	(223 990)	
02-10-11	12-19-11	108	VODAFONE GROUP PLC	3,173 040		2,920 260	(252 780)	
02-10-11	12-19-11	55	VENTAS INC COM	3,026 369		2,886 890	(139 479)	
02-10-11	12-19-11	237	VERIZON COMMUNICATIONS COM	8,579 400		9,145 650	566 250	

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - EQUITY INCOME ACCOUNT
ACCOUNT #16H95842
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
02-10-11	12-19-11	92	WEINGARTEN RLTY INVS SBIREIT	2,321,059		1,954,960	(366,099)	
TOTAL GAINS							21,476,786	0,000
TOTAL LOSSES							(26,484,846)	0,000
TOTAL REALIZED GAIN/LOSS							341,240,694	(5,008,060)
							346,248,754	0,000

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
ACCOUNT #16H80163
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss		
						Proceeds	Short Term	Long Term
10-16-08	02-01-11	287	AMAZON COM INC COM	14,387 082		49,495 820		35,108 738
01-21-10	02-02-11	1,802	BRISTOL-MYERS SQUIBB CO	45,125 501		45,586 301		460 800
02-12-09	02-02-11	1,153	BRISTOL-MYERS SQUIBB CO	25,453 631		29,168 149		3,714 518
12-02-10	02-02-11	326	KOHL'S CORP	18,098 800		16,532 868	(1,565 932)	
11-12-10	02-02-11	380	KOHL'S CORP	19,399 490		19,271 442	(128 048)	
07-25-08	02-02-11	130	NORTHERN TR CORP COM	9,949 213		6,747 912		(3,201 301)
08-13-08	02-02-11	272	NORTHERN TR CORP COM	20,709 510		14,118 708		(6,590 802)
09-26-08	02-02-11	277	NORTHERN TR CORP COM	20,317 010		14,378 243		(5,938 767)
10-16-08	02-02-11	182	NORTHERN TR CORP COM	10,489 040		9,447 077		(1,041 963)
10-08-08	02-02-11	57	NORTHERN TR CORP COM	3,186 455		2,958 700		(227 755)
01-11-11	02-10-11	658	ALCOA INC	10,755 406		11,258 420	503 014	
01-06-10	02-10-11	152	APPLE INC	32,393 302		54,020 250		21,626 948
05-19-08	02-10-11	63	ABBOTT LABS	3,467 520		2,865 265		(602 255)
10-08-08	02-10-11	70	ABBOTT LABS	3,849 120		3,183 628		(665 492)
03-26-08	02-10-11	89	ABBOTT LABS	4,812 800		4,047 756		(765 044)
04-14-08	02-10-11	50	ABBOTT LABS	2,627 000		2,274 021		(352 979)
01-04-10	02-10-11	362	AMGEN INC	20,884 902		19,627 260		(1,257 642)
11-10-10	02-10-11	495	AMER EXPRESS COMPANY	21,461 913		22,942 810	1,480 897	
01-19-11	02-10-11	157	BOEING COMPANY	11,240 274		11,401 120	160 846	
02-07-11	02-10-11	1,563	BANK OF AMERICA CORP	22,938 432		22,650 090	(288 342)	
02-04-11	02-10-11	72	BED BATH & BEYOND	3,457 440		3,583 370	125 930	
07-08-09	02-10-11	326	BHP BILLITON LTD SPONSORED ADR	16,257 947		30,388 880		14,130 933
11-19-10	02-10-11	254	CATERPILLAR INC	21,192 999		25,556 990	4,363 991	
08-03-10	02-10-11	191	CHUBB CORP	10,131 059		11,276 420	1,145 361	

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
ACCOUNT #16H80163
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss		
						Proceeds	Short Term	Long Term
03-04-08	02-10-11	271	CONOCOPHILLIPS	21,772 305		18,961 500		(2,810 805)
04-14-08	02-10-11	236	COSTCO WHOLESale CORP NEW	15,422 600		17,543 902		2,121 302
08-13-07	02-10-11	127	COSTCO WHOLESale CORP NEW	7,892 163		9,440 998		1,548 835
08-13-07	02-10-11	91	CHEVRON CORP	7,588 490		8,791 340		1,202 850
09-05-08	02-10-11	96	CHEVRON CORP	7,685 566		9,274 380		1,588 814
02-28-07	02-10-11	61	DIAGEO PLC SPON ADR (NEW)	4,836 208		4,678 002		(158 206)
03-01-07	02-10-11	91	DIAGEO PLC SPON ADR (NEW)	7,103 721		6,978 658		(125 063)
11-03-10	02-10-11	195	EMERSON ELEC CO	10,610 965		11,883 070	1,272 105	11,363 347
02-04-10	02-10-11	2,503	FORD MOTOR CO NEW	28,386 523		39,749 870		2,280 070
03-17-08	02-10-11	257	FLUOR CORP NEW COM	15,984 564		18,264 634		642 976
10-01-08	02-10-11	32	FLUOR CORP NEW COM	1,631 220		2,274 196		
07-28-10	02-10-11	1,248	GENERAL ELECTRIC CO	20,024 909		26,370 730	6,345 821	
02-01-11	02-10-11	312	GENERAL MOTORS CORP COM	11,480 195		11,244 260	(235 935)	
02-03-09	02-10-11	26	GOOGLE INC CL A	8,872 037		15,938 210		7,066 173
01-26-11	02-10-11	139	HALLIBURTON COMPANY CMN	5,968 770		6,168 700	199 930	
01-22-09	02-10-11	530	HOME DEPOT INC	11,569 953		19,705 020		8,135 067
10-24-08	02-10-11	320	HJ HEINZ CO	12,681 888		15,350 100		2,668 212
01-22-09	02-10-11	510	HEWLETT-PACKARD CO CMN	17,933 129		24,698 820		6,765 691
03-26-08	02-10-11	26	INTL BUSINESS MACHINES CORP	2,999 859		4,265 998		1,266 139
03-27-08	02-10-11	92	INTL BUSINESS MACHINES CORP	10,612 680		15,095 069		4,482 389
09-05-08	02-10-11	110	INTL BUSINESS MACHINES CORP	12,598 397		18,048 453		5,450 056
10-11-06	02-10-11	205	INTEL CORP	4,314 861		4,458 767		143 906
01-25-07	02-10-11	985	INTEL CORP	20,474 210		21,423 831		949 621
09-05-08	02-10-11	152	INTEL CORP	3,155 520		3,306 012		150 492

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
ACCOUNT #16H80163
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss		
						Proceeds	Short Term	Long Term
05-19-08	02-10-11	142	JOHNSON & JOHNSON	9,454 360		8,660 441		(793 919)
04-14-08	02-10-11	165	JOHNSON & JOHNSON	10,921 350		10,063 189		(858 161)
02-02-11	02-10-11	300	JUNIPER NETWORKS INC	11,436 631		12,944 750	1,508 119	
10-08-08	02-10-11	97	JP MORGAN CHASE & CO	3,810 686		4,386 275		575 589
09-05-08	02-10-11	169	JP MORGAN CHASE & CO	6,631 260		7,642 067		1,010 807
08-21-08	02-10-11	736	JP MORGAN CHASE & CO	26,673 965		33,281 428		6,607 463
10-16-08	02-10-11	102	COCA COLA CMN	4,592 817		6,456 477		1,863 660
10-18-06	02-10-11	121	COCA COLA CMN	5,321 339		7,659 153		2,337 814
06-03-09	02-10-11	456	MCDONALDS CORP	27,735 930		34,541 338		6,805 408
			COM					
09-05-08	02-10-11	35	MCDONALDS CORP	2,101 326		2,651 199		549 873
			COM					
01-07-08	02-10-11	5	MCDONALDS CORP	289 336		378 743		89 407
			COM					
01-07-05	02-10-11	70	MICROSOFT CORP	1,878 800		1,915 282		36 482
07-25-03	02-10-11	150	MICROSOFT CORP	3,984 000		4,104 177		120 177
12-01-03	02-10-11	864	MICROSOFT CORP	22,308 480		23,640 057		1,331 577
08-11-03	02-10-11	233	MICROSOFT CORP	5,992 760		6,375 154		382 394
10-16-08	02-10-11	110	MICROSOFT CORP	2,589 818		3,009 730		419 912
10-08-08	02-10-11	20	NORTHERN TR CORP	1,118 055		1,041 980		(76 075)
			COM					
01-22-09	02-10-11	199	NORTHERN TR CORP	10,866 754		10,367 700		(499 054)
			COM					
01-11-11	02-10-11	550	NVIDIA CORPCM	11,403 810		12,480 030	1,076 220	
10-02-08	02-10-11	285	NOVARTIS AG-ADR	14,843 569		15,902 690		1,059 121
07-08-09	02-10-11	996	ORACLE CORP	20,502 362		32,958 010		12,455 648
09-26-08	02-10-11	276	OCCIDENTAL PETE CORP	20,935 983		27,128 346		6,192 363
08-08-08	02-10-11	238	OCCIDENTAL PETE CORP	17,935 158		23,393 284		5,458 126
05-19-08	02-10-11	3	PEPSICO INC	204 060		189 146		(14 914)
10-08-08	02-10-11	80	PEPSICO INC	5,180 830		5,043 902		(136 928)
12-18-08	02-10-11	9	PEPSICO INC	491 090		567 439		76 349
01-07-05	02-10-11	71	PEPSICO INC	3,732 470		4,476 463		743 993
11-04-10	02-10-11	936	PFIZER INC	16,263 187		17,746 410	1,483 223	

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
ACCOUNT #16H80163
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Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
09-17-08	02-10-11	127	PHILIP MORRIS INTL INC COM	6,595 529		7,500 475	904 946
03-26-08	02-10-11	191	PHILIP MORRIS INTL INC COM	9,734 587		11,280 243	1,545 656
04-14-08	02-10-11	420	PHILIP MORRIS INTL INC COM	20,221 990		24,804 722	4,582 732
08-13-07	02-10-11	53	PHILIP MORRIS INTL INC COM	2,501 465		3,130 120	628 655
01-13-11	02-10-11	220	QUALCOMM INC	11,411 245		12,473 760	1,062 515
11-08-10	02-10-11	355	STARBUCKS CORP CMN	10,916 854		11,771 570	854 716
06-05-09	02-10-11	287	TEVA PHARMACEUTICAL INDS ADR	13,803 986		14,740 037	936 051
06-04-09	02-10-11	169	TEVA PHARMACEUTICAL INDS ADR	7,992 704		8,679 673	686 969
11-03-10	02-10-11	190	TRAVELERS COMPANIES COM	10,603 842		11,052 090	448 248
03-06-08	02-10-11	92	UNITED PARCEL SERVICE CL B	6,642 813		6,867 667	224 854
05-19-08	02-10-11	81	UNITED PARCEL SERVICE CL B	5,769 630		6,046 533	276 903
10-21-08	02-10-11	258	UNITED TECHNOLOGIES CORP	13,222 680		21,870 240	8,647 560
08-15-08	02-10-11	840	WELLS FARGO & CO NEW	25,222 594		27,568 606	2,346 012
08-14-08	02-10-11	329	WELLS FARGO & CO NEW	9,837 728		10,797 704	959 976
10-08-08	02-10-11	100	WAL-MART STORES INC	5,480 384		5,551 893	71 509
10-16-08	02-10-11	314	WAL-MART STORES INC	17,054 340		17,432 945	378 605
03-26-08	02-10-11	161	WAL-MART STORES INC	8,574 540		8,938 548	364 008
03-20-08	02-10-11	53	WAL-MART STORES INC	2,757 454		2,942 504	185 050
08-13-07	02-10-11	61	EXXON MOBIL CORP	5,130 100		5,047 652	(82 448)
09-05-08	02-10-11	192	EXXON MOBIL CORP	14,584 930		15,887 693	1,302 763

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Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
10-08-08	02-10-11	88	EXXON MOBIL CORP	6,568 600		7,281 859	713 259
01-21-10	02-10-11	159	EXXON MOBIL CORP	10,658 947		13,156 996	2,498 049
10-24-08	02-11-11	201	HJ HEINZ CO	7,965 811		9,619 272	1,653 461
12-18-08	02-11-11	11	HJ HEINZ CO	421 440		526 428	104 988
01-27-09	02-11-11	633	HJ HEINZ CO	23,277 690		30,293 530	7,015 840
01-22-09	02-11-11	65	NORTHERN TR CORP COM	3,549 442		3,425 680	(123 762)
01-21-10	02-11-11	507	NORTHERN TR CORP COM	27,349 300		26,720 308	(628 992)
12-18-08	02-11-11	8	NORTHERN TR CORP COM	395 110		421 622	26 512
04-14-08	02-11-11	145	ABBOTT LABS	7,618 300		6,593 241	(1,025 059)
12-18-08	02-11-11	8	ABBOTT LABS	414 680		363 765	(50 915)
01-05-07	02-11-11	380	ABBOTT LABS	18,914 800		17,278 839	(1,635 961)
02-23-06	02-11-11	184	ABBOTT LABS	8,016 328		8,366 595	350 267
01-04-10	02-14-11	954	AMGEN INC	55,039 216		51,122 350	(3,916 866)
01-11-11	03-08-11	1,424	NVIDIA CORP CMN	29,525 500		28,608 040	(917 460)
01-06-10	03-23-11	2	APPLE INC	426 228		675 472	249 244
01-21-10	03-23-11	54	APPLE INC	11,257 530		18,237 744	6,980 214
01-22-10	03-23-11	39	APPLE INC	7,825 402		13,171 704	5,346 302
06-04-09	03-23-11	267	TEVA PHARMACEUTICAL INDS ADR	12,627 526		13,118 926	491 400
06-03-09	03-23-11	328	TEVA PHARMACEUTICAL INDS ADR	15,205 950		16,116 134	910 184
11-04-10	03-24-11	632	MICROSOFT CORP	17,188 377		16,280 140	(908 237)
09-05-08	03-24-11	15	INTL BUSINESS MACHINES CORP	1,717 963		2,394 765	676 802
06-28-07	03-24-11	118	INTL BUSINESS MACHINES CORP	12,555 440		18,838 821	6,283 381
02-12-09	03-24-11	124	INTL BUSINESS MACHINES CORP	11,597 400		19,796 727	8,199 327

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						Proceeds	Short Term Long Term
10-08-08	03-24-11	47	INTL BUSINESS MACHINES CORP	4,321 490		7,503 598	3,182 108
10-16-08	03-24-11	114	INTL BUSINESS MACHINES CORP	10,310 910		18,200 217	7,889 307
03-05-09	03-24-11	21	INTL BUSINESS MACHINES CORP	1,849 647		3,352 672	1,503 025
11-03-10	03-24-11	3,299	FORD MOTOR CO NEW	49,915 516		49,438 520	(476 996)
10-01-08	03-25-11	135	FLUOR CORP NEW COM	6,881 710		9,989 078	3,107 368
02-18-09	03-25-11	174	FLUOR CORP NEW COM	6,741 472		12,874 812	6,133 340
07-08-09	03-25-11	268	BHP BILLITON LTD	13,365 429		24,331 173	10,965 744
03-09-09	03-25-11	261	BHP BILLITON LTD	9,584 702		23,695 657	14,110 955
08-08-08	03-25-11	305	OCCIDENTAL PETE CORP	22,984 132		30,877 300	7,893 168
09-05-08	03-25-11	169	OCCIDENTAL PETE CORP	12,362 590		17,109 062	4,746 472
06-05-09	03-25-11	343	OCCIDENTAL PETE CORP	23,608 212		34,724 308	11,116 096
08-13-07	03-25-11	46	COSTCO WHOLESale CORP NEW	2,858 579		3,300 377	441 798
10-16-08	03-25-11	231	COSTCO WHOLESale CORP NEW	13,334 220		16,573 633	3,239 413
10-08-08	03-25-11	92	COSTCO WHOLESale CORP NEW	5,273 890		6,600 754	1,326 864
06-30-06	03-25-11	39	COSTCO WHOLESale CORP NEW	2,232 290		2,798 146	565 856
10-24-08	03-30-11	578	HEWLETT-PACKARD CO CMN	18,621 252		23,811 003	5,189 751
01-22-09	03-30-11	250	HEWLETT-PACKARD CO CMN	8,790 750		10,298 877	1,508 127
09-05-08	03-30-11	424	INTEL CORP	8,802 240		8,593 128	(209 112)
02-10-10	03-30-11	987	INTEL CORP	19,599 250		20,003 342	404 092
02-03-10	03-30-11	22	INTEL CORP	430 822		445 870	15 048
03-20-08	03-31-11	48	WAL-MART STORES INC	2,497 316		2,493 918	(3 398)
10-24-08	03-31-11	437	WAL-MART STORES INC	22,336 687		22,705 042	368 355

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							Short Term	Long Term
02-07-11	05-26-11	4,179	BANK OF AMERICA CORP	61,330 588		47,845 290	(13,485 298)	
01-11-11	06-06-11	13	ALCOA INC	212 493		203 780	(8 713)	
01-22-10	06-06-11	2	APPLE INC	401 303		682 430		281 127
11-10-10	06-06-11	10	AMER EXPRESS COMPANY	433 574		489 690	56 116	
01-19-11	06-06-11	3	BOEING COMPANY	214 782		224 180	9 398	
02-04-11	06-06-11	3	BED BATH & BEYOND	144 060		155 220	11 160	
03-09-09	06-06-11	2	BHP BILLITON LTD	73 446		183 120		109 674
03-31-11	06-06-11	8	BRISTOL-MYERS SQUIBB CO	213 306		223 190	9 884	
03-23-11	06-06-11	4	BERKSHIRE HATHAWAY INC CL B NEW	338 011		302 110	(35 901)	
11-19-10	06-06-11	5	CATERPILLAR INC	417 185		499 690	82 505	
08-03-10	06-06-11	4	CHUBB CORP	212 169		259 790	47 621	
03-04-08	06-06-11	5	CONOCOPHILLIPS	401 703		355 540		(46 163)
06-30-06	06-06-11	4	COSTCO WHOLESALE CORP NEW	228 953		312 070	83 117	
09-05-08	06-06-11	4	CHEVRON CORP	320 232		400 510		80 278
03-25-11	06-06-11	4	DU PONT EI DE NEMOURS & CO	217 234		200 280	(16 954)	
03-31-11	06-06-11	3	DEERE & CO	289 532		245 960	(43 572)	
04-07-11	06-06-11	13	DELL INC	193 679		206 960	13 281	
03-01-07	06-06-11	2	DIAGEO PLC SPON ADR (NEW)	156 126		167 860		11 734
03-31-11	06-06-11	2	DISNEY (WALT) CO CMN	85 701		79 100	(6 601)	
03-16-11	06-06-11	6	E M C CORPORATION MASS	153 186		164 580	11 394	
11-03-10	06-06-11	4	EMERSON ELEC CO	217 661		205 580	(12 081)	
03-23-11	06-06-11	5	EXPRESS SCRIPTS COMMONCMN	266 819		281 390	14 571	
11-03-10	06-06-11	23	FORD MOTOR CO NEW	348 001		320 500	(27 501)	
02-18-09	06-06-11	3	FLUOR CORP NEW COM	116 232		190 890		74 658

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							Short Term	Long Term
07-28-10	06-06-11	23	GENERAL ELECTRIC CO	369 049		424 920	55 871	
02-01-11	06-06-11	6	GENERAL MOTORS CORP COM	220 773		173 520	(47 253)	
03-04-11	06-06-11	6	HALLIBURTON COMPANY CMN	279 529		290 330	10 801	
01-22-09	06-06-11	10	HOME DEPOT INC	218 301		344 890		126 589
10-24-08	06-06-11	3	HEWLETT-PACKARD CO CMN	96 650		108 110		11 460
03-05-09	06-06-11	3	INTL BUSINESS MACHINES CORP	264 235		494 000		229 765
02-03-10	06-06-11	16	INTEL CORP	313 325		347 750		34 425
04-14-08	06-06-11	6	JOHNSON & JOHNSON	397 140		396 230		(0 910)
02-02-11	06-06-11	6	JUNIPER NETWORKS INC	228 733		188 940	(39 793)	
08-21-08	06-06-11	19	JP MORGAN CHASE & CO	688 594		773 470		84 876
10-18-06	06-06-11	8	COCA COLA CMN	351 824		523 670		171 846
03-04-11	06-06-11	6	LOWE'S COMPANIES INC	156 639		138 000	(18 639)	
01-07-08	06-06-11	9	MCDONALDS CORP COM	520 804		728 980		208 176
03-31-11	06-06-11	6	MERCK & CO INC SHS	199 212		213 410	14 198	
11-04-10	06-06-11	22	MICROSOFT CORP	598 330		529 970	(68 360)	
10-02-08	06-06-11	6	NOVARTIS AG-ADR	312 496		377 690		65 194
07-08-09	06-06-11	18	ORACLE CORP	370 525		584 270		213 745
06-05-09	06-06-11	4	OCCIDENTAL PETE CORP	275 314		410 310		134 996
01-07-05	06-06-11	4	PEPSICO INC	210 280		276 510		66 230
11-04-10	06-06-11	18	PFIZER INC	312 754		373 490	60 736	
03-29-11	06-06-11	3	PROCTER & GAMBLE CO	183 960		196 350	12 390	
08-13-07	06-06-11	14	PHILIP MORRIS INTL INC COM	660 764		956 600		295 836
03-31-11	06-06-11	5	PNC FINL SVCS GROUP INC	315 371		296 990	(18 381)	
03-31-11	06-06-11	1	PPG INDUSTRIES	95 772		84 600	(11 172)	
03-31-11	06-06-11	1	PRAXAIR INC	101 919		100 440	(1 479)	
01-13-11	06-06-11	4	QUALCOMM INC	207 477		227 110	19 633	
11-08-10	06-06-11	7	STARBUCKS CORP CMN	215 262		252 760	37 498	

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						Proceeds	Short Term Long Term
03-30-11	06-06-11	2	SCHLUMBERGER LTD ADR	186 753		168 240	(18 513)
04-13-11	06-06-11	6	SANOFI	223 151		228 650	5 499
03-24-11	06-06-11	10	AT&T CORP	286 183		303 890	17 707
06-03-09	06-06-11	5	TEVA PHARMACEUTICAL INDS ADR	231 798		250 090	18 292
11-03-10	06-06-11	4	TRAVELERS COMPANIES COM	223 239		244 070	20 831
05-19-08	06-06-11	3	UNITED PARCEL SERVICE CL B	213 690		211 040	(2 650)
10-21-08	06-06-11	5	UNITED TECHNOLOGIES CORP	256 253		417 890	161 637
03-24-11	06-06-11	6	VERIZON COMMUNICATNS COM	223 433		211 730	(11 703)
11-19-10	06-06-11	22	WELLS FARGO & CO NEW	601 918		579 030	(22 888)
03-30-11	06-06-11	6	WEATHERFORD INTERNATIONAL LTD	132 955		112 620	(20 335)
10-24-08	06-06-11	8	WAL-MART STORES INC	408 910		431 030	22 120
01-21-10	06-06-11	9	EXXON MOBIL CORP	603 337		725 120	121 783
11-19-10	06-17-11	1,411	WELLS FARGO & CO NEW	38,604 822		38,384 528	(220 294)
08-14-08	06-17-11	158	WELLS FARGO & CO NEW	4,724 502		4,298 197	(426 305)
08-18-08	06-17-11	746	WELLS FARGO & CO NEW	21,628 480		20,294 017	(1,334 463)
08-20-08	06-17-11	765	WELLS FARGO & CO NEW	21,697 700		20,810 888	(886 812)
01-22-10	06-21-11	49	APPLE INC	9,831 915		15,901 244	6,069 329
10-08-08	06-21-11	9	APPLE INC	813 765		2,920 637	2,106 872
12-18-08	06-21-11	4	APPLE INC	358 580		1,298 061	939 481
04-28-04	06-21-11	17	APPLE INC	226 900		5,516 758	5,289 858
03-04-11	06-21-11	338	NORDSTROM INC COM	14,820 590		15,554 760	734 170

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						Proceeds	Short Term Long Term
03-23-11	06-21-11	414	BERKSHIRE HATHAWAY INC CL B NEW	34,984 159		31,635 660	(3,348 499)
11-03-10	06-21-11	512	EMERSON ELEC CO	27,860 584		27,555 980	(304 604)
02-02-11	07-20-11	788	JUNIPER NETWORKS INC	30,040 217		24,484 110	(5,556 107)
02-01-11	08-01-11	817	GENERAL MOTORS CORP COM	30,061 922		22,657 990	(7,403 932)
06-03-09	08-02-11	248	TEVA PHARMACEUTICAL INDS ADR	11,497 182		10,678 103	(819 079)
03-10-09	08-02-11	355	TEVA PHARMACEUTICAL INDS ADR	15,294 855		15,285 187	(9 668)
03-04-11	08-03-11	574	LOWE'S COMPANIES INC	14,985 131		11,650 720	(3,334 411)
10-24-08	08-04-11	513	HEWLETT-PACKARD CO CMN	16,527 167		16,947 240	420 073
07-28-10	08-08-11	3,277	GENERAL ELECTRIC CO	52,581 432		51,658 290	(923 142)
03-31-11	08-09-11	354	DISNEY (WALT) CO CMN	15,169 079		11,826 730	(3,342 349)
01-11-11	08-09-11	1,807	ALCOA INC	29,536 502		21,264 910	(8,271 592)
03-04-11	08-09-11	588	COMCAST "SPECIAL CLASS A" NONVOTING STOCK	14,115 060		11,556 740	(2,558 320)
01-19-11	08-11-11	415	BOEING COMPANY	29,711 553		24,177 470	(5,534 083)
03-31-11	08-16-11	79	PPG INDUSTRIES	7,565 998		5,970 899	(1,595 099)
04-13-11	08-16-11	82	PPG INDUSTRIES	7,660 050		6,197 641	(1,462 409)
03-01-07	08-17-11	36	DIAGEO PLC SPON ADR (NEW)	2,810 263		2,800 473	(9 790)
03-02-07	08-17-11	48	DIAGEO PLC SPON ADR (NEW)	3,713 750		3,733 965	20 215
09-05-08	08-17-11	118	DIAGEO PLC SPON ADR (NEW)	8,484 720		9,179 330	694 610
10-08-08	08-17-11	55	DIAGEO PLC SPON ADR (NEW)	3,271 440		4,278 501	1,007 061
10-16-08	08-17-11	135	DIAGEO PLC SPON ADR (NEW)	7,932 980		10,501 775	2,568 795

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							Short Term	Long Term
12-18-08	08-17-11	6	DIAGEO PLC SPON ADR (NEW)	337 320		466 746		129 426
07-29-11	08-18-11	2,183	DELL INC	36,112 280		29,257 534	(6,854 746)	
04-07-11	08-18-11	1,431	DELL INC	21,319 611		19,178 896	(2,140 715)	
06-05-09	09-14-11	155	OCCIDENTAL PETE CORP	10,668 434		12,535 368		1,866 934
12-18-08	09-14-11	11	OCCIDENTAL PETE CORP	603 870		889 607		285 737
10-08-08	09-14-11	106	OCCIDENTAL PETE CORP	5,478 600		8,572 574		3,093 974
10-16-08	09-14-11	261	OCCIDENTAL PETE CORP	11,744 950		21,107 941		9,362 991
03-23-11	09-20-11	389	EXPRESS SCRIPTS COMMONCMN	20,758 481		16,375 140	(4,383 341)	
02-04-10	09-20-11	704	FORD MOTOR CO NEW	7,984 064		7,400 235	(583 829)	
07-28-10	09-20-11	2,385	FORD MOTOR CO NEW	31,025 270		25,070 399	(5,954 871)	
11-03-10	09-20-11	86	FORD MOTOR CO NEW	1,301 223		904 006	(397 217)	
07-08-09	09-20-11	71	ORACLE CORP	1,461 514		2,050 334		588 820
04-14-08	09-20-11	468	ORACLE CORP	9,313 200		13,514 880		4,201 680
08-13-07	09-20-11	494	ORACLE CORP	9,815 780		14,265 707		4,449 927
04-09-07	09-20-11	108	ORACLE CORP	2,013 012		3,118 819		1,105 807
11-04-10	09-23-11	930	PFIZER INC	16,158 936		16,194 990	36 054	
03-31-11	09-23-11	633	PNC FINL SVCS GROUP INC	39,926 029		29,706 060	(10,219 969)	
02-18-09	09-23-11	270	FLUOR CORP NEW COM	10,460 905		13,551 149		3,090 244
10-08-08	09-23-11	52	FLUOR CORP NEW COM	1,979 440		2,609 851		630 411
10-16-08	09-23-11	126	FLUOR CORP NEW COM	4,628 220		6,323 870		1,695 650
03-31-11	09-23-11	54	MERCK & CO INC SHS	1,792 908		1,675 490	(117 418)	
11-03-10	09-23-11	499	TRAVELERS COMPANIES COM	27,849 039		23,381 490	(4,467 549)	
04-13-11	09-23-11	805	SANOFI	29,939 479		25,570 010	(4,369 469)	
10-02-08	09-23-11	90	NOVARTIS AG-ADR	4,687 443		4,806 286		118 843
10-08-08	09-23-11	50	NOVARTIS AG-ADR	2,472 770		2,670 158		197 388
10-16-08	09-23-11	109	NOVARTIS AG-ADR	5,342 132		5,820 946		478 814
08-16-11	10-04-11	5	MASTERCARD INC CL A	1,670 244		1,481 920	(188 324)	
08-10-11	12-01-11	483	ACCENTURE CLASS A ORD	25,642 040		27,951 634	2,309 594	

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						Proceeds	Short Term Long Term
10-04-11	12-01-11	64	ACCENTURE CLASS A ORD	3,379 130		3,703 736	324 606
09-22-11	12-09-11	120	AMAZON COM INC COM	27,187 940		22,984 145	(4,203 795)
10-04-11	12-09-11	10	AMAZON COM INC COM	2,048 100		1,915 345	(132 755)
08-04-11	12-14-11	493	POTASH CORP SASK INC COM	26,579 450		19,518 774	(7,060 676)
10-04-11	12-14-11	47	POTASH CORP SASK INC COM	1,913 480		1,860 816	(52 664)
04-28-04	12-19-11	85	APPLE INC	1,134 498		32,605 942	31,471 444
07-29-11	12-19-11	76	APPLE INC	29,877 260		29,153 548	(723 712)
04-28-04	12-19-11	8	APPLE INC	106 776		3,063 460	2,956 684
09-22-11	12-19-11	19	ABBOTT LABS	959 823		1,033 870	74 047
11-10-10	12-19-11	46	AMER EXPRESS COMPANY	1,994 440		2,127 460	133 020
09-22-11	12-19-11	3	AUTOZONE INC	947 213		972 610	25 397
10-04-11	12-19-11	18	BED BATH & BEYOND	968 677		1,100 680	132 002
03-09-09	12-19-11	12	BHP BILLITON LTD SPONSORED ADR	440 676		818 140	377 464
09-30-11	12-19-11	15	BALL CORP	472 657		516 290	43 633
10-04-11	12-19-11	40	BRISTOL-MYERS SQUIBB CO	1,262 239		1,374 770	112 531
11-19-10	12-19-11	24	CATERPILLAR INC	2,002 488		2,111 000	108 512
08-03-10	12-19-11	17	CHUBB CORP	901 717		1,133 540	231 823
09-23-11	12-19-11	15	CELGENE CORP COM	936 544		965 830	29 286
12-09-11	12-19-11	49	C&J ENERGY SVCS INC COM	1,085 531		968 220	(117 311)
03-04-08	12-19-11	25	CONOCOPHILLIPS	2,008 515		1,699 970	(308 545)
06-30-06	12-19-11	19	COSTCO WHOLESALE CORP NEW	1,087 526		1,561 390	473 864
12-01-11	12-19-11	101	CISCO SYS INC	1,870 500		1,793 940	(76 560)
09-05-08	12-19-11	4	CHEVRON CORP	320 232		400 673	80 441
10-08-08	12-19-11	18	CHEVRON CORP	1,282 747		1,803 026	520 278
12-18-08	12-19-11	5	CHEVRON CORP	365 280		500 841	135 561

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT

ACCOUNT #16H80163

From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
03-25-11	12-19-11	30	DU PONT EI DE NEMOURS & CO	1,629 258		1,303 170	(326 088)
03-31-11	12-19-11	14	DEERE & CO	1,351 151		1,032 760	(318 391)
07-29-11	12-19-11	60	E M C CORPORATION MASS	1,570 458		1,326 120	(244 338)
02-03-09	12-19-11	5	GOOGLE INC CL A	1,706 161		3,114 720	1,408 559
03-04-11	12-19-11	23	HALLIBURTON COMPANY CMN	1,071 526		714 140	(357 386)
01-22-09	12-19-11	49	HOME DEPOT INC	1,069 675		1,980 540	910 865
03-05-09	12-19-11	23	INTL BUSINESS MACHINES CORP	2,025 803		4,213 230	2,187 427
09-23-11	12-19-11	7	INTERCONTINENTAL EXCHANGE COM	842 304		816 460	(25 844)
02-03-10	12-19-11	74	INTEL CORP	1,449 127		1,711 810	262 683
04-14-08	12-19-11	28	JOHNSON & JOHNSON	1,853 320		1,778 520	(74 800)
08-21-08	12-19-11	93	JP MORGAN CHASE & CO	3,370 487		2,837 440	(533 047)
07-29-11	12-19-11	46	COCA COLA CMN	3,158 608		3,107 010	(51 598)
08-16-11	12-19-11	11	MASTERCARD INC CL A	3,674 537		3,981 560	307 023
01-07-08	12-19-11	46	MCDONALDS CORP COM	2,661 887		4,492 730	1,830 843
03-31-11	12-19-11	30	MERCK & CO INC SHS	996 060		1,096 480	100 420
11-04-10	12-19-11	111	MICROSOFT CORP	3,018 845		2,859 570	(159 275)
09-29-11	12-19-11	27	NORTHERN TR CORP COM	953 845		1,033 000	79 155
10-16-08	12-19-11	17	NOVARTIS AG-ADR	833 177		958 440	125 263
04-09-07	12-19-11	52	ORACLE CORP	969 228		1,499 650	530 422
01-07-05	12-19-11	9	PEPSICO INC	473 130		581 591	108 461
10-16-08	12-19-11	24	PEPSICO INC	1,256 590		1,550 909	294 319
11-04-10	12-19-11	54	PFIZER INC	938 261		1,148 290	210 029
10-04-11	12-19-11	17	PROCTER & GAMBLE CO	1,060 035		1,103 150	43 115
08-13-07	12-19-11	73	PHILIP MORRIS INTL INC COM	3,445 414		5,537 820	2,092 406
03-31-11	12-19-11	5	PRAXAIR INC	509 594		516 540	6 946
01-13-11	12-19-11	20	QUALCOMM INC	1,037 386		1,049 280	11 894

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
ACCOUNT #16H80163
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
11-08-10	12-19-11	40	STARBUCKS CORP CMN	1,230 068		1,740 770		510 702
03-30-11	12-19-11	11	SCHLUMBERGER LTD ADR	1,027 144		723 240	(303 904)	
03-24-11	12-19-11	51	AT&T CORP	1,459 533		1,465 460	5 927	
09-22-11	12-19-11	14	TIFFANY & CO	948 221		877 920	(70 301)	
08-18-11	12-19-11	29	UNILEVER N V NY SHS (NEW)ADR	956 278		957 270	0 992	
06-23-11	12-19-11	30	UNITEDHEALTH GROUP INCCMN	1,524 078		1,470 270	(53 808)	
05-19-08	12-19-11	16	UNITED PARCEL SERVICE CL B	1,139 680		1,137 420		(2 260)
07-29-11	12-19-11	41	US BANCORP	1,076 266		1,050 400	(25 866)	
10-21-08	12-19-11	24	UNITED TECHNOLOGIES CORP	1,230 017		1,731 570		501 553
07-28-11	12-19-11	12	VISA INC	1,061 709		1,183 540	121 831	
03-24-11	12-19-11	29	VERIZON COMMUNICATNS COM	1,079 928		1,119 530	39 602	
08-01-11	12-19-11	27	WALGREEN CO	1,049 347		887 200	(162 147)	
03-30-11	12-19-11	60	WEATHERFORD INTERNATIONAL LTD	1,329 546		797 990	(531 556)	
10-24-08	12-19-11	41	WAL-MART STORES INC	2,095 662		2,374 260		278 598
09-29-11	12-19-11	90	WATSON PHARMACEUTICALS INC	6,381 837		5,382 800	(999 037)	
01-21-10	12-19-11	46	EXXON MOBIL CORP	3,083 721		3,671 190		587 469
09-22-11	12-20-11	380	TIFFANY & CO	25,737 439		23,919 324	(1,818 115)	
10-04-11	12-20-11	35	TIFFANY & CO	2,093 280		2,203 096	109 816	
04-09-07	12-21-11	693	ORACLE CORP	12,916 829		17,447 189		4,530 360
10-08-08	12-21-11	203	ORACLE CORP	3,320 330		5,110 793		1,790 463
10-16-08	12-21-11	495	ORACLE CORP	8,199 680		12,462 277		4,262 597
12-18-08	12-21-11	22	ORACLE CORP	364 650		553 879		189 229

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
ACCOUNT #16H80163
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
10-04-11	12-21-11	138	ORACLE CORP	3,823,210		3,474,332	(348,878)	
TOTAL GAINS							27,190,071	442,354,246
TOTAL LOSSES							(112,511,264)	(45,869,248)
TOTAL REALIZED GAIN/LOSS				2,813,195,125	0.000	3,124,358,930	(85,321,193)	396,484,998
				311,163,805				

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
05-05-10	01-10-11	48,000	UNITED STATES TREAS NTS	48,397 501	(35 395)	49,916 250	1,554 144	
08-25-03	01-18-11	3 125% Due 04-30-17 2 FHLMC PC GUAR ADJ 30YR		2 273	0 000	2 120		(0 153)
08-18-03	01-18-11	2 518% Due 12-01-32 109 FHLMC PC GOLD GUAR 20		108 810	0 000	108 810		0 000
07-08-09	01-18-11	5 500% Due 07-01-23 597 FHLMC REMIC SERIES 2777		626 387	0 000	597 270		(29 117)
10-02-07	01-18-11	5 000% Due 04-15-15 130 GNMA REMIC TRUST 2007-52		126 240	0 000	130 187		3 947
07-30-08	01-18-11	4 054% Due 06-16-27 16 GNMA REMIC TRUST 2007-52		16 185	0 000	16 273		0 088
04-27-07	01-18-11	4 054% Due 06-16-27 5,131 GNMA REMIC TRUST 2004-78		4,981 841	0 000	5,130 960		149 119
05-05-06	01-18-11	4 259% Due 10-16-21 181 GNMA REMIC TRUST 2003-49		169 456	0 000	181 320		11 864
08-01-07	01-18-11	2 212% Due 10-16-17 658 GNMA REMIC TRUST 2003-96		639 799	0 000	658 060		18 261
05-03-10	01-25-11	4 891% Due 04-16-31 1,899 FNMA REMIC TRUST 2003-74		1,977 391	0 000	1,899 340	(78 051)	
08-18-03	02-01-11	4 500% Due 08-25-18 110 FHLMC PC GOLD GUAR 20		109 830	0 000	109 830		0 000
		5 500% Due 07-01-23						

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Short Term	Long Term
08-25-03	02-01-11	2	FHLMC PC GUAR ADJ 30YR	2 401	0 000	2 240	(0 161)
05-03-10	02-01-11	1,219	2 518% Due 12-01-32 FNMA REMIC TRUST	1,269 478	0 000	1,219 370	(50 108)
07-08-09	02-01-11	600	4 500% Due 08-25-18 FHLMC REMIC SERIES	628 998	0 000	599 760	(29 238)
10-02-07	02-01-11	131	5 000% Due 04-15-15 GNMA REMIC TRUST	126 835	0 000	130 800	3 965
07-30-08	02-01-11	16	4 054% Due 06-16-27 GNMA REMIC TRUST	16 262	0 000	16 350	0 088
04-27-07	02-01-11	12,532	4 054% Due 06-16-27 GNMA REMIC TRUST	12,168 129	0 000	12,532 350	364 221
05-05-06	02-01-11	182	4 259% Due 10-16-21 GNMA REMIC TRUST	170 241	0 000	182 160	11 919
10-05-10	02-11-11	100,000	2 212% Due 10-16-17 UNITED STATES TREAS NTS	106,765 630	(370 625)	100,597 655	(5,797 350)
08-05-10	02-11-11	100,000	2 750% Due 11-30-16 UNITED STATES TREAS NTS	103,750 000	(290 094)	100,597 655	(2,862 251)
05-13-10	02-11-11	100,000	2 750% Due 11-30-16 UNITED STATES TREAS NTS	99,539 060	53 974	100,965 438	1,372 404
04-30-10	02-11-11	165,000	2 625% Due 04-30-16 UNITED STATES TREAS NTS	163,053 520	236 494	166,592 972	3,302 958
			2 625% Due 04-30-16				

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
08-10-10	02-11-11	50,000	UNITED STATES TREAS NTS	52,953 130	(214 498)	50,806 640	(1,931 992)
05-05-10	02-11-11	152,000	3 000% Due 02-28-17 UNITED STATES TREAS NTS	153,258 753	(126 596)	155,111 250	1,979 093
02-02-10	02-18-11	70,000	3 125% Due 04-30-17 FEDERAL NTAL MTG ASSN	70,000 000	0 000	70,000 000	0 000
08-19-10	03-14-11	40,000	3 050% Due 08-18-15 UNITED STATES TREAS NTS	42,418 748	(341 044)	41,862 500	(215 204)
08-25-03	03-15-11	20	2 625% Due 07-31-14 FHLMC PC GUAR ADJ 30YR	21 742	0 000	20 280	(1 462)
08-18-03	03-15-11	110	2 518% Due 12-01-32 FHLMC PC GOLD GUAR 20	110 370	0 000	110 370	0 000
07-08-09	03-15-11	602	5 500% Due 07-01-23 FHLMC REMIC SERIES 2777	631 620	0 000	602 260	(29 360)
10-02-07	03-16-11	131	5 000% Due 04-15-15 GNMA REMIC TRUST 2007-52	127 430	0 000	131 413	3 983
07-30-08	03-16-11	16	4 054% Due 06-16-27 GNMA REMIC TRUST 2007-52	16 338	0 000	16 427	0 089
05-05-06	03-16-11	183	4 054% Due 06-16-27 GNMA REMIC TRUST 2003-49	171 036	0 000	183 010	11 974
02-19-10	03-16-11	70,000	2 212% Due 10-16-17 FHLMC	70,000 000	0 000	70,000 000	0 000
		3	000% Due 03-16-15				

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
04-27-07	03-17-11	3,442	GNMA REMIC TRUST 2004-78	3,341 773	0 000	3,441 800		100 027
05-03-10	03-25-11	890	4 259% Due 10-16-21 FNMA REMIC TRUST 2003-74	926 428	0 000	889 860	(36 568)	
08-31-10	04-04-11	35,000	4 500% Due 08-25-18 UNITED STATES TREAS NTS	36,227 733	(205 100)	35,672 650	(349 984)	
08-25-03	04-15-11	2	1 875% Due 02-28-14 FHLMC PC GUAR ADJ 30YR	2 380	0 000	2 220		(0 160)
08-18-03	04-15-11	110	2 518% Due 12-01-32 FHLMC PC GOLD GUAR 20	110 410	0 000	110 410		0 000
07-08-09	04-15-11	605	5 500% Due 07-01-23 FHLMC REMIC SERIES 2777	634 242	0 000	604 760		(29 482)
10-02-07	04-18-11	132	5 000% Due 04-15-15 GNMA REMIC TRUST 2007-52	128 033	0 000	132 036		4 003
07-30-08	04-18-11	17	4 054% Due 06-16-27 GNMA REMIC TRUST 2007-52	16 415	0 000	16 504		0 089
04-27-07	04-18-11	6,640	4 054% Due 06-16-27 GNMA REMIC TRUST 2004-78	6,446 627	0 000	6,639 580		192 953
05-05-06	04-18-11	1,385	4 259% Due 10-16-21 GNMA REMIC TRUST 2003-49	1,294 520	0 000	1,385 120		90 600
05-03-10	04-25-11	1,190	2 212% Due 10-16-17 FNMA REMIC TRUST 2003-74	1,238 673	0 000	1,189 780	(48 893)	
			4 500% Due 08-25-18					

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
08-25-03	05-16-11	4	FHLMC PC GUAR ADJ 30YR	4 342	0 000	4 050	(0 292)
07-08-09	05-16-11	607	2 518% Due 12-01-32 FHLMC REMIC SERIES 2777	636 885	0 000	607 280	(29 605)
03-29-11	05-16-11	1,746	5 000% Due 04-15-15 FHRR R012 AB	1,815 934	0 000	1,746 090	(69 844)
08-18-03	05-16-11	111	5 500% Due 12-15-20 FHLMC PC GOLD GUAR 20	110 970	0 000	110 970	0 000
10-02-07	05-16-11	6,308	5 500% Due 07-01-23 GNMA REMIC TRUST 2007-52	6,116 798	0 000	6,308 009	191 211
07-30-08	05-16-11	789	4 054% Due 06-16-27 GNMA REMIC TRUST 2007-52	784 244	0 000	788 501	4 257
05-03-10	05-25-11	873	4 054% Due 06-16-27 FNMA REMIC TRUST 2003-74	908 406	0 000	872 550	(35 856)
08-31-10	06-14-11	50,000	4 500% Due 08-25-18 UNITED STATES TREAS NTS	51,753 905	(389 633)	51,642 580	278 308
08-25-03	06-15-11	2	1 875% Due 02-28-14 FHLMC PC GUAR ADJ 30YR	2 251	0 000	2 100	(0 151)
08-18-03	06-15-11	112	2 518% Due 12-01-32 FHLMC PC GOLD GUAR 20	111 580	0 000	111 580	0 000
07-08-09	06-15-11	610	5 500% Due 07-01-23 FHLMC REMIC SERIES 2777	639 538	0 000	609 810	(29 728)
03-29-11	06-15-11	1,714	5 000% Due 04-15-15 FHRR R012 AB	1,782 352	0 000	1,713 800	(68 552)
			5 500% Due 12-15-20				

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss		
						Proceeds	Short Term	Long Term
10-02-07	06-16-11	129	GNMA REMIC TRUST 2007-52	125 370	0 000	129 289		3 919
07-30-08	06-16-11	16	4 054% Due 06-16-27 GNMA REMIC TRUST 2007-52	16 074	0 000	16 161		0 087
08-19-10	06-22-11	40,000	4 054% Due 06-16-27 UNITED STATES TREAS NTS	42,418 748	(506 533)	42,389 070	476 855	
08-31-10	06-23-11	55,000	2 625% Due 07-31-14 UNITED STATES TREAS NTS	56,929 295	(442 083)	56,991 600	504 388	
05-03-10	06-27-11	893	1 875% Due 02-28-14 FNMA REMIC TRUST 2003-74	929 259	0 000	892 580		(36 679)
08-25-03	07-15-11	2	4 500% Due 08-25-18 FHLMC PC GUAR ADI 30YR	1 780	0 000	1 660		(0 120)
06-22-11	07-15-11	1,510	2 518% Due 12-01-32 FHLMC REMIC TRUST 3864	1,533 403	0 000	1,509 870	(23 533)	
06-21-11	07-15-11	361	2 000% Due 08-15-18 FHLMC REMIC TRUST 3864	374 901	0 000	360 590	(14 311)	
08-18-03	07-15-11	112	3 500% Due 05-15-26 FHLMC PC GOLD GUAR 20	112 110	0 000	112 110		0 000
07-08-09	07-15-11	612	5 500% Due 07-01-23 FHLMC REMIC SERIES 2777	642 202	0 000	612 350		(29 852)
03-29-11	07-15-11	1,747	5 000% Due 04-15-15 FHRR R012 AB 5 500% Due 12-15-20	1,817 171	0 000	1,747 280	(69 891)	

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
10-02-07	07-19-11	130	GNMA REMIC TRUST 2007-52	125,956	0 000	129,893	3 937
07-30-08	07-19-11	16	4 054% Due 06-16-27 GNMA REMIC TRUST 2007-52	16 149	0 000	16 237	0 088
08-31-10	07-20-11	60,000	4 054% Due 06-16-27 UNITED STATES TREAS NTS	62,104 686	(526 430)	62,088 280	510 024
05-03-10	07-25-11	934	1 875% Due 02-28-14 FNMA REMIC TRUST 2003-74	972 652	0 000	934 260	(38 392)
08-19-10	07-28-11	20,000	4 500% Due 08-25-18 UNITED STATES TREAS NTS	21,209 374	(283 113)	21,163 281	237 020
11-30-10	07-28-11	120,000	2 625% Due 07-31-14 UNITED STATES TREAS NTS	127,157 815	(1,264 409)	126,979 689	1,086 283
08-25-03	08-15-11	2	2 625% Due 07-31-14 FHLMC PC GUAR ADJ 30YR	2 091	0 000	1 950	(0 141)
06-22-11	08-15-11	1,432	2 518% Due 12-01-32 FHLMC REMIC TRUST 3864	1,454 329	0 000	1,432 010	(22 319)
06-21-11	08-15-11	371	2 000% Due 08-15-18 FHLMC REMIC TRUST 3864	385 589	0 000	370 870	(14 719)
08-18-03	08-15-11	113	3 500% Due 05-15-26 FHLMC PC GOLD GUAR 20	112 540	0 000	112 540	0 000
07-08-09	08-15-11	615	5 500% Due 07-01-23 FHLMC REMIC SERIES 2777	644 887	0 000	614 910	(29 977)
			5 000% Due 04-15-15				

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
03-29-11	08-15-11	1,769	FHRR R012 AB 5 500% Due 12-15-20	1,839 282	0 000	1,768 540	(70 742)
10-02-07	08-16-11	2,904	GNMA REMIC TRUST 2007-52	2,816 387	0 000	2,904 427	88 040
07-30-08	08-16-11	363	GNMA REMIC TRUST 2007-52	361 093	0 000	363 053	1 960
04-01-11	08-23-11	70,000	NORTH TEX TWY AUTH REV	70,000 000	0 000	71,676 500	1,676 500
02-11-10	08-23-11	75,000	UTAH ST RECAPITALIZATION REV TAXABLE R	74,448 000	184 931	77,995 500	3,362 569
05-03-10	08-25-11	841	FNMA REMIC TRUST 2003-74	875 706	0 000	841 140	(34 566)
03-11-11	08-30-11	55,000	IMPERIAL IRR DIST CALIF REV CT TAXABLE C	63,047 600	(545 743)	64,556 250	2,054 393
08-25-03	09-15-11	2	FHLMC PC ADJ 30YR	2 069	0 000	1 930	(0 139)
06-22-11	09-15-11	1,480	FHLMC REMIC TRUST 3864	1,503 240	0 000	1,480 170	(23 070)
06-21-11	09-15-11	381	FHLMC REMIC TRUST 3864	396 111	0 000	380 990	(15 121)
08-18-03	09-15-11	113	FHLMC PC GOLD GUAR 20	113 120	0 000	113 120	0 000
		5	500% Due 07-01-23				

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
07-08-09	09-15-11	617	FHLMC REMIC SERIES 2777	647 572	0 000	617 470	(30 102)
03-29-11	09-15-11	1,642	5 000% Due 04-15-15 FHRR R012 AB	1,707 170	0 000	1,641 510	(65 660)
10-02-07	09-16-11	129	5 500% Due 12-15-20 GNMA REMIC TRUST 2007-52	125 008	0 000	128 916	3 908
07-30-08	09-16-11	16	4 054% Due 06-16-27 GNMA REMIC TRUST 2007-52	16 027	0 000	16 114	0 087
05-03-10	09-26-11	1,179	4 054% Due 06-16-27 FNMA REMIC TRUST 2003-74	1,227 450	0 000	1,179 000	(48 450)
07-27-11	09-26-11	1,429	4 500% Due 08-25-18 FNMA PASS-THRU LNG 30 YEAR	1,527 883	0 000	1,429 180	(98 703)
08-18-03	10-01-11	114	5 000% Due 11-01-35 FHLMC PC GOLD GUAR 20	113 630	0 000	113 630	0 000
08-25-03	10-01-11	16	5 500% Due 07-01-23 FHLMC PC GUAR ADJ 30YR	16 971	0 000	15 830	(1 141)
06-22-11	10-01-11	1,555	2 518% Due 12-01-32 FHLMC REMIC TRUST 3864	1,579 226	0 000	1,554 990	(24 236)
06-21-11	10-01-11	391	2 000% Due 08-15-18 FHLMC REMIC TRUST 3864	406 455	0 000	390 940	(15 515)
05-03-10	10-01-11	841	3 500% Due 05-15-26 FNMA REMIC TRUST 2003-74	875 529	0 000	840 970	(34 559)
		4	500% Due 08-25-18				

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss		
						Proceeds	Short Term	Long Term
07-08-09	10-01-11	620	FHLMC REMIC SERIES 2777	650 267	0 000	620 040		(30 227)
03-29-11	10-01-11	1,797	5 000% Due 04-15-15 FHRR R012 AB	1,869 213	0 000	1,797 320	(71 893)	
07-27-11	10-01-11	1,450	5 500% Due 12-15-20 FNMA PASS-THRU LNG 30 YEAR	1,550 301	0 000	1,450 150	(100 151)	
10-02-07	10-01-11	130	5 000% Due 11-01-35 GNMA REMIC TRUST 2007-52	125 594	0 000	129 520		3 926
07-30-08	10-01-11	16	4 054% Due 06-16-27 GNMA REMIC TRUST 2007-52	16 103	0 000	16 190		0 087
08-25-03	11-15-11	2	4 054% Due 06-16-27 FHLMC PC GUAR ADJ 30YR	2 230	0 000	2 080		(0 150)
06-22-11	11-15-11	1,592	2 518% Due 12-01-32 FHLMC REMIC TRUST 3864	1,616 427	0 000	1,591 620	(24 807)	
06-21-11	11-15-11	401	2 000% Due 08-15-18 FHLMC REMIC TRUST 3864	416 613	0 000	400 710	(15 903)	
08-18-03	11-15-11	114	3 500% Due 05-15-26 FHLMC PC GOLD GUAR 20	114 340	0 000	114 340		0 000
07-08-09	11-15-11	623	5 500% Due 07-01-23 FHLMC REMIC SERIES 2777	652 983	0 000	622 630		(30 353)
03-29-11	11-15-11	2,096	5 000% Due 04-15-15 FHRR R012 AB	2,179 986	0 000	2,096 140	(83 846)	
12-16-09	11-16-11	25,000	5 500% Due 12-15-20 UNITED STATES TREAS NTS	25,109 375	(73 633)	25,284 180		248 438
			1 375% Due 10-15-12					

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
11-30-10	11-16-11	55,000	UNITED STATES TREAS NTS	58,280 665	(848 794)	58,340 820	908 949
10-02-07	11-16-11	130	2 625% Due 07-31-14 GNMA REMIC TRUST	126 180	0 000	130 124	3 944
07-30-08	11-16-11	16	4 054% Due 06-16-27 GNMA REMIC TRUST	16 178	0 000	16 266	0 088
05-03-10	11-25-11	1,215	4 054% Due 06-16-27 FNMA REMIC TRUST	1,265 377	0 000	1,215 430	(49 947)
07-27-11	11-25-11	1,699	4 500% Due 08-25-18 FNMA PASS-THRU LNG	1,816 765	0 000	1,699 400	(117 365)
06-08-11	12-02-11	70,000	5 000% Due 11-01-35 FEDERAL NATL MTG	70,173 600	(76 108)	70,224 000	126 508
08-18-03	12-15-11	115	1 000% Due 12-15-16 FHLMC PC GOLD	114 800	0 000	114 800	0 000
08-25-03	12-15-11	2	5 500% Due 07-01-23 FHLMC PC GUAR	1 747	0 000	1 630	(0 117)
06-22-11	12-15-11	1,654	2 518% Due 12-01-32 FHLMC REMIC TRUST	1,680 084	0 000	1,654 300	(25 784)
06-21-11	12-15-11	410	2 000% Due 08-15-18 FHLMC REMIC TRUST	426 584	0 000	410 300	(16 284)
07-08-09	12-15-11	625	3 500% Due 05-15-26 FHLMC REMIC SERIES	655 700	0 000	625 220	(30 480)
		2777	5 000% Due 04-15-15				

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT
ACCOUNT #16H80164
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
03-29-11	12-15-11	2,499	FHRR R012 AB 5 500% Due 12-15-20	2,598 887	0 000	2,498 930	(99 957)	
10-02-07	12-16-11	131	GNMA REMIC TRUST 2007-52	126 775	0 000	130 738		3 963
07-30-08	12-16-11	16	4 054% Due 06-16-27 GNMA REMIC TRUST 2007-52	16 254	0 000	16 342		0 088
07-27-11	12-27-11	2,098	4 054% Due 06-16-27 FNMA PASS-THRU LNG 30 YEAR	2,242 498	0 000	2,097 630	(144 868)	
05-03-10	12-27-11	1,074	5 000% Due 11-01-35 FNMA REMIC TRUST 2003-74	1,118 353	0 000	1,074 210		(44 143)
			4 500% Due 08-25-18					
TOTAL GAINS						16,067 828	4,887 785	
TOTAL LOSSES						(12,667 472)	(684 300)	
TOTAL REALIZED GAIN/LOSS				1,767,085.660	(6,064.432)	1,768,625.070	3,400.356	4,203.486

TOTAL REALIZED GAIN/LOSS 7,603 842

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒

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).

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	THE HILLCREST FOUNDATION	☒ 31-1501699
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	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	01	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, 2012.

5 For calendar year 2011, 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 CAN NOT 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	\$	0.
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 must be completed for Part II only.

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. 1-2012)