Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , 2011, and ending , 20

Name of foundation The Jared and Carol Hills Foundation	A Employer identification number 39-1896077
Number and street (or P O box number if mail is not delivered to street address) c/o Darrel A. Morf, 115 Third Street SE — Room/suite 1200	B Telephone number (see instructions) 319-366-7641
City or town, state, and ZIP code Cedar Rapids, Iowa 52401	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)* ▶ $ 2,872,437 — J Accounting method: ☑ Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis.)*	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) (see instructions).)*

	Line	Description	(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)				
	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	121,825	121,825		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	(25,568)			
	b	Gross sales price for all assets on line 6a 365,742				
	7	Capital gain net income (from Part IV, line 2)		0		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	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	96,257	121,825	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule) See Attached Exhibit A	2,604			
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)				
	17	Interest	2,054	2,054		
	18	Taxes (attach schedule) (see instructions) See Attached Exhibit B	2,354	2,354		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	739			
	22	Printing and publications				
	23	Other expenses (attach schedule)				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	7,751	4,408		
	25	Contributions, gifts, grants paid	129,745			129,745
	26	**Total expenses and disbursements.** Add lines 24 and 25	137,496	4,408	0	129,745
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	(41,239)			
	b	**Net investment income** (if negative, enter -0-)		117,417		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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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 (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash—non-interest-bearing	100,815	31,817	31,817
	2 Savings and temporary cash investments			
	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 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)			
	b Investments—corporate stock (attach schedule)	1,165,136	1,229,488	1,310,201
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans	1,485,583	1,449,221	1,530,419
	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)	2,751,535	2,710,526	2,872,437
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 (attach schedule)			
	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			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	2,751,535	2,710,526	
	30 **Total net assets or fund balances** (see instructions)	2,751,535	2,710,526	
	31 **Total liabilities and net assets/fund balances** (see instructions)	2,751,535	2,710,526	

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	2,751,535
2	Enter amount from Part I, line 27a	2	(41,239)
3	Other increases not included in line 2 (itemize) ▶ **Account Adjustment**	3	230
4	Add lines 1, 2, and 3	4	2,710,526
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	2,710,526

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 Exhibit D			
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				
b				
c				
d				
e				

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				
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	(25,568)
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 instructions). If (loss), enter -0- in Part I, line 8	3	(3,153)

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 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))
2010	110,325	2,754,523	.0401
2009	102,521	2,169,180	0473
2008	119,186	2,210,516	0539
2007	108,603	2,345,117	0463
2006	96,200	2,227,014	.0432

2	**Total** of line 1, column (d)	2	.2308
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	.0462
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	2,870,808
5	Multiply line 4 by line 3	5	132,631
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,174
7	Add lines 5 and 6	7	133,805
8	Enter qualifying distributions from Part XII, line 4	8	129,745

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)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	2,348	34
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	0	
3	Add lines 1 and 2	3	2,348	34
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	2,348	34
6	Credits/Payments:			
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a: 2,258 84			
b	Exempt foreign organizations—tax withheld at source — 6b: 0			
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 0			
d	Backup withholding erroneously withheld — 6d: 0			
7	Total credits and payments. Add lines 6a through 6d	7	2,258	84
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	0	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	89	50
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 2012 estimated tax** ▶ | **Refunded** ▶	11		

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		✓
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		✓
	*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.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		✓
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? *If "Yes," attach a detailed description of the activities.*	2		✓
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*	3		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		✓
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?	6	✓	
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*	7	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ IOWA			
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*	8b	✓	
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*	9		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
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		✓
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		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	

Website address ▶

14 The books are in care of ▶ Darrel A. Morf, Secretary and Director Telephone no. ▶ 319-366-7641

Located at ▶ Simmons Perrine Moyer Bergman PLC, 115 3rd St. SE, Cedar Rapids, Iowa ZIP+4 ▶ 52401

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

			Yes	No
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?	16		✓
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶☐			
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?	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 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 ▶ 20 , 20 , 20 , 20			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 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? ☐ Yes ☑ No			
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.)*	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 2011?	4b		✓

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

			Yes	No
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)? (see instructions) ☐ 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)?	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? ☐ 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			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		✓
	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?	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 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 Attached Exhibit E				

2 Compensation of five highest-paid employees (other than those included on line 1—see 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 ▶				0

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 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 ▶		0

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 NONE	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See instructions	
3 NONE	
Total. Add lines 1 through 3 ▶	

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: See Attached Exhibit F		
a	Average monthly fair market value of securities	1a	2,845,928
b	Average of monthly cash balances	1b	68,598
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	2,914,526
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	2,914,526
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see instructions)	4	43,718
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,870,808
6	**Minimum investment return.** Enter 5% of line 5	6	143,540

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	143,540
2a	Tax on investment income for 2011 from Part VI, line 5 — 2a: 2,348		
b	Income tax for 2011. (This does not include the tax from Part VI.) — 2b: 0		
c	Add lines 2a and 2b	2c	2,348
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	141,192
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	141,192
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	141,192

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	129,745
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	0
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	129,745
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 instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	129,745

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				141,192
2	Undistributed income, if any, as of the end of 2011:				
a	Enter amount for 2010 only			128,597	
b	Total for prior years: 20___,20___,20___		0		
3	Excess distributions carryover, if any, to 2011:				
a	From 2006 0				
b	From 2007 0				
c	From 2008 0				
d	From 2009 0				
e	From 2010 0				
f	**Total** of lines 3a through e	0			
4	Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 129,745				
a	Applied to 2010, but not more than line 2a			128,597	
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				1,148
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 instructions			0	
f	Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				140,044
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0			
8	Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	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 . . . . N/A				
b	Excess from 2008 . . . . N/A				
c	Excess from 2009 . . . . N/A				
d	Excess from 2010 . . . . N/A				
e	Excess from 2011 . . . . N/A				

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

1a 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 . . . . . ▶ N/A

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

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . .					
b 85% of line 2a .					
c Qualifying distributions from Part XII, line 4 for each year listed .					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c . . .					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i) .					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . .					
c "Support" alternative test—enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) .					
(3) Largest amount of support from an exempt organization .					
(4) Gross investment income					

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 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).)

Jared S. Hills and Carol T. Hills

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 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:

Carol T. Hills, 2008 Balsam Drive SW, Cedar Rapids, Iowa 52404

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

Correspondence stating nature of request.

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:

(1) No gifts to individuals; (2) Only gifts to charities; (3) Iowa public charities preferred

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*				
See Attached Exhibit G				
Total . . . . ▶ **3a**				129,745
b *Approved for future payment*				
N/A				
Total . . . . ▶ **3b**				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	121,825	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	(25,568)	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				96,257	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 96,257

(See worksheet in line 13 instructions 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 instructions)
N/A	

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		✓
	(2) Other assets	1a(2)		✓
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✓
	(3) Rental of facilities, equipment, or other assets	1b(3)		✓
	(4) Reimbursement arrangements	1b(4)		✓
	(5) Loans or loan guarantees	1b(5)		✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✓

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☑ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Signature of officer or trustee: [signature] Date: 4/30/2012 Title: Secretary and Director

May the IRS discuss this return with the preparer shown below (see instructions)? ☑ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Travis J. Schroeder	[signature]	4/30/2012		P01050727
Firm's name ▶ Simmons Perrine Moyer Bergman PLC			Firm's EIN ▶	42-0665669
Firm's address ▶ 115 Third Street SE, Suite 1200, Cedar Rapids, Iowa 52401			Phone no	319-366-7641

2011 FORM 990-PF
JARED & CAROL HILLS FOUNDATION EIN 39-1896077

EXHIBIT A (Part I, Line 16(a)) - Attorney Fees Paid

Law Firm	Amount of Fees Paid	Services Provided
Simmons Perrine Moyer Bergman PLC	$2,604.00	Tax Return Preparation and Other Legal Work

EXHIBIT B (Part I, Line 18) - Taxes Paid

Type of Tax	Amount of Tax Paid
First Quarter Estimated Tax Payment	$2,000 00
Foreign Taxes Withheld	$353 98
Total	$2,353 98

2011 Form 990-PF
Exhibit C (Part II) - Balance Sheet
Jared Carol Hills Foundation (EIN: 39-1896077)

ASSET DETAILS

This section shows the cash, cash alternatives and/or securities in your account. It reflects market values as of the close of business, December 31, 2011.
Please note, unrealized gain/loss is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor

CASH AND CASH ALTERNATIVES

	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
INSURED DEPOSIT US BANK	31,816 53	31,816 53		31 82	0 10%
Net yield from 12/01/11 - 12/31/11 was 0.10% (Compounded).					
Deposits held at US Bank are insured by the FDIC up to $250,000.					
Total Cash and Cash Alternatives	**$31,816.53**	**$31,816.53**		**$31.82**	**0.10%**

PORTFOLIO ASSETS

Stocks/Options	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
ARCHER DANIELS MIDLAND COMPANY	ADM	2,000	28.6000	22.4769	57,200 00	44,953 70	12,246 30	1,400 00	2 45%
BARRICK GOLD CORP	ABX	600	45 2500	42 8808	27,150 00	25,728 45	1,421 55	360 00	1 33%
CATERPILLAR INC	CAT	500	90.6000	79 4774	45,300 00	39,738 70	5,561 30	920 00	2 03%
CHEVRON CORP	CVX	500	106 4000	75 4966	53,200.00	37,748 30	15,451 70	1,620 00	3 05%
COCA-COLA COMPANY	KO	800	69 9700	57 8986	55,976 00	46,318 91	9,657 09	1,504 00	2 69%
DEERE & COMPANY	DE	700	77.3500	69.9128	54,145 00	48,938 98	5,206 02	1,148 00	2 12%
EDWARDS LIFESCIENCES CORP	EW	500	70 7000	68 7052	35,350 00	34,352 58	997.42	N/A	N/A
EMERSON ELECTRIC COMPANY	EMR	500	46.5900	48 1163	23,295 00	24,058 15	-763 15	800 00	3 43%
EXXON MOBIL CORP	XOM	500	84.7600	66 4800	42,380 00	33,240.00	9,140 00	940 00	2 22%
FREEPORT MCMORAN COPPER & GOLD	FCX	600	36 7900	46 2664	22,074 00	27,759 82	-5,685 82	600 00	2 72%
GENERAL DYNAMICS CORP COMMON	GD	1,000	66 4100	66 3371	66,410 00	66,337 14	72 86	1,880 00	2 83%
GENERAL ELECTRIC COMPANY	GE	1,500	17.9100	13.9494	26,865 00	20,924 15	5,940 85	1,020 00	3 80%
INTEL CORP	INTC	1,000	24 2500	20.6163	24,250.00	20,616 32	3,633 68	840 00	3 46%
JPMORGAN CHASE & COMPANY	JPM	1,000	33.2500	35 4044	33,250 00	35,404 36	-2,154 36	1,000 00	3 01%
MERCK & COMPANY INC NEW	MRK	1,000	37 7000	36.6763	37,700 00	36,676 28	1,023 72	1,680 00	4 46%
PEPSICO INC	PEP	500	66 3500	66 8436	33,175 00	33,421 78	-246 78	1,030 00	3 10%
PROCTER & GAMBLE COMPANY	PG	500	66.7100	62.0356	33,355 00	31,017 78	2,337 22	1,050 00	3 15%

ASSET DETAILS continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
Stocks/Options continued									
ROCKWELL COLLINS INC DE	COL	700	55.3700	61.2384	38,759.00	42,866 85	-4,107 85	672 00	1 73%
ROYAL BANK CANADA MONTREAL	RY	1,000	50.9600	52 2458	50,960.00	52,245 82	-1,285 82	2,160 00	4 24%
SCHLUMBERGER LTD	SLB	500	68.3100	58 4479	34,155.00	29,223 97	4,931 03	500 00	1 46%
TARGET CORP	TGT	500	51 2200	52 1532	25,610.00	26,076 58	-466.58	600 00	2 34%
3M COMPANY	MMM	300	81.7300	85 7445	24,519 00	25,723.36	-1,204 36	660 00	2 69%
UNITED FIRE & CASUALTY COMPANY	UFCS	1,000	20 1800	17 3269	20,180 00	17,326.86	2,853.14	600 00	2 97%
UNITED TECHNOLOGIES CORP	UTX	400	73 0900	52 5727	29,236.00	21,029 06	8,206 94	768 00	2 63%
Total Stocks/Options					**$894,494.00**	**$821,727.90**	**$72,766.10**	**$23,752.00**	**2.66%**
Stock Funds									
CAPITAL WORLD GROWTH & INCOME FUND INC CL A	CWGIX	1,937 838	32.1200	35 6616	62,243 35	69,106 47	-6,863.12	1,550 27	2 49%
EURO PACIFIC GROWTH FD CL A	AEPGX	2,212.777	35 1600	29 8568	77,801 23	66,066 45	11,734 78	1,261 28	1 62%
FUNDAMENTAL INVRS INC CL A	ANCFX	2,605 034	35.3900	27 0913	92,192 15	70,573 73	21,618 42	1,263 44	1 37%
NEW PERSPECTIVE FD INC CL A	ANWPX	2,369 128	26 1600	27 3778	61,976 38	64,861 41	-2,885 03	687 04	1 11%
SMALLCAP WORLD FD INC CL A	SMCWX	1,276.457	33 1800	37 2749	42,352 84	47,579 87	-5,227 03	665 03	1 57%
Total Stock Funds					**$336,565.95**	**$318,187.93**	**$18,378.02**	**$5,427.06**	**1.61%**
Balanced Funds									
IVY FUNDS INC ASSET STRATEGY FUND CLASS A	WASAX	1,827 428	22.2600	24 9018	40,678 54	45,506 17	-4,827 63	84 06	0 21%
PIMCO FDS PAC INVT MGMT SER ALL ASSET FD CL A	PASAX	3,359.207	11 4500	13 1180	38,462 92	44,066 17	-5,603 25	2,905 71	7 55%
Total Balanced Funds					**$79,141.46**	**$89,572.34**	**-$10,430.88**	**$2,989.77**	**3.78%**
Taxable Bonds									
FEDL HOME LOAN MTG CORP MULTICL REMIC 2390 CL TB MONTHLY 14 DAY DELAY CPN 6 000% DUE 12/15/21 DTD 12/01/01 FC 01/15/02 REMAINING PRINCIPAL $21,112	31339LSN1	31,000	108 2282	99 0000	22,849 88	20,808 69***	2,041 19	1,266 76	5 54%

ASSET DETAILS continued

Taxable Bonds continued	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
MICHIGAN FIN AUTH REV TXBL RFDG SCH LN B/E TXBL CPN 5 996% DUE 09/01/22 DTD 12/15/10 FC 03/01/11 ORIGINAL COST· $52,071.00	59447PCS8 S&P· AA- Moody: Aa2	50,000	108 4820	103 9620	54,241.00	51,980 98***	2,260.02	2,998 00	5 53%
FEDL NATL MTG ASSN REMIC SER 1992-195 CL C MONTHLY 24 DAY DELAY CPN 7 500% DUE 10/25/22 DTD 10/01/92 FC 11/25/92 REMAINING PRINCIPAL. $602	31358RBM4	20,000	114.0603	103 2500	687 51	1,257 77***	-570 26	45 20	6 58%
GOVT NATL MTG ASSN POOL #392660 CPN 8 000% DUE 10/15/24 DTD 10/01/94 FC 11/15/94 REMAINING PRINCIPAL $177	36205KE99	40,000	100.3414	103 5000	178 02	1,225 11***	-1,047 09	14 19	7 97%
MARICOPA CNTY AZ SCHOOL DIST 3 TEMPE ELEM IMPT SER A AGM B/E BABS TXBL CPN 5 750% DUE 07/01/25 DTD 02/24/10 FC 01/01/11 CALL 07/01/20 @ 100 000	566880UM0 Moody. Aa2	50,000	108.9460	106.9710	54,473.00	53,485 50	987 50	2,875 00	5 28%
GOVT NATL MTG ASSN II POOL #002118 CPN 7 500% DUE 11/20/25 DTD 11/01/95 FC 12/20/95 REMAINING PRINCIPAL $3,094	36202CK77	275,000	117 8223	106 7500	3,645 50	6,470 73***	-2,825 23	232 05	6 37%
FEDL HOME LOAN MTG CORP MULTICL REMIC 1847 CL LL MONTHLY 14 DAY DELAY CPN 7.500% DUE 04/15/26 DTD 04/01/96 FC 05/15/96 REMAINING PRINCIPAL $1,224	3133T6N31 Moody. Aaa	23,000	115 1966	104 7500	1,410.80	2,322 20***	-911 40	91 85	6 51%
GRASS LAKE MI COMMUNITY SCH DIST SCH BLDG & SITE B/E TXBL QSCB QSBLF CPN 6.250% DUE 05/01/26 DTD 06/03/10 FC 11/01/10 CALL 05/01/20 @ 100 000 ORIGINAL COST $50,920 00	388712EW7 Moody Aa2	50,000	106 7420	101.6199	53,371 00	50,809 94***	2,561 06	3,125.00	5 86%

ASSET DETAILS continued

Taxable Bonds continued	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
FORT ATKINSON WI LIBR BUILD AMER BDS B/E TXBL CPN 5 800% DUE 02/01/27 DTD 03/23/10 FC 08/01/10 CALL 02/01/20 @ 100 000 ORIGINAL COST: $50,368.50	346748LW4 S&P: A+	50,000	108 4440	100.6398	54,222.00	50,319 91***	3,902 09	2,900 00	5 35%
ADDISON MI CMNTY SCHOOL DIST SCH BLDG & SITE SER A TXBL QSBLF B/E B/Q CPN 6 000% DUE 05/01/27 DTD 09/16/10 FC 05/01/11 CALL 05/01/20 @ 100 000 ORIGINAL COST. $26,489 25	006590CQ4 S&P: AA-	25,000	108.4430	105 3474	27,110 75	26,336 85***	773 90	1,500 00	5 53%
CASSOPOLIS MI PUB SCH DIST TXBL SCH BLDG & SITE SER A B/E CPN 6 250% DUE 05/01/27 DTD 06/29/10 FC 11/01/10 CALL 05/01/20 @ 100 000 ORIGINAL COST $50,913 50	148303EU0 S&P. AA-	50,000	106 9810	101.6201	53,490.50	50,810 04***	2,680 46	3,125.00	5 84%
DECATUR MI PUB SCHS SCH BLDG SITE SER A B/E QUAL SCH CONSTR TXBL QSBLF CPN 6.450% DUE 05/01/27 DTD 06/22/10 FC 11/01/10 CALL 05/01/20 @ 100 000 ORIGINAL COST $50,906 50	243312DA0 S&P. AA-	50,000	107 8390	101 6073	53,919 50	50,803 63***	3,115 87	3,225 00	5 98%
KALAMAZOO MI PUB SCHS SCH BLDG & SITE SER A B/E TXBL QUAL SCH CONSTR CPN 6 200% DUE 05/01/27 DTD 08/09/10 FC 05/01/11 CALL 05/01/20 @ 100 000 ORIGINAL COST $53,529 00	483270CN2 S&P AA-	50,000	108 0620	106 3367	54,031 00	53,168 37***	862 63	3,100 00	5 74%
SAINT JOHNS MI PUBLIC SCHOOLS QUALIFIED SCHOOL CONSTR B/E TXBL QSBLF CPN 6 500% DUE 05/01/27 DTD 08/04/10 FC 05/01/11 CALL 05/01/20 @ 100 000 ORIGINAL COST $51,078 00	790450EQ9 S&P AA-	50,000	105.8880	101 9285	52,944 00	50,964 25***	1,979 75	3,250 00	6 14%

ASSET DETAILS continued

Taxable Bonds continued	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
MARICOPA CNTY AZ SCHOOL DIST 3 TEMPE ELEM IMPT SER A AGM B/E BABS TXBL CPN 6 000% DUE 07/01/27 DTD 02/24/10 FC 01/01/11 CALL 07/01/20 @ 100.000	566880UP3 Moody: Aa2	25,000	109.2920	102 1500	27,323 00	25,537.50	1,785 50	1,500 00	5 49%
COLUMBUS FRANKLIN CNTY OH FIN RESH&DEV TXBL TAX CR A RV B/E OID97 8 6 84 CPN 6 625% DUE 08/15/27 DTD 05/27/10 FC 08/15/10 CALL 08/15/15 @ 100 000 ORIGINAL COST $51,373.50	199098AQ7 S&P: AA-	50,000	102.1630	102 0034	51,081 50	51,001 72***	79 78	3,312 50	6 48%
LICKING HTS OH LOCAL SCH DISTRICT CTF PARTN REV SER B B/E TXBL QSCB CPN 5 550% DUE 09/01/27 DTD 09/22/10 FC 03/01/11 CALL 12/01/20 @ 100 000	531680AG1 Moody Aa3	50,000	104 2070	100.0000	52,103 50	50,000 00	2,103 50	2,775 00	5 33%
KANE & DEKALB CNTYS IL CMNTY UNIT SCH DIST 302 SB SER D B/E 6 1% TXBL CPN 6 050% DUE 02/01/28 DTD 11/23/09 FC 08/01/10 CALL 02/01/19 @ 100.000	483782LG1 S&P AA	50,000	107.1430	102 4670	53,571 50	51,233 50	2,338 00	3,025 00	5 65%
FEDL HOME LOAN MTG CORP MULTICL REMIC 2036 CL PD MONTHLY 14 DAY DELAY CPN 6 500% DUE 03/15/28 DTD 03/01/98 FC 04/15/98 REMAINING PRINCIPAL $8,099	3133TD6A9	25,000	112.2927	101 5000	9,094 63	8,426 09***	668 54	526 43	5 79%
OLATHE KS WTR & SWR SYS REV SER A BUILD AMER BDS B/E TXBL CPN 5 600% DUE 07/01/28 DTD 02/23/10 FC 07/01/10 CALL 07/01/20 @ 100 000	679468SS8 S&P AA Moody. Aa2	50,000	109 3820	100 0000	54,691 00	50,000.00	4,691 00	2,800 00	5 12%
CHICAGO IL RFDG PROJ SER E B/E OID @99 879 6.06% TXBL CPN 6 050% DUE 01/01/29 DTD 01/28/09 FC 07/01/09	167486FA2 S&P. A+ Moody Aa3	50,000	108.8910	99.9250	54,445 50	49,962 50	4,483 00	3,025 00	5 56%

ASSET DETAILS continued

Taxable Bonds continued	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
WASHINGTON ST UNIV REVS TR & BLDG FEE B BLD AMER BDS DIRECT PMT B/E TXBL CPN 6 314% DUE 10/01/29 DTD 12/01/09 FC 04/01/10 CALL 10/01/19 @ 100.000	940093Z42 S&P: AA Moody: Aa2	50,000	110 2770	105 9600	55,138 50	52,980.00	2,158.50	3,157 00	5 73%
DOUGLAS CNTY NE SCHOOL DISTRICT 066 WESTSIDE COMMUNITY TXBL BABS B/E CPN 6 482% DUE 12/01/29 DTD 07/09/10 FC 06/01/11 CALL 06/01/15 @ 100 000	259363RE1 Moody: Aa1	25,000	102 2060	104 1470	25,551 50	26,036.75	-485 25	1,620 50	6 34%
HANOVER PARK IL TXBL B/E BUILD AMER BONDS CPN 6 000% DUE 12/01/29 DTD 04/29/10 FC 12/01/10 CALL 12/01/18 @ 100 000	411126GC3 S&P: AA	25,000	106 8290	102.0000	26,707 25	25,500 00	1,207 25	1,500 00	5 62%
MORTON GROVE IL TXBL SER B BUILD AMER BDS B/E OID @98 289 6 15% CPN 6 000% DUE 12/15/29 DTD 03/31/10 FC 12/15/10 CALL 12/15/19 @ 100 000	619262FK9 S&P AA	25,000	107 0070	105 3810	26,751 75	26,345 25	406 50	1,500 00	5 61%
MICHIGAN TECHNOLOGICAL UNIV REV GENL A BUILD AMER BDS B/E TXBL CPN 6 200% DUE 10/01/30 DTD 11/10/10 FC 04/01/11 CALL 10/01/20 @ 100 000 ORIGINAL COST $51,108 00	594746LT4 Moody Aa3	50,000	104 7010	102.0270	52,350 50	51,013 50***	1,337 00	3,100 00	5 92%
ROCKY RIVER OH CITY SCH DIST SCH IMPT SER B BUILD AMER BDS B/E TXBL CPN 5 582% DUE 12/01/30 DTD 09/28/10 FC 06/01/11 CALL 12/01/20 @ 100 000	774829HD0 Moody: Aa2	25,000	104.7020	102 9800	26,175 50	25,745 00	430 50	1,395 50	5 33%
DIXON CNTY NE SCH DIST 001 TXBL BUILD AMERICA BONDS DIRECT PAY B/E CPN 6 248% DUE 12/15/30 DTD 02/12/10 FC 06/15/10 CALL 02/12/15 @ 100 000	255689BQ3 S&P. A	25,000	103.3500	102 3500	25,837 50	25,587 50	250 00	1,562 00	6 05%

BAIRD

ASSET DETAILS continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
Taxable Bonds continued									
GOVT NATL MTG ASSN MUTLICL 2001-4 CL PM MONTHLY 19 DAY DELAY CPN 6 500% DUE 03/20/31 DTD 03/01/01 FC 04/20/01 REMAINING PRINCIPAL $9,393	383739JM2	50,000	115.9919	103.5000	10,896 22	11,149 46***	-253 24	610 60	5 60%
GOVT NATL MTG ASSN MUTLICL 2001-17 CL PG MONTHLY 19 DAY DELAY CPN 6 500% DUE 04/20/31 DTD 04/01/01 FC 05/20/01 REMAINING PRINCIPAL· $4,784	383739N88	30,000	115 5833	105.5000	5,530.56	6,440 92***	-910 36	311 01	5 62%
GOVT NATL MTG ASSN REMIC SER 2001-52 CL BF MONTHLY 19 DAY DELAY CPN 6 000% DUE 10/20/31 DTD 10/01/01 FC 11/20/01 REMAINING PRINCIPAL $29,230	38373RZM4	49,000	111 2800	100 6122	32,528 20	29,542 95***	2,985 25	1,753 85	5 39%
GOVT NATL MTG ASSN REMIC SER 2001-57 CL D MONTHLY 19 DAY DELAY CPN 6.500% DUE 11/20/31 DTD 11/01/01 FC 12/20/01 REMAINING PRINCIPAL. $4,446	38373THQ1	25,000	115.5908	104 5000	5,139 18	5,577 02***	-437 84	288 99	5 62%
FEDL NATL MTG ASSN REMIC SER 2001-60 CL GH MONTHLY 24 DAY DELAY CPN 6 000% DUE 11/25/31 DTD 10/01/01 FC 11/25/01 REMAINING PRINCIPAL $8,757	313921Y93	30,000	112.4519	104 0000	9,847 41	9,963 01***	-115 60	525 42	5 34%
FEDL NATL MTG ASSN REMIC SER 2001-60 CL GK MONTHLY 24 DAY DELAY CPN 6.000% DUE 11/25/31 DTD 10/01/01 FC 11/25/01 REMAINING PRINCIPAL· $34,027	313921Y85	85,000	111 2969	103 1471	37,871 22	36,719 21***	1,152 01	2,041 63	5 39%
GOVT NATL MTG ASSN REMIC SER 2002-13 CL KH MONTHLY 15 DAY DELAY CPN 6 000% DUE 02/16/32 DTD 02/01/02 FC 03/16/02 REMAINING PRINCIPAL· $21,563	38373T4J1	30,000	109 2776	104 2500	23,564 38	22,844 28***	720 10	1,293 82	5 49%

BAIRD

ASSET DETAILS continued

Taxable Bonds continued	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
GOVT NATL MTG ASSN REMIC SER 2002-47 CL HM MONTHLY 15 DAY DELAY CPN 6 000% DUE 07/16/32 DTD 07/01/02 FC 08/16/02 REMAINING PRINCIPAL $9,628	38373X6F8	25,000	111.0352	102 5000	10,691.04	10,067 84***	623 20	577 71	5 40%
FEDL HOME LOAN MTG CORP MULTICL REMIC 2497 CL JH MONTHLY 14 DAY DELAY CPN 6 000% DUE 09/15/32 DTD 09/01/02 FC 10/15/02 REMAINING PRINCIPAL $9,528	31392VGQ9	25,000	109.2906	102 5000	10,413.26	10,158.56***	254.70	571 68	5 49%
BANC AMER ALT LN TR REMIC SER 2003-10 CL 2A4 MONTHLY 24 DAY DELAY CPN 6 000% DUE 12/25/33 DTD 11/01/03 FC 12/25/03 REMAINING PRINCIPAL. $81,109	05948KHE2 Moody A2	50,000	101 7271	99 8700	82,509 97	54,634 07***	27,875 90	4,866 54	5 90%
HAMILTON CNTY OH SWR SYS REV GTR CIN B BABS B/E TXBL OID @99.740 6 52% CPN 6 500% DUE 12/01/34 DTD 08/25/09 FC 12/01/09 CALL 12/01/19 @ 100 000	407288WT2 S&P AA+ Moody Aa2	50,000	113 7390	106 0480	56,869 50	53,024 00	3,845 50	3,250 00	5 71%
FEDL NATL MTG ASSN REMIC SER 2005-27 CL GD MONTHLY 24 DAY DELAY CPN 5 500% DUE 12/25/34 DTD 03/01/05 FC 04/25/05	31394CK68	16,000	109 5372	99 0375	17,525 95	15,846 00***	1,679 95	880 00	5 02%
FEDL HOME LOAN MTG CORP MULTICL REMIC 2927 CL KG MONTHLY 14 DAY DELAY VAR CPN 7 000% DUE 02/15/35 DTD 02/01/05 FC 03/15/05 REMAINING PRINCIPAL: $102,714	31395MJN0	250,000	99.8382	97.5000	102,547 88	98,964 37***	3,583 51	7,189 98	7 01%
FEDL HOME LOAN MTG CORP MULTICL REMIC 2968 CL JB MONTHLY 14 DAY DELAY CPN 6 000% DUE 04/15/35 DTD 04/01/05 FC 05/15/05	31395RQZ4	16,000	106.9969	100 0375	17,119 50	16,006 00***	1,113.50	960 00	5 61%

ASSET DETAILS continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
Taxable Bonds continued									
FEDL HOME LOAN MTG CORP MULTICL REMIC 3073 CL DA MONTHLY 14 DAY DELAY CPN 5 500% DUE 11/15/35 DTD 11/01/05 FC 12/15/05 REMAINING PRINCIPAL $4,394	31396FG98	30,000	100.1093	100.5000	4,399.36	4,543.88***	-144 52	241.70	5 49%
BANC AMER FDG CORP REMIC SER 2006-2 CL 2A17 MONTHLY 24 DAY DELAY CPN 5.750% DUE 03/25/36 DTD 02/01/06 FC 03/25/06 REMAINING PRINCIPAL $14,779	05949QAY1 S&P. CC Moody B2	50,000	94.5172	95 8700	13,969 18	13,343 75***	625 43	849 82	6 08%
FEDL NATL MTG ASSN REMIC SER 2006-23 CL DE MONTHLY 24 DAY DELAY CPN 6.000% DUE 04/25/36 DTD 03/01/06 FC 04/25/06 REMAINING PRINCIPAL $14,094	31395B3Z4	25,000	105 7146	99 2500	14,900 15	13,913 21***	986 94	845 68	5 68%
FEDL HOME LOAN MTG CORP MULTICL REMIC 3324 CL BC MONTHLY 14 DAY DELAY CPN 6 000% DUE 05/15/37 DTD 05/01/07 FC 06/15/07 REMAINING PRINCIPAL $5,477	31397GY20	60,000	105 0382	96 7500	5,753 88	3,533 90***	2,219 98	328 67	5 71%
Total Taxable Bonds		**2,235,000**			**$1,489,474.43**	**$1,406,405.71**	**$83,068.72**	**$85,934.08**	**5.77%**
Taxable Bond Funds									
PIMCO FDS PAC INVT MGMT SER REAL RETURN FD CL A	PRTNX	3,472 854	11 7900	12 3285	40,944 94	42,815 10	-1,870 16	1,309 26	3 20%
Total Taxable Bond Funds					**$40,944.94**	**$42,815.10**	**-$1,870.16**	**$1,309.26**	**3.20%**
Total Portfolio Assets					**$2,840,620.78**	**$2,678,708.98**	**$161,911.80**	**$119,412.17**	**4.20%**

ASSET DETAILS continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
Total Assets					**$2,872,437 31**	**$2,710,525.51**	**$161,911.80**	**$119,443.99**	**4.16%**

+ Bond ratings of securities displayed on your statement were obtained from various rating services There is no guarantee with respect to the accuracy of this information
* Please note, "Unrealized Gain/(-)Loss" does not equal the total current value minus the total cost if any value or cost amounts are missing
*** The original cost of this security has been adjusted to reflect principal payments, return of capital or amortization/accretion based on our records and/or provided by you

ACTIVITY SUMMARY

Type of Activity	Activity	This Period	Year-to-Date
	Opening Balance - Cash and Cash Alternatives	**$50,625.22**	**$100,815.34**
Buy and Sell Transactions	Assets Sold/Redeemed	20,000 00	365,742 09
	Assets Bought	-41,015 55	-611,375 25
Cash Deposits and Withdrawals	Deposits		
	Withdrawals	-22,538 94	-135,087.94
Income and Distributions	Dividends	8,423 52	34,301 37
	Interest	7,247 25	87,523 55
	Capital Gain Distributions	780 45	780 45
	Return of Principal	8,308 08	189,470 90
	Other		
Margin Interest	Margin Interest Charged		
Cash Management Activity	Debit Card Activity		
	ACH/ATM Activity		
	Checks You Wrote		
Other	Other Transactions	-13 50	-353 98
	Closing Balance - Cash and Cash Alternatives	**$31,816.53**	**$31,816.53**

ACTIVITY DETAILS

Date	Activity	Quantity	Price	Description	Total
	Opening Balance			**Total Opening Balance**	**$100,815.34**

SUBACCOUNT ACTIVITY

Cash	Money Market	Margin
$0.00	**$100,815.34**	**$0.00**

BAIRD

2011 Form 990-PF
Exhibit O (Part II) - Capital Gains and Losses
Jared & Carol Hills Foundation (EIN: 39-1896077)

ACTIVITY DETAILS continued / SUBACCOUNT ACTIVITY continued

Date	Activity	Quantity	Price	Description	Total	Cash	Money Market	Margin
				REINVEST AT 11 400				
12/30/11	Interest			INSURED DEPOSIT US BANK	3 33	3 33		
12/30/11	Mny Mkt Deposit			INSURED DEPOSIT US BANK		-3 33	3 33	
	Closing Balance			**Total Closing Balance**	**$31,816.53**	**$0.00**	**$31,816.53**	**$0.00**

REALIZED GAINS/(-)LOSSES

This section presents estimated realized gains or losses for your information only, and should not be used for tax purposes To calculate gains or losses, the position with the highest purchase price has been liquidated first unless you have instructed us otherwise We suggest you review this information for accuracy and contact your Baird Financial Advisor with any questions

Stocks/Options	Date Acquired	Date Sold	Quantity	Purchase Price	Sale Price	Cost Basis	Sale Proceeds	Realized Gain/(-)Loss*
ABBOTT LABORATORIES	11/17/10 n	10/26/11	300	47 9899	53 6401	14,718 62	15,838 50	1,119 88 (ST)
	08/26/03 n	10/26/11	100	39 9900	53 6401	3,838 95	5,279 50	1,440 55 (LT)
	08/26/03 n	10/26/11	100	39 9800	53 6401	3,832 85	5,279 50	1,446 65 (LT)
	04/22/04 n	10/26/11	100	44 0800	53 6401	4,232 70	5,279 50	1,046 80 (LT)
	01/26/06 n	10/26/11	200	43 2600	53.6401	8,845 55	10,559 00	1,713.45 (LT)
			800			35,468 67	42,236 00	6,767 33
ARCHER DANIELS MIDLAND C	11/17/10 n	04/15/11	500	29.6599	34 9101	15,187.64	17,063 84	1,876 20 (ST)
BEST BUY COMPANY INC	06/07/07 n	03/25/11	300	47 5100	29.1500	14,551 91	8,568 80	-5,983 11 (LT)
	09/07/07 n	03/25/11	300	42.8600	29 1500	13,140 35	8,568 80	-4,571 55 (LT)
	02/17/10 n	03/25/11	400	36 2396	29.1500	14,839.45	11,425 08	-3,414 37 (LT)
			1,000			42,531 71	28,562 68	-13,969 03
CISCO SYSTEMS INC	03/20/97 n	04/15/11	100	23 5700	17 0200	589 28	1,663 39	1,074 11 (LT)
	02/17/98 n	04/15/11	900	44 0900	17.0200	9,921 25	14,970 55	5,049 30 (LT)
	02/01/10 n	04/15/11	500	22 6883	17.0200	11,657 77	8,316 99	-3,340 78 (LT)
			1,500			22,168 30	24,950 93	2,782 63
EXXON MOBIL CORP	02/17/10 n	04/15/11	100	65 6399	84.0601	6,690 70	8,266 16	1,575 46 (LT)
HEWLETT-PACKARD COMPANY	03/23/11 c	07/06/11	400	42 1799	36 2100	17,245.57	14,192 17	-3,053 40 (ST)
	05/03/11 c	07/06/11	300	40 2499	36 2100	12,367 26	10,644 13	-1,723 13 (ST)
			700			29,612 83	24,836 30	-4,776 53
JOHNSON & JOHNSON	09/10/10 n	01/26/11	200	59 9899	60 8901	12,251 40	11,988 28	-263 12 (ST)
	11/05/03 n	01/26/11	500	49 0400	60.8901	24,949 04	29,970 67	5,021 63 (LT)
			700			37,200 44	41,958 95	4,758 51
SCHLUMBERGER LTD	03/31/10 n	05/03/11	100	63 4799	85 9110	6,473 46	8,465 47	1,992 01 (LT)
	04/21/10 n	05/03/11	200	67 8899	85 9110	13,831.40	16,930 94	3,099 54 (LT)
			300			20,304 86	25,396 41	5,091 55
TARGET CORP	08/20/10 n	04/15/11	100	52 2699	50 3400	5,328 10	4,923 73	-404 37 (ST)
	08/20/10 n	04/15/11	200	52 2975	50 3400	10,656 83	9,847 44	-809 39 (ST)
			300			15,984 93	14,771 17	-1,213 76

REALIZED GAINS/(-)LOSSES continued

Stocks/Options continued	Date Acquired	Date Sold	Quantity	Purchase Price	Sale Price	Cost Basis	Sale Proceeds	Realized Gain/(-)Loss*
Total Stocks/Options						**$225,150.08**	**$228,042.44**	**$2,892.36**
Stock Funds								
CAPITAL WRLD GRW&INCM A	09/24/07 n	07/25/11	246 609	48 6600	36.8400	12,000 00	9,085.07	-2,914 93 (LT)
	10/04/07 n	07/25/11	160.557	48 5300	36 8400	7,791 84	5,914 93	-1,876 91 (LT)
			407 166			19,791 84	15,000 00	-4,791 84
CAPITAL WRLD GRW&INCM A	10/04/07 n	08/16/11	181.378	48 5300	33 0800	8,802 28	6,000 00	-2,802 28 (LT)
CAPITAL WRLD GRW&INCM A	12/08/06 n	12/12/11	27 325	43 9400	31 8000	1,200 67	868 94	-331 73 (LT)
	12/08/06 n	12/12/11	314 465	43 9400	31 8000	13,817 59	10,000 00	-3,817 59 (LT)
	06/19/07 n	12/12/11	6.750	46 2100	31 8000	311 93	214 65	-97 28 (LT)
	09/25/07 n	12/12/11	4.151	47.3700	31.8000	196 65	132 00	-64 65 (LT)
	10/04/07 n	12/12/11	276 239	48 5300	31.8000	13,405 88	8,784 41	-4,621 47 (LT)
			628 930			28,932 72	20,000 00	-8,932 72
EURO PAC GRWTH AMER A FD	12/29/10 n	07/25/11	35.189	40 9600	43 1500	1,441 34	1,518 40	77 06(ST)
	12/29/05 n	07/25/11	37.413	40 8800	43 1500	1,529.46	1,614 38	84 92 (LT)
	12/28/06 n	07/25/11	34.495	45 9500	43 1500	1,585 04	1,488 45	-96 59 (LT)
	12/28/06 n	07/25/11	45.308	45.9500	43.1500	2,081 89	1,955 04	-126 85 (LT)
	12/28/06 n	07/25/11	79.345	45 9500	43 1500	3,645 91	3,423 73	-222 18 (LT)
			231.750			10,283 64	10,000 00	-283 64
EURO PAC GRWTH AMER A FD	12/17/99 n	08/16/11	17.138	39.0900	38.5000	669.94	659 82	-10 12 (LT)
	12/17/99 n	08/16/11	4.731	39.0900	38.5000	184.95	182 14	-2 81 (LT)
	12/29/05 n	08/16/11	22.904	40.8800	38.5000	936.31	881 80	-54 51 (LT)
	12/29/05 n	08/16/11	111.071	40 8800	38 5000	4,540 58	4,276 24	-264 34 (LT)
			155 844			6,331 78	6,000 00	-331 78
FUNDAMENTAL INVRS AMER A	12/17/10 n	08/16/11	15.836	36 0400	34.4500	570 73	545.57	-25 16(ST)
	03/08/11 n	08/16/11	8 461	38 7700	34.4500	328 03	291 48	-36 55(ST)
	06/10/11 n	08/16/11	8 735	37 6700	34.4500	329 05	300 92	-28 13(ST)
	12/30/05 n	08/16/11	0.570	35 5600	34.4500	20 27	19 64	-0 63 (LT)
	02/22/06 n	08/16/11	10.792	37.1000	34.4500	400.37	371 79	-28 58 (LT)
	06/01/06 n	08/16/11	10 468	38 3600	34 4500	401 56	360 63	-40 93 (LT)
	08/22/06 n	08/16/11	11.329	38 7800	34 4500	439 32	390.28	-49 04 (LT)
	12/29/06 n	08/16/11	9.149	40 1400	34.4500	367.23	315 18	-52 05 (LT)
	12/29/06 n	08/16/11	10 979	40 1400	34 4500	440 68	378 22	-62 46 (LT)
	12/29/06 n	08/16/11	50 560	40 1400	34 4500	2,029 47	1,741 79	-287 68 (LT)
	02/20/08 n	08/16/11	8.777	39 1100	34.4500	343 28	302 36	-40 92 (LT)
	02/20/08 n	08/16/11	19 164	39 1100	34 4500	749 50	660 20	-89 30 (LT)
	08/19/08 n	08/16/11	9 345	37.2000	34 4500	347 64	321 94	-25 70 (LT)
			174 165			6,767 13	6,000 00	-767 13
INVESTMENT CO AMER CL A	03/09/10 n	01/26/11	5.418	26 0900	28.9900	141 35	157 07	15 72(ST)
	06/15/10 n	01/26/11	5 772	24 6100	28 9900	142 05	167 33	25 28(ST)
	09/21/10 n	01/26/11	5 593	25 5300	28.9900	142 80	162.14	19 34(ST)
	12/28/10 n	01/26/11	6.672	28.1300	28.9900	187 69	193 42	5 73(ST)
	08/09/01 n	01/26/11	122 425	30 8100	28 9900	3,771 92	3,549 11	-222 81 (LT)
	09/11/01 n	01/26/11	13 953	27.7500	28 9900	387 19	404 50	17 31 (LT)
	12/19/01 n	01/26/11	13 775	28 2400	28 9900	389 00	399 34	10 34 (LT)

REALIZED GAINS/(-)LOSSES continued

Stock Funds continued

Date Acquired	Date Sold	Quantity	Purchase Price	Sale Price	Cost Basis	Sale Proceeds	Realized Gain/(-)Loss*
12/19/01 n	01/26/11	37.086	28 2400	28 9900	1,047.31	1,075 13	27 82 (LT)
03/05/02 n	01/26/11	11.841	28 2700	28.9900	334 75	343 27	8 52 (LT)
03/05/02 n	01/26/11	13 994	28 2700	28 9900	395 61	405 68	10 07 (LT)
06/11/02 n	01/26/11	14.728	27 0900	28 9900	398 97	426 96	27 99 (LT)
09/10/02 n	01/26/11	16.607	24 1400	28 9900	400 89	481 44	80 55 (LT)
12/19/02 n	01/26/11	16.857	23 9100	28 9900	403 05	488 69	85 64 (LT)
12/19/02 n	01/26/11	45 384	23 9100	28 9900	1,085 12	1,315 71	230 59 (LT)
03/05/03 n	01/26/11	18 453	22 2800	28 9900	411 14	534 96	123 82 (LT)
06/10/03 n	01/26/11	16 160	25 5900	28 9900	413 54	468 48	54 94 (LT)
09/09/03 n	01/26/11	15 756	26 3800	28 9900	415 64	456 77	41 13 (LT)
12/18/03 n	01/26/11	14 976	27 8900	28 9900	417 68	434 15	16 47 (LT)
12/18/03 n	01/26/11	24.192	27 8900	28 9900	674 72	701 33	26 61 (LT)
03/09/04 n	01/26/11	14 206	29 7600	28 9900	422.78	411 83	-10 95 (LT)
06/08/04 n	01/26/11	14 816	28 6600	28 9900	424.62	429 51	4 89 (LT)
09/08/04 n	01/26/11	14 795	28 8300	28.9900	426 55	428 90	2 35 (LT)
12/15/04 n	01/26/11	14 090	30.4100	28 9900	428 47	408 47	-20 00 (LT)
12/15/04 n	01/26/11	38 476	30 4100	28.9900	1,170 06	1,115.42	-54 64 (LT)
03/08/05 n	01/26/11	13 930	31 2500	28 9900	435 31	403 83	-31 48 (LT)
06/07/05 n	01/26/11	14.388	30 3800	28 9900	437.12	417 11	-20 01 (LT)
09/07/05 n	01/26/11	15 013	31.4900	28.9900	472 76	435 22	-37 54 (LT)
12/27/05 n	01/26/11	15.022	31.6100	28.9900	474 86	435 48	-39 38 (LT)
12/27/05 n	01/26/11	15.022	31.6100	28 9900	474 86	435 48	-39 38 (LT)
12/27/05 n	01/26/11	87 022	31.6100	28.9900	2,750.78	2,522 77	-228 01 (LT)
03/07/06 n	01/26/11	16 280	32.3300	28.9900	526 34	471 95	-54 39 (LT)
06/06/06 n	01/26/11	15.222	32.9300	28 9900	501 25	441 28	-59 97 (LT)
09/06/06 n	01/26/11	14 942	33.7000	28 9900	503 53	433 16	-70 37 (LT)
12/26/06 n	01/26/11	14.116	33 4400	28 9900	472 05	409 22	-62 83 (LT)
12/26/06 n	01/26/11	15.125	33.4400	28 9900	505 77	438 47	-67 30 (LT)
12/26/06 n	01/26/11	207 915	33.4400	28 9900	6,952 67	6,027 46	-925 21 (LT)
03/06/07 n	01/26/11	17 535	32 9300	28 9900	577 43	508 34	-69 09 (LT)
06/05/07 n	01/26/11	13 546	36 1400	28.9900	489 56	392 69	-96 87 (LT)
09/11/07 n	01/26/11	4 674	35 1500	28 9900	164 29	135 49	-28 80 (LT)
12/21/07 n	01/26/11	5.077	32 5200	28 9900	165 09	147 18	-17 91 (LT)
12/21/07 n	01/26/11	55 483	32 5200	28 9900	1,804 30	1,608 45	-195 85 (LT)
03/11/08 n	01/26/11	5 949	29 4800	28 9900	175 38	172 46	-2 92 (LT)
06/10/08 n	01/26/11	5.781	30 5100	28 9900	176 39	167 59	-8 80 (LT)
09/09/08 n	01/26/11	6.406	27 6800	28 9900	177 38	185 71	8 33 (LT)
12/22/08 n	01/26/11	8.684	20 5500	28 9900	178 46	251 76	73 30 (LT)
03/10/09 n	01/26/11	10.756	16 7200	28 9900	179 94	311 84	131 90 (LT)
06/09/09 n	01/26/11	6.295	22 0800	28 9900	139 00	182 49	43 49 (LT)
09/08/09 n	01/26/11	4 732	23 4700	28 9900	111 06	137 18	26 12 (LT)
12/28/09 n	01/26/11	5 805	26 0800	28 9900	151 40	168 28	16 88 (LT)
		1,110 745			33,429 88	32,200 50	-1,229 38

REALIZED GAINS/(-)LOSSES continued

	Date Acquired	Date Sold	Quantity	Purchase Price	Sale Price	Cost Basis	Sale Proceeds	Realized Gain/(-)Loss*
Stock Funds continued								
Total Stock Funds						**$114,339.27**	**$95,200.50**	**-$19,138.77**
Balanced Funds								
CAPITAL INCOME BLDR FD A	10/09/07 n	01/07/11	369 331	67 6900	49 6300	25,000 00	18,329 90	-6,670 10 (LT)
	12/24/07 n	01/07/11	2.117	61 6100	49 6300	130 41	105 06	-25 35 (LT)
	12/24/07 n	01/07/11	3 297	61 6100	49 6300	203 13	163 63	-39 50 (LT)
	12/24/07 n	01/07/11	14.387	61 6100	49 6300	886 39	714 02	-172 37 (LT)
	04/24/08 n	01/07/11	215 341	60 7700	49 6300	13,086 29	10,687 39	-2,398 90 (LT)
			604.473			39,306 22	30,000 00	-9,306 22
CAPITAL INCOME BLDR FD A	03/23/10 n	01/10/11	6.440	47 8200	49 5300	307 96	318 97	11 01 (ST)
	06/22/10 n	01/10/11	7.272	45 7700	49 5300	332 85	360 18	27 33 (ST)
	09/21/10 n	01/10/11	7 000	48 0200	49.5300	336 12	346 71	10 59 (ST)
	12/22/10 n	01/10/11	10.546	49.3300	49 5300	520 22	522 34	2 12 (ST)
	03/25/08 n	01/10/11	3.542	57 1400	49 5300	202 40	175 43	-26 97 (LT)
	04/24/08 n	01/10/11	64.402	60 7700	49.5300	3,913.71	3,189 83	-723 88 (LT)
	06/24/08 n	01/10/11	5.067	57 0700	49 5300	289 20	250 96	-38 24 (LT)
	09/23/08 n	01/10/11	6.872	52.2800	49 5300	359 29	340 37	-18 92 (LT)
	12/23/08 n	01/10/11	8 994	40 6800	49 5300	365.95	445 48	79 53 (LT)
	12/23/08 n	01/10/11	7.568	40.6900	49 5300	307 96	374 85	66 89 (LT)
	03/24/09 n	01/10/11	8.297	37.1700	49 5300	308.40	410 96	102 56 (LT)
	06/23/09 n	01/10/11	7 655	41 6900	49.5300	319.15	379 15	60 00 (LT)
	09/29/09 n	01/10/11	6 958	46 3600	49 5300	322 59	344 63	22 04 (LT)
	12/22/09 n	01/10/11	9 403	47.3400	49.5300	445 15	465 73	20 58 (LT)
			160.016			8,330 95	7,925 59	-405 36
Total Balanced Funds						**$47,637.17**	**$37,925.59**	**-$9,711.58**
Taxable Bonds								
FHLMC 3312PC 5.5 051537	07/20/09 n	11/15/11	50,000	100 0000	100 0000	37,052 42	1,508 82	***0 00 (LT)
Final Factor 0 030176400								
FHLMC 3329CC 6.0 031537	06/23/09 n	01/18/11	1,000	100 0000	100.0000	1,000 12	1,000 00	***-0 12 (LT)
GNMA 02-52CJ 6 0 092031	07/26/04 n	02/22/11	20,000	103 7500	100 0000	20,756 00	60 47	***-756 00 (LT)
Final Factor· 0 003023500								
FNMA 06-40LB 6 0 052536	04/26/06 n	11/25/11	40,000	98 5000	100 0000	39,400 00	641 36	***600 00 (LT)
Final Factor 0 016034000								
	06/26/07 n	11/25/11	30,000	99 2000	100 0000	29,766 00	481 02	***234 00 (LT)
Final Factor 0 016034000								
	12/30/08 n	11/25/11	20,000	99 1000	100 0000	19,826 00	320 68	***174 00 (LT)
Final Factor 0 016034000								
	04/22/09 n	11/25/11	20,000	100 0000	100 0000	20,006 00	320 69	***-6 00 (LT)
Final Factor 0 016034500								
	06/11/09 n	11/25/11	15,000	99 0000	100 0000	14,856 00	240 52	***143 99 (LT)
Final Factor 0 016034660								
			125,000			123,854 00	2,004 27	1,145 99

REALIZED GAINS/(-)LOSSES continued

	Date Acquired	Date Sold	Quantity	Purchase Price	Sale Price	Cost Basis	Sale Proceeds	Realized Gain/(-)Loss*
Taxable Bonds continued								
Total Taxable Bonds						$182,662.54	$4,573.56	$389.87
Total Realized Gains/(-)Losses						$569,789.06	$365,742.09	-$25,568.12
Total Net Short-Term (ST)						$92,535.61	$89,382.62	-$3,152.99
Total Net Long-Term Subject to 15% Maximum Tax Rate (LT)						$477,253.45	$276,359.47	-$22,415.13

* Please note "Realized Gain/(-)Loss" does not equal total sale proceeds minus total cost basis if any cost basis amounts are missing

*** The Realized Gain/Loss on this security was calculated based upon all principal payments, return of capital or amortization/accretion on our records and/or provided by you Please consult your tax advisor for additional information

c Covered Tax Lot - The cost basis, holding period and sale proceeds on this tax lot will be reported by Baird to the IRS for taxable (reportable) accounts.

n Noncovered Tax Lot - The cost basis and holding period on this tax lot will not be reported by Baird to the IRS. The sale proceeds will be reported to the IRS for taxable (reportable) accounts Cost information is being supplied for informational purposes only

INTERESTED PARTIES AND/OR SUPPORTING REPRESENTATIVE(S)

For the account of.

JARED & CAROL HILLS FNDTN
2008 BALSAM DR SW
CEDAR RAPIDS IA 52404-2536

Thank you for allowing Robert W Baird & Co. Incorporated to serve you
Visit our Web site at www rwbaird com Clients enrolled in Baird OnLine can access updated Account Information, Baird Research and Investing Tools including the latest market information, portfolio tracking and more Please contact your Baird Financial Advisor with questions regarding Baird OnLine, your account or this statement

2011 FORM 990-PF
EXHIBIT E (Part VIII, Line 1) - Officers and Directors
JARED & CAROL HILLS FOUNDATION EIN 39-1896077

Name	Address	Title	Hours per Week	Compensation	Expenses
Carol T Hills	2008 Balsam Drive SW Cedar Rapids, IA 52404	President	minimal	$0 00	$0 00
Jared S. Hills	2008 Balsam Drive SW Cedar Rapids, IA 52404	Vice President	minimal	$0.00	$0 00
Darrel A. Morf	115 Third Street SE, Suite 1200 Cedar Rapids, IA 52401	Secretary	minimal	$0.00	$0 00
Roger J Schmidt	200 5th Avenue SE, Suite 102 Cedar Rapids, IA 52401	Treasurer	minimal	$0.00	$0.00
John Botkin	411 1st Avenue SE Cedar Rapids, IA 52401	Director	minimal	$0.00	$0.00
Kari Dirks	1700 1/2 12th Ave Coralville, IA 52241	Director	minimal	$0 00	$0 00
Paul Hills	1540 Hwy 965 NW Swisher, IA 52338	Director	minimal	$0 00	$0 00

2011 FORM 990-PF

EXHIBIT F (Part X, Line 1) - Minimum Investment Return

JARED & CAROL HILLS FOUNDATION EIN 39-1896077

Month	Beg. Cash	End Cash	Average Cash	Stocks/Options	Stock Funds	Balanced Funds	Taxable Bonds	Taxable Bond Funds	Avg. Fair Market Value of Securities
Jan-10	$100,815 34	$75,861 55	$88,338 45	$805,906 00	$417,802 69	$ 71,379 01	$1,462,812 91	$ 36,846 15	$2,794,746 76
Feb-10	$75,861 55	$103,434 64	$89,648 10	$837,021 00	$429,056 88	$ 72,877 92	$1,444,892 61	$ 37,139 15	$2,820,987 56
Mar-10	$103,434 64	$105,277 50	$104,356 07	$857,454 00	$431,396 63	$ 73,882 80	$1,432,750 07	$ 37,394 02	$2,832,877 52
Apr-10	$105,277 50	$93,238 83	$99,258 17	$860,837 00	$450,525 30	$ 77,137 93	$1,480,843 58	$ 38,348 87	$2,907,692 68
May-10	$93,238 83	$34,991 67	$64,115 25	$836,728 00	$441,784 65	$ 75,993 56	$1,541,377 97	$ 38,302 38	$2,934,186 56
Jun-10	$34,991 67	$38,729 37	$36,860 52	$836,184 00	$433,967 16	$ 75,349 24	$1,535,440 09	$ 38,534 25	$2,919,474 74
Jul-10	$38,729 37	$48,028 65	$43,379 01	$847,804 00	$399,788 90	$ 76,424 43	$1,519,538 04	$ 39,889 74	$2,883,445 11
Aug-10	$48,028 65	$42,264 16	$45,146 41	$844,152 00	$351,506 37	$ 73,145 57	$1,534,874 38	$ 40,136 97	$2,843,815 29
Sep-10	$42,264 16	$54,604 86	$48,434 51	$769,938 00	$317,193 30	$ 75,004 01	$1,531,375 59	$ 39,933 64	$2,733,444 54
Oct-10	$54,604 86	$109,808 64	$82,206 75	$822,166 00	$348,953 40	$82,594 90	$1,504,722 33	$ 40,694 06	$2,799,130 69
Nov-10	$109,808 64	$50,625 22	$80,216 93	$860,499 00	$360,993 77	$ 81,027 82	$1,497,468 28	$ 40,718 94	$2,840,707 81
Dec-10	$50,625.22	$31,816 53	$41,220 88	$894,494 00	$336,565 95	$ 79,141 46	$1,489,474 43	$ 40,944 94	$2,840,620 78
Average			**$68,598.42**	**$839,431.92**	**$393,294.58**	**$76,163.22**	**$1,497,964.19**	**$39,073.59**	**$2,845,927.50**
			Input on Line 1(b)						**Input on Line 1(a)**

Line 3	**$2,914,526**
Line 4	**$43,718**
Line 5	**$2,870,808**
Line 6	**$143,540**

2011 FORM 990-PF
EXHIBIT G (Part I, Line 25 / Part XV, Line 3) - Grants and Contributions Paid
JARED & CAROL HILLS FOUNDATION EIN 39-1896077

Recipient Name and Address	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Aging Services, Inc. 800 1st Street Cedar Rapids, IA 52405	N/A	To benefit organization's charitable purpose	1,000 00
Alzheimer's Association 1570 42nd Street NE Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	100 00
American Cancer Society 4080 1st Avenue SE Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	1,000 00
American Red Cross 3601 42nd St NE Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	5,000 00
American Red Cross 3601 42nd St. NE Cedar Rapids, IA 52402	N/A	To be used for tornado and flood recovery	5,000 00
ARC of East Central Iowa 680 2nd Street SE, Suite 200 Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	2,135 00
Asbury United Methodist Church 350 - 27th Ave. SW Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	14,700.00
Big Brother Big Sister 3150 E Avenue NW Cedar Rapids, IA 52405	N/A	To benefit organization's charitable purpose	1,000 00
Boy Scouts of America 660 32nd Avenue SW Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	225 00
Boys and Girls Club of Cedar Rapids 1501 Ellis Blvd NW Cedar Rapids, IA 52405	N/A	To benefit organization's charitable purpose	1,000 00
Camp Courageous of Iowa R. R. 2 Monticello, IA 52310	N/A	To benefit organization's charitable purpose	300 00
Camp Fire USA 1100 Walnut Street, Suite 1900 Kansas City, Missouri 64106-2197	N/A	To benefit organization's charitable purpose	500 00

Cedar Rapids City Market P O. Box 667 Cedar Rapids, IA 52406	N/A	To be used for NewBo City Market	2,000.00
Cedar Rapids Neighborhoods 625 1st Ave. S.E. Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	12,660 00
Cedar Rapids Opera Theater 1120 Second Avenue SE Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	3,000 00
Cedar Rapids Public Library Foundation 2600 Edgewood Road SW Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	5,000 00
Children and Families of Iowa Foundation 111 University Ave. Des Moines, IA 50314	N/A	To benefit organization's charitable purpose	500 00
Chorale Midwest PO Box 2631 Cedar Rapids, IA 52406	N/A	To benefit organization's charitable purpose	100 00
Community Health Free Clinic 947 14th Ave. SE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	5,000 00
Discovery Living 220 Northland Court NE Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	5,000 00
Friends of Iowa Public Television Foundation 6535 Corporate Drive Johnston, IA 50131-7701	N/A	To benefit organization's charitable purpose	400 00
Foundation 2 Crisis Center 1540 2nd Avenue SE Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	1,000 00
Four Oaks Foundation 5400 Kirkwood Blvd SW Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	100 00
Girl Scouts of the Mississippi Valley 240 Classic Car Ct SW, Suite A Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	225 00
HD Youth Center 1006 3rd Street NE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	2,000 00
Hands Free Medical Clinic 1043 3rd Avenue SE Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	2,000 00

Hillcrest Family Services 4080 1st Avenue SE Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	1,000.00
Indian Creek Nature Center 6665 Otis Road SE Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	100 00
Iowa Annual Conference UMC 2301 Rittenhouse St Des Moines, IA 50321	N/A	To benefit organization's charitable purpose	600 00
Iowa Annual Conference UMC (Builder's Club) 2301 Rittenhouse St Des Moines, IA 50321	N/A	To benefit organization's charitable purpose	200 00
Iowa Annual Conference UMC 2301 Rittenhouse St Des Moines, IA 50321	N/A	To be used for tornado and flood recovery	5,000 00
Iowa Donor Network 550 Madison Avenue North Liberty, IA 52317	N/A	To benefit organization's charitable purpose	500 00
Iowa Public Radio, Inc 2111 Grand Avenue Suite 100 Des Moines, IA 50312	N/A	To benefit organization's charitable purpose	400 00
Iowa Valley Habitat For Humanity 2401 Scott Blvd. SE Iowa City, IA 52240	N/A	To benefit organization's charitable purpose	500 00
Luther College 700 College Drive Decorah, IA 52101	N/A	To benefit organizatin's charitable purpose	100 00
Miracles in Motion 2049 - 120th Street Northwest Swisher, IA 52338	N/A	To benefit organizatin's charitable purpose	1,000 00
Mission of Hope 1537 1st Avenue SE Cedar Rapids, IA 52402	N/A	To benefit organizatin's charitable purpose	5,000 00
Old Cremery Theater 39 38th Ave Amana, IA 52203	N/A	To benefit organization's charitable purpose	1,000 00
Orchestra Iowa 119 Third Ave. SE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	6,500 00
PKD Foundation 8330 Ward Parkway Suite 510	N/A	To benefit organization's charitable purpose	1,000 00

Kansas City, MO 64114			
Salvation Army 1000 C Ave. NW Cedar Rapids, IA 52405	N/A	To benefit organization's charitable purpose	1,000 00
Science Station 4444 First Avenue NE, Suite 200 Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	1,000.00
St Luke's Foundation 855 A Avenue NE Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	1,000 00
St. Luke's Hospice 290 Blairs Ferry Road NE, Suite 100 Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	1,000 00
Tanager Place 2309 C Street SW Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	100 00
Theater Cedar Rapids 102 Third St SE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	700 00
U of IA Foundation P.O Box 4550 Iowa City, IA 52244	N/A	To benefit the charitable purposes of the University of Iowa	10,600 00
UMCOR Advance 3021317 (Japan) P.O. Box 9028 New York, NY 10087	N/A	To benefit organization's charitable purpose	1,000 00
United Way 1030 Fifth Avenue SE #100 Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	16,000 00
Waypoint 318 5th St SE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	1,500 00
Willis Dady Emergency Shelture 1247 4th Ave SE Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	2,000 00
Total			**129,745.00**