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

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

2012

Open to public inspection

For calendar year 2012 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 ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ 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) \$ 7742567.	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	895179.		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	214634.	214634.		STATEMENT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	460815.			
b Gross sales price for all assets on line 6a	4328965.			
7 Capital gain net income (from Part IV, line 2)		460815.		
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	-21344.	-21344.		STATEMENT 2
12 Total. Add lines 1 through 11	1549284.	654105.		
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 3	1105.	1105.		0.
b Accounting fees STMT 4	2425.	2425.		0.
c Other professional fees STMT 5	52254.	52254.		0.
17 Interest				
18 Taxes STMT 6	6104.	0.		0.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings	1203.	1203.		0.
22 Printing and publications				
23 Other expenses STMT 7	1653.	1099.		0.
24 Total operating and administrative expenses. Add lines 13 through 23	76744.	70086.		0.
25 Contributions, gifts, grants paid	329004.			329004.
26 Total expenses and disbursements. Add lines 24 and 25	405748.	70086.		329004.
27 Subtract line 26 from line 12	1143536.			
a Excess of revenue over expenses and disbursements		584019.		
b Net investment income (if negative, enter -0-)				
c Adjusted net income (if negative, enter -0-)			N/A	

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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			180744.	109294.	109294.
	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 8			5692629.	6033780.	6759450.
	c Investments - corporate bonds					
Liabilities	11 Investments - land, buildings, and equipment basis ▶					
	Less accumulated depreciation ▶					
	12 Investments - mortgage loans					
	13 Investments - other STMT 9			0.	873823.	873823.
	14 Land, buildings, and equipment basis ▶					
	Less accumulated depreciation ▶					
	15 Other assets (describe ▶)					
	16 Total assets (to be completed by all filers)			5873373.	7016897.	7742567.
	17 Accounts payable and accrued expenses					
	18 Grants payable					
Net Assets or Fund Balances	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable					
	22 Other liabilities (describe ▶)					
	23 Total liabilities (add lines 17 through 22)			0.	0.	
	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					
Net Assets or Fund Balances	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			5873373.	7016897.	
	30 Total net assets or fund balances			5873373.	7016897.	
Net Assets or Fund Balances	31 Total liabilities and net assets/fund balances			5873373.	7016897.	

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	5873373.
2 Enter amount from Part I, line 27a	2	1143536.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	7016909.
5 Decreases not included in line 2 (itemize) ▶ NON DEDUCTIBLE PARTNERSHIP EXPENSES	5	12.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	7016897.

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				
b SEE ATTACHED STATEMENT				
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 4328965.		3868150.	460815.	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e			460815.	
2 Capital gain net income or (net capital loss)		2		460815.
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 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))
2011	313653.	6673538.	.047000
2010	287481.	6405697.	.044879
2009	297178.	5835172.	.050929
2008	228982.	6041277.	.037903
2007	212407.	4602175.	.046154
2 Total of line 1, column (d)			2 .226865
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 .045373
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 6937753.
5 Multiply line 4 by line 3			5 314787.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 5840.
7 Add lines 5 and 6			7 320627.
8 Enter qualifying distributions from Part XII, line 4 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			8 329004.

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	5840.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	5840.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	5840.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	4360.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	4360.	
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8	35.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	1515.	
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 2013 estimated tax ☐ Refunded ☐	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b 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
1c 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 2012 or the taxable year beginning in 2012 (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 10

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 ► <u>NONE</u>	13	X	
14	The books are in care of ► <u>RENEE J. KELLY</u> Telephone no ► <u>281-684-2511</u> Located at ► <u>42 THUNDER COVE PLACE THE WOODLANDS, TEXAS</u> ZIP+4 ► <u>77381</u>			
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 2012, 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 ►	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 ☐ Yes ☒ No	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 2012? ☐ Yes ☒ No	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☒ No If "Yes," list the years ►		
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) ☐ Yes ☒ No	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 2012 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 2012.) ☐ Yes ☒ No	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 2012?	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**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.

X**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 11		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 (2012)

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	6882099.
b	Average of monthly cash balances	1b	161305.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	7043404.
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	7043404.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	105651.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6937753.
6	Minimum investment return. Enter 5% of line 5	6	346888.

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	346888.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	5840.
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	5840.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	341048.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	341048.
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	341048.

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	329004.
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	329004.
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	5840.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	323164.

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				341048.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			328939.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2012				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 329004.				
a Applied to 2011, but not more than line 2a			328939.	
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 2012 distributable amount				65.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 (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 2011 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				340983.
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 2007 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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	329004.
Total			3a	329004.
b Approved for future payment				
NONE				
Total			3b	0.

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) | X |
| | (2) Other assets | 1a(2) | X |
| b | Other transactions | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| | (4) Reimbursement arrangements | 1b(4) | X |
| | (5) Loans or loan guarantees | 1b(5) | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | X |
| 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. | | |

[illegible]

- 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 Gene J. Kelly

Date 11/15/13

► Treasurer
Title

May the IRS discuss this return with the preparer shown below (see instr)?

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name
HAROLD F.
CHRISTMANN

Preparer's signature

Date _____

Check ☒ if
self-employed

PTIN

Firm's name ► CHRISTMANN & CO.

Firm's EIN ▶ 76-0066545

Firm's address ► 770 S. POST OAK LANE, STE 250
HOUSTON, TX 77056-1913

Phone no

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No 1545-0047

2012

Name of the organization

THE HILLCREST FOUNDATION

Employer identification number

31-1501699

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization

Employer identification number

THE HILLCREST FOUNDATION

31-1501699

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	ESTATE OF LING K. KUNG PO BOX 30464 SMB GEORGE TOWN GRAND CAYMEN, CAYMAN ISLANDS	\$ 895179.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Employer Identification number

31-1501699

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

[illegible]

Name of organization

Employer identification number

THE HILLCREST FOUNDATION**31-1501699****Part III**

Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of **exclusively religious, charitable, etc., contributions of \$1,000 or less for the year** (Enter this information once) ▶ \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
MERRILL LYNCH 16H80163	68968.	0.	68968.
MERRILL LYNCH 16H80164	54790.	0.	54790.
MERRILL LYNCH 16H95842	90876.	0.	90876.
TOTAL TO FM 990-PF, PART I, LN 4	214634.	0.	214634.

FORM 990-PF	OTHER INCOME	STATEMENT	2
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
WORLD UNION FLORIDA, LLC	-21344.	-21344.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-21344.	-21344.	

FORM 990-PF	LEGAL FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	1105.	1105.		0.
TO FM 990-PF, PG 1, LN 16A	1105.	1105.		0.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREP	2425.	2425.		0.
TO FORM 990-PF, PG 1, LN 16B	2425.	2425.		0.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADVISORY FEES	52254.	52254.		0.
TO FORM 990-PF, PG 1, LN 16C	52254.	52254.		0.

FORM 990-PF	TAXES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL INCOME TAX	6104.	0.		0.
TO FORM 990-PF, PG 1, LN 18	6104.	0.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	7
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
POSTAGE	79.	79.		0.
BANK FEES	26.	26.		0.
SUPPLIES	28.	28.		0.
STORAGE	966.	966.		0.
BOND AMORTIZATION	554.	0.		0.
TO FORM 990-PF, PG 1, LN 23	1653.	1099.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
BROKERAGE ACCOUNTS	6033780.	6759450.
TOTAL TO FORM 990-PF, PART II, LINE 10B	6033780.	6759450.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	9
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
WORLD UNION FLORIDA	COST	873823.	873823.
TOTAL TO FORM 990-PF, PART II, LINE 13		873823.	873823.

FORM 990-PF	LIST OF SUBSTANTIAL CONTRIBUTORS PART VII-A, LINE 10	STATEMENT	10
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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 11

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN EXPENSE CONTRIB ACCOUNT
DR. DAVID MOUTON 5634 CANDLEWOOD HOUSTON, TX 77056	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.

2012 Donations

Memorial Sloan Kettering Cancer Center P.O. Box 21706 New York, NY 10087-7106	\$ 32,900.00
Susan G. Komen for the Cure 5005 LBJ Freeway, Suite 250 Dallas, TX 75244	\$ 8,000.00
Minnie's Food Pantry 3198 W. Parker Road, Suite 3124 Plano, TX 75075	\$ 10,000.00
Children's Medical Center of Dallas 2777 Stemmons Freeway, Suite 1025 Dallas, TX 75207-2230	\$ 8,500.00
Beta Upsilon Chi (Religious Fraternity) 741 Kentucky Derby Ln Fort Worth, TX 76179	\$ 2,300.00
Presbyterian Children's Homes & Services 4407 Bee Cave Road, Suite 520 Austin, TX 74747	\$ 12,000.00
ALS Association, North Dallas Chapter 1231 Greenway Drive, Suite 270 Irving, TX 75038 www.alsanorthtexas.org	\$ 1,500.00
Wounded Warrior Project P.O. Box 758517 Topeka, Kansas 66675	\$ 6,000.00

Cenacle Retreat House 420 N. Kirkwood Road Houston, Texas 77079	\$ 2,000.00
Montgomery County Food Bank 111 South Second Street Conroe, TX 77301	\$ 5,000.00
Celebration Church P.O. Box 132971 The Woodlands, TX 77393	\$ 6,000.00
Star of Hope Dept NO76 P.O. Box 1505 Houston, TX 77251-1505	\$ 7,300.00
Houston PBS 4343 Elgin Street Houston, TX 77204-0008	\$ 2,004.00
Focus on the Family P.O. Box 2816 Omaha, NE 68103-2816	\$ 3,000.00
Manresa P.O. Box 89 Convent, LA 70723-0089	\$ 2,000.00
Orbis International P.O. Box 510 Etna, NH 03750-9901	\$ 2,000.00
Camp Lurecrest Emmaus School of Biblical Studies 10800 Sikles Place, Suite 300	\$ 2,000.00

Charlotte, NC 28277

Houston Ballet	\$	1,500.00
P. O. Box 3645		
Houston, TX 77253-3645		

Interfaith of the Woodlands	\$	5,000.00
4242 Woodrush Drive		
The Woodlands, TX 77381		

Disabled Sports USA Inc	\$	10,000.00
Kirk M Bauer, JD		
451 Hungerford Drive, Suite 100		
Rockville, MD 20850		

Texas New Community Alliance	\$	5,000.00
New Danville		
P.O. Box 7181		
The Woodlands, TX 77387		

Montgomery County Women's Center	\$	2,500.00
Attn: Sarah Raleigh, Exec Director		
P.O. Box 8669		
The Woodlands, TX 77387		

Child Advocates of Montgomery County	\$	6,000.00
412 West Phillips, Suite 107		
Conroe, TX 77301		

National MS Society	\$	6,300.00
Lone Star Chapter		
PO Box 4125		
Houston, TX 77210-4125		

Memorial Hermann Foundation	\$	1,500.00
Attn: Gayle Kinnie		
929 Gessner, Suite 2650	\$	2,500.00
Houston, TX 77024		

Montgomery County Youth Services Attn: Gregory K Feede 1600 Lake Front Circle The Woodlands, TX 77380	\$ 5,000.00
Beyond Batten Disease Foundation Will Herndon Fund for Juvenile Disease Research P.O. Box 200998 Austin, TX 78720	\$ 2,000.00
Red River Fighter Pilots Association P.O. Box 1553 Front Royal, VA 22630-0033	\$ 1,500.00
The Patrick C. Walsh Prostate Brady Urological Institute 100 N. Charles Street Baltimore, Maryland 21201	\$ 12,300.00
Houston Audubon Society 440 Wilchester Boulevard Houston, TX 77079	\$ 2,000.00
Gulf Coast Bird Observatory Inc. 103 West Highway 332 Lake Jackson, TX 77566	\$ 3,000.00
St. Vincent DePaul Society Sacred Heart Church 119 N. Frazier Street Conroe, TX 77301	\$ 3,000.00
Galveston Bay Area Chapter of Master Naturalists Texas AgriLife Extension Service Office 4102 - B Main (FM 519), Carbide Park La Marque, TX 77568	\$ 3,500.00

The University of Texas M D Anderson Cancer Center P.O. Box 4486 Houston, TX 77210	\$ 14,000.00
Galveston Bay Foundation 17330 Highway 3 Webster, TX 77598	\$ 3,000.00
Hesperus Tina Chancey, Treasurer 3706 North 17th Street Arlington, VA 22207	\$ 2,500.00
Radio Station KUHA 91.7 University of Houston, Licensee P.O. Box 4878 Houston, TX 77210-4878	\$ 2,500.00
Ars Lyrica Houston Attn: Van Richard Viebig, Treasurer 401 West Alabama Houston, TX 77006	\$ 5,000.00
Richmond Battlefields P.O. Box 13945 Richmond, VA 23225	\$ 1,500.00
Central Virginia Battlefields Trust Linda Wandres, Executive Director P.O. Box 3417 Fredericksburg, Virginia 22402	\$ 2,500.00
The Confederate Memorial Literary Society 1201 E. Clay Street Richmond, Virginia 23219	\$ 2,000.00

The Fort Delaware Society John L. Whitehead, Treasurer P.O. Box 553 Delaware City, Delaware 19706	\$ 1,500.00
The Jeb Stuart Birthplace Trust Brian Jessup, Treasurer P.O. Box 1210 Stuart, VA 24171-1210	\$ 1,000.00
James Dick Foundation P.O. Box 89 Round Top, TX 78954-0089	\$ 2,500.00
Houston Early Music Ed Rinehart, Treasurer P.O. Box 271193 Houston, TX 77277	\$ 1,000.00
Civil War Preservation Trust P.O. Box 17686 Baltimore, MD 21298-8333	\$ 2,000.00
Friends of the Texas Historical Comm. Texas Historical Commission P.O. Box 13497 Austin, TX 78701	\$ 2,500.00
J S Bach Society Dr. Douglas Koch, President 2353 Rice Boulevard Houston, TX 77005	\$ 2,000.00
Texas Toot, Inc. Daniel Johnson, Executive Director P.O. Box 4328 Austin, TX 78765	\$ 2,000.00
SNAP	\$ 300.00

Houston Wellness Clinic
1801 Durham Drive, Suite 1
Houston, TX 77007

Admiral Nimitz Foundation National Museum of the Pacific War 328 E. Main Street Fredericksburg, TX 78624	\$ 1,500.00
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Piping Rock Singers, Inc. Karl Lothmann, Treasurer 3015 Hummingbird Humble, TX 77396	\$ 2,500.00
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Grace Song Barbara Skjonsby, Treasurer P.O. Box 667119 Houston, TX 77266	\$ 2,500.00
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Rice University Ira & Patricia Gruber Research Fund E2168899800052160 Resource Development - MS83 P.O. Box 1892 Houston, TX 77251-1892	\$ 5,000.00
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Faith in Montgomery County P.O. Box 445 Conroe, TX 77305	\$ 10,000.00
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Laura Bush Institute for Women's Health 1400 Wallace Blvd Amarillo, TX 79106	\$ 15,000.00
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Rotary Club of Conroe Foundation P.O. Box 1293 Conroe, TX 77305	\$ 2,300.00
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Montgomery United Methodist Church P.O. Box 1330 Montgomery, TX 77356	\$ 15,000.00
Living Water International 4001 Greenbriar Drive Stafford, TX 77477	\$ 5,000.00
St Thomas High School Capital Fund 4500 Memorial Drive Houston, TX 77007	\$ 5,000.00
St. Pius X High School Attn: Sister Donna 811 W. Donovan Houston, TX 77091	\$ 5,000.00
Trichotillomania Learning Center 207 McPherson Street, Suite H Santa Cruz, CA 95060-5863	\$ 10,000.00
Houston Livestock Show and Rodeo Attn: Jennifer Hazelton P.O. Box 20070 Houston, TX 77225-0070 832-667-1000	\$ 7,300.00
Chinquapin Preparatory School Attn: Bridget Anderson 2615 Wallisville Road Highlands, TX 77562	\$ 5,000.00
Kelsey Research Foundation 5615 Kirby, Suite 660 Houston, TX 77005	\$ 5,000.00
Total 2012 Contributions to Charity	<u>\$ 329,004.00</u>

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
07-28-11	02-27-12	316	MARATHON OIL CORP	9,897.66		11,085.59	1,187.93	
02-10-11	04-24-12	216	MC DONALDS CORP CMN	16,381.44		20,580.53		4,199.09
02-10-11	05-02-12	308	VALLEY NATL	3,977.60		3,844.27		(133.33)
02-10-11	05-02-12	0	BANCORP COM					
02-10-11	05-02-12	0	ACCO BRANDS CORP	0.51		0.54		0.03
02-10-11	05-03-12	1,015	VALLEY NATL	13,108.00		12,466.46		(641.54)
02-10-11	05-03-12	266	BANCORP COM	8,931.26		8,407.51		(523.75)
02-10-11	05-03-12	44	ACCO BRANDS CORP	432.89		491.35		58.46
02-10-11	05-09-12	177	PHILLIPS 66	5,942.98		5,414.38		(528.60)
02-10-11	05-09-12	173	ACCO BRANDS CORP	1,702.04		1,732.64		30.60
02-27-12	05-14-12	369	TOTAL SA SPONSORED	20,778.69		16,350.20	(4,428.49)	
02-10-11	07-03-12	1	ADR CMN	29.57		37.20		7.63
02-10-11	08-10-12	116	ISHARES IBOXX	12,427.80		13,904.77		1,476.97
			INVESTM GRADE BOND					
			ETF					
02-10-11	08-10-12	343	EQUITY RESIDENTIAL	18,526.33		20,597.02		2,070.69
02-10-11	08-10-12	228	SH BEN INT	17,494.44		24,367.88		6,873.44
			(NEW)					
02-10-11	08-29-12	935	TECO ENERGY INC	16,586.90		16,312.58		(274.32)
02-10-11	08-30-12	244	COCA-COLA COMPANY	7,731.14		9,113.22		1,382.08
			(THE) CMN					
02-10-11	08-30-12	117	ISHARES IBOXX	12,534.94		14,045.48		1,510.54
			INVESTM GRADE BOND					
			ETF					
02-10-11	10-01-12	8	BRISTOL-MYERS	205.36		271.67		66.31
			SQUIBB COMPANY C					

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - EQUITY INCOME ACCOUNT
ACCOUNT #16H95842
From 01-01-12 Through 12-31-12

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
04-18-12	10-01-12	3	CANADIAN IMPRL BK COMM COM	227 46		234 86	7 40	
04-24-12	10-01-12	14	CINEMARK HOLDINGS INC COM	314 50		312 33	(2 17)	
02-10-11	10-01-12	19	CENTERPOINT ENERGY INCCMN	307 04		402 98		95 94
02-10-11	10-01-12	7	CONOCOPHILLIPS	372 69		403 05		30 36
08-30-12	10-01-12	16	CISCO SYSTEMS INC CMN	302 52		304 15	1 63	
02-10-11	10-01-12	5	CHEVRON CORPORATION CMN	483 25		587 33		104 08
02-10-11	10-01-12	5	DOMINION RES VA NEW COM	219 00		264 74		45 74
02-10-11	10-01-12	3	E I DU PONT DE NEMOURS AND CO	162 36		151 28		(11 08)
06-03-11	10-01-12	5	DR PEPPER SNAPPLE GRP COM	202 05		222 64		20 59
02-10-11	10-01-12	7	DUKE ENERGY CORP NC NPV	375 04		452 88		77 84
02-10-11	10-01-12	6	CONSOLIDATED EDISON COM	300 53		357 95		57 42
02-10-11	10-01-12	5	EXELON CORP CMN	216 30		177 19		(39 11)
02-10-11	10-01-12	27	GENERAL ELECTRIC CO CMN	572 66		616 12		43 46
02-10-11	10-01-12	3	GENUINE PARTS CO	160 71		182 30		21 59
02-10-11	10-01-12	6	GLAXOSMITHKLINE PLC SPONSORED A	229 08		278 03		48 95
08-10-12	10-01-12	6	HASBRO INC	224 94		227 57	2 63	
02-10-11	10-01-12	9	HCP INC COM	330 63		397 39		66 76
02-10-11	10-01-12	8	HJ HEINZ CO	384 24		449 82		65 58
02-10-11	10-01-12	6	ISHARES TR HIGH YLD CORP	551 31		551 86		0 55
02-10-11	10-01-12	14	INTEL CORPORATION CMN	305 62		320 59		14 97

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
04-08-11	10-01-12	5	INTERNATIONAL PAPER CO CMN	151 66		181 34		29 68
09-15-11	10-01-12	7	JPMORGAN CHASE & CO CMN	233 67		288 57		54 90
02-10-11	10-01-12	9	KRAFT FOODS INC VA CL A	278 82		380 24		101 42
02-10-11	10-01-12	3	KIMBERLY CLARK	195 00		259 22		64 22
02-10-11	10-01-12	7	COCA-COLA COMPANY (THE) CMN	221 79		268 90		47 10
02-10-11	10-01-12	8	ELI LILLY & CO	285 76		381 59		95 83
02-10-11	10-01-12	4	LOCKHEED MARTIN CORP	327 72		374 35		46 63
02-10-11	10-01-12	3	ISHARES IBOXX INVESTM GRADE BOND ETF	321 41		364 40		42 99
02-10-11	10-01-12	2	MC DONALDS CORP CMN	151 68		184 31		32 63
02-10-11	10-01-12	6	MARSH & MCLENNAN COS INC	171 36		205 25		33 89
02-10-11	10-01-12	30	ALTRIA GROUP INC CMN	723 90		1,010 52		286 62
02-10-11	10-01-12	5	MERCK & CO INC CMN	165 20		226 29		61 09
07-28-11	10-01-12	6	MARATHON OIL CORP	187 93		179 75		(8 18)
04-18-11	10-01-12	9	MICROSOFT CORPORATION CMN	224 05		266 12		42 07
02-10-11	10-01-12	6	MEADWESTVACO CORP	156 51		185 51		29 00
11-30-11	10-01-12	12	NATIONAL RETAIL PROPERTIES INC	310 79		362 03	51 24	
02-10-11	10-01-12	17	Pfizer Inc CMN	323 51		425 25		101 74
02-10-11	10-01-12	10	ISHARES TR US PFD STK IDX	392 30		396 79		4 49
02-10-11	10-01-12	4	PROCTER & GAMBLE CO	258 80		278 11		19 31
02-10-11	10-01-12	8	PHILIP MORRIS INTL INC CMN	473 44		723 50		250 06

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
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Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
02-10-11	10-01-12	3	PINNACLE WEST CAPITAL CORP	125 64		158 33		32 69
02-10-11	10-01-12	18	REYNOLDS AMERICAN INC COM	576 18		784 06		207 88
02-10-11	10-01-12	8	ROYAL DUTCH SHELL PLC SPON ADR B	550 30		572 70		22 40
02-10-11	10-01-12	3	SCANA CORP NEW COM	127 41		143 75		16 34
02-10-11	10-01-12	7	SOUTHERN CO COM	261 66		320 24		58 58
02-10-11	10-01-12	6	SYSCO CORP	168 48		188 63		20 15
02-10-11	10-01-12	20	AT&T CORP	567 60		756 48		188 88
02-10-11	10-01-12	8	VODAFONE GROUP PLC	235 04		227 35		(7 69)
02-10-11	10-01-12	4	VENTAS INC COM	220 10		246 43		26 33
02-10-11	10-01-12	17	VERIZON COMMUNICATNS COM	615 40		778 07		162 67
08-29-12	10-01-12	5	WALGREEN CO	177 25		184 57	7 32	
02-10-11	10-01-12	6	WEINGARTEN RLTY INVS SBIREIT	151 37		165 17		13 80
05-09-12	10-01-12	5	EXXON MOBIL CORPORATION CMN	418 21		460 13	41 92	
02-10-11	10-03-12	1	KRAFT FOODS GROUP INC	21 63		31 31		9 68
02-10-11	10-24-12	433	COCA-COLA COMPANY (THE) CMN	13,719 60		15,967 64		2,248 03
02-10-11	11-01-12	588	EXELON CORP CMN	25,436 88		19,870 89		(5,565 99)
02-10-11	11-19-12	285	CONSOLIDATED EDISON COM	14,275 19		15,580 77		1,305 58
02-10-11	12-10-12	139	BRISTOL-MYERS SQUIBB COMPANY C	3,568 13		4,549 85		981 72
10-24-12	12-10-12	120	CONAGRA FOODS INC COM	3,364 68		3,556 72	192 04	
04-18-12	12-10-12	41	CANADIAN IMPRL BK COMM COM	3,108 65		3,329 94	221 29	
04-24-12	12-10-12	142	CINEMARK HOLDINGS INC COM	3,189 92		3,758 65	568 73	

Avalon Advisors, LLC
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Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
02-10-11	12-10-12	338	CENTERPOINT ENERGY INCCMN	5,462 08		6,736 21		1,274 13
02-10-11	12-10-12	134	CONOCOPHILLIPS	7,134 42		7,736 31		601 89
08-30-12	12-10-12	176	CISCO SYSTEMS INC CMN	3,327 67		3,470 64	142 97	
02-10-11	12-10-12	82	CHEVRON CORPORATION CMN	7,925 30		8,741 00		815 70
02-10-11	12-10-12	84	DOMINION RES VA NEW COM	3,679 20		4,324 22		645 02
02-10-11	12-10-12	63	E I DU PONT DE NEMOURS AND CO	3,409 56		2,715 86	(693 70)	
06-03-11	12-10-12	78	DR PEPPER SNAPPLE GRP COM	3,152 00		3,565 30		413 30
02-10-11	12-10-12	141	DUKE ENERGY CORP NC NPV	7,554 40		9,056 22		1,501 82
02-10-11	12-10-12	61	CONSOLIDATED EDISON COM	3,055 39		3,408 60		353 21
02-10-11	12-10-12	446	GENERAL ELECTRIC CO CMN	9,459 48		9,523 80		64 32
02-10-11	12-10-12	55	GENUINE PARTS CO	2,946 35		3,502 32		555 97
02-10-11	12-10-12	104	GLAXOSMITHKLINE PLCSPONSORED A	3,970 72		4,572 77		602 05
08-10-12	12-10-12	90	HASBRO INC	3,374 05		3,365 92	(8 13)	
02-10-11	12-10-12	171	HCP INC COM	6,281 91		7,739 76		1,457 85
02-10-11	12-10-12	115	HJ HEINZ CO	5,523 45		6,679 14		1,155 69
02-10-11	12-10-12	105	ISHARES TR HIGH YLD CORP	9,647 84		9,788 93		141 09
02-10-11	12-10-12	266	INTEL CORPORATION CMN	5,806 78		5,307 06		(499 72)
04-08-11	12-10-12	93	INTERNATIONAL PAPER CO CMN	2,820 87		3,366 52		545 65
09-15-11	12-10-12	109	JPMORGAN CHASE & CO CMN	3,638 59		4,606 23		967 64
02-10-11	12-10-12	58	KIMBERLY CLARK	3,770 00		4,965 84		1,195 84

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Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
02-10-11	12-10-12	113	COCA-COLA COMPANY (THE) CMN	3,580 40		4,244 18	663 77
02-10-11	12-10-12	73	KRAFT FOODS GROUP INC	2,369 72		3,232 36	862 64
02-10-11	12-10-12	132	ELI LILLY & CO	4,715 04		6,616 17	1,901 13
02-10-11	12-10-12	56	LOCKHEED MARTIN CORP	4,588 08		5,175 96	587 88
02-10-11	12-10-12	58	ISHARES IBOXX INVESTM GRADE BOND ETF	6,213 90		7,077 58	863 68
02-10-11	12-10-12	33	MC DONALDS CORP CMN	2,502 72		2,954 09	451 37
02-10-11	12-10-12	160	MONDELEZ INTERNATIONAL INC	3,225 50		4,137 50	912 00
02-10-11	12-10-12	103	MARSH & MCLENNAN COS INC	2,941 68		3,583 76	642 08
02-10-11	12-10-12	544	ALTRIA GROUP INC CMN	13,126 72		18,132 09	5,005 37
02-10-11	12-10-12	104	MERCK & CO INC CMN	3,436 16		4,627 89	1,191 73
07-28-11	12-10-12	89	MARATHON OIL CORP	2,787 63		2,694 85	(92 78)
04-18-11	12-10-12	164	MICROSOFT CORPORATION CMN	4,082 70		4,386 08	303 38
02-10-11	12-10-12	116	MEADWESTVACO CORP	3,025 82		3,581 02	555 20
11-14-12	12-10-12	115	MAXIM INTEGRATED PRODS INC	3,235 72		3,416 00	180 28
11-30-11	12-10-12	170	NATIONAL RETAIL PROPERTIES INC	4,402 91		5,243 26	840 35
02-10-11	12-10-12	319	PFIZER INC CMN	6,070 57		8,106 56	2,035 99
02-10-11	12-10-12	182	ISHARES TR US PFD STK IDX	7,139 86		7,210 67	70 81
02-10-11	12-10-12	76	PROCTER & GAMBLE CO	4,917 20		5,340 40	423 20
02-10-11	12-10-12	140	PHILIP MORRIS INTL INC CMN	8,285 20		12,457 00	4,171 80
02-10-11	12-10-12	62	PINNACLE WEST CAPITAL CORP	2,596 56		3,186 72	590 16

Avalon Advisors, LLC
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ACCOUNT #16H95842
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Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
02-10-11	12-10-12	332	REYNOLDS AMERICAN INC COM	10,627.25		14,192.68		3,565.43
02-10-11	12-10-12	138	ROYAL DUTCH SHELL PLC SPON ADR B	9,492.74		9,644.60		151.86
02-10-11	12-10-12	62	SCANA CORP NEW COM	2,633.14		2,842.63		209.49
02-10-11	12-10-12	130	SOUTHERN CO COM	4,859.40		5,654.87		795.47
02-10-11	12-10-12	113	SYSCO CORP	3,173.04		3,575.23		402.19
02-10-11	12-10-12	374	AT&T CORP	10,614.12		12,581.07		1,966.95
11-19-12	12-10-12	36	TIME WARNER CABLE INC COM	3,300.93		3,377.08	76.15	
02-10-11	12-10-12	139	VODAFONE GROUP PLC	4,083.82		3,584.72		(499.10)
02-10-11	12-10-12	72	VENTAS INC COM	3,961.79		4,671.25		709.46
02-10-11	12-10-12	305	VERIZON COMMUNICATIONS COM	11,041.00		13,407.52		2,366.52
08-29-12	12-10-12	95	WALGREEN CO	3,367.66		3,442.72	75.06	
02-10-11	12-10-12	118	WEINGARTEN RLTY INVS SJIREIT	2,977.01		3,180.02		203.01
05-09-12	12-10-12	76	EXXON MOBIL CORPORATION CMN	6,356.73		6,706.84	350.11	
TOTAL GAINS							3,106.71	69,742.18
TOTAL LOSSES							(4,438.78)	(9,518.89)
TOTAL REALIZED GAIN/LOSS				521,038.87	0.00	579,930.09	(1,332.07)	60,223.29

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
08-03-11	01-09-12	74	MASTERCARD INC CL A	23,617 36		25,574 70	1,957 34	
08-04-11	01-09-12	83	MASTERCARD INC CL A	27,107 13		28,685 14	1,578 01	
08-08-11	01-09-12	43	MASTERCARD INC CL A	13,314 74		14,860 97	1,546 23	
08-16-11	01-09-12	34	MASTERCARD INC CL A	11,357 66		11,750 54	392 88	
08-18-11	01-09-12	84	MASTERCARD INC CL A	26,109 63		29,030 74	2,921 11	
01-07-09	01-10-12	8	GOOGLE INC CMN CLASS A	2,580 85		4,963 83		2,382 98
02-03-09	01-10-12	51	GOOGLE INC CMN CLASS A	17,402 84		31,644 41		14,241 57
09-23-11	01-10-12	210	INTERCONTINENTALEXCHAN COM	25,269 11		23,750 84	(1,518 27)	
10-04-11	01-10-12	20	INTERCONTINENTALEXCHAN COM	2,348 96		2,261 98	(86 98)	
02-23-06	01-11-12	59	JOHNSON & JOHNSON CMN	3,452 97		3,825 22		372 25
09-20-07	01-11-12	35	JOHNSON & JOHNSON CMN	2,273 60		2,269 20		(4 40)
03-26-08	01-11-12	30	JOHNSON & JOHNSON CMN	1,939 83		1,945 03		5 20
08-13-07	01-11-12	333	PHILIP MORRIS INTL INC CMN	15,716 75		25,501 85		9,785 10
03-26-08	01-11-12	191	PHILIP MORRIS INTL INC CMN	9,734 59		14,627 19		4,892 60
04-14-08	01-11-12	270	PHILIP MORRIS INTL INC CMN	12,999 85		20,677 17		7,677 32
02-12-09	01-11-12	22	INTL BUSINESS MACHINES CORP CM	2,057 60		4,001 46		1,943 86
03-05-09	01-11-12	113	INTL BUSINESS MACHINES CORP CM	9,952 86		20,552 95		10,600 09
03-15-11	01-11-12	81	INTL BUSINESS MACHINES CORP CM	12,837 82		14,732 64	1,894 82	
01-11-08	01-11-12	82	MC DONALDS CORP CMN	4,466 42		8,161 24		3,694 81
03-26-08	01-11-12	103	MC DONALDS CORP CMN	5,732 37		10,251 31		4,518 94
04-14-08	01-11-12	220	MC DONALDS CORP CMN	12,216 60		21,896 00		9,679 40

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Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
09-05-08	01-11-12	35	MC DONALDS CORP CMN	2,101 33		3,483 45		1,382 13
10-08-08	01-11-12	100	MC DONALDS CORP CMN	5,390 05		9,952 73		4,562 68
10-16-08	01-11-12	256	MC DONALDS CORP CMN	13,912 96		25,478 99		11,566 03
06-03-09	01-11-12	9	MC DONALDS CORP CMN	547 42		895 75		348 33
03-16-11	01-12-12	408	EMC CORPORATION MASS CMN	10,416 65		9,170 52	(1,246 13)	
11-03-10	01-18-12	368	AMERICAN EXPRESS CO CMN	15,406 87		18,606 50		3,199 63
11-10-10	01-18-12	392	AMERICAN EXPRESS CO CMN	16,996 10		19,819 96		2,823 86
03-04-08	01-19-12	7	CONOCOPHILLIPS	562 38		497 41		(64 97)
03-26-08	01-19-12	91	CONOCOPHILLIPS	6,954 08		6,466 36		(487 72)
04-14-08	01-19-12	195	CONOCOPHILLIPS	15,596 10		13,856 49		(1,739 61)
09-05-08	01-19-12	151	CONOCOPHILLIPS	11,363 88		10,729 90		(633 98)
10-08-08	01-19-12	69	CONOCOPHILLIPS	4,086 41		4,903 07		816 66
10-16-08	01-19-12	173	CONOCOPHILLIPS	8,882 41		12,293 20		3,410 79
10-04-11	01-19-12	67	CONOCOPHILLIPS	4,027 79		4,760 95		
07-08-09	01-19-12	319	BHP BILLITON LTD SPONSORED ADR	15,908 85		25,011 16		9,102 31
10-04-11	01-19-12	31	BHP BILLITON LTD SPONSORED ADR	2,013 56		2,430 55	416 99	
04-14-08	01-19-12	190	COSTCO WHOLESale CORP NEW	12,416 50		15,435 65		3,019 15
10-08-08	01-19-12	92	COSTCO WHOLESale CORP NEW	5,273 89		7,474 10		2,200 21
10-16-08	01-19-12	231	COSTCO WHOLESale CORP NEW	13,334 22		18,766 50		5,432 28
12-18-08	01-19-12	11	COSTCO WHOLESale CORP NEW	594 84		893 64		298 80
10-04-11	01-19-12	51	COSTCO WHOLESale CORP NEW	4,104 26		4,143 25	38 99	
02-03-09	01-31-12	4	GOOGLE INC CMN CLASS A	1,364 93		2,307 76		942 83

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							Short Term	Long Term
07-29-11	01-31-12	54	GOOGLE INC CMN CLASS A	33,075 20		31,154 80	(1,920 40)	
10-04-11	01-31-12	11	GOOGLE INC CMN CLASS A	5,358 93		6,346 35	987 42	
12-14-11	01-31-12	2	GOOGLE INC CMN CLASS A	1,237 03		1,153 88	(83 15)	
03-31-11	01-31-12	69	PRAXAIR INC	7,032 40		7,318 70	286 30	
09-30-11	01-31-12	68	PRAXAIR INC	6,438 33		7,212 63	774 30	
10-04-11	01-31-12	13	PRAXAIR INC	1,202 77		1,378 89	176 12	
08-18-11	01-31-12	783	UNILEVER N V NY SHS (NEW)ADR	25,819 50		26,005 04	185 54	
10-04-11	01-31-12	76	UNILEVER N V NY SHS (NEW)ADR	2,357 51		2,524 12	166 61	
08-01-11	02-01-12	731	WALGREEN CO	28,410 09		24,360 54	(4,049 55)	
10-04-11	02-01-12	71	WALGREEN CO	2,286 78		2,366 07	79 29	
12-21-11	02-01-12	1,152	WALGREEN CO	37,457 97		38,390 35	932 38	
03-24-11	02-08-12	1,416	AT&T CORP	40,523 51		42,590 47	2,066 96	
10-04-11	02-08-12	138	AT&T CORP	3,829 31		4,150 77	321 46	
03-24-11	02-08-12	774	VERIZON COMMUNICATNS COM	28,822 91		29,383 88	560 97	
10-04-11	02-08-12	76	VERIZON COMMUNICATNS COM	2,722 02		2,885 24	163 22	
09-30-04	02-10-12	19	PEPSICO INC CMN	926 25		1,211 47	285 22	
01-07-05	02-10-12	84	PEPSICO INC CMN	4,415 88		5,355 99	940 11	
05-19-08	02-10-12	3	PEPSICO INC CMN	204 06		191 28	(12 77)	
10-08-08	02-10-12	80	PEPSICO INC CMN	5,180 83		5,100 94	(79 89)	
10-16-08	02-10-12	200	PEPSICO INC CMN	10,471 58		12,752 35	2,280 77	
12-18-08	02-10-12	9	PEPSICO INC CMN	491 09		573 86	82 77	
07-29-11	02-10-12	84	PEPSICO INC CMN	5,376 98		5,355 99	(20 99)	
03-29-11	02-10-12	473	PROCTER & GAMBLE CO	29,004 31		30,209 17	1,204 86	
10-04-11	02-10-12	46	PROCTER & GAMBLE CO	2,868 33		2,937 89	69 56	
02-03-11	02-14-12	69	BED BATH & BEYOND	3,312 37		4,075 38	763 01	
02-04-11	02-14-12	100	BED BATH & BEYOND	4,802 00		5,906 35	1,104 35	
03-04-11	02-14-12	126	BED BATH & BEYOND	6,036 35		7,442 00	1,405 65	

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							Short Term	Long Term
08-10-11	02-14-12	213	BED BATH & BEYOND	10,803 06		12,580 52	1,777 46	
10-04-11	02-14-12	48	BED BATH & BEYOND	2,583 14		2,835 05	251 91	
10-09-08	02-15-12	291	NOVARTIS AG-ADR	13,700 40		16,349 14		2,648 74
10-16-08	02-15-12	181	NOVARTIS AG-ADR	8,870 88		10,169 05		1,298 17
12-18-08	02-15-12	8	NOVARTIS AG-ADR	385 42		449 46		64 04
10-04-11	02-15-12	47	NOVARTIS AG-ADR	2,554 74		2,640 58	85 84	
09-09-11	02-15-12	1,150	CISCO SYSTEMS INC CMN	18,177 13		22,928 18	4,751 05	
11-04-10	02-15-12	737	PFIZER INC CMN	12 805 52		15,527 26		2,721 74
11-08-10	02-16-12	542	STARBUCKS CORP CMN	16,667 42		26,367 66		9,700 24
09-22-11	03-21-12	5	AUTOZONE INC CMN	1,578 69		1,889 35	310 66	
01-13-12	03-21-12	72	BB&T CORPORATION CMN	1,935 29		2,235 01	299 72	
02-08-12	03-21-12	17	BIODEN IDEC INC CMN	2,031 52		2,041 15	9 63	
09-30-11	03-21-12	27	BALL CORPORATION CMN	850 78		1,110 24	259 46	
03-31-11	03-21-12	71	BRISTOL-MYERS SQUIBB COMPANY C	1,893 09		2,333 89	440 80	
02-14-12	03-21-12	55	BROADCOM CORP CL-A	2,010 66		2,118 48	107 82	
01-11-12	03-21-12	29	BERKSHIRE HATHAWAY INC CLASS	2,249 86		2,347 32	97 46	
11-16-10	03-21-12	42	CATERPILLAR INC (DELAWARE) CMN	3,389 44		4,592 62		1,203 18
08-03-10	03-21-12	31	CHUBB CORP CMN	1,644 31		2,144 62		500 31
09-23-11	03-21-12	38	CELGENE CORPORATION CMN	2,372 58		2,872 21	499 63	
12-08-11	03-21-12	85	C&J ENERGY SERVICE INC CMN	1,833 93		1,536 69	(297 24)	
02-15-12	03-21-12	71	COMCAST CORPORATION CMN CLASS	2,047 75		2,105 83	58 08	
02-10-12	03-21-12	16	CUMMINS INC COMMON STOCK	1,915 11		1,977 84	62 73	

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Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
01-31-12	03-21-12	99	COACH INC CMN	6,876 68		7,789 53	912 85	
09-09-11	03-21-12	31	CISCO SYSTEMS INC CMN	489 99		637 19	147 20	
10-04-11	03-21-12	119	CISCO SYSTEMS INC CMN	1,799 55		2,445 97	646 42	
12-01-11	03-21-12	33	CISCO SYSTEMS INC CMN	611 15		678 30	67 15	
02-08-12	03-21-12	38	CVS CAREMARK CORPORATION CMN	1,668 30		1,709 14	40 84	
01-07-05	03-21-12	48	CHEVRON CORPORATION CMN	2,473 44		5,178 48		2,705 04
01-19-12	03-21-12	20	CONCHO RESOURCES INC CMN	2,018 47		2,018 57	0 10	
03-25-11	03-21-12	51	E I DU PONT DE NEMOURS AND CO	2,769 74		2,682 08	(87 66)	
02-16-11	03-21-12	26	DEERE & COMPANY CMN	2,491 46		2,136 24		(355 22)
02-16-12	03-21-12	82	D R HORTON INC CMN	1,187 32		1,289 46	102 14	
03-16-11	03-21-12	81	EMC CORPORATION MASS CMN	2,068 01		2,366 84		298 83
01-11-12	03-21-12	22	EOG RESOURCES INC CMN	2,289 68		2,505 38	215 70	
01-12-12	03-21-12	216	FORD MOTOR COMPANY CMN	2,600 38		2,713 06	112 68	
01-30-12	03-21-12	172	GENERAL ELECTRIC CO CMN	3,237 33		3,475 96	238 63	
12-14-11	03-21-12	4	GOOGLE INC CMN CLASS A	2,474 05		2,568 82	94 77	
01-26-11	03-21-12	40	HALLIBURTON COMPANY CMN	1,717 63		1,367 32		(350 31)
01-22-09	03-21-12	86	THE HOME DEPOT INC CMN	1,877 39		4,278 43	2,401 04	
03-15-11	03-21-12	29	INTL BUSINESS MACHINES CORP CM	4,596 26		5,939 40	1,343 14	

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
02-03-10	03-21-12	130	INTEL CORPORATION CMN	2,545 76		3,610 45		1,064 69
03-26-08	03-21-12	42	JOHNSON & JOHNSON CMN	2,715 76		2,717 98		2 22
08-21-08	03-21-12	25	JPMORGAN CHASE & CO CMN	906 04		1,127 61		221 57
09-05-08	03-21-12	138	JPMORGAN CHASE & CO CMN	5,414 88		6,224 41		809 53
10-21-04	03-21-12	60	COCA-COLA COMPANY (THE) CMN	2,360 22		4,265 50		1,905 28
10-18-06	03-21-12	21	COCA-COLA COMPANY (THE) CMN	923 54		1,492 93		569 39
02-08-12	03-21-12	36	LIMITED BRANDS INC CMN	1,614 08		1,729 08	115 00	
06-03-09	03-21-12	34	MC DONALDS CORP CMN	2,068 03		3,302 69		1,234 66
01-12-12	03-21-12	22	MONSANTO COMPANY CMN	1,777 19		1,738 61	(38 58)	
03-31-11	03-21-12	54	MERCK & CO INC CMN	1,792 91		2,038 66	245 75	
11-04-10	03-21-12	194	MICROSOFT CORPORATION CMN	5,276 18		6,203 00		926 82
01-31-12	03-21-12	18	NIKE CLASS-B CMN CLASS B	1,884 68		1,996 75	112 07	
02-08-12	03-21-12	20	NATIONAL OILWELL VARCO INC C	1,643 48		1,612 53	(30 95)	
01-12-12	03-21-12	24	NORFOLK SOUTHERN CORPORATION C	1,872 03		1,609 25	(262 78)	
09-29-11	03-21-12	48	NORTHERN TRUST CORP CMN	1,695 72		2,271 82	576 10	
02-15-12	03-21-12	3	PRICELINE COM INC CMN	1,723 07		2,113 39	390 32	
07-29-11	03-21-12	30	PEPSICO INC CMN	1,920 35		1,961 43	41 08	
11-04-10	03-21-12	120	PFIZER INC CMN	2,085 02		2,615 90		530 88
04-14-08	03-21-12	82	PHILIP MORRIS INTL INC CMN	3,948 10		7,066 02		3,117 92

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REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - EQUITY BALANCED ACCOUNT
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From 01-01-12 Through 12-31-12

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
01-13-12	03-21-12	30	PNC FINANCIAL SERVICES GROUP C	1,820 64		1,900 93	80 29	
02-08-12	03-21-12	15	PIONEER NATURAL RESOURCES CO C	1,663 93		1,564 91	(99 02)	
01-13-11	03-21-12	36	QUALCOMM INC CMN	1,867 29		2,381 85		514 56
11-08-10	03-21-12	38	STARBUCKS CORP CMN	1,168 56		2,043 58		875 02
03-30-11	03-21-12	39	SCHLUMBERGER LTD CMN	3,641 69		2,892 74	(748 95)	
06-23-11	03-21-12	53	UNITEDHEALTH GROUP INCORPORATE	2,692 54		2,865 74	173 20	
01-09-12	03-21-12	17	UNION PACIFIC CORP CMN	1,857 32		1,903 28	45 96	
04-14-08	03-21-12	28	UNITED PARCEL SERVICE INC CL	1,967 00		2,253 74		286 74
07-29-11	03-21-12	91	U S BANCORP CMN	2,388 79		2,866 42	477 63	
10-21-08	03-21-12	42	UNITED TECHNOLOGIES CORP CMN	2,152 53		3,479 83		1,327 30
07-28-11	03-21-12	22	VISA INC CMN CLASS A	1,946 47		2,570 58	624 11	
01-09-12	03-21-12	188	WELLS FARGO & CO (NEW) CMN	5,497 55		6,416 13	918 58	
02-10-12	03-21-12	30	WHOLE FOODS MARKET INC CMN	2,452 99		2,513 11	60 12	
03-30-11	03-21-12	106	WEATHERFORD INTERNATIONAL LTD	2,348 87		1,803 93	(544 94)	
03-26-08	03-21-12	17	WAL MART STORES INC CMN	905 39		1,027 95		122 56
10-08-08	03-21-12	55	WAL MART STORES INC CMN	3,014 21		3,325 71		311 50
09-29-11	03-21-12	24	WATSON PHARMACEUTICALS INC CMN	1,701 82		1,481 15	(220 67)	
01-07-05	03-21-12	81	EXXON MOBIL CORPORATION CMN	4,075 11		6,967 33		2,892 22
01-22-10	03-21-12	18	APPLE INC CMN	3,611 72		10,924 57		7,312 85

Avalon Advisors, LLC
REALIZED GAINS AND LOSSES
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ACCOUNT #16H80163
From 01-01-12 Through 12-31-12

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
09-22-11	03-21-12	56	ABBOTT LABORATORIES CMN	2,828.95		3,377.50	548.55	
11-10-10	03-21-12	36	AMERICAN EXPRESS CO CMN	1,560.87		2,055.01		494.14
01-12-12	05-29-12	382	NORFOLK SOUTHERN CORPORATION C	29,796.50		25,426.73	(4,369.77)	
12-08-11	05-29-12	110	C&J ENERGY SERVICE INC CMN	2,373.32		2,026.04	(347.28)	
12-08-11	06-05-12	447	C&J ENERGY SERVICE INC CMN	9,644.29		7,780.85	(1,863.44)	
12-08-11	06-06-12	56	C&J ENERGY SERVICE INC CMN	1,208.23		1,001.42	(206.81)	
12-09-11	06-06-12	148	C&J ENERGY SERVICE INC CMN	3,278.75		2,646.61	(632.14)	
12-09-11	06-07-12	352	C&J ENERGY SERVICE INC CMN	7,798.10		6,323.15	(1,474.95)	
12-09-11	06-08-12	246	C&J ENERGY SERVICE INC CMN	5,449.81		4,384.92	(1,064.89)	
02-08-12	06-26-12	690	LIMITED BRANDS INC CMN	30,936.57		28,232.17	(2,704.40)	
01-31-12	07-13-12	433	COACH INC CMN	30,076.78		24,601.04	(5,475.74)	
02-14-12	07-13-12	839	BROADCOM CORP CL-A CMN CLASS A	30,671.66		25,963.03	(4,708.63)	
01-19-12	07-13-12	297	CONCHO RESOURCES INC CMN	29,974.27		24,812.90	(5,161.37)	
09-05-08	07-24-12	31	JPMORGAN CHASE & CO CMN	1,216.38		1,071.04	(145.34)	
10-08-08	07-24-12	97	JPMORGAN CHASE & CO CMN	3,810.69		3,351.31	(459.38)	
12-18-08	07-24-12	16	JPMORGAN CHASE & CO CMN	485.52		552.79	67.27	
02-17-09	07-24-12	694	JPMORGAN CHASE & CO CMN	15,536.71		23,977.45		8,440.74

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
12-01-11	07-24-12	1,516	CISCO SYSTEMS INC CMN	28,076.02		23,090.13	(4,985.89)	
01-12-12	07-24-12	3,473	FORD MOTOR COMPANY CMN	41,810.75		31,283.73	(10,527.02)	
01-31-12	07-24-12	286	NIKE CLASS-B CMN CLASS B	29,945.46		26,724.24	(3,221.22)	
06-03-09	07-25-12	187	MC DONALDS CORP CMN	11,374.16		16,458.23		5,084.07
01-13-12	07-25-12	482	PNC FINANCIAL SERVICES GROUP C	29,251.56		27,752.83	(1,498.73)	
11-08-10	07-27-12	310	STARBUCKS CORP CMN	9,533.03		14,504.32		4,971.29
08-08-11	07-27-12	213	STARBUCKS CORP CMN	7,493.04		9,965.88	2,472.84	
10-04-11	07-27-12	102	STARBUCKS CORP CMN	3,699.34		4,772.39	1,073.05	
10-05-11	07-27-12	5	STARBUCKS CORP CMN	183.15		233.94	48.78	
02-15-12	08-08-12	37	PRICELINE COM INC CMN	21,251.15		20,777.66	(473.49)	
02-22-12	08-08-12	16	PRICELINE COM INC CMN	9,359.11		8,984.93	(374.18)	
06-23-11	08-21-12	770	UNITEDHEALTH GROUP INCORPORATE	39,118.00		41,384.95		2,266.95
10-04-11	08-21-12	83	UNITEDHEALTH GROUP INCORPORATE	3,462.95		4,460.98	998.03	
11-10-10	08-21-12	464	AMERICAN EXPRESS CO CMN	20,117.83		26,415.16		6,297.33
10-04-11	08-21-12	123	AMERICAN EXPRESS CO CMN	5,157.02		7,002.29	1,845.27	
09-22-11	08-21-12	74	AUTOZONE INC CMN	23,364.60		27,069.63	3,705.03	
10-04-11	08-21-12	8	AUTOZONE INC CMN	2,512.39		2,926.45	414.06	
02-08-12	08-21-12	279	PIONEER NATURAL RESOURCES CO C	30,949.17		27,193.21	(3,755.96)	
04-14-08	08-29-12	68	PHILIP MORRIS INTL INC CMN	3,274.04		6,215.85		2,941.81
09-17-08	08-29-12	127	PHILIP MORRIS INTL INC CMN	6,595.53		11,609.01		5,013.48

Avalon Advisors, LLC
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Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
10-08-08	08-29-12	259	PHILIP MORRIS INTL INC CMN	11,148 32		23,675 08		12,526 76
10-16-08	08-29-12	84	PHILIP MORRIS INTL INC CMN	3,631 14		7,678 40		4,047 26
11-16-10	08-30-12	144	CATERPILLAR INC (DELAWARE) CMN	11,620 95		12,198 05		577 10
04-14-08	08-30-12	25	UNITED PARCEL SERVICE INC CL	1,756 25		1,848 39		92 14
05-19-08	08-30-12	126	UNITED PARCEL SERVICE INC CL	8,974 98		9,315 89		340 91
09-05-08	08-30-12	98	UNITED PARCEL SERVICE INC CL	6,232 55		7,245 69		1,013 14
10-08-08	08-30-12	44	UNITED PARCEL SERVICE INC CL	2,516 91		3,253 17		736 26
10-16-08	08-30-12	110	UNITED PARCEL SERVICE INC CL	5,643 40		8,132 92		2,489 52
12-18-08	08-30-12	5	UNITED PARCEL SERVICE INC CL	263 04		369 68		106 64
10-04-11	08-30-12	43	UNITED PARCEL SERVICE INC CL	2,683 35		3,179 23	495 88	
10-08-08	08-30-12	45	WAL MART STORES INC CMN	2,466 17		3,247 91		781 74
10-16-08	08-30-12	232	WAL MART STORES INC CMN	12,600 66		16,744 81		4,144 15
02-16-11	08-30-12	278	DEERE & COMPANY CMN	26,639 46		20,657 71		(5,981 75)
03-31-11	08-30-12	90	DEERE & COMPANY CMN	8,685 97		6,687 75		(1,998 22)
10-04-11	08-30-12	38	DEERE & COMPANY CMN	2,325 26		2,823 72	498 46	
03-25-11	08-30-12	186	E I DU PONT DE NEMOURS AND CO	10,101 40		9,244 55		(856 85)
03-15-11	08-31-12	79	INTL BUSINESS MACHINES CORP CM	12,520 84		15,447 23		2,926 39
11-04-10	08-31-12	722	MICROSOFT CORPORATION CMN	19,636 09		22,195 37		2,559 28

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
10-18-06	08-31-12	698	COCA-COLA COMPANY (THE) CMN	15,348 32		26,112 50	10,764 18
10-16-08	08-31-12	204	COCA-COLA COMPANY (THE) CMN	4,592 82		7,631 74	3,038 92
03-25-11	08-31-12	65	COCA-COLA COMPANY (THE) CMN	2,123 88		2,431 68	307 80
03-30-11	08-31-12	520	WEATHERFORD INTERNATIONAL LTD	11,522 73		6,090 72	(5,432 01)
09-14-11	08-31-12	1,020	WEATHERFORD INTERNATIONAL LTD	16,473 61		11,947 19	(4,526 42)
10-04-11	08-31-12	155	WEATHERFORD INTERNATIONAL LTD	1,755 00		1,815 51	60 51
01-22-10	09-06-12	33	APPLE INC CMN	6,621 49		22,183 93	15,562 44
06-20-12	09-06-12	723	PROCTER & GAMBLE CO	43,473 77		49,030 52	5,556 75
10-21-08	09-07-12	221	UNITED TECHNOLOGIES CORP CMN	11,326 40		17,537 55	6,211 15
03-31-11	09-10-12	1,028	BRISTOL-MYERS SQUIBB COMPANY C	27,409 88		34,173 24	6,763 36
10-04-11	09-10-12	107	BRISTOL-MYERS SQUIBB COMPANY C	3,376 49		3,556 94	180 45
02-03-10	09-11-12	786	INTEL CORPORATION CMN	15,392 08		18,329 26	2,937 18
03-25-11	09-11-12	332	COCA-COLA COMPANY (THE) CMN	10,848 15		12,493 00	1,644 85
11-04-10	09-11-12	274	MICROSOFT CORPORATION CMN	7,451 92		8,411 91	959 99
01-22-09	09-12-12	690	THE HOME DEPOT INC CMN	15,062 77		39,108 04	24,045 27
07-24-12	09-17-12	103	VERIZON COMMUNICATIONS COM	4,511 96		4,581 57	69 61
07-24-12	09-17-12	159	AT&T CORP	5,503 74		5,952 18	448 44
02-03-10	09-17-12	111	INTEL CORPORATION CMN	2,173 69		2,569 80	396 11

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REALIZED GAINS AND LOSSES

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
02-10-10	09-17-12	413	INTEL CORPORATION CMN	8,201 10		9,561 52		1,360 42
07-29-11	09-17-12	99	PEPSICO INC CMN	6,337 16		6,968 85		631 69
03-26-08	09-17-12	47	JOHNSON & JOHNSON CMN	3,039 06		3,202 73		163 67
04-14-08	09-17-12	150	JOHNSON & JOHNSON CMN	9,928 50		10,221 47		292 97
02-10-10	09-21-12	282	INTEL CORPORATION CMN	5,599 79		6,502 49		902 70
09-23-11	09-27-12	71	CELGENE CORPORATION CMN	4,432 98		5,442 74		1,009 76
11-04-10	09-27-12	240	MICROSOFT CORPORATION CMN	6,527 23		7,243 80		716 57
11-16-10	09-27-12	244	MICROSOFT CORPORATION CMN	6,300 86		7,364 54		1,063 68
07-13-12	09-27-12	213	ORACLE CORP	6,271 81		6,661 06	389 25	
08-03-10	09-27-12	192	CHUBB CORP CMN	10,184 10		14,574 58		4,390 48
09-29-11	09-27-12	698	NORTHERN TRUST CORP CMN	24,658 66		32,491 80	7,833 14	
10-04-11	09-27-12	69	NORTHERN TRUST CORP CMN	2,356 56		3,211 94	855 38	
02-10-12	09-27-12	256	CUMMINS INC COMMON STOCK	30,641 74		23,799 43	(6,842 31)	
01-11-12	09-27-12	138	EOG RESOURCES INC CMN	14,362 52		15,639 41	1,276 89	
09-10-12	10-25-12	2,540	LSI LOGIC CORP	19,621 25		17,275 42	(2,345 83)	
03-30-11	10-25-12	231	SCHLUMBERGER LTD CMN	21,570 02		16,200 88		(5,369 14)
02-17-09	10-25-12	630	JPMORGAN CHASE & CO CMN	14,103 93		26,236 45		12,132 52
01-07-05	10-25-12	42	CHEVRON CORPORATION CMN	2,164 26		4,640 57		2,476 31
09-09-05	10-25-12	5	CHEVRON CORPORATION CMN	318 86		552 45		233 59

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REALIZED GAINS AND LOSSES

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
08-13-07	10-25-12	83	CHEVRON CORPORATION CMN	6,921.37		9,170.66		2,249.29
02-10-12	11-02-12	111	WHOLE FOODS MARKET INC CMN	9,076.07		10,867.44	1,791.37	
01-30-12	11-06-12	1,032	GENERAL ELECTRIC CO CMN	19,423.99		22,335.38	2,911.39	
03-15-11	11-06-12	98	INTL BUSINESS MACHINES CORP CMN	15,532.18		19,188.84		3,656.66
12-14-11	11-06-12	13	GOOGLE INC CMN CLASS A	8,040.68		8,879.45	838.77	
12-21-11	11-06-12	49	GOOGLE INC CMN CLASS A	30,753.41		33,468.71	2,715.30	
08-21-12	11-06-12	10	GOOGLE INC CMN CLASS A	6,656.28		6,830.35	174.07	
01-22-10	11-06-12	6	APPLE INC CMN	1,203.91		3,512.35		2,308.44
07-29-11	11-06-12	31	APPLE INC CMN	12,186.78		18,147.16		5,960.38
01-09-12	11-06-12	1,428	WELLS FARGO & CO (NEW) CMN	41,758.01		48,926.17	7,168.16	
01-13-12	11-06-12	4	WELLS FARGO & CO (NEW) CMN	116.13		137.05	20.92	
03-25-11	11-07-12	288	E I DU PONT DE NEMOURS AND CO	15,640.88		12,595.60		(3,045.28)
08-16-11	11-07-12	274	E I DU PONT DE NEMOURS AND CO	12,774.51		11,983.31		(791.20)
10-04-11	11-07-12	78	E I DU PONT DE NEMOURS AND CO	3,043.79		3,411.31	367.52	
03-30-11	11-07-12	44	SCHLUMBERGER LTD CMN	4,108.57		3,073.81		(1,034.76)
10-04-11	11-07-12	31	SCHLUMBERGER LTD CMN	1,749.77		2,165.64		415.87
01-30-12	11-07-12	287	SCHLUMBERGER LTD CMN	21,707.10		20,049.59	(1,657.51)	
01-13-12	11-07-12	1,101	BB&T CORPORATION CMN	29,593.78		30,853.73	1,259.95	

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REALIZED GAINS AND LOSSES

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Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
11-16-10	11-07-12	7	CATERPILLAR INC (DELAWARE) CMN	564 91		598 74	33 83	
11-19-10	11-07-12	114	CATERPILLAR INC (DELAWARE) CMN	9,511 82		9,750 85	239 03	
09-17-12	11-07-12	589	HCA HOLDINGS INC COM	18,677 66		19,930 90	1,253 24	
08-28-12	11-07-12	305	IAC INTERACTIVE CORP COM	16,042 39		13,539 01	(2,503 38)	
09-05-12	11-07-12	315	IAC INTERACTIVE CORP COM	16,265 72		13,982 91	(2,282 81)	
10-16-08	11-08-12	82	WAL MART STORES INC CMN	4,453 68		6,001 42	1,547 74	
10-24-08	11-08-12	244	WAL MART STORES INC CMN	12,471 74		17,857 88	5,386 14	
06-03-09	11-08-12	226	MC DONALDS CORP CMN	13,746 32		19,446 32	5,700 00	
10-04-11	11-08-12	55	MC DONALDS CORP CMN	4,664 05		4,732 51	68 46	
06-14-12	11-08-12	294	EBAY INC	11,786 81		14,129 41	2,342 60	
08-28-12	11-08-12	306	DIRECTV COM CL A	16,096 09		15,133 19	(962 90)	
09-05-12	11-08-12	296	DIRECTV COM CL A	15,692 41		14,638 65	(1,053 76)	
10-16-08	11-08-12	237	PHILIP MORRIS INTL INC CMN	10,244 99		20,430 34	10,185 35	
09-23-11	11-12-12	147	CELGENE CORPORATION CMN	9,178 14		11,086 86	1,908 72	
03-16-11	11-12-12	583	EMC CORPORATION MASS CMN	14,884 57		14,052 61	(831 96)	
07-29-11	11-12-12	572	EMC CORPORATION MASS CMN	14,971 70		13,787 47	(1,184 23)	
10-04-11	11-12-12	162	EMC CORPORATION MASS CMN	3,336 39		3,904 84	568 45	
02-17-09	11-13-12	60	JPMORGAN CHASE & CO CMN	1,343 23		2,418 14	1,074 91	
06-03-09	11-13-12	75	JPMORGAN CHASE & CO CMN	2,588 53		3,022 67	434 14	
01-13-12	11-13-12	344	WELLS FARGO & CO (NEW) CMN	9,987 32		11,125 67	1,138 35	

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
01-11-12	11-13-12	48	BERKSHIRE HATHAWAY INC CLASS	3,723 90		4,138 37	414 47	
12-01-11	11-14-12	150	CISCO SYSTEMS INC CMN	2,777 97		2,683 53	(94 44)	
12-21-11	11-14-12	346	CISCO SYSTEMS INC CMN	6,287 34		6,190 01	(97 33)	
08-30-12	11-14-12	123	KOHL'S CORP	6,530 28		6,350 73	(179 55)	
10-04-11	11-14-12	67	MC DONALDS CORP CMN	5,681 66		5,708 73		27 07
09-06-12	11-14-12	189	MC DONALDS CORP CMN	17,123 29		16,103 75	(1,019 54)	
08-22-12	11-14-12	193	VALERO ENERGY CORP-NEW	5,684 82		5,657 53	(27 29)	
09-30-11	11-14-12	187	BALL CORPORATION CMN	5,892 46		8,127 74		2,235 28
08-13-07	11-15-12	8	CHEVRON CORPORATION CMN	667 12		817 48		150 36
09-05-08	11-15-12	33	CHEVRON CORPORATION CMN	2,641 91		3,372 10		730 19
08-22-12	11-15-12	303	SUNTRUST BKS INC COM	7,631 21		7,717 45	86 24	
10-24-08	11-15-12	114	WAL MART STORES INC CMN	5,826 96		7,816 90		1,989 94
01-09-12	11-15-12	61	UNION PACIFIC CORP CMN	6,664 51		7,181 46	516 95	
03-15-11	11-15-12	42	INTL BUSINESS MACHINES CORP CM	6,656 65		7,773 95		1,117 30
08-18-11	11-15-12	8	INTL BUSINESS MACHINES CORP CM	1,292 72		1,480 75		188 03
02-08-12	11-16-12	41	BIAGEN IDEC INC CMN	4,899 54		5,753 99	854 45	
02-16-12	11-16-12	336	D R HORTON INC CMN	4,865 11		6,275 23	1,410 12	
07-29-11	11-16-12	298	U S BANCORP CMN	7,822 62		9,296 26		1,473 64
08-30-12	11-16-12	311	WEYERHAEUSER CO COM	7,722 91		7,811 30	88 39	
01-30-12	11-27-12	403	GENERAL ELECTRIC CO CMN	7,585 15		8,469 70	884 55	

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
08-18-11	11-27-12	64	INTL BUSINESS MACHINES CORP CM	10,341 75		12,262 19		1,920 44
09-21-12	11-27-12	389	AUTONATION INC COM	16,738 13		15,377 34	(1,360 79)	
02-08-12	11-28-12	145	CVS CAREMARK CORPORATION CMN	6,365 88		6,570 08	204 20	
01-07-05	11-28-12	104	EXXON MOBIL CORPORATION CMN	5,232 24		9,048 16		3,815 92
08-13-07	11-28-12	61	EXXON MOBIL CORPORATION CMN	5,130 10		5,307 09		176 99
09-05-08	11-28-12	49	EXXON MOBIL CORPORATION CMN	3,722 20		4,263 08		540 88
03-25-11	11-29-12	362	COCA-COLA COMPANY (THE) CMN	11,828 40		13,609 15		1,780 75
01-26-11	11-29-12	284	HALLIBURTON COMPANY CMN	12,195 19		9,323 73	(2,871 46)	
03-04-11	11-29-12	296	HALLIBURTON COMPANY CMN	13,790 08		9,717 70	(4,072 38)	
10-04-11	11-29-12	61	HALLIBURTON COMPANY CMN	1,768 47		2,002 63		234 16
07-29-11	11-29-12	36	APPLE INC CMN	14,152 39		21,195 97		7,043 58
10-04-12	11-29-12	78	GRAINGER W W INC	16,712 60		15,057 73	(1,654 87)	
09-05-08	12-05-12	71	CHEVRON CORPORATION CMN	5,684 12		7,413 81		1,729 69
10-08-08	12-05-12	25	CHEVRON CORPORATION CMN	1,781 59		2,610 50		828 91
10-25-12	12-05-12	207	PROCTER & GAMBLE CO	14,541 25		14,316 61	(224 64)	
10-16-08	12-05-12	114	PHILIP MORRIS INTL INC CMN	4,927 97		10,072 18		5,144 21
07-24-12	12-06-12	302	VERIZON COMMUNICATIONS COM	13,229 23		13,358 16	128 93	
07-24-12	12-11-12	633	AT&T CORP	21,911 11		21,552 78	(358 33)	
10-21-08	12-11-12	254	UNITED TECHNOLOGIES CORP CMN	13,017 68		20,698 25		7,680 57

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
02-10-10	12-14-12	292	INTEL CORPORATION CMN	5,798 36		6,015 56	217 20
10-04-11	12-14-12	198	INTEL CORPORATION CMN	4,107 49		4,079 04	(28 45)
07-13-12	12-14-12	379	INTEL CORPORATION CMN	9,535 68		7,807 87	(1,727 81)
11-06-12	12-14-12	251	INTEL CORPORATION CMN	5,491 30		5,170 91	(320 39)
04-14-08	12-14-12	111	JOHNSON & JOHNSON CMN	7,347 09		7,832 64	485 55
05-19-08	12-14-12	69	JOHNSON & JOHNSON CMN	4,594 02		4,868 94	274 92
07-28-11	12-14-12	57	VISA INC CMN CLASS A	5,043 12		8,346 57	3,303 45
08-18-11	12-14-12	66	INTL BUSINESS MACHINES CORP CM	10,664 93		12,708 92	2,043 99
09-29-11	12-14-12	93	WATSON PHARMACEUTICALS INC CMN	6,594 56		8,184 59	1,590 03
11-16-10	12-14-12	569	MICROSOFT CORPORATION CMN	14,693 40		15,266 20	572 80
01-13-11	12-17-12	186	QUALCOMM INC CMN	9,647 69		11,410 95	1,763 26
07-24-12	12-17-12	285	AT&T CORP	9,865 19		9,688 53	(176 66)
09-12-12	12-18-12	284	NORDSTROM INC COM	16,478 39		14,760 62	(1,717 77)
10-24-08	12-18-12	161	WAL MART STORES INC CMN	8,229 31		11,125 33	2,896 02
08-30-12	12-18-12	154	CANADIAN PAC RAILWAY LTD COM	12,706 63		15,227 46	2,520 83
07-29-11	12-19-12	140	PEPSICO INC CMN	8,961 64		9,817 07	855 43
03-31-11	12-19-12	114	MERCK & CO INC CMN	3,785 03		5,005 09	1,220 06
11-06-12	12-19-12	471	INTEL CORPORATION CMN	10,304 40		9,941 21	(363 19)
09-12-12	12-19-12	417	MACY'S INC COM	16,316 04		16,278 15	(37 89)
07-24-12	12-20-12	197	VERIZON COMMUNICATIONS COM	8,629 66		8,572 21	(57 45)

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
10-16-08	12-20-12	121	PHILIP MORRIS INTL INC CMN	5,230.56		10,247.14		5,016.58
01-30-12	12-20-12	570	GENERAL ELECTRIC CO CMN	10,728.37		11,989.62	1,261.25	
09-22-11	12-31-12	166	ABBOTT LABORATORIES CMN	8,385.82		10,706.54		2,320.72
TOTAL GAINS							95,066.00	442,663.03
TOTAL LOSSES							(95,695.03)	(37,831.28)
TOTAL REALIZED GAIN/LOSS				3,005,094.74	0.00	3,409,297.45	(629.04)	404,831.74
								404,202.71

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
08-18-03	01-17-12	115	FHLMC PC GUAR 20 5 500% Due 07-01-23	115 47	0 00	115 47	0 00	0 00
08-25-03	01-17-12	18	FHLMC PC ADJ 30YR	19 66	0 00	18 34	(1 32)	
06-22-11	01-17-12	1,677	2 391% Due 12-01-32 FHLMC REMIC TRUST 3864	1,703 65	0 00	1,677 50	(26 15)	
06-21-11	01-17-12	420	2 000% Due 08-15-18 FHLMC REMIC TRUST 3864	436 36	0 00	419 70	(16 66)	
07-08-09	01-17-12	628	3 500% Due 05-15-26 FHLMC REMIC SERIES 2777	638 44	0 00	627 83	(30 61)	
03-29-11	01-17-12	2,190	5 000% Due 04-15-15 FHRR R012 AB	2,277 77	0 00	2,190 16	(87 61)	
10-02-07	01-17-12	5,746	5 500% Due 12-15-20 GNMA REMIC TRUST 2007-52	5,571 62	0 00	5,745 79	174 17	
07-30-08	01-17-12	718	4 054% Due 06-16-27 GNMA REMIC TRUST 2007-52	714 35	0 00	718 22	3 88	
07-27-11	01-25-12	1,901	4 054% Due 06-16-27 FNMA PASS-THRU LNG 30 YEAR	2,032 15	0 00	1,900 87	(131 28)	
05-03-10	01-25-12	1,205	5 000% Due 11-01-35 FNMA REMIC TRUST 2003-74	1,254 24	0 00	1,204 73	(49 51)	
08-18-03	02-15-12	114	4 500% Due 08-25-18 FHLMC PC GUAR 20 5 500% Due 07-01-23	114 29	0 00	114 29	0 00	

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
08-25-03	02-15-12	13	FHLMC PC ADJ 30YR	13.54	0.00	12.63		(0.91)
06-22-11	02-15-12	1,543	2.391% Due 12-01-32 FHLMC REMIC TRUST 3864	1,566.61	0.00	1,542.57		(24.04)
06-21-11	02-15-12	429	2.000% Due 08-15-18 FHLMC REMIC TRUST 3864	445.93	0.00	428.91		(17.02)
07-08-09	02-15-12	630	3.500% Due 05-15-26 FHLMC REMIC SERIES 2777	661.17	0.00	630.44		(30.73)
03-29-11	02-15-12	1,942	5.000% Due 04-15-15 FHRR R012 AB	2,019.45	0.00	1,941.78		(77.67)
10-02-07	02-16-12	3,814	5.500% Due 12-15-20 GNMA REMIC TRUST 2007-52	3,697.91	0.00	3,813.51		115.60
07-30-08	02-16-12	477	4.054% Due 06-16-27 GNMA REMIC TRUST 2007-52	474.12	0.00	476.69		2.57
07-27-11	02-27-12	1,672	4.054% Due 06-16-27 FNMA PASS-THRU LNG 30 YEAR	1,787.02	0.00	1,671.58		(115.44)
05-03-10	02-27-12	817	5.000% Due 11-01-35 FNMA REMIC TRUST 2003-74	850.16	0.00	816.60		(33.56)
07-08-09	03-01-12	633	4.500% Due 08-25-18 FHLMC REMIC SERIES 2777	663.93	0.00	633.07		(30.86)
03-29-11	03-01-12	2,270	5.000% Due 04-15-15 FHRR R012 AB	2,360.48	0.00	2,269.69		(90.79)
08-18-03	03-01-12	117	5.500% Due 12-15-20 FHLMC PC GOLD GUAR 20	117.49	0.00	117.49		0.00
			5.500% Due 07-01-23					

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
08-25-03	03-01-12	2	FHLMC PC ADJ 30YR	1.88	0.00	1.75		(0.13)
			2.391% Due 12-01-32					
06-22-11	03-01-12	1,592	FHLMC REMIC TRUST 3864	1,616.85	0.00	1,592.04		(24.81)
			2.000% Due 08-15-18					
06-21-11	03-01-12	1,415	FHLMC REMIC TRUST 3864	1,471.25	0.00	1,415.09		(56.16)
			3.500% Due 05-15-26					
10-02-07	03-01-12	101	GNMA REMIC TRUST 2007-52	97.71	0.00	100.76		3.05
			4.054% Due 06-16-27					
07-30-08	03-01-12	13	GNMA REMIC TRUST 2007-52	12.53	0.00	12.60		0.07
			4.054% Due 06-16-27					
05-03-10	03-01-12	1,032	FNMA REMIC TRUST 2003-74	1,074.67	0.00	1,032.25		(42.42)
			4.500% Due 08-25-18					
07-27-11	03-01-12	1,846	FNMA PASS-THRU LNG 30 YEAR	1,973.37	0.00	1,845.89		(127.48)
			5.000% Due 11-01-35					
11-15-11	03-15-12	50,000	OKLAHOMA ST CAP IMPT AUTH ST H	58,552.00	(223.92)	58,979.00		650.92
			5.240% Due 07-01-22					
12-01-11	03-15-12	30,000	ISRAEL ST	37,637.70	(156.61)	37,254.00		(227.09)
			5.500% Due 09-18-23					
08-18-03	04-16-12	117	FHLMC PC GOLD GUAR 20	117.15	0.00	117.15		0.00
			5.500% Due 07-01-23					
08-25-03	04-16-12	2	FHLMC PC ADJ 30YR	2.33	0.00	2.17		(0.16)
			2.391% Due 12-01-32					

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
06-22-11	04-16-12	1,597	FHLMC REMIC TRUST 3864	1,622.05	0.00	1,597.16	(24.89)	
07-08-09	04-16-12	636	2.000% Due 08-15-18 FHLMC REMIC SERIES 2777	666.69	0.00	635.70		(30.99)
10-02-07	04-16-12	6,193	5.000% Due 04-15-15 GNMA REMIC TRUST 2007-52	6,005.35	0.00	6,193.08		187.73
07-30-08	04-16-12	774	4.054% Due 06-16-27 GNMA REMIC TRUST 2007-52	769.96	0.00	774.13		4.17
06-21-11	04-16-12	1,867	4.054% Due 06-16-27 FHLMC REMIC TRUST 3864	1,940.78	0.00	1,866.70	(74.08)	
03-29-11	04-16-12	2,694	3.500% Due 05-15-26 FHRR R012 AB	2,801.95	0.00	2,694.18		(107.77)
03-14-12	04-25-12	2,202	5.500% Due 12-15-20 FNMA REMIC TRUST 2010-54	2,249.00	0.00	2,201.53	(47.47)	
07-27-11	04-25-12	1,986	3.000% Due 04-25-40 FNMA PASS-THRU LNG 30 YEAR	2,123.50	0.00	1,986.32	(137.18)	
05-03-10	04-25-12	1,066	5.000% Due 11-01-35 FNMA REMIC TRUST 2003-74	1,109.95	0.00	1,066.14		(43.81)
03-29-11	05-04-12	16,497	4.500% Due 08-25-18 FHRR R012 AB	17,157.14	0.00	16,713.78		(443.36)
07-27-11	05-08-12	53,788	5.500% Due 12-15-20 FNMA PASS-THRU LNG 30 YEAR	57,502.23	0.00	58,620.00	1,117.77	
08-18-03	05-15-12	118	5.000% Due 11-01-35 FHLMC PC GOLD GUAR 20	117.56	0.00	117.56		0.00
			5.500% Due 07-01-23					

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
08-25-03	05-15-12	2	FHLMC PC ADJ 30YR 2.391% Due 12-01-32	1.95	0.00	1.82		(0.13)
06-22-11	05-15-12	1,473	FHLMC REMIC TRUST 3864	1,495.68	0.00	1,472.73	(22.95)	
07-08-09	05-15-12	638	2.000% Due 08-15-18 FHLMC REMIC SERIES 2777	669.47	0.00	638.35	(31.12)	
03-29-11	05-15-12	2,469	5.000% Due 04-15-15 FHRR R012 AB	2,567.40	0.00	2,468.65	(98.75)	
06-21-11	05-15-12	1,721	5.500% Due 12-15-20 FHLMC REMIC TRUST 3864	1,788.82	0.00	1,720.54	(68.28)	
04-17-12	05-15-12	198	3.500% Due 05-15-26 FHLMC REMIC SERIES 4011	210.48	0.00	198.24	(12.24)	
10-02-07	05-16-12	93	4.000% Due 12-15-41 GNMA REMIC TRUST 2007-52	90.37	0.00	93.20		2.83
07-30-08	05-16-12	12	4.054% Due 06-16-27 GNMA REMIC TRUST 2007-52	11.59	0.00	11.65		0.06
05-03-10	05-25-12	878	4.054% Due 06-16-27 FNMA REMIC TRUST 2003-74	914.34	0.00	878.25	(36.09)	
03-14-12	05-25-12	1,387	4.500% Due 08-25-18 FNMA REMIC TRUST 2010-54	1,417.07	0.00	1,387.16	(29.91)	
07-27-11	05-25-12	2,131	3.000% Due 04-25-40 FNMA PASS-THRU LNG 30 YEAR 5.000% Due 11-01-35	2,278.58	0.00	2,131.39	(147.19)	

THIS REPORT IS PROVIDED TO ASSIST YOU IN YOUR MANAGEMENT OF YOUR PORTFOLIO. THIS REPORT CONTAINS INFORMATION PROVIDED BY YOU AND THIRD PARTIES WHICH MAY NOT BE COMPLETE OR ACCURATE. THIS DOCUMENT HAS BEEN PREPARED FOR INFORMATIONAL PURPOSES ONLY AND IS NOT YOUR OFFICIAL MONTHLY STATEMENT. TO THE EXTENT THAT THERE ARE ANY DISCREPANCIES BETWEEN THE STATEMENT YOU RECEIVE FROM YOUR ACCOUNT CUSTODIAN AND THIS DOCUMENT, THE TERMS OF THE MONTHLY STATEMENT WILL CONTROL. PRICES SHOWN ABOVE DO NOT NECESSARILY REFLECT THE VALUE THAT COULD BE REALIZED UPON SALE. SECURITIES POSITIONS REPORTED AS "HERESAY" ARE NOT HELD AT THE CUSTODIAN AND WE HAVE NOT VERIFIED THEIR EXISTENCE OR VALUATION. THE INFORMATION CONTAINED IN THIS REPORT DOES NOT CONSTITUTE TAX ADVICE. YOU SHOULD CONSULT WITH YOUR TAX ADVISOR IN CONNECTION WITH INVESTMENT TAX MATTERS. PLEASE NOTIFY AVALON ADVISORS IF YOU HAVE ANY QUESTIONS REGARDING THE INFORMATION IN THIS PORTFOLIO ANALYSIS PREPARED BY AVALON ADVISORS, LLC.

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
08-18-03	06-15-12	1,657	FHLMC PC GOLD GUAR 20	1,656 86	0 00	1,656 86	0 00	0 00
08-25-03	06-15-12	5 500% Due 07-01-23 2 FHLMC PC ADJ 30YR	GUAR	2 06	0 00	1 92	0 00	(0 14)
06-22-11	06-15-12	2 391% Due 12-01-32 1,203 FHLMC REMIC TRUST 3864		1,222 00	0 00	1,203 25	(18 75)	
06-21-11	06-15-12	2 000% Due 08-15-18 1,424 FHLMC REMIC TRUST 3864		1,480 18	0 00	1,423 68	(56 50)	
04-17-12	06-15-12	3 500% Due 05-15-26 218 FHLMC REMIC SERIES 4011		231 34	0 00	217 89	(13 45)	
07-08-09	06-15-12	4 000% Due 12-15-41 641 FHLMC REMIC SERIES 2777		672 26	0 00	641 01		(31 25)
10-02-07	06-18-12	5 000% Due 04-15-15 2,397 GNMA REMIC TRUST 2007-52		2,324 50	0 00	2,397 21	72 71	
07-30-08	06-18-12	4 054% Due 06-16-27 300 GNMA REMIC TRUST 2007-52		298 03	0 00	299 65	1 62	
05-03-10	06-25-12	4 054% Due 06-16-27 575 FNMA REMIC TRUST 2003-74		598 27	0 00	574 66		(23 61)
03-14-12	06-25-12	4 500% Due 08-25-18 1,937 FNMA REMIC TRUST 2010-54		1,979 20	0 00	1,937 42	(41 78)	
05-08-12	06-25-12	3 000% Due 04-25-40 221 FNMA PASS-THRU INT 20 YEAR		233 38	0 00	221 15	(12 23)	
		3 500% Due 05-01-32						

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
08-18-03	07-16-12	110	FHLMC PC GOLD GUAR 20	110 38	0 00	110 38	0 00	0 00
08-25-03	07-16-12	2	5 500% Due 07-01-23 FHLMC PC GUAR ADJ 30YR	2 33	0 00	2 17	(0 16)	(0 16)
06-22-11	07-16-12	1,324	2 391% Due 12-01-32 FHLMC REMIC TRUST 3864	1,344 65	0 00	1,324 01	(20 64)	(20 64)
06-21-11	07-16-12	1,508	2 000% Due 08-15-18 FHLMC REMIC TRUST 3864	1,567 70	0 00	1,507 86	(59 84)	(59 84)
04-17-12	07-16-12	237	3 500% Due 05-15-26 FHLMC REMIC SERIES 4011	252 06	0 00	237 41	(14 65)	(14 65)
07-08-09	07-16-12	644	4 000% Due 12-15-41 FHLMC REMIC SERIES 2777	675 06	0 00	643 68	(31 38)	(31 38)
03-14-12	07-25-12	1,478	5 000% Due 04-15-15 FNMA REMIC TRUST 2010-54	1,510 00	0 00	1,478 13	(31 87)	(31 87)
06-04-12	07-25-12	1,298	3 000% Due 04-25-40 FNMA PASS-THRU INT 20 YEAR	1,373 99	0 00	1,297 94	(76 05)	(76 05)
05-08-12	07-25-12	273	3 500% Due 11-01-31 FNMA PASS-THRU INT 20 YEAR	288 59	0 00	273 46	(15 13)	(15 13)
05-03-10	07-25-12	979	3 500% Due 05-01-32 FNMA REMIC TRUST 2003-74	1,018 86	0 00	978 64	(40 22)	(40 22)
08-18-03	08-15-12	108	4 500% Due 08-25-18 FHLMC PC GOLD GUAR 20	108 13	0 00	108 13	0 00	0 00
			5 500% Due 07-01-23					

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Gain Or Loss	
						Proceeds	Short Term Long Term
08-25-03	08-15-12	14	FHLMC PC GUAR ADJ 30YR	15 22	0 00	14 20	(1 02)
06-22-11	08-15-12	1,236	2 391% Due 12-01-32 FHLMC REMIC TRUST 3864	1,254 83	0 00	1,235 57	(19 26)
06-21-11	08-15-12	1,619	2 000% Due 08-15-18 FHLMC REMIC TRUST 3864	1,683 32	0 00	1,619 06	(64 26)
04-17-12	08-15-12	1,850	3 500% Due 05-15-26 FHLMC REMIC SERIES 4011	1,964 12	0 00	1,849 94	(114 18)
07-08-09	08-15-12	646	4 000% Due 12-15-41 FHLMC REMIC SERIES 2777	677 88	0 00	646 37	(31 51)
05-03-10	08-27-12	655	5 000% Due 04-15-15 FNMA REMIC TRUST 2003-74	681 69	0 00	654 78	(26 91)
03-14-12	08-27-12	1,915	4 500% Due 08-25-18 FNMA REMIC TRUST 2010-54	1,955 88	0 00	1,914 60	(41 28)
06-04-12	08-27-12	1,541	3 000% Due 04-25-40 FNMA PASS-THRU INT 20 YEAR	1,631 52	0 00	1,541 21	(90 31)
05-08-12	08-27-12	454	3 500% Due 11-01-31 FNMA PASS-THRU INT 20 YEAR	479 07	0 00	453 96	(25 11)
08-18-03	09-17-12	112	3 500% Due 05-01-32 FHLMC PC GOLD GUAR 20	111 80	0 00	111 80	0 00
08-25-03	09-17-12	2	5 500% Due 07-01-23 FHLMC PC GUAR ADJ 30YR	1 68	0 00	1 57	(0 11)
			2 391% Due 12-01-32				

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
06-22-11	09-17-12	1,289	FHLMC REMIC TRUST 3864	1,308.94	0.00	1,288.85		(20.09)
06-21-11	09-17-12	1,819	2.000% Due 08-15-18 FHLMC REMIC TRUST 3864	1,891.04	0.00	1,818.85		(72.19)
04-17-12	09-17-12	3,254	3.500% Due 05-15-26 FHLMC REMIC SERIES 4011	3,455.13	0.00	3,254.28		(200.85)
07-08-09	09-17-12	649	4.000% Due 12-15-41 FHLMC REMIC SERIES 2777	680.70	0.00	649.06		(31.64)
03-14-12	09-25-12	1,319	5.000% Due 04-15-15 FNMA REMIC TRUST 2010-54	1,346.98	0.00	1,318.55		(28.43)
06-04-12	09-25-12	1,478	3.000% Due 04-25-40 FNMA PASS-THRU INT 20 YEAR	1,564.23	0.00	1,477.65		(86.58)
05-08-12	09-25-12	588	3.500% Due 11-01-31 FNMA PASS-THRU INT 20 YEAR	621.04	0.00	588.49		(32.55)
05-03-10	09-25-12	991	3.500% Due 05-01-32 FNMA REMIC TRUST 2003-74	1,032.22	0.00	991.48		(40.74)
07-08-09	10-15-12	652	4.500% Due 08-25-18 FHLMC REMIC SERIES 2777	683.53	0.00	651.76		(31.77)
08-18-03	10-15-12	2,780	5.000% Due 04-15-15 FHLMC PC GOLD GUAR 20	2,779.73	0.00	2,779.73		0.00
08-25-03	10-15-12	10	5.500% Due 07-01-23 FHLMC PC GUAR ADJ 30YR	10.98	0.00	10.24		(0.74)
			2.391% Due 12-01-32					

Avalon Advisors, LLC

REALIZED GAINS AND LOSSES

THE HILLCREST FOUNDATION - FIXED INCOME BALANCED ACCOUNT

ACCOUNT #16H80164

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
06-22-11	10-15-12	1,382	FHLMC REMIC TRUST 3864	1,403.98	0.00	1,382.43		(21.55)
06-21-11	10-15-12	1,559	2.000% Due 08-15-18 FHLMC REMIC TRUST 3864	1,620.70	0.00	1,558.83		(61.87)
04-17-12	10-15-12	1,905	3.500% Due 05-15-26 FHLMC REMIC SERIES 4011	2,022.26	0.00	1,904.70		(117.56)
03-23-12	10-24-12	25,000	4.000% Due 12-15-41 UNITED STATES TREAS NTS	26,791.01	(173.62)	27,308.60	691.21	
05-03-10	10-25-12	683	2.625% Due 01-31-18 FNMA REMIC TRUST 2003-74	710.77	0.00	682.71		(28.06)
03-14-12	10-25-12	1,584	4.500% Due 08-25-18 FNMA REMIC TRUST 2010-54	1,617.85	0.00	1,583.70		(34.15)
06-04-12	10-25-12	1,463	3.000% Due 04-25-40 FNMA PASS-THRU INT 20 YEAR	1,549.03	0.00	1,463.29		(85.74)
05-08-12	10-25-12	575	3.500% Due 11-01-31 FNMA PASS-THRU INT 20 YEAR	606.84	0.00	575.03		(31.81)
08-18-03	11-15-12	96	3.500% Due 05-01-32 FHLMC PC GOLD GUAR 20	96.20	0.00	96.20		0.00
08-25-03	11-15-12	2	5.500% Due 07-01-23 FHLMC PC GUAR ADJ 30YR	1.84	0.00	1.72		(0.12)
06-22-11	11-15-12	1,296	2.391% Due 12-01-32 FHLMC REMIC TRUST 3864	1,316.38	0.00	1,296.18		(20.20)
			2.000% Due 08-15-18					

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
06-21-11	11-15-12	1,823	FHLMC REMIC TRUST 3864	1,895 28	0 00	1,822 93		(72 35)
04-17-12	11-15-12	851	3 500% Due 05-15-26 FHLMC REMIC SERIES 4011	903 61	0 00	851 08	(52 53)	
07-08-09	11-15-12	654	4 000% Due 12-15-41 FHLMC REMIC SERIES 2777	686 39	0 00	654 48	(31 91)	
05-03-10	11-26-12	829	5 000% Due 04-15-15 FNMA REMIC TRUST 2003-74	863 39	0 00	829 31	(34 08)	
03-14-12	11-26-12	2,734	4 500% Due 08-25-18 FNMA REMIC TRUST 2010-54	2,792 76	0 00	2,733 81	(58 95)	
06-04-12	11-26-12	1,528	3 000% Due 04-25-40 FNMA PASS-THRU INT 20 YEAR	1,617 55	0 00	1,528 02	(89 53)	
05-08-12	11-26-12	751	3 500% Due 11-01-31 FNMA PASS-THRU INT 20 YEAR	792 24	0 00	750 72	(41 52)	
08-18-03	12-17-12	1,572	3 500% Due 05-01-32 FHLMC PC GOLD GUAR 20	1,571 69	0 00	1,571 69	0 00	
08-25-03	12-17-12	2	5 500% Due 07-01-23 FHLMC PC GUAR ADJ 30YR	2 17	0 00	2 02	(0 15)	
06-22-11	12-17-12	1,141	2 391% Due 12-01-32 FHLMC REMIC TRUST 3864	1,158 87	0 00	1,141 09	(17 78)	
06-21-11	12-17-12	1,510	2 000% Due 08-15-18 FHLMC REMIC TRUST 3864	1,570 42	0 00	1,510 47	(59 95)	
			3 500% Due 05-15-26					

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

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
04-17-12	12-17-12	2,657	FHLMC REMIC SERIES 4011	2,821.43	0.00	2,657.42	(164.01)	
07-08-09	12-17-12	657	4.000% Due 12-15-41 FHLMC REMIC SERIES 2777	689.25	0.00	657.21		(32.04)
05-03-10	12-26-12	835	5.000% Due 04-15-15 FNMA REMIC TRUST 2003-74	869.64	0.00	835.31		(34.33)
03-14-12	12-26-12	1,686	4.500% Due 08-25-18 FNMA REMIC TRUST 2010-54	1,722.78	0.00	1,686.42	(36.36)	
06-04-12	12-26-12	1,478	3.000% Due 04-25-40 FNMA PASS-THRU INT 20 YEAR	1,564.16	0.00	1,477.58	(86.58)	
05-08-12	12-26-12	858	3.500% Due 11-01-31 FNMA PASS-THRU INT 20 YEAR	905.36	0.00	857.91	(47.45)	
TOTAL GAINS							2,459.89	568.47
TOTAL LOSSES							(3,332.29)	(1,974.06)
TOTAL REALIZED GAIN/LOSS		(2,277.99)		342,570.33	(554.15)	339,738.19	(872.40)	(1,405.59)

THE HILLCREST FOUNDATION

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	MERRILL LYNCH (SEE ATTACHED STMT)	P	VARIOUS	VARIOUS
b	MERRILL LYNCH (SEE ATTACHED STMT)	P	VARIOUS	VARIOUS
c	MERRILL LYNCH (SEE ATTACHED STMT)	P	VARIOUS	VARIOUS
d	MERRILL LYNCH (SEE ATTACHED STMT)	P	VARIOUS	VARIOUS
e	MERRILL LYNCH (SEE ATTACHED STMT)	P	VARIOUS	VARIOUS
f	MERRILL LYNCH (SEE ATTACHED STMT)	P	VARIOUS	VARIOUS
g				
h				
i				
j				
k				
l				
m				
n				
o				

(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	63946.	65278.	-1332.
b	515984.	455761.	60223.
c	1699849.	1700477.	-628.
d	1709448.	1304618.	404830.
e	254378.	255250.	-872.
f	85360.	86766.	-1406.
g			
h			
i			
j			
k			
l			
m			
n			
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col. (j), if any	
a			-1332.
b			60223.
c			-628.
d			404830.
e			-872.
f			-1406.
g			
h			
i			
j			
k			
l			
m			
n			
o			

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	460815.
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

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

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

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

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

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

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

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

Part I only

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

Type or print File by the due date for filing your return. See Instructions	Name of exempt organization or other filer, see instructions. THE HILLCREST FOUNDATION	Employer identification number (EIN) or 31-1501699
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 132961	Social security number (SSN)
	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 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

RENEE J. KELLY

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

Telephone No ► **281-684-2511**

FAX No. ►

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

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2013**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ☒ calendar year **2012** or
- ☐ tax year beginning , and ending .

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

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

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

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.**

Form **8868** (Rev. 1-2013)

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

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

RENEE J. KELLY

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

Telephone No **281-684-2511**

FAX No. ☐

- If the organization does not have an office or place of business in the United States, check this box ☐

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2013.**

5 For calendar year **2012**, 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 **CPA**

Title **CPA**

Date **8/14/13**

Form 8868 (Rev. 1-2013)

7011 0470 0001 2788 9946