Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning , 2012, and ending , 20

Name of foundation: THE JARED AND CAROL HILLS FOUNDATION

A Employer identification number: 39-1896077

Number and street (or P O box number if mail is not delivered to street address): 115 THIRD ST SE — Room/suite: 1200

B Telephone number (see instructions): (319)366-7641

City or town, state, and ZIP code: CEDAR RAPIDS, IA 52401

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization: [X] 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) ▶ $ 3,510,527

J Accounting method: [X] Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)	500,000			
	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	116,953	116,953		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	(3,549)			
	b	Gross sales price for all assets on line 6a 404,968				
	7	Capital gain net income (from Part IV, line 2)				
	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) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	613,404	116,953		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule) STM107	1,690			
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)				
	17	Interest	971	971		
	18	Taxes (attach schedule) (see instructions) STM110	2,928	2,928		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	602			
	22	Printing and publications				
	23	Other expenses (attach schedule)				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	6,191	3,899		0
	25	Contributions, gifts, grants paid	140,940			140,940
	26	**Total expenses and disbursements.** Add lines 24 and 25	147,131	3,899		140,940
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	466,273			
	b	**Net investment income** (if negative, enter -0-)		113,054		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	31,817	705,249	705,249
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less. allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule) STM137	1,229,488	1,001,942	1,206,281
	c Investments - corporate bonds (attach schedule) STM138	1,449,221	1,495,344	1,598,997
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule)			
	14 Land, buildings, and equipment. basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	2,710,526	3,202,535	3,510,527
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ **and complete lines 27 through 31.**			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	2,710,526	3,202,535	
	30 **Total net assets or fund balances** (see instructions)	2,710,526	3,202,535	
	31 **Total liabilities and net assets/fund balances** (see instructions)	2,710,526	3,202,535	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,710,526
2	Enter amount from Part I, line 27a	2	466,273
3	Other increases not included in line 2 (itemize) ▶ STM115	3	25,736
4	Add lines 1, 2, and 3	4	3,202,535
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,202,535

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 (yr , mo , day)	(d) Date sold (yr., mo , day)
1a	SEE ATTACHED STATEMENT	P	2012-01-01	2012-12-31
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	404,968		408,517	(3,549)
b				
c				
d				
e				

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

	(i) F M.V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				(3,549)
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	(3,549)
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	(9,381)

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	129,745	2,870,808	0.045195
2010	110,325	2,754,523	0.040052
2009	102,521	2,169,180	0.047263
2008	119,186	2,210,516	0.053918
2007	108,603	2,345,117	0.04631

2 **Total** of line 1, column (d)	2	0.232737
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	0.046547
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	2,961,820
5 Multiply line 4 by line 3	5	137,864
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,131
7 Add lines 5 and 6	7	138,995
8 Enter qualifying distributions from Part XII, line 4	8	140,940

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter: ________ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b	1	1,131
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0
3	Add lines 1 and 2	3	1,131
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	1,131
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a: 2,400		
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	2,400
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	1,269
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶ 1,269 **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 *of the instructions for definition*)?	1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation. ▶ $ ________ (2) On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2		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	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		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?	6	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	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ IA			
b	*If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General* (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	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	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ DARREL A. MORF Telephone no ▶ 319-366-7641

Located at ▶ 115 THIRD ST SE, SUITE 1200 CEDAR RAPIDS, IA ZIP+4 ▶ 52401

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041-Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
16	At any time during calendar year 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?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	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)	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)	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

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

		Yes	No
5a	During the year did the foundation pay or incur any amount to:		
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No		
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No		
b	If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **5b**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53 4945-5(d)		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b**		X
	If "Yes" to 6b, file Form 8870.		
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b**		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

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

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

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

Total number of other employees paid over $50,000 ▶ 0

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services . . . ▶		

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 NONE	0
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	0
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 . . . ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	2,886,643
b	Average of monthly cash balances	1b	120,281
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	3,006,924
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	3,006,924
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	45,104
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,961,820
6	**Minimum investment return.** Enter 5% of line 5	6	148,091

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	148,091
2a	Tax on investment income for 2012 from Part VI, line 5	2a	1,131		
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	1,131
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	146,960
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	146,960
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	146,960

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	140,940
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	140,940
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	1,131
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	139,809

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					146,960
2 Undistributed income, if any, as of the end of 2012:					
a Enter amount for 2011 only				140,044	
b Total for prior years: ______, ______, ______					
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					
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 140,940					
a Applied to 2011, but not more than line 2a				140,044	
b Applied to undistributed income of prior years (Election required - see instructions)					
c Treated as distributions out of corpus (Election required - see instructions)					
d Applied to 2012 distributable amount					896
e Remaining amount distributed out of corpus					
5 Excess distributions carryover applied to 2012 (*If an amount appears in column (d), the same amount must be shown in column (a)*)					
6 **Enter the net total of each column as indicated below:**					
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5					
b Prior years' undistributed income. Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d Subtract line 6c from line 6b Taxable amount - see instructions					
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instructions					
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013					146,064
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)					
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)					
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a					
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 XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling . . . . ▶

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

	Tax year	Prior 3 years			
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter. (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

JARED S. HILLS AND CAROL T. HILLS,

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

NONE,

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

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

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed

990APP

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
SEE ATTACHED STATEMENT			BENEFIT CHARITABLE PURPOSE	140,940
Total ▶ 3a				140,940
b Approved for future payment				
Total ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	116,953	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	(3,549)	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue. a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				113,404	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 113,404

(See worksheet in line 13 instructions to verify calculations)

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

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

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

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

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

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 | Date: 5/4/2013 | Title: Secretary

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Travis Schroeder		05-09-2013		P01050727
Firm's name ▶ Simmons Perrine Moyer Bergman PLC			Firm's EIN ▶	
Firm's address ▶ 115 Third Street SE Suite 1200 Cedar Rapids IA 52401			Phone no 319-366-7641	

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	**Employer identification number**
THE JARED AND CAROL HILLS FOUNDATION	39-1896077

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)

990B

Name of organization	Employer identification number
THE JARED AND CAROL HILLS FOUNDATION	39-1896077

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	JARED S HILLS AND CAROL T HILLS 2008 BALSAM DRIVE SW CEDAR RAPIDS, IA 52404	$ 500,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

STM115

Name(s) as shown on return: THE JARED AND CAROL HILLS FOUNDATION

FEIN: 39-1896077

FORM 990PF, PART III, LINE 3

OTHER INCREASES SCHEDULE

STATEMENT #115

ADJUSTMENTS: BOND PORTFOLIO	25,736
TOTAL	25,736

STM137

PG 01

FORM 990PF, PART II, LINE 10(B)

INVESTMENTS: CORPORATE STOCK SCHEDULE

STATEMENT #137

CATEGORY	BOY	BOOK VALUE	EOY FMV
SEE ATTACHED STATEMENT	1,229,488	1,001,942	1,206,281
TOTALS	1,229,488	1,001,942	1,206,281

STM138

PG 01

FORM 990PF, PART II, LINE 10(C)

INVESTMENTS: CORPORATE BOND SCHEDULE

STATEMENT #138

CATEGORY	BOY	BOOK VALUE	EOY FMV
SEE ATTACHED STATEMENT	1,449,221	1,495,344	1,598,997
TOTALS	1,449,221	1,495,344	1,598,997

Federal Supporting Statements

Name(s) as shown on return: THE JARED AND CAROL HILLS FOUNDATION

Your Social Security Number: 39-1896077

FORM 990PF, PART I, LINE 16(A) - LEGAL FEES SCHEDULE

STATEMENT #107

DESCRIPTION	REVENUE AND EXPENSES	NET INVESTMENT	ADJUSTED NET INCOME	CHARITABLE PURPOSE
SIMMONS PERRINE MOYER BERGMAN	1,690	0	0	0
TOTALS	1,690	0	0	0

FORM 990PF, PART I, LINE 18 - TAXES SCHEDULE

STATEMENT #110

DESCRIPTION	REVENUE AND EXPENSES	NET INVESTMENT	ADJUSTED NET INCOME	CHARITABLE PURPOSE
IRS: TAX DUE FOR 2011	90	90	0	0
IRS: 1ST QUARTER ESTIMATE 2012	2,400	2,400	0	0
FOREIGN TAXES WITHHELD	438	438	0	0
TOTALS	2,928	2,928	0	0

	Federal Supporting Statements	2012 PG 01
Name(s) as shown on return		Your Social Security Number
THE JARED AND CAROL HILLS FOUNDATION		39-1896077

FORM 990PF, PART XV, LINE 2 990APP

APPLICATION SUBMISSION INFORMATION

GRANT PROGRAM
CHARITABLE GRANTS

APPLICANT NAME
CAROL T. HILLS

ADDRESS
2008 BALSAM DRIVE SW CEDAR RAPIDS IA 52404

TELEPHONE
319-366-7641

EMAIL ADDRESS
N/A

FORM & CONTENT
WRITTEN CORRESPONDENCE STATING NATURE OF REQUEST

SUBMISSION DEADLINE
NONE

RESTRICTIONS ON AWARD
(1) NO GIFTS TO INDIVIDUALS, (2) ONLY GIFTS TO CHARITIES, (3) IOWA PUBLIC CHARITIES PREFERRED

2012 FORM 990-PF
EXHIBIT to Part VIII, Line 1 - Officers and Directors
JARED & CAROL HILLS FOUNDATION EIN 39-1896077

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

2012 FORM 990-PF
EXHIBIT to Part X, Line 1 - Minimum Investment Return
JARED & CAROL HILLS FOUNDATION EIN 39-1896077

Month	Beg. Cash	End Cash	Average Cash	Stocks/Options	Stock Funds	Balanced Funds	Taxable Bonds	Taxable Bond Funds	Avg. Fair Market Value of Securities
Jan-12	$31,816 53	$67,128 31	$49,472 42	$921,984 00	$356,468 81	$ 84,470 00	$ 1,486,950 82	$ 42,016 67	$2,891,890 30
Feb-12	$67,128 31	$76,493 53	$71,810 92	$916,240 00	$374,618 08	$ 87,484 44	$ 1,486,129 05	$ 41,937 64	$2,906,409 21
Mar-12	$76,493 53	$41,431 83	$58,962 68	$918,072 00	$379,411 01	$ 87,281 21	$ 1,527,284 63	$ 41,579 90	$2,953,628 75
Apr-12	$41,431 83	$52,777 06	$47,104 45	$881,783 00	$425,002 09	$ 41,096.37	$ 1,546,140 01	$ 42,408 20	$2,936,429 67
May-12	$52,777 06	$23,353 90	$38,065 48	$851,624 00	$389,856 15	$ 39,402 38	$ 1,550,840.77	$ 43,121 17	$2,874,844 47
Jun-12	$23,353 90	$43,406 68	$33,380 29	$886,347 00	$405,352 70	$ 40,474 74	$ 1,547,252 23	$ 43,026 12	$2,922,452 79
Jul-12	$43,406 68	$35,189 39	$39,298 04	$906,557 00	$411,263 80	$ -	$ 1,557,448 78	$ 85,360 55	$2,960,630 13
Aug-12	$35,189 39	$55,925 69	$45,557 54	$925,421 00	$420,488 54	$ -	$ 1,540,374 64	$ 85,895 31	$2,972,179.49
Sep-12	$55,925 69	$256,601 91	$156,263 80	$875,723 20	$324,340 74	$ -	$ 1,527,985 13	$ 87,168 79	$2,815,217 86
Oct-12	$256,601 91	$231,601 24	$244,101 58	$845,061 85	$323,193 16	$ -	$ 1,516,434 66	$ 87,544 25	$2,772,233.92
Nov-12	$231,601 24	$190,930 05	$211,265 65	$892,400 00	$329,432 12	$ -	$ 1,518,490 88	$ 88,194 43	$2,828,517 43
Dec-12	$190,930 05	$705,248 88	$448,089 47	$869,227 10	$337,053 78	$ -	$ 1,510,361 58	$ 88,635 32	$2,805,277.78
Average			**$120,281.02**	**$890,870.01**	**$373,040.08**	**$31,684.10**	**$1,526,307.77**	**$64,740.70**	**$2,886,642.65**
			Input on Line 1(b)						**Input on Line 1(a)**

Line 3	**$3,006,924**
Line 4	**$45,104**
Line 5	**$2,961,820**
Line 6	**$148,091**

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

Recipient Name and Address	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Alzheimer's Association 1570 42nd Street NE Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	200.00
American Cancer Society 4080 1st Avenue SE Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	500.00
American Red Cross 3601 42nd St. NE Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	6,000.00
ARC of East Central Iowa 680 2nd Street SE, Suite 200 Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	2,135 00
Asbury United Methodist Church 350 - 27th Ave SW Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	17,100 00
Big Brother Big Sister 3150 E Avenue NW Cedar Rapids, IA 52405	N/A	To benefit organization's charitable purpose	2,000 00
Boy Scouts of America 660 32nd Avenue SW Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	500.00
Boys and Girls Club of Cedar Rapids 1501 Ellis Blvd. NW Cedar Rapids, IA 52405	N/A	To benefit organization's charitable purpose	2,000.00
Camp Courageous of Iowa R R 2 Monticello, IA 52310	N/A	To benefit organization's charitable purpose	600.00
Camp Fire USA 1100 Walnut Street, Suite 1900 Kansas City, Missouri 64106-2197	N/A	To benefit organization's charitable purpose	500 00
Cedar Rapids City Market P.O Box 667 Cedar Rapids, IA 52406	N/A	To be used for NewBo City Market	2,000.00
Cedar Rapids Community Schools Foundation 2500 Edgewood Road NW Cedar Rapids, IA 52405	N/A	To benefit organization's charitable purpose	2,500.00

Cedar Rapids Neighborhoods 625 1st Ave. S.E Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	14,680.00
Cedar Rapids Opera Theater 1120 Second Avenue SE Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	3,000 00
Cedar Rapids Public Library Foundation 2600 Edgewood Road SW Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	4,000 00
Children and Families of Iowa Foundation 111 University Ave Des Moines, IA 50314	N/A	To benefit organization's charitable purpose	1,000.00
Community Health Free Clinic 947 14th Ave. SE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	10,000.00
Friends of Iowa Public Television Foundation 6535 Corporate Drive Johnston, IA 50131-7701	N/A	To benefit organization's charitable purpose	500.00
Foundation 2 Crisis Center 1540 2nd Avenue SE Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	2,000.00
Four Oaks Foundation 5400 Kirkwood Blvd. SW Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	1,000.00
Girl Scouts of the Mississippi Valley 240 Classic Car Ct SW, Suite A Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	225 00
HD Youth Center 1006 3rd Street NE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	1,000.00
His Hands Free Medical Clinic 1043 3rd Avenue SE Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	4,000.00
Hillcrest Family Services 4080 1st Avenue SE Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	1,000.00
History Center 615 First Avenue SE Cedar Rapids, IA 2401	N/A	To benefit organization's charitable purpose	500 00
Horizons - A Family Service Alliance 819 5th St SE P.O. Box 667 Cedar Rapids, IA 52406-0667	N/A	To benefit organization's charitable purpose	600.00

Indian Creek Nature Center 6665 Otis Road SE Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	400 00
Iowa Annual Conference UMC 2301 Rittenhouse St. Des Moines, IA 50321	N/A	To benefit organization's charitable purpose	1,300 00
Iowa Annual Conference UMC (Builder's Club) 2301 Rittenhouse St Des Moines, IA 50321	N/A	To benefit organization's charitable purpose	100.00
Iowa Donor Network 550 Madison Avenue North Liberty, IA 52317	N/A	To benefit organization's charitable purpose	500 00
Iowa Public Radio, Inc 2111 Grand Avenue Suite 100 Des Moines, IA 50312	N/A	To benefit organization's charitable purpose	500.00
Iowa Valley Habitat For Humanity 2401 Scott Blvd. SE Iowa City, IA 52240	N/A	To benefit organization's charitable purpose	1,000 00
Luther College 700 College Drive Decorah, IA 52101	N/A	To benefit organizatin's charitable purpose	100 00
Old Cremery Theater 39 38th Ave Amana, IA 52203	N/A	To benefit organization's charitable purpose	2,000.00
Orchestra Iowa 119 Third Ave. SE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	6,500 00
Salvation Army 1000 C Ave. NW Cedar Rapids, IA 52405	N/A	To benefit organization's charitable purpose	4,000 00
St. Luke's Foundation 855 A Avenue NE Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	2,500.00
St. Luke's Hospice 290 Blairs Ferry Road NE, Suite 100 Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	10,000.00
Tanager Place 2309 C Street SW Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	500.00
Theater Cedar Rapids 102 Third St. SE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	700 00

U of IA Foundation P O. Box 4550 Iowa City, IA 52244	N/A	To benefit the charitable purposes of the University of Iowa	10,300.00
United Way 1030 Fifth Avenue SE #100 Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	17,000.00
Waypoint 318 5th St SE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	3,000 00
Willis Dady Emergency Shelture 1247 4th Ave SE Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	1,000 00
Total			**140,940.00**

ASSET DETAILS

This section shows the cash, cash alternatives and/or securities in your account. It reflects market values as of the close of business, December 31, 2012

Please note, unrealized gain/loss is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor

Performance on funds and unit investment trusts is provided for informational purposes only to assist you in comparing the total current value of your position with your total amount invested, excluding reinvestment activity. Performance may be misstated if any cost information is inaccurate or if you have sold part of your position since your original investment

CASH AND CASH ALTERNATIVES

	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
GENERAL MONEY MARKET	456,466.14	456,466 14		45 65	0.01%
Net yield from 12/01/12 - 12/31/12 was 0.01% (Compounded)					
INSURED DEPOSIT US BANK	248,782.74	248,782 74		124 39	0.05%
Net yield from 12/01/12 - 12/31/12 was 0.05% (Compounded)					
Deposits held at US Bank are insured by the FDIC up to $250,000					
Total Cash and Cash Alternatives	**$705,248.88**	**$705,248.88**		**$170.04**	**0.02%**

PORTFOLIO ASSETS

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
Stocks/Options									
ARCHER DANIELS MIDLAND COMPANY	ADM	2,000	27.3900	22 4769	54,780 00	44,953 70	9,826 30	1,400 00	2 56%
BARRICK GOLD CORP	ABX	400	35 0100	32 3931	14,004 00	12,957 24	1,046 76	320 00	2 29%
CATERPILLAR INC	CAT	500	89 6085	79.4774	44,804 25	39,738.70	5,065 55	1,040 00	2 32%
CHEVRON CORP	CVX	500	108 1400	75 4966	54,070 00	37,748.30	16,321 70	1,800 00	3 33%
COCA-COLA COMPANY	KO	1,000	36 2500	26 7648	36,250 00	26,764 75	9,485 25	1,020 00	2 81%
DEERE & COMPANY	DE	500	86 4200	65 1168	43,210 00	32,558 38	10,651 62	920 00	2 13%
EDWARDS LIFESCIENCES CORP	EW	500	90 1700	68 7052	45,085 00	34,352 58	10,732 42	N/A	N/A
EMERSON ELECTRIC COMPANY	EMR	1,000	52 9600	49 0940	52,960.00	49,094 00	3,866 00	1,640 00	3 10%
UNITED FIRE GRP INC	UFCS	1,000	21 8400	17 3269	21,840 00	17,326 86	4,513 14	600 00	2.75%
EXXON MOBIL CORP	XOM	500	86 5500	66 4800	43,275 00	33,240 00	10,035 00	1,140 00	2.63%
GENERAL DYNAMICS CORP COMMON	GD	1,000	69 2700	64 7473	69,270.00	64,747 27	4,522 73	2,040 00	2 95%
GENERAL ELECTRIC COMPANY	GE	1,000	20 9900	12.0365	20,990.00	12,036 47	8,953 53	760 00	3 62%
INTEL CORP	INTC	2,000	20 6200	20 3355	41,240.00	40,671 08	568 92	1,800 00	4 36%

ASSET DETAILS continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
Stocks/Options continued									
JPMORGAN CHASE & COMPANY	JPM	500	43 9691	33 7069	21,984.55	16,853 43	5,131 12	600 00	2.73%
JOHNSON & JOHNSON	JNJ	500	70.1000	66 9069	35,050 00	33,453.47	1,596 53	1,220 00	3.48%
KINDER MORGAN INC DE	KMI	2,000	35.3300	34 5054	70,660.00	69,010 88	1,649 12	2,880.00	4 08%
PEPSICO INC	PEP	500	68.4300	66 3145	34,215 00	33,157.26	1,057 74	1,075 00	3 14%
ROYAL BANK CANADA MONTREAL	RY	1,000	60 3000	52 2458	60,300.00	52,245.82	8,054 18	2,416 10	4.01%
SCHLUMBERGER LTD	SLB	500	69.2986	58 4479	34,649 30	29,223 97	5,425 33	550 00	1 59%
TARGET CORP	TGT	500	59 1700	52.1532	29,585.00	26,076.58	3,508 42	720 00	2 43%
UNITED TECHNOLOGIES CORP	UTX	500	82.0100	57.4754	41,005 00	28,737.68	12,267.32	1,070 00	2 61%
Total Stocks/Options					**$869,227 10**	**$734,948.42**	**$134,278.68**	**$25,011.10**	**2.88%**
Stock Funds									
CAPITAL WORLD GROWTH & INCOME CL A	CWGIX	719 684	37 2000	31 6727	26,772 24	22,794 34	3,977 89	590 13	
REINVESTMENTS		169 622	37.2000	30.3220	6,309 94	5,143 28	1,166 58	139 10	
TOTAL		889 306	37 2000	31.4151	33,082 18	27,937.62	5,144 47	729 23	2 20%
PERFORMANCE: $10,287 84					33,082.18	22,794.34			
EUROPACIFIC GROWTH CL A	AEPGX	1,062 719	41 2200	28.3793	43,805 28	30,159 24	13,646 02	627 00	
REINVESTMENTS		678 840	41 2200	28 7196	27,981.78	19,496 01	8,485 60	400 51	
TOTAL		1,741.559	41 2200	28 5120	71,787 06	49,655 25	22,131 62	1,027 51	1 43%
PERFORMANCE: $41,627 82					71,787.06	30,159 24			
FUNDAMENTAL INVESTORS CL A	ANCFX	1,520 373	40 7800	25 8293	62,000 80	39,270 12	22,730 67	760 18	
REINVESTMENTS		384 956	40 7800	25 9253	15,698 51	9,980.11	5,718 18	192 48	
TOTAL		1,905 329	40 7800	25 8487	77,699.31	49,250 23	28,448 85	952 66	1 23%
PERFORMANCE $38,429 19					77,699 31	39,270 12			
IVY ASSET STRATEGY CL A	WASAX	1,805 169	25 8800	24 9284	46,717 77	45,000.00	1,717 76	505 44	
REINVESTMENTS		70 476	25.8800	24 5940	1,823 92	1,733 29	90 62	19 74	
TOTAL		1,875 645	25 8800	24.9159	48,541 69	46,733.29	1,808 38	525 18	1 08%
PERFORMANCE $3,541 69					48,541 69	45,000 00			
NEW PERSPECTIVE CL A	ANWPX	996 890	31.2600	27 6734	31,162 78	27,587 33	3,575 44	284 12	
REINVESTMENTS		740.147	31 2600	23.7240	23,136 99	17,559 27	5,577 65	210 93	
TOTAL		1,737.037	31 2600	25.9906	54,299 77	45,146 60	9,153 09	495 05	0 91%
PERFORMANCE $26,712 44					54,299 77	27,587 33			
SMALLCAP WORLD CL A	SMCWX	1,272.400	39 9100	37 2878	50,781.47	47,445.00	3,336 48	134 87	
REINVESTMENTS		21.606	39 9100	38 2037	862 30	825.43	36 86	2 29	
TOTAL		1,294 006	39 9100	37 3031	51,643 77	48,270.43	3,373 34	137 16	0 27%

ASSET DETAILS continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
Stock Funds continued									
PERFORMANCE $4,198.77					51,643.77	47,445 00			
Total Stock Funds					**$337,053.78**	**$266,993.42**	**$70,059.75**	**$3,866.79**	**1.15%**
Taxable Bonds									
FEDL HOME LOAN MTG CORP MULTICL REMIC 2390 CL TB MONTHLY 14 DAY DELAY CPN 6 000% DUE 12/15/21 DTD 12/01/01 FC 01/15/02 REMAINING PRINCIPAL $14,355	31339LSN1	31,000	110 8021	99.0000	15,906 01	14,045 28***	1,860.73	861 32	5.42%
MICHIGAN FIN AUTH REV TXBL RFDG SCH LN B/E TXBL CPN 5.996% DUE 09/01/22 DTD 12/15/10 FC 03/01/11 ORIGINAL COST. $52,071 00	59447PCS8 S&P AA- Moody Aa2	50,000	120 5800	103 6801	60,290.00	51,840 04***	8,449 96	2,998.00	4 97%
FEDL NATL MTG ASSN REMIC SER 1992-195 CL C MONTHLY 24 DAY DELAY CPN 7 500% DUE 10/25/22 DTD 10/01/92 FC 11/25/92 REMAINING PRINCIPAL $451	31358RBM4	20,000	114 8606	103 2500	518 17	1,101.30***	-583.13	33 83	6 53%
GOVT NATL MTG ASSN POOL #392660 CPN 8 000% DUE 10/15/24 DTD 10/01/94 FC 11/15/94 REMAINING PRINCIPAL $160	36205KE99	40,000	100 3724	103.5000	161 11	1,208 22***	-1,047 11	12 84	7 97%
COMMERCE CHARTER TWP MI DWNTN DEV SER B DB B/E OID @98 805 7 0% TXBL CPN 6.875% DUE 12/01/24 DTD 12/18/08 FC 06/01/09 CALL 12/01/18 @ 100 000 ORIGINAL COST $49,293 20	200578RU8 S&P AA Moody Aa1	40,000	112 8320	120 8626	45,132 80	48,345 05***	-3,212 25	2,750 00	6.09%
MARICOPA CNTY AZ SCH DIST 3 TEMPE ELEM IMPT SER A AGM B/E BABS TXBL CPN 5 750% DUE 07/01/25 DTD 02/24/10 FC 01/01/11 CALL 07/01/20 @ 100 000 ORIGINAL COST $53,485 50	566880UM0 Moody Aa2	50,000	113 8510	105 5981	56,925 50	52,799 03***	4,126 47	2,875 00	5.05%

ASSET DETAILS continued

Taxable Bonds continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
GOVT NATL MTG ASSN II POOL #002118 CPN 7.500% DUE 11/20/25 DTD 11/01/95 FC 12/20/95 REMAINING PRINCIPAL: $2,471	36202CK77	275,000	124 8902	106.7500	3,086 52	5,848.05***	-2,761 53	185.35	6.01%
FEDL HOME LOAN MTG CORP MULTICL REMIC 1847 CL LL MONTHLY 14 DAY DELAY CPN 7.500% DUE 04/15/26 DTD 04/01/96 FC 05/15/96 REMAINING PRINCIPAL: $1,040	3133T6N31 Moody: Aaa	23,000	116.6140	104.7500	1,213.93	2,133 72***	-919 79	78 07	6 43%
GRASS LAKE MI COMMUNITY SCH DIST SCH BLDG & SITE B/E TXBL QSCB QSBLF CPN 6 250% DUE 05/01/26 DTD 06/03/10 FC 11/01/10 CALL 05/01/20 @ 100.000 ORIGINAL COST: $50,920.00	388712EW7 Moody Aa2	50,000	109 8490	101.4649	54,924 50	50,732 44***	4,192 06	3,125 00	5.69%
FORT ATKINSON WI LIBR BUILD AMER BDS B/E TXBL CPN 5 800% DUE 02/01/27 DTD 03/23/10 FC 08/01/10 CALL 02/01/20 @ 100 000 ORIGINAL COST $50,368 50	346748LW4 S&P A+	50,000	111 1450	100 5755	55,572 50	50,287.74***	5,284 76	2,900 00	5 22%
ADDISON MI CMNTY SCHOOL DIST SCH BLDG & SITE SER A TXBL QSBLF B/E B/Q CPN 6.000% DUE 05/01/27 DTD 09/16/10 FC 05/01/11 CALL 05/01/20 @ 100 000 ORIGINAL COST. $26,489 25	006590CQ4 S&P AA-	25,000	111 2700	104.8197	27,817 50	26,204 92***	1,612 58	1,500 00	5 39%
CASSOPOLIS MI PUB SCH DIST TXBL SCH BLDG & SITE SER A B/E CPN 6.250% DUE 05/01/27 DTD 06/29/10 FC 11/01/10 CALL 05/01/20 @ 100 000 ORIGINAL COST. $50,913 50	148303EU0 S&P AA-	50,000	110 1110	101 4651	55,055.50	50,732 54***	4,322 96	3,125 00	5 68%

ASSET DETAILS continued

Taxable Bonds continued	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
DECATUR MI PUB SCHS SCH BLDG SITE SER A B/E QUAL SCH CONSTR TXBL QSBLF CPN 6 450% DUE 05/01/27 DTD 06/22/10 FC 11/01/10 CALL 05/01/20 @ 100 000 ORIGINAL COST: $50,906 50	243312DA0 S&P AA-	50,000	116 9250	101 4547	58,462.50	50,727.34***	7,735 16	3,225.00	5 52%
KALAMAZOO MI PUB SCHS SCH BLDG & SITE SER A B/E TXBL QUAL SCH CONSTR CPN 6 200% DUE 05/01/27 DTD 08/09/10 FC 05/01/11 CALL 05/01/20 @ 100 000 ORIGINAL COST $53,529 00	483270CN2 S&P. AA-	50,000	111 2030	105 7126	55,601 50	52,856.31***	2,745 19	3,100 00	5 58%
ST JOHNS MI PUB SCHS BLDG SITE B BUILD AMER BDS TXBL QSBLF B/E CPN 6 500% DUE 05/01/27 DTD 08/04/10 FC 05/01/11 CALL 05/01/20 @ 100 000 ORIGINAL COST $51,078 00	790450EQ9 S&P AA-	50,000	110 4920	101 7454	55,246.00	50,872 71***	4,373 29	3,250 00	5 88%
MARICOPA CNTY AZ SCH DIST 3 TEMPE ELEM IMPT SER A AGM B/E BABS TXBL CPN 6 000% DUE 07/01/27 DTD 02/24/10 FC 01/01/11 CALL 07/01/20 @ 100 000 ORIGINAL COST $25,537 50	566880UP3 Moody Aa2	25,000	113 8610	101 6971	28,465.25	25,424 27***	3,040 98	1,500 00	5.27%
COLUMBUS FRANKLIN CNTY OH FIN RESH&DEV TXBL TAX CR A RV B/E OID97 8 6 84 CPN 6 625% DUE 08/15/27 DTD 05/27/10 FC 08/15/10 CALL 08/15/15 @ 100 000 ORIGINAL COST $51,373 50	199098AQ7 S&P AA-	50,000	108 6760	101.4923	54,338 00	50,746 15***	3,591 85	3,312 50	6.10%
LICKING HTS OH LOCAL SCH DISTRICT CTF PARTN REV SER B B/E TXBL QSCB CPN 5 550% DUE 09/01/27 DTD 09/22/10 FC 03/01/11 CALL 12/01/20 @ 100 000	531680AG1 Moody Aa3	50,000	107 6410	100.0000	53,820 50	50,000 00	3,820 50	2,775 00	5 16%

ASSET DETAILS continued

Taxable Bonds continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
KANE & DEKALB CNTYS IL CMNTY UNIT SCH DIST 302 SB SER D B/E 6.1% TXBL CPN 6.050% DUE 02/01/28 DTD 11/23/09 FC 08/01/10 CALL 02/01/19 @ 100.000 ORIGINAL COST. $51,233.50	483782LG1 S&P AA	50,000	112 7090	101 8478	56,354 50	50,923.89***	5,430 61	3,025.00	5 37%
FEDL HOME LOAN MTG CORP MULTICL REMIC 2036 CL PD MONTHLY 14 DAY DELAY CPN 6 500% DUE 03/15/28 DTD 03/01/98 FC 04/15/98 REMAINING PRINCIPAL: $6,501	3133TD6A9	25,000	113.0376	101.5000	7,349.63	6,828 98***	520 65	422 62	5.75%
OLATHE KS WTR & SWR SYS REV SER A BUILD AMER BDS B/E TXBL CPN 5 600% DUE 07/01/28 DTD 02/23/10 FC 07/01/10 CALL 07/01/20 @ 100 000	679468SS8 S&P AA Moody. Aa2	50,000	112.4510	100.0000	56,225 50	50,000 00	6,225 50	2,800 00	4 98%
CHICAGO IL RFDG PROJ SER E B/E OID @99.879 6.06% TXBL CPN 6.050% DUE 01/01/29 DTD 01/28/09 FC 07/01/09	167486FA2 S&P· A+ Moody Aa3	50,000	111 3510	99 9250	55,675 50	49,962 50	5,713 00	3,025 00	5 43%
WASHINGTON ST UNIV REVS TR & BLDG FEE B BLD AMER BDS DIRECT PMT B/E TXBL CPN 6 314% DUE 10/01/29 DTD 12/01/09 FC 04/01/10 CALL 10/01/19 @ 100 000 ORIGINAL COST $52,980 00	940093Z42 S&P AA Moody Aa2	50,000	112 7690	104.5353	56,384 50	52,267 66***	4,116 84	3,157 00	5 60%
DOUGLAS CNTY NE SCHOOL DISTRICT 066 WESTSIDE COMMUNITY TXBL BABS B/E CPN 6 482% DUE 12/01/29 DTD 07/09/10 FC 06/01/11 CALL 06/01/15 @ 100 000 ORIGINAL COST $26,036.75	259363RE1 Moody Aa1	25,000	102 9390	102.1882	25,734.75	25,547 06***	187 69	1,620 50	6 30%
HANOVER PARK IL TXBL B/E BUILD AMER BONDS CPN 6 000% DUE 12/01/29 DTD 04/29/10 FC 12/01/10 CALL 12/01/18 @ 100 000 ORIGINAL COST $25,500 00	411126GC3 S&P AA	25,000	115 5810	101 4820	28,895 25	25,370 51***	3,524 74	1,500 00	5 19%

ASSET DETAILS continued

Taxable Bonds continued	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
MORTON GROVE IL TXBL SER B BUILD AMER BDS B/E OID @98 289 6 15% CPN 6.000% DUE 12/15/29 DTD 03/31/10 FC 12/15/10 CALL 12/15/19 @ 100.000 ORIGINAL COST· $26,345 25	619262FK9 S&P AA	25,000	119 9260	104 3229	29,981 50	26,080 72***	3,900 78	1,500 00	5 00%
WESTERN IL UNIVERSITY REV BUILD AMER BONDS AGM B/E TXBL SBJ ST TAX CPN 6 250% DUE 04/01/30 DTD 08/05/10 FC 04/01/11 CALL 04/01/20 @ 100.000 ORIGINAL COST. $28,261 50	958366F50 S&P AA- Moody. Aa3	25,000	110 9420	112 0339	27,735 50	28,008.48***	-272.98	1,562 50	5 63%
MICHIGAN TECHNOLOGICAL UNIV REV GENL A BUILD AMER BDS B/E TXBL CPN 6.200% DUE 10/01/30 DTD 11/10/10 FC 04/01/11 CALL 10/01/20 @ 100 000 ORIGINAL COST· $51,108.00	594746LT4 Moody Aa3	50,000	108.0560	101.8440	54,028 00	50,921.99***	3,106 01	3,100 00	5 74%
ROCKY RIVER OH CITY SCH DIST SCH IMPT SER B BUILD AMER BDS B/E TXBL CPN 5 582% DUE 12/01/30 DTD 09/28/10 FC 06/01/11 CALL 12/01/20 @ 100 000 ORIGINAL COST $25,745 00	774829HD0 Moody. Aa2	25,000	109 6160	102 4525	27,404 00	25,613 13***	1,790 87	1,395 50	5.09%
DIXON CNTY NE SCH DIST 001 TXBL BUILD AMERICA BONDS DIRECT PAY B/E CPN 6 248% DUE 12/15/30 DTD 02/12/10 FC 06/15/10 CALL 02/12/15 @ 100 000 ORIGINAL COST $25,587 50	255689BQ3 S&P A	25,000	103 5020	101 0648	25,875 50	25,266 20***	609 30	1,562.00	6 04%
GOVT NATL MTG ASSN MUTLICL 2001-4 CL PM MONTHLY 19 DAY DELAY CPN 6 500% DUE 03/20/31 DTD 03/01/01 FC 04/20/01 REMAINING PRINCIPAL $7,614	383739JM2	50,000	116 9652	103 5000	8,906 72	9,365 04***	-458 32	494 96	5 56%

ASSET DETAILS continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
Taxable Bonds continued									
GOVT NATL MTG ASSN MUTLICL 2001-17 CL PG MONTHLY 19 DAY DELAY CPN 6 500% DUE 04/20/31 DTD 04/01/01 FC 05/20/01 REMAINING PRINCIPAL. $3,969	383739N88	30,000	118 1443	105 5000	4,689.99	5,620 04***	-930 05	258 03	5 50%
GOVT NATL MTG ASSN REMIC SER 2001-52 CL BF MONTHLY 19 DAY DELAY CPN 6.000% DUE 10/20/31 DTD 10/01/01 FC 11/20/01 REMAINING PRINCIPAL· $22,917	38373RZM4	49,000	114.7322	100.6122	26,293 38	23,217 27***	3,076 11	1,375 03	5 23%
GOVT NATL MTG ASSN REMIC SER 2001-57 CL D MONTHLY 19 DAY DELAY CPN 6 500% DUE 11/20/31 DTD 11/01/01 FC 12/20/01 REMAINING PRINCIPAL· $3,598	38373THQ1	25,000	118 2776	104 5000	4,256.70	4,724.18***	-467 48	233 92	5 50%
FEDL NATL MTG ASSN REMIC SER 2001-60 CL GH MONTHLY 24 DAY DELAY CPN 6 000% DUE 11/25/31 DTD 10/01/01 FC 11/25/01 REMAINING PRINCIPAL $6,515	313921Y93	30,000	112 9266	104 0000	7,358 18	7,716 13***	-357 95	390.95	5 31%
FEDL NATL MTG ASSN REMIC SER 2001-60 CL GK MONTHLY 24 DAY DELAY CPN 6 000% DUE 11/25/31 DTD 10/01/01 FC 11/25/01 REMAINING PRINCIPAL $25,318	313921Y85	85,000	111 7544	103 1471	28,294 99	27,994.41***	300 56	1,519 13	5 37%
GOVT NATL MTG ASSN REMIC SER 2002-13 CL KH MONTHLY 15 DAY DELAY CPN 6 000% DUE 02/16/32 DTD 02/01/02 FC 03/16/02 REMAINING PRINCIPAL $17,927	38373T4J1	30,000	109 5178	104 2500	19,633 65	19,202.59***	431 06	1,075 64	5 48%
GOVT NATL MTG ASSN REMIC SER 2002-47 CL HM MONTHLY 15 DAY DELAY CPN 6 000% DUE 07/16/32 DTD 07/01/02 FC 08/16/02 REMAINING PRINCIPAL $7,567	38373X6F8	25,000	114 6641	102.5000	8,677 37	8,006.97***	670 40	454 05	5 23%

ASSET DETAILS continued

Taxable Bonds continued	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
FEDL HOME LOAN MTG CORP MULTICL REMIC 2497 CL JH MONTHLY 14 DAY DELAY CPN 6 000% DUE 09/15/32 DTD 09/01/02 FC 10/15/02 REMAINING PRINCIPAL $7,245	31392VGQ9	25,000	110.9239	102 5000	8,037 21	7,870 84***	166 37	434 74	5 41%
BANC AMER ALT LN TR REMIC SER 2003-10 CL 2A4 MONTHLY 24 DAY DELAY CPN 6 000% DUE 12/25/33 DTD 11/01/03 FC 12/25/03 REMAINING PRINCIPAL $86,111	05948KHE2 Moody A2	50,000	102 2732	99 8700	88,069 26	86,040 65***	2,028 61	5,166.70	5.87%
HAMILTON CNTY OH SWR SYS REV GTR CIN B BABS B/E TXBL OID @99.740 6 52% CPN 6 500% DUE 12/01/34 DTD 08/25/09 FC 12/01/09 CALL 12/01/19 @ 100 000 ORIGINAL COST: $53,024 00	407288WT2 S&P AA+ Moody Aa2	50,000	116 9120	105 1015	58,456 00	52,550 73***	5,905 27	3,250 00	5 56%
FEDL NATL MTG ASSN REMIC SER 2005-27 CL GD MONTHLY 24 DAY DELAY CPN 5 500% DUE 12/25/34 DTD 03/01/05 FC 04/25/05	31394CK68	16,000	106 6232	99.0375	17,059 71	15,839 94***	1,219 77	880 00	5 16%
FEDL HOME LOAN MTG CORP MULTICL REMIC 2927 CL KG MONTHLY 14 DAY DELAY VAR CPN 7 000% DUE 02/15/35 DTD 02/01/05 FC 03/15/05 REMAINING PRINCIPAL $66,528	31395MJN0	250,000	108 7028	97.5000	72,318.54	62,778 98***	9,539 56	4,657 00	6.44%
FEDL HOME LOAN MTG CORP MULTICL REMIC 2968 CL JB MONTHLY 14 DAY DELAY CPN 6 000% DUE 04/15/35 DTD 04/01/05 FC 05/15/05	31395RQZ4	16,000	109 9935	100 0375	17,598 96	16,000 00***	1,598 96	960 00	5 45%
BANC AMER FDG CORP REMIC SER 2006-2 CL 2A17 MONTHLY 24 DAY DELAY CPN 5 750% DUE 03/25/36 DTD 02/01/06 FC 03/25/06 REMAINING PRINCIPAL $6,449	05949QAY1 S&P CC Moody B2	50,000	101 2287	95 8700	6,529 00	5,013 99***	1,515 01	370 86	5 68%
Total Taxable Bonds		**2,185,000**			**$1,510,361.58**	**$1,404,637.99**	**$105,723.57**	**$83,798.04**	**5.55%**

ASSET DETAILS continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
Taxable Bond Funds									
PIMCO REAL RETURN CL A	PRTNX	3,233 630	12 2700	12 3700	39,676 61	40,000 00	-323 36	604 66	
REINVESTMENTS		397 904	12 2700	12 0179	4,882 31	4,781 96	100 15	74 43	
TOTAL		3,631.534	12 2700	12 3314	44,558 92	44,781 96	-223 21	679 09	1 52%
PERFORMANCE $4,558 92					44,558 92	40,000 00			
PIMCO ALL ASSET CL A	PASAX	3,014 318	12 5600	13 2700	37,859 80	40,000 00	-2,140 17	1,977 36	
REINVESTMENTS		494 950	12 5600	11.9695	6,216 60	5,924 28	292 24	324 71	
TOTAL		3,509.268	12.5600	13.0866	44,076 40	45,924 28	-1,847 93	2,302 07	5 22%
PERFORMANCE: $4,076.40					44,076.40	40,000 00			
Total Taxable Bond Funds					**$88,635.32**	**$90,706.24**	**-$2,071.14**	**$2,981.16**	**3.36%**
Total Portfolio Assets					**$2,805,277.78**	**$2,497,286.07**	**$307,990.86**	**$115,657.09**	**4.12%**
Total Assets					**$3,510,526.66**	**$3,202,534.95**	**$307,990.86**	**$115,827.13**	**3.30%**

+ Bond ratings of securities displayed on your statement were obtained from various rating services There is no guarantee with respect to the accuracy of this information

* Please note, "Unrealized Gain/(-)Loss" does not equal the total current value minus the total cost if any value or cost amounts are missing

*** The original cost of this security has been adjusted to reflect principal payments, return of capital or amortization/accretion based on our records and/or provided by you

ACTIVITY DETAILS continued / SUBACCOUNT ACTIVITY continued

Date	Activity	Quantity	Price	Description	Total	Cash	Money Market	Margin
12/28/12	Dividend			SMALLCAP WORLD CL A	690 56	690 56		
12/28/12	Asset Bought-Reinv	17.5490		SMALLCAP WORLD CL A REINVEST AT 39 350	-690.56	-690.56		
12/31/12	Dividend			PIMCO REAL RETURN CL A	355.83	355.83		
12/31/12	Asset Bought-Reinv	28.9060		PIMCO REAL RETURN CL A REINVEST AT 12 310	-355.83	-355 83		
12/31/12	Dividend			PIMCO ALL ASSET CL A	1,111.08	1,111 08		
12/31/12	Asset Bought-Reinv	88 2510		PIMCO ALL ASSET CL A REINVEST AT 12 590	-1,111.08	-1,111 08		
12/31/12	Dividend			GENERAL MONEY MARKET	2 24	2 24		
12/31/12	Mny Mkt Deposit			GENERAL MONEY MARKET		-2.24	2 24	
12/31/12	Interest			INSURED DEPOSIT US BANK	9.29	9 29		
12/31/12	Mny Mkt Deposit			INSURED DEPOSIT US BANK		-9 29	9 29	
12/31/12	Mny Mkt Deposit			INSURED DEPOSIT US BANK		-410.00	410 00	
	Closing Balance			**Total Closing Balance**	**$705,248.88**	**$0.00**	**$705,248.88**	**$0.00**
				GENERAL MONEY MARKET			456,466.14	
				INSURED DEPOSIT US BANK			248,782.74	

REALIZED GAINS/(-)LOSSES

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

Stocks/Options	Date Acquired	Date Sold	Quantity	Purchase Price	Sale Price	Cost Basis	Sale Proceeds	Realized Gain/(-)Loss*
BARRICK GOLD CORP	03/19/12 c	12/11/12	200	43.7789	34 0701	9,025 95	6,649 54	-2,376.41 (ST)
	12/17/10 n	12/11/12	200	51.6499	34 0701	10,579 53	6,649 52	-3,930.01 (LT)
	05/16/11 c	12/11/12	200	45.1699	34.0701	9,262.69	6,649 52	-2,613 17 (LT)
			600			28,868 17	19,948 58	-8,919 59
COCA COLA COMPANY	03/14/11 c	09/12/12	600	31 9629	37 5700	19,554 16	22,046 74	2,492.58 (LT)
DEERE & COMPANY	06/16/11 c	09/12/12	200	80.6359	78 8011	16,380.60	15,358 35	-1,022.25 (LT)
FREEPORT MCMRN COP & GLD	04/18/12 c	12/11/12	400	38 3050	31.8921	15,712.55	12,501 55	-3,211 00(ST)
	04/25/11 c	12/11/12	300	54.7783	31 8921	16,780 89	9,376 16	-7,404.73 (LT)

REALIZED GAINS/(-)LOSSES continued

	Date Acquired	Date Sold	Quantity	Purchase Pnce	Sale Pnce	Cost Basis	Sale Proceeds	Realized Gain/(-)Loss*
Stocks/Options continued								
	10/10/11 c	12/11/12	300	35 6799	31 8921	10,978.93	9,376 17	-1,602.76 (LT)
			1,000			43,472 37	31,253 88	-12,218 49
GENERAL DYNAMICS CORP	05/03/11 c	04/18/12	200	74 2159	69 6817	15,096 60	13,580.11	-1,516 49(ST)
GENERAL ELECTRIC COMPANY	05/06/10 n	04/04/12	500	17 2299	19 7217	8,887 68	9,557.29	669 61 (LT)
JPMORGAN CHASE & COMPANY	05/26/04 n	04/04/12	100	36.8900	44.2417	3,776.69	4,325.44	548 75 (LT)
	03/16/05 n	04/04/12	400	36.1900	44.2417	14,774.24	17,301.76	2,527 52 (LT)
			500			18,550.93	21,627 20	3,076 27
MERCK & COMPANY INC NEW	04/02/08 n	09/12/12	500	37.1700	44.4820	18,973.00	21,745 75	2,772 75 (LT)
MERCK & COMPANY INC NEW	05/06/10 n	10/24/12	200	34 5299	45.8620	7,098.01	8,972 04	1,874 03 (LT)
	08/20/10 n	10/24/12	300	34 4499	45 8620	10,605.27	13,458 08	2,852 81 (LT)
			500			17,703.28	22,430 12	4,726 84
PEPSICO INC	01/24/11 c	09/12/12	200	65.9800	70 1000	13,449.42	13,661 68	212 26 (LT)
PROCTER & GAMBLE COMPANY	04/01/11 c	01/31/12	300	62 2159	62.9300	19,040.36	18,496 13	-544 23(ST)
	08/10/11 c	01/31/12	200	58.6200	62 9300	11,977 42	12,330 76	353 34(ST)
			500			31,017 78	30,826 89	-190 89
ROCKWELL COLLINS INC DE	07/06/11 c	03/19/12	400	62 0118	58 8417	25,278 61	23,096 53	-2,182 08(ST)
	07/25/11 c	03/19/12	300	57.4359	58.8417	17,588.24	17,322 41	-265 83(ST)
			700			42,866 85	40,418 94	-2,447 91
3M COMPANY	10/28/10 n	02/08/12	300	84 4899	87.8611	25,723.36	25,907 50	184 14 (LT)
Total Stocks/Options						**$300,544.20**	**$288,363.03**	**-$12,181.17**
Stock Funds								
CAP WRLD GRW INCM A	03/20/12 c	09/20/12	8 129	35 7600	36 6600	290 68	298 04	7 36(ST)
	12/08/06 n	09/20/12	397 855	43 9400	36 6600	17,481 74	14,585 37	-2,896 37 (LT)
	12/22/06 n	09/20/12	1 777	41 6200	36.6600	73 96	65 14	-8 82 (LT)
	12/22/06 n	09/20/12	2 666	41 6200	36 6600	110 95	97 73	-13 22 (LT)
	12/22/06 n	09/20/12	31 971	41 6200	36 6600	1,330 62	1,172 05	-158 57 (LT)
	03/20/07 n	09/20/12	3 776	41 1000	36 6600	155.21	138 42	-16 79 (LT)
	12/19/07 n	09/20/12	2 280	43 2500	36 6600	98.62	83 58	-15 04 (LT)
	12/19/07 n	09/20/12	4 886	43 2500	36 6600	211 34	179 12	-32 22 (LT)
	12/19/07 n	09/20/12	4.886	43 2500	36.6600	211.34	179 12	-32 22 (LT)
	12/19/07 n	09/20/12	106.491	43 2500	36.6600	4,605.73	3,903 96	-701 77 (LT)
	12/19/07 n	09/20/12	0.399	43 2500	36 6600	17.26	14 62	-2 64 (LT)
	12/19/07 n	09/20/12	0.855	43 2500	36 6600	36 99	31 34	-5 65 (LT)
	12/19/07 n	09/20/12	0.855	43 2500	36.6600	36 99	31 34	-5 65 (LT)
	12/19/07 n	09/20/12	18.640	43 2500	36.6600	806 16	683 34	-122 82 (LT)
	03/25/08 n	09/20/12	7 633	40.0200	36 6600	305 49	279 82	-25 67 (LT)
	03/25/08 n	09/20/12	1.336	40.0200	36 6600	53 47	48 97	-4 50 (LT)
	06/27/08 n	09/20/12	16 404	40 2300	36 6600	660.09	601 37	-58 72 (LT)
	06/27/08 n	09/20/12	2 871	40.2400	36 6600	115 54	105 25	-10 29 (LT)
	09/26/08 n	09/20/12	11 252	34.4700	36 6600	387 87	412.49	24 62 (LT)
	09/26/08 n	09/20/12	1.970	34 4600	36 6600	67 89	72 22	4 33 (LT)
	12/18/09 n	09/20/12	8.571	34 0400	36.6600	291 76	314 21	22 45 (LT)
	02/17/10 n	09/20/12	363.767	33.2200	36.6600	12,084.35	13,335 76	1,251.41 (LT)
	03/23/10 n	09/20/12	13.308	33.7900	36.6600	449 67	487 87	38 20 (LT)

REALIZED GAINS/(-)LOSSES continued

Stock Funds continued	Date Acquired	Date Sold	Quantity	Purchase Price	Sale Price	Cost Basis	Sale Proceeds	Realized Gain/(-)Loss*
	09/21/10 n	09/20/12	13.728	33.3200	36 6600	457.43	503 27	45.84 (LT)
	12/21/10 n	09/20/12	17.376	35.2600	36 6600	612 66	637 00	24.34 (LT)
	03/22/11 n	09/20/12	12.984	35.5900	36 6600	462.10	475.99	13.89 (LT)
	06/21/11 n	09/20/12	34 441	35.9300	36 6600	1,237 46	1,262.61	25.15 (LT)
			1,091 107			42,653.37	40,000 00	-2,653.37
EUROPACIFIC GRW A	12/29/11 n	09/20/12	36.518	35 1600	39 9900	1,283.99	1,460 39	176.40 (ST)
	12/17/99 n	09/20/12	32.740	39.0800	39.9900	1,279 79	1,309 27	29.48 (LT)
	12/17/99 n	09/20/12	4.885	39.0800	39.9900	190 94	195 35	4 41 (LT)
	12/17/99 n	09/20/12	32.740	39.0800	39 9900	1,279.79	1,309 27	29.48 (LT)
	12/17/99 n	09/20/12	4.885	39 0800	39 9900	190 94	195 35	4.41 (LT)
	12/17/99 n	09/20/12	14.575	39.0900	39 9900	569.74	582 85	13.11 (LT)
	11/09/00 n	09/20/12	117.937	33.5500	39 9900	3,957 95	4,716 30	758.35 (LT)
	11/09/00 n	09/20/12	1.275	33.5600	39 9900	42 79	50 98	8 19 (LT)
	11/09/00 n	09/20/12	43.458	33.5500	39 9900	1,458 45	1,737 89	279 44 (LT)
	11/09/00 n	09/20/12	1.275	33.5600	39 9900	42.79	50 98	8.19 (LT)
	11/09/00 n	09/20/12	114.240	33 5500	39 9900	3,833.88	4,568 45	734 57 (LT)
	11/09/00 n	09/20/12	1.235	33.5600	39 9900	41.45	49 38	7 93 (LT)
	12/21/04 n	09/20/12	50 061	34.3600	39 9900	1,720.11	2,001.94	281 83 (LT)
	12/29/09 n	09/20/12	44 301	38.4200	39.9900	1,702 03	1,771.60	69 57 (LT)
			500 125			17,594 64	20,000 00	2,405 36
FUNDAMENTAL INVS A	12/19/11 n	09/20/12	18 970	34.0800	40 6600	646 52	771 32	124 80 (ST)
	03/20/12 c	09/20/12	8 263	39.4100	40.6600	325 63	335 97	10 34 (ST)
	06/15/12 c	09/20/12	8 977	36.3900	40.6600	326 66	365 00	38 34 (ST)
	09/14/12 c	09/20/12	8 178	40 0800	40 6600	327 78	332 61	4 83 (ST)
	05/22/01 n	09/20/12	5 735	31 1100	40 6600	178 43	233 18	54 75 (LT)
	05/22/01 n	09/20/12	4 557	31.1100	40 6600	141 77	185 28	43 51 (LT)
	05/22/01 n	09/20/12	4 557	31 1100	40 6600	141 77	185 28	43 51 (LT)
	08/09/01 n	09/20/12	154 115	29 6300	40.6600	4,566.43	6,266 31	1,699 88 (LT)
	03/18/04 n	09/20/12	335 683	29.7900	40 6600	10,000.00	13,648 87	3,648 87 (LT)
	12/14/04 n	09/20/12	19 605	31.2400	40 6600	612 47	797 13	184 66 (LT)
	12/14/04 n	09/20/12	31.369	31 2400	40 6600	979.96	1,275 46	295 50 (LT)
	02/23/05 n	09/20/12	19.167	32 2200	40 6600	617 57	779 33	161 76 (LT)
	06/01/05 n	09/20/12	19.420	31.9000	40.6600	619 49	789 61	170 12 (LT)
	08/23/05 n	09/20/12	16.383	33.9300	40 6600	555 86	666 13	110.27 (LT)
	12/30/05 n	09/20/12	11.168	35 5600	40 6600	397 13	454 09	56 96 (LT)
	12/30/05 n	09/20/12	17.705	35 5600	40 6600	629 59	719 88	90 29 (LT)
	12/17/09 n	09/20/12	10.983	32.4800	40 6600	356 74	446 56	89.82 (LT)
	03/09/10 n	09/20/12	10.768	33.2500	40.6600	358 05	437 82	79 77 (LT)
	06/11/10 n	09/20/12	11.813	30 4200	40.6600	359 35	480.31	120 96 (LT)
	09/17/10 n	09/20/12	10 962	32.9100	40 6600	360 76	445 71	84 95 (LT)
	09/16/11 n	09/20/12	9 448	34.0900	40 6600	322.08	384 15	62 07 (LT)
			737 826			22,824.04	30,000 00	7,175 96
NEW PERSPECTIVE A	10/02/00 n	09/20/12	322 480	29.5300	30.7500	9,522 84	9,916 25	393.41 (LT)
	12/28/06 n	09/20/12	36.337	31 4700	30.7500	1,143.51	1,117 36	-26 15 (LT)
	12/28/06 n	09/20/12	149.788	31.4700	30.7500	4,713.83	4,605 97	-107.86 (LT)

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REALIZED GAINS/(-)LOSSES continued

	Date Acquired	Date Sold	Quantity	Purchase Price	Sale Price	Cost Basis	Sale Proceeds	Realized Gain/(-)Loss*
Stock Funds continued								
	12/14/07 n	09/20/12	32.512	34.5800	30.7500	1,124.28	999 76	-124 52 (LT)
	12/14/07 n	09/20/12	109 290	34.5800	30.7500	3,779.25	3,360 66	-418 59 (LT)
			650.407			20,283.71	20,000 00	-283 71
Total Stock Funds						**$103,355.76**	**$110,000.00**	**$6,644.24**
Taxable Bonds								
FHLMC 3324BC 6.0 051537 Final Factor 0 036711660	07/23/07 n	08/15/12	60,000	96 7500	100.0000	58,056.00	2,202 70	***1,950.20 (LT)
FHLMC 3073DA 5.5 111535 Final Factor 0 122817660	01/18/06 n	04/16/12	30,000	100.5000	100 0000	30,012 20	3,684 53	***-149 32 (LT)
FNMA 06-23DE 6.0 042536 Final Factor. 0.028703200	09/12/06 n	12/26/12	25,000	99.2500	100.0000	24,818.50	717 58	***187 54 (LT)
Total Taxable Bonds						**$112,886.70**	**$6,604.81**	**$1,988.42**
Total Realized Gains/(-)Losses						**$516,786.66**	**$404,967.84**	**-$3,548.51**
Total Net Short-Term (ST)						**$116,920.99**	**$107,540.36**	**-$9,380.63**
Total Net Long-Term Subject to 15% Maximum Tax Rate (LT)						**$399,865.67**	**$297,427.48**	**$5,832.12**

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

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

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

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

INTERESTED PARTIES AND/OR SUPPORTING REPRESENTATIVE(S)

For the account of:

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