Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

▶ Do not enter Social Security numbers on this form as it may be made public.
▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

OMB No 1545-0052
2013
Open to Public Inspection

For calendar year 2013 or tax year beginning , 2013, 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 or province, country, and ZIP or foreign postal 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) ▶ $ 3,819,800
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))

		(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)	170,000			
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	116,887	116,887		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	12,379			
b	Gross sales price for all assets on line 6a 242,413				
7	Capital gain net income (from Part IV, line 2)		12,379		
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	299,266	129,266		
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	1,019			
b	Accounting fees (attach schedule)				
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see instructions) STM110	1,609	1,609		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings	676			
22	Printing and publications				
23	Other expenses (attach schedule)				
24	**Total operating and administrative expenses.** Add lines 13 through 23	3,304	1,609		0
25	Contributions, gifts, grants paid	154,885			154,885
26	**Total expenses and disbursements.** Add lines 24 and 25	158,189	1,609		154,885
27	Subtract line 26 from line 12				
a	**Excess of revenue over expenses and disbursements**	141,077			
b	**Net investment income** (if negative, enter -0-)		127,657		
c	**Adjusted net income** (if negative, enter -0-)			0	

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Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing	705,249	241,363	241,363
	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	1,001,942	1,707,736	2,150,672
	c Investments - corporate bonds (attach schedule) STM138	1,495,344	1,401,489	1,427,765
	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)	3,202,535	3,350,588	3,819,800
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 ▶ X **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	3,202,535	3,350,588	
	30 **Total net assets or fund balances** (see instructions)	3,202,535	3,350,588	
	31 **Total liabilities and net assets/fund balances** (see instructions)	3,202,535	3,350,588	

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	3,202,535
2	Enter amount from Part I, line 27a	2	141,077
3	Other increases not included in line 2 (itemize) ▶ STM115	3	6,976
4	Add lines 1, 2, and 3	4	3,350,588
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	3,350,588

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	2013-01-01	2013-12-31
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	242,413		230,034	12,379
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				12,379
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	12,379
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	(14,569)

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))
2012	139,809	2,961,820	0.047204
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

2 Total of line 1, column (d)	2	0.233631
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	0.046726
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	3,617,117
5 Multiply line 4 by line 3	5	169,013
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,277
7 Add lines 5 and 6	7	170,290
8 Enter qualifying distributions from Part XII, line 4	8	154,885

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b		1	2,553
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0
3	Add lines 1 and 2		3	2,553
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-		5	2,553
6	Credits/Payments:			
a	2013 estimated tax payments and 2012 overpayment credited to 2013	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	153
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 2014 estimated tax** ▶ **Refunded** ▶		11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the 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 2013 or the taxable year beginning in 2013 (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 2013, 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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

			Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ► ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?	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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? ☐ 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 2013 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 2013.)	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 2013?	4b		X

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)? (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** No: 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	3,308,173
b	Average of monthly cash balances	1b	364,027
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	3,672,200
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	3,672,200
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	55,083
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,617,117
6	**Minimum investment return.** Enter 5% of line 5	6	180,856

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	180,856
2a	Tax on investment income for 2013 from Part VI, line 5	2a	2,553		
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	2,553
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	178,303
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	178,303
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	178,303

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	154,885
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	154,885
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	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	154,885

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				178,303
2 Undistributed income, if any, as of the end of 2013:				
a Enter amount for 2012 only			146,064	
b Total for prior years: ______, ______, ______				
3 Excess distributions carryover, if any, to 2013:				
a From 2008				
b From 2009				
c From 2010				
d From 2011				
e From 2012				
f **Total** of lines 3a through e				
4 Qualifying distributions for 2013 from Part XII, line 4: ► $ 154,885				
a Applied to 2012, but not more than line 2a			146,064	
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 2013 distributable amount				8,821
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2013 (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 2012. Subtract line 4a from line 2a. Taxable amount - see instructions				
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				169,482
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 2008 not applied on line 5 or line 7 (see instructions)				
9 **Excess distributions carryover to 2014.** Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012				
e Excess from 2013				

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 2013, 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) 2013	(b) 2012	(c) 2011	(d) 2010	(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	154,885
Total . . . . ▶ 3a				154,885
b Approved for future payment				
Total . . . . ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions)
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	116,887	
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	12,379	
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)				129,266	

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 129,266

(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: 5/13/14 | 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		05-12-2014		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.**
▶ **Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.**

OMB No 1545-0047

2013

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 its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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	$ 170,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

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 TO BOND PORTFOLIO	6,976
TOTAL	6,976

PG 01

FORM 990PF, PART II, LINE 10(B)
INVESTMENTS: CORPORATE STOCK SCHEDULE

STATEMENT #137

CATEGORY	BOY	BOOK VALUE	EOY FMV
SEE ATTACHED STATEMENT	1,001,942	1,707,736	2,150,672
TOTALS	1,001,942	1,707,736	2,150,672

PG 01

FORM 990PF, PART II, LINE 10(C)
INVESTMENTS: CORPORATE BOND SCHEDULE

STATEMENT #138

CATEGORY	BOY	BOOK VALUE	EOY FMV
SEE ATTACHED STATEMENT	1,495,344	1,401,489	1,427,765
TOTALS	1,495,344	1,401,489	1,427,765

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	1,019	0	0	0
TOTALS	1,019	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 2012	0	0	0	0
IRS: 1ST QUARTER ESTIMATE 2013	1,131	1,131	0	0
FOREIGN TAXES WITHHELD	478	478	0	0
TOTALS	1,609	1,609	0	0

Federal Supporting Statements	2013 PG 01
Name(s) as shown on return THE JARED AND CAROL HILLS FOUNDATION	Your Social Security Number 39-1896077

FORM 990PF, PART XV, LINE 2
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

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

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, 2013 Any balances reflected in this section held in a bank deposit account or in shares of money market mutual funds may be liquidated on your order and the proceeds returned to your account or remitted to you

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	12,042 65	12,042 65		1 20	0 01%
Net yield from 12/01/13 - 12/31/13 was 0 01% (Compounded)					
INSURED DEPOSIT US BANK	229,320 26	229,320.26		114 66	0.05%
Net yield from 12/01/13 - 12/31/13 was 0.05% (Compounded)					
Deposits held at US Bank are insured by the FDIC up to $250,000.					
Total Cash and Cash Alternatives	[redacted]	**$241,362.91**		**$115.86**	**0.05%**

PORTFOLIO ASSETS

Stocks/Options	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
ANADARKO PETROLEUM CORP	APC	500	79 3200	83 9265	39,660 00	41,963 24	-2,303 24	360 00	0 91%
APACHE CORP	APA	1,000	85 9400	82.4783	85,940 00	82,478 31	3,461 67	800 00	0 93%
ARCHER DANIELS MIDLAND COMPANY	ADM	1,000	43 4000	16 0372	43,400 00	16,037 19	27,362 81	960 00	2 21%
BARRICK GOLD CORP	ABX	1,200	17 6300	21 9474	21,156 00	26,336 93	-5,180 93	240 00	1 13%
BOEING COMPANY	BA	500	136 4900	78 6845	68,245 00	39,342 27	28,902 73	1,460 00	2 14%
CATERPILLAR INC	CAT	500	90 8100	79 4774	45,405 00	39,738 70	5,666 30	1,200 00	2 64%
CHEVRON CORP	CVX	750	124 9100	90 3847	93,682 50	67,788 52	25,893 98	3,000 00	3 20%
COCA-COLA COMPANY	KO	1,500	41 3100	30 5333	61,965 00	45,799 89	16,165 11	1,680 00	2 71%
DEERE & COMPANY	DE	1,000	91 3300	75 3043	91,330 00	75,304 31	16,025 69	2,040 00	2 23%
DEVON ENERGY CORP NEW	DVN	1,000	61 8700	62 7250	61,870 00	62,724 96	-854 96	880 00	1 42%
EDWARDS LIFESCIENCES CORP	EW	1,000	65 7600	66 9450	65,760 00	66,945 03	-1,185 03	N/A	N/A
EMERSON ELECTRIC COMPANY	EMR	1,000	70 1800	49 0940	70,180 00	49,094 00	21,086 00	1,720 00	2 45%
UNITED FIRE GRP INC	UFCS	1,000	28 6600	17 3269	28,660 00	17,326 86	11,333 14	720 00	2 51%

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									
FREEPORT MCMORAN COPPER & GOLD	FCX	1,000	37 7400	27 3670	37,740 00	27,367 03	10,372 97	1,250 00	3 31%
GENERAL DYNAMICS CORP COMMON	GD	1,000	95 5500	64 7473	95,550 00	64,747 27	30,802 73	2,240 00	2 34%
INTEL CORP	INTC	2,000	25 9550	20 3355	51,910 00	40,671 08	11,238 92	1,800 00	3 47%
JOHNSON & JOHNSON	JNJ	500	91 5900	66 9069	45,795 00	33,453 47	12,341 53	1,320 00	2 88%
KINDER MORGAN MGMT LLC	KMR	1,221	75 6600	80 5011	92,380 86	98,291 84	-5,910 99	N/A	N/A
KINDER MORGAN INC DE	KMI	2,000	36 0000	34 5054	72,000 00	69,010 88	2,989 12	3,280 00	4 56%
MERCK & COMPANY INC NEW	MRK	1,000	50 0500	45 7999	50,050 00	45,799 86	4,250 14	1,760 00	3 52%
MONSANTO COMPANY NEW	MON	250	116 5500	96.9099	29,137 50	24,227 48	4,910 02	430 00	1 48%
PEPSICO INC	PEP	500	82.9400	66 3145	41,470 00	33,157 26	8,312 74	1,135 00	2 74%
QUALCOMM INC	QCOM	700	74.2500	66 8151	51,975 00	46,770 58	5,204 42	980 00	1 89%
ROYAL BANK CANADA MONTREAL	RY	1,000	67.2300	52 2458	67,230 00	52,245 82	14,984 18	2,531 30	3 77%
SCHLUMBERGER LTD	SLB	750	90.1100	64 0874	67,582 50	48,065 57	19,516 93	937 50	1 39%
U S BANCORP DE NEW	USB	1,000	40 4000	35 5594	40,400 00	35,559 44	4,840 56	920 00	2 28%
UNITED TECHNOLOGIES CORP	UTX	500	113 8000	57 4754	56,900 00	28,737 68	28,162 32	1,180 00	2 07%
VERIZON COMMUNICATIONS INC	VZ	500	49 1400	48 3320	24,570 00	24,166 00	404 00	1,060 00	4 31%
Total Stocks/Options					**$1,601,944.36**	**$1,303,151.47**	**$298,792.86**	**$35,883.80**	**2.24%**
Stock Funds									
CAPITAL WORLD GROWTH & INCOME CL A	CWGIX	719 684	45 3200	31 6727	32,616 07	22,794 34	9,821 72	626 12	
REINVESTMENTS		191 595	45 3200	31 5745	8,683 09	6,049 52	2,633 48	166 69	
TOTAL		911 279	45 3200	31 6521	41,299 16	28,843 86	12,455 20	792 81	1 92%
PERFORMANCE $18,504 82					41,299 16	22,794 34			
EUROPACIFIC GROWTH CL A	AEPGX	1,062 719	49 0700	28 3793	52,147 61	30,159 24	21,988 37	734 32	
REINVESTMENTS		695 032	49 0700	29 1781	34,105 23	20,279 71	13,825 35	480 28	
TOTAL		1,757 751	49 0700	28 6952	86,252 84	50,438 95	35,813 72	1,214 60	1 41%
PERFORMANCE $56,093 60					86,252 84	30,159 24			
FUNDAMENTAL INVESTORS CL A	ANCFX	1,520 373	51 9700	25 8293	79,013 79	39,270 12	39,743 66	760 19	
REINVESTMENTS		445 608	51.9700	29 1344	23,158 24	12,982 52	10,175 44	222 80	
TOTAL		1,965 981	51 9700	26 5784	102,172 03	52,252 64	49,919 10	982 99	0 96%
PERFORMANCE $62,901 91					102,172 03	39,270 12			
IVY ASSET STRAT CL A	WASAX	2,482 905	32 0200	26 1790	79,502 61	65,000 00	14,502 60	1,668 51	
REINVESTMENTS		82.855	32 0200	25 5422	2,653 02	2,116 30	536 70	55 68	

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									
TOTAL		2,565 760	32 0200	26 1584	82,155 63	67,116 30	15,039 30	1,724 19	2 10%
PERFORMANCE $17,155 63					82,155 63	65,000 00			
NEW PERSPECTIVE CL A	ANWPX	996.890	37 5600	27 6734	37,443 19	27,587 33	9,855 85	329 96	
REINVESTMENTS		835 836	37 5600	25 2725	31,393 99	21,123 67	10,270 24	276 67	
TOTAL		1,832 726	37 5600	26 5784	68,837 18	48,711 00	20,126 09	606 63	0 88%
PERFORMANCE $41,249 85					68,837 18	27,587 33			
SMALLCAP WORLD CL A	SMCWX	1,272 400	49 1500	37 2878	62,538 45	47,445 00	15,093 46	688 36	
REINVESTMENTS		86 147	49 1500	46 1125	4,234 13	3,972 45	261 67	46 61	
TOTAL		1,358 547	49.1500	37 8474	66,772 58	51,417 45	15,355 13	734 97	1 10%
PERFORMANCE $19,327 58					66,772 58	47,445 00			
Total Stock Funds					**$447,489.42**	**$298,780.20**	**$148,708.54**	**$6,056.19**	**1.35%**
Balanced Funds									
PIMCO ALL ASSET CL A	PASAX	7,780 570	12 0900	12 6819	94,067 06	98,672 56	-4,605 48	4,154 80	
REINVESTMENTS		593 108	12 0900	12.0243	7,170 70	7,131 71	38 88	316 74	
TOTAL		8,373 678	12 0900	12.6353	101,237 76	105,804 27	-4,566 60	4,471 54	4 42%
PERFORMANCE $2,565 20					101,237 76	98,672 56			
Total Balanced Funds					**$101,237.76**	**$105,804.27**	**-$4,566.60**	**$4,471.54**	**4.42%**
Taxable Bonds									
COLUMBUS FRANKLIN OH FIN RESH DEV REV PREREF CAP B/E OID @97 8 6 84% TXBL CPN 6 625% DUE 08/15/27 DTD 05/27/10 FC 08/15/10 PRE 08/15/15 @ 100 000 ORIGINAL COST $25,686.75	199098BT0	25,000	108 6520	100 9500	27,163 00	25,237 51***	1,925 49	1 656 25	6 10%
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 $10,015	31339LSN1	31,000	110 8271	99 0000	11,099 91	9,705 47***	1,394 44	600 93	5 41%

ASSET DETAILS continued

Taxable Bonds continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
MICHIGAN FIN AUTH REV RFDG SCH LN RVLVNG FD SER D 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	109 8560	103 3825	54,928 00	51,691 24***	3,236 76	2,998 00	5 46%
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. $350	31358RBM4	20,000	113 8473	103 2500	399 60	1,001 16***	-601 56	26 32	6 59%
GOVT NATL MTG ASSN POOL #392660 CPN 8 000% DUE 10/15/24 DTD 10/01/94 FC 11/15/94 REMAINING PRINCIPAL $142	36205KE99	40,000	100.4942	103 5000	142 83	1,189 82***	-1,046 99	11 37	7 96%
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	106 1040	117 5893	42,441 60	47,035 71***	-4,594 11	2,750 00	6 48%
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	109 3540	104 9627	54,677 00	52,481.34***	2,195 66	2,875 00	5 26%
GOVT NATL MTG ASSN II POOL #002118 CPN 7 500% DUE 11/20/25 DTD 11/01/95 FC 12/20/95 REMAINING PRINCIPAL $2,150	36202CK77	275,000	115 6749	106 7500	2,487 44	5,527 04***	-3,039 60	161 27	6 48%
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 $841	3133T6N31 Moody Aaa	23,000	114 6237	104 7500	964 86	1,934 50***	-969 64	63 13	6 54%

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									
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	103 8490	101 3004	51,924 50	50,650 22***	1,274 28	[illegible]125 00	6 02%
FORT ATKINSON WI LIBR BABS 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	104 3620	100 5074	52,181 00	50,253 72***	1,927 28	2,900 00	5 56%
ADDISON MI CMNTY SCH DIST BLDG & SITE SER A QSCB B/E QSBLF TXBL 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	101 9030	104 2642	25,475 75	26,066 04***	-590 29	1,500 00	5 89%
CASSOPOLIS MI PUB SCH DIST BLDG & SITE SER A QSCB B/E TXBL QSBLF 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	102 7810	101 3006	51,390 50	50,650 31***	740 19	3,125 00	6 08%
DECATUR MI PUB SCHS BLDG & SITE SER A QSCB B/E 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	108 5300	101 2925	54,265 00	50,646 23***	3,618 77	3,225 00	5 94%
KALAMAZOO MI PUB SCHS BLDG & SITE SER A QSCB B/E TXBL 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	103 8100	105 0553	51,905 00	52,527 64***	-622 64	3,100 00	5 97%

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 %
ST JOHNS MI PUB SCHS BLDG SITE B BABS B/E TXBL QSBLF CPN 6 500% DUE 05/01/27 DTD 08/04/10 FC 05/01/11 CALL 05/01/20 @ 100 000 ORIGINAL COST $51,078 00	790450EQ9 S&P AA-	50,000	103 2900	101 5508	51,645 00	50,775 39***	869 61	3,250 00	6 29%
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	109 2180	101 5100	27,304 50	25,377 51***	1,926 99	1,500 00	5 49%
COLUMBUS FRANKLIN CNTY OH FIN DESH&DEV REV UNRF BAL B/E TXBL OID @97 800 CPN 6 625% DUE 08/15/27 DTD 05/27/10 FC 08/15/10 CALL 08/15/15 @ 100 000 ORIGINAL COST. $25,686 75	199098BU7 S&P: AA-	25,000	105 8340	100 9500	26,458 50	25,237 51***	1,220 99	1,656 25	6 26%
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	102.0240	100 0000	51,012.00	50,000 00	1,012 00	2,775 00	5 44%
KANE & DEKALB CNTYS IL CUSD 302 BLDG SER D BABS B/E OID@99 444 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	105.7540	101 5856	52,877 00	50,792 79***	2,084 21	3,025 00	5 72%
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 $5,056	3133TD6A9	25,000	112 7733	101 5000	5,702 02	5,383 22***	318 80	328 65	5 76%

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 %
OLATHE KS WTR & SWR SYS REV SER A BABS 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	104 8210	100 0000	52,410 50	50,000 00	2,410 50	2,800 00	5 34%
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 A3	50,000	99 3360	99 9250	49,668 00	49,962 50	-294 50	3,025 00	6 09%
WASHINGTON ST UNIV REV TR & BLDG FEE B BABS 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	111 6790	103 9634	55,839 50	51,981 71***	3,857 79	3,157 00	5 65%
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	100 3310	101 3171	25,082 75	25,329 27***	-246 52	1,620 50	6 46%
HANOVER PARK IL BABS B/E TXBL 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	108 0980	101 2648	27,024 50	25,316 21***	1,708 29	1,500 00	5 55%
MORTON GROVE IL SER B BABS B/E TXBL 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	111.1360	103 7930	27,784 00	25,948 26***	1,835 74	1,500 00	5 40%
WESTERN IL UNIV REV BABS 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 A2	25,000	105 3800	110 5860	26,345 00	27,646 51***	-1,301 51	1,562 50	5 93%

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 %
ESCANABA MI AREA PUBLIC SCHS BLDG & SITE BABS B/E OID @99 177 6 7 TXBL CPN 6 625% DUE 05/01/30 DTD 05/11/10 FC 11/01/10 CALL 05/01/20 @ 100 000 ORIGINAL COST. $58,201 50	296209GC7 S&P AA-	50,000	96 6480	114 5797	48,324 00	57,289 84***	-8,965 84	3,312 50	6 85%
MICHIGAN TECHNOLOGICAL UNIV REV GENL A BABS 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 A1	50,000	98.6590	101 6500	49,329 50	50,825 00***	-1,495 50	3,100 00	6 28%
ROCKY RIVER OH CITY SCH DIST SCH IMPT SER B BABS 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	102 2080	102 1948	25,552 00	25,548 70***	3 30	1,395 50	5 46%
DIXON CNTY NE SCH DIST 1 BABS B/E TXBL 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	100 7490	100 5723	25,187 25	25,143 08***	44 17	1,562 00	6 20%
GOVT NATL MTG ASSN REMIC SER 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 $3,192	383739N88	30,000	112 8050	105 5000	3,601 61	4,843 10***	-1,241 49	207 53	5 76%
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 $17,465	38373RZM4	49,000	110.9143	100 6122	19,371 39	17,765 27***	1,606 11	1,047.91	5 41%
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	38373THQ1	25 000	113 3220	104 5000	3,258 46	4,000 67***	-742 21	186 90	5 74%

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 %
REMAINING PRINCIPAL $2,875									
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. $4,574	313921Y93	30,000	107 7404	104 0000	4,928 17	5,774 36***	-846 19	274 44	5 57%
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 $17,773	313921Y85	85,000	109 9714	103 1471	19,546 01	20,449 23***	-903 23	,066 42	5 46%
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 $14,694	38373T4J1	30,000	111 5472	104 2500	16,391 05	15,969 50***	421 55	881 65	5 38%
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 $6,182	38373X6F8	25,000	110 8238	102 5000	6,851 58	6,621 73***	229 85	370 94	5 41%
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 $4,867	31392VGQ9	25,000	109 9923	102 5000	5,354 25	5,492 98***	-138 73	292 07	5 45%
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 $91,422	05948KHE2 Moody Baa1	50,000	108 0425	99 8700	98,775 65	91,351 84***	7,423 81	5,485 37	5 55%
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	111 2860	104 4787	55,643 00	52,239 35***	3,403 65	3,250 00	5 84%

BAIRD

ASSET DETAILS continued

Taxable Bonds continued	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
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 REMAINING PRINCIPAL $6,296	31394CK68	16,000	101 6448	99 0000	6,400 15	6,136 54***	263 61	346 31	5 41%
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 $43,621	31395MJN0	250,000	102 1961	97.5000	44,579 38	39,871 71***	4,707 67	3,053 49	6 85%
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 REMAINING PRINCIPAL $6,348	31395RQZ4	16,000	102 9687	100 0000	6,537 01	6,348 55***	188 46	380 91	5 83%
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 $1,904	05949QAY1 S&P CC Moody B2	50,000	98 0526	95 8700	1,867 37	468 70***	1,398 67	109 50	5 86%
EUCLID OH CITY SCH DIST CLASSROOM FACS & IMPT B BABS B/E ST INTRCPT TXBL CPN 6.300% DUE 01/15/38 DTD 03/04/10 FC 07/15/10 CALL 01/15/20 @ 100 000	298047FH9 Moody Aa2	25,000	102 6710	100 0000	25,667 75	25,000 00	667 75	1,575 00	6 14%
Total Taxable Bonds		**2,210,000**			**$1,427,764.84**	**$1,401,488.98**	**$26,275.84**	**$83,715.61**	**5.86%**
Total Portfolio Assets					**$3,578,436.38**	**$3,109,224.92**	**$469,210.64**	**$130,127.14**	**3.64%**

ASSET DETAILS continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
Total Assets					**$3,819,799.29**	**$3,350,587.83**	**$469,210.64**	**$130,243.00**	**3.41%**

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

ACTIVITY SUMMARY

Type of Activity	Activity	This Period	Year-to-Date
	Opening Balance - Cash and Cash Alternatives	**$279,810.28**	**$705,248.88**
Buy and Sell Transactions	Assets Sold/Redeemed	58,672 56	242,413 11
	Assets Bought	-69,433 32	-920,637 56
Cash Deposits and Withdrawals	Deposits		170,000 00
	Withdrawals	-53,475 81	-157,710.81
Income and Distributions	Dividends	6,383 36	37,124 40
	Interest	7,600 22	79,762 63
	Capital Gain Distributions	8,280 08	8,280 08
	Return of Principal	3,534 54	77,360 28
	Other		
Margin Interest	Margin Interest Charged		
Cash Management Activity	Debit Card Activity		
	ACH/ATM Activity		
	Checks You Wrote		
Other	Other Transactions	-9 00	-478 10
	Closing Balance - Cash and Cash Alternatives	**$241,362.91**	**$241,362.91**

ACTIVITY DETAILS

SUBACCOUNT ACTIVITY

	Description	Money Market
Opening Balance	GENERAL MONEY MARKET	456,466 14
	INSURED DEPOSIT US BANK	248,782 74

ACTIVITY DETAILS continued / SUBACCOUNT ACTIVITY continued

Date	Activity	Quantity	Price	Description	Total	Cash	Money Market	Margin
				REINVEST AT 48 760				
12/31/13	Dividend			GENERAL MONEY MARKET	0 18	0 18		
12/31/13	Mny Mkt Deposit			GENERAL MONEY MARKET		-0 18	0 18	
12/31/13	Interest			INSURED DEPOSIT US BANK	9 92	9 92		
12/31/13	Mny Mkt Deposit			INSURED DEPOSIT US BANK		-9 92	9 92	
12/31/13	Mny Mkt Deposit			INSURED DEPOSIT US BANK		-220 00	220 00	
	Closing Balance			**Total Closing Balance**	**$241,362.91**	**$0.00**	**$241,362.91**	**$0.00**
				GENERAL MONEY MARKET			12,042 65	
				INSURED DEPOSIT US BANK			229,320 26	

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

	Date Acquired	Date Sold	Quantity	Purchase Price	Sale Price	Cost Basis	Sale Proceeds	Realized Gain/(-)Loss*
Stocks/Options								
APACHE CORP	01/18/13 c	08/01/13	0 190	81 0170	81 6842	15.73	15 52	-0 21 (ST)
ARCHER DANIELS MIDLAND C	04/12/10 n	05/31/13	1,000	28 3399	32 8430	28,916 51	32,204 92	3,288 41 (LT)
BARRICK GOLD CORP	01/17/13 c	07/30/13	400	34 0989	17 2501	13,988 05	6,731 16	-7,256 89 (ST)
	03/28/13 c	07/30/13	400	29 3589	17 2501	12,049 69	6,731 18	-5,318 51 (ST)
	04/22/09 n	07/30/13	200	28 5200	17 2501	5,886 23	3,365 58	-2,520 65 (LT)
	07/18/12 c	07/30/13	200	34 2889	17 2501	7,071 01	3,365 58	-3,705 43 (LT)
			1,200			38,994 98	20,193 50	-18,801 48
EXXON MOBIL CORP	04/22/09 n	08/02/13	200	65 0500	91 4316	13,247 90	18,029 00	4,781 10 (LT)
	01/28/10 n	08/02/13	200	65.2399	91 4316	13,301 40	18,029 00	4,727 60 (LT)
	02/17/10 n	08/02/13	100	65 6399	91 4316	6,690 70	9,014 50	2,323 80 (LT)
			500			33,240 00	45,072 50	11,832 50
GENERAL ELECTRIC COMPANY	07/22/09 n	06/26/13	1,000	11 6700	23 2601	12,036 47	22,754 86	10,718 39 (LT)
JPMORGAN CHASE & COMPANY	11/15/11 c	05/08/13	500	32 9499	49 9030	16,853.43	24,419 46	7,566 03 (LT)
KINDER MORGAN MGMT LLC	05/10/13 c	08/15/13	0 281	86 4238	79 9715	24 41	22 52	-1 89 (ST)
	05/31/13 c	08/15/13	0 140	81 8482	79 9715	11 63	11 26	-0 37 (ST)
	06/20/13 c	08/15/13	0 140	77 6999	79 9005	11 05	11 25	0 20 (ST)
			0 5632			47 09	45 03	-2 06
KINDER MORGAN MGMT LLC	05/10/13 c	11/15/13	0 044	86 4238	75 0279	3 80	3 35	-0 45 (ST)
	05/31/13 c	11/15/13	0 022	81 8482	74 8207	1 81	1 67	-0 14 (ST)
	06/20/13 c	11/15/13	0 022	77 6999	74 8207	1 72	1 67	-0 05 (ST)
	09/05/13 c	11/15/13	0 042	76 7469	75 1580	3 29	3 21	-0 08 (ST)
			0 1320			10 62	9 90	-0 72
TARGET CORP	08/20/10 n	08/21/13	200	52 2699	65 4820	10,656 20	12,841 17	2,184 97 (LT)
	03/23/11 c	08/21/13	300	50 2999	65 4820	15,420 38	19,261 76	3,841 38 (LT)

REALIZED GAINS/(-)LOSSES continued

	Date Acquired	Date Sold	Quantity	Purchase Price	Sale Price	Cost Basis	Sale Proceeds	Realized Gain/(-)Loss*
Stocks/Options continued								
			500			26,076 58	32,102 93	6,026 35
Total Stocks/Options						**$156,191.41**	**$176,818.62**	**$20,627.21**
Taxable Bonds								
GNMA 01-4PM 6 5 032031 Final Factor 0 138438600	11/21/02 n	06/20/13	50,000	103 5000	100 0000	51,755 50	6,921 93	***-1,750 19 (LT)
Total Taxable Bonds						**$51,755.50**	**$6,921.93**	**-$1,750.19**
Taxable Bond Funds								
PIMCO RL RET A	12/14/12 c	12/11/13	42 781	12 4700	11 0500	533 48	472 73	-60 75(ST)
	12/14/12 c	12/11/13	34 602	12 4700	11 0500	431 49	382 35	-49 14(ST)
	12/17/12 c	12/11/13	0 002	12 4700	11 0500	0 02	0 03	0 01(ST)
	12/31/12 c	12/11/13	28 906	12 3100	11 0500	355 83	319 41	-36 42(ST)
	01/03/13 c	12/11/13	2 264	12 2700	11 0500	27 78	25 01	-2 77(ST)
	02/04/13 c	12/11/13	2 244	12 1900	11 0500	27 36	24 79	-2 57(ST)
	03/04/13 c	12/11/13	2 083	12 2100	11 0500	25 43	23 01	-2 42(ST)
	04/02/13 c	12/11/13	2 305	12 2500	11 0500	28 24	25 47	-2 77(ST)
	05/02/13 c	12/11/13	2 236	12 3400	11 0500	27 59	24 70	-2 89(ST)
	05/31/13 c	12/11/13	1,644 737	12 1600	11 0500	20,000 00	18,174 40	-1,825 60(ST)
	06/04/13 c	12/11/13	2.543	11 7600	11 0500	29 90	28 10	-1 80(ST)
	07/02/13 c	12/11/13	3 042	11 2000	11.0500	34 07	33 62	-0 45(ST)
	08/02/13 c	12/11/13	3 355	11 3100	11 0500	37 94	37 07	-0 87(ST)
	09/04/13 c	12/11/13	3 624	11 0800	11 0500	40 15	40 05	-0 10(ST)
	10/02/13 c	12/11/13	3 003	11 3000	11 0500	33 93	33 19	-0 74(ST)
	11/04/13 c	12/11/13	3 370	11 3500	11 0500	38 25	37 24	-1 01(ST)
	12/03/13 c	12/11/13	3 394	11 2200	11 0500	38 08	37 51	-0 57(ST)
	11/04/10 n	12/11/13	3,233 630	12 3700	11 0500	40,000 00	35,731 63	-4,268 37 (LT)
	12/02/10 n	12/11/13	2 534	11 5900	11 0500	29 37	28 00	-1 37 (LT)
	01/04/11 n	12/11/13	10 193	11 3600	11 0500	115.80	112 64	-3 16 (LT)
	02/02/11 n	12/11/13	2 913	11 3500	11.0500	33 06	32 19	-0 87 (LT)
	03/02/11 n	12/11/13	5 214	11 4300	11 0500	59 60	57 61	-1 99 (LT)
	04/04/11 n	12/11/13	12 030	11 4900	11 0500	138 22	132 93	-5 29 (LT)
	05/03/11 n	12/11/13	12 800	11 7400	11 0500	150 27	141 44	-8 83 (LT)
	06/02/11 n	12/11/13	22 679	11 6800	11 0500	264 89	250 61	-14 28 (LT)
	07/05/11 n	12/11/13	16 621	11.6700	11 0500	193 97	183 66	-10 31 (LT)
	08/02/11 n	12/11/13	12 255	12 0200	11.0500	147 31	135 41	-11 90 (LT)
	09/02/11 n	12/11/13	2 490	12 0500	11 0500	30 01	27 51	-2 50 (LT)
	10/04/11 n	12/11/13	2 220	11 9800	11.0500	26 59	24 53	-2 06 (LT)
	11/02/11 n	12/11/13	7 520	12 2000	11 0500	91.74	83 09	-8 65 (LT)
	12/02/11 n	12/11/13	5 027	12 1800	11 0500	61 23	55 54	-5 69 (LT)
	12/09/11 n	12/11/13	66 084	11 8100	11 0500	780 45	730 24	-50 21 (LT)
	12/09/11 n	12/11/13	44 268	11 8100	11 0500	522 81	489 17	-33 64 (LT)
	12/30/11 n	12/11/13	14.376	11 8100	11 0500	169 78	158 85	-10 93 (LT)
	01/04/12 c	12/11, 3	2 471	11 7900	11 0500	29 13	27 30	-1 83 (LT)

REALIZED GAINS/(-)LOSSES continued

Taxable Bond Funds continued	Date Acquired	Date Sold	Quantity	Purchase Price	Sale Price	Cost Basis	Sale Proceeds	Realized Gain/(-)Loss*
	02/02/12 c	12/11/13	2 092	12 0900	11 0500	25 29	23 11	-2 18 (LT)
	03/02/12 c	12/11/13	2 073	12 0600	11 0500	25 00	22 90	-2 10 (LT)
	04/03/12 c	12/11/13	2 300	11 9500	11 0500	27 49	25 41	-2 08 (LT)
	05/02/12 c	12/11/13	4 158	12 1800	11 0500	50 65	45 94	-4 71 (LT)
	06/04/12 c	12/11/13	17 808	12 3700	11 0500	220 28	196 77	-23 51 (LT)
	07/03/12 c	12/11/13	8 048	12 2800	11 0500	98 83	88 93	-9 90 (LT)
	08/02/12 c	12/11/13	2 193	12 5100	11 0500	27 44	24 23	-3 21 (LT)
	09/05/12 c	12/11/13	2 453	12 4800	11 0500	30 61	27 10	-3 51 (LT)
	10/02/12 c	12/11/13	1 958	12 5600	11 0500	24 59	21 63	-2 96 (LT)
	11/02/12 c	12/11/13	2 247	12 6500	11 0500	28 42	24 82	-3 60 (LT)
	12/04/12 c	12/11/13	4 588	12 7100	11 0500	58 31	50 69	-7 62 (LT)
			5,309 734			65,170 68	58,672 56	-6,498 12
Total Taxable Bond Funds						**$65,170.68**	**$58,672.56**	**-$6,498.12**
Total Realized Gains/(-)Losses						**$273,117.59**	**$242,413.11**	**$12,378.90**
Total Net Short-Term (ST)						**$47,820.72**	**$33,251.47**	**-$14,569.25**
Total Net Long-Term (LT)						**$225,296.87**	**$209,161.64**	**$26,948.15**

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

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

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

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

INTERESTED PARTIES AND/OR SUPPORTING REPRESENTATIVE(S)

For the account of

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

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

2013 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

2013 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	Preferred Stock	Balanced Funds	Taxable Bonds	Taxable Bond Funds	Avg. Fair Market Value of Securities
Jan-12	$705,248 88	$533,831 67	$619,540 28	$1,006,160 50	$352,507 69	$23,665 00	$0 00	$1,556,946 00	$88,918 31	$3,028,197 50
Feb-12	$533,831 67	$500,687 03	$517,259 35	$1,030,753 50	$351,707 35	$21,590 00	$0 00	$1,568,347.75	$88,912.82	$3,061,311 42
Mar-12	$500,687 03	$436,969.85	$468,828 44	$1,101,102.50	$358,183 75	$44,540 00	$0 00	$1,574,282 02	$89,062 05	$3,167,170 32
Apr-12	$436,969 85	$444,876 47	$440,923 16	$1,102,002 50	$367,056 80	$42,320 00	$0 00	$1,576,320 60	$90,372 14	$3,178,072 04
May-12	$444,876 47	$300,753 27	$372,814 87	$1,196,778 50	$390,516 38	$46,790 00	$44,318 31	$1,544,462 67	$62,179 85	$3,285,045.71
Jun-12	$300,753 27	$296,066 03	$298,409 65	$1,214,837 00	$380,065.05	$47,740 00	$42,623 77	$1,478,667 33	$59,247 39	$3,223,180 54
Jul-12	$296,066 03	$262,399 69	$279,232 86	$1,294,094 30	$398,050 24	$68,550 00	$43,228 11	$1,464,207 46	$59,863 69	$3,327,993 80
Aug-12	$262,399.69	$233,306 66	$247,853.18	$1,353,617 08	$391,427.80	$0 00	$42,481 58	$1,470,250 29	$58,683 48	$3,316,460 23
Sep-12	$233,306 66	$342,014 56	$287,660 61	$1,434,960 50	$413,143 69	$0 00	$43,776 74	$1,465,691 16	$59,889 62	$3,417,461 71
Oct-12	$342,014 56	$264,303 35	$303,158 96	$1,560,635 00	$427,440 39	$0 00	$44,707 40	$1,461,711 40	$60,188 70	$3,554,682 89
Nov-12	$264,303 35	$279,810 28	$272,056 82	$1,574,733 47	$436,863 12	$0 00	$44,277 87	$1,444,652 87	$59,537 13	$3,560,064 46
Dec-12	$279,810 28	$241,362.91	$260,586 60	$1,601,944 36	$447,489.42	$0 00	$101,237 76	$1,427,764 84	$0 00	$3,578,436 38
Average			**$364,027.06**	**$1,289,301.60**	**$392,870.97**	**$24,599.58**	**$33,887.63**	**$1,502,775.37**	**$64,737.93**	**$3,308,173.08**
			Input on Line 1(b)							**Input on Line 1(a)**

Line 3	**$3,672,200**
Line 4	**$55,083**
Line 5	**$3,617,117**
Line 6	**$180,856**

2013 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
Aging Services, Inc. 800 1st Street Cedar Rapids, IA 52405	N/A	To benefit organization's charitable purpose	$2,000.00
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	$21,000.00
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	$24,300.00
Big Brother Big Sister 3150 E Avenue NW Cedar Rapids, IA 52405	N/A	To benefit organization's charitable purpose	$1,000.00
Boy Scouts of America 660 32nd Avenue SW Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	$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	$1,000 00
Camp Courageous of Iowa R. R. 2 Monticello, IA 52310	N/A	To benefit organization's charitable purpose	$300.00
Camp Fire USA 1100 Walnut Street, Suite 1900 Kansas City, Missouri 64106-2197	N/A	To benefit organization's charitable purpose	$500.00
Cedar Rapids City Market P.O. Box 667 Cedar Rapids, IA 52406	N/A	To be used for NewBo City Market	$1,000 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	$2,000.00
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	$5,000.00
Easter Seal Iowa 2920 - 0th Street Des Moines, IA 50310	N/A	To benefit organization's charitable purpose	$10,000.00
Ecumenical Community Center 601 Second Avenue SE, #1 Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	$1,000.00
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	$1,000.00
Four Oaks Foundation 5400 Kirkwood Blvd. SW Cedar Rapids, IA 52404	N/A	To benefit organization's charitable purpose	$500 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	$250.00
Greater Cedar Rapids Community Foundation 324 Third Street SE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose with regard to Summit Schools	$500 00
HD Youth Center 1006 3rd Street NE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	$1,000 00
Hillcrest Family Services 4080 1st Avenue SE Cedar Rapids, IA 52402	N/A	To benefit organization's charitable purpose	$1,000.00
Horizons PO Box 667 Cedar Rapids, IA 52406-0667	N/A	To benefit organization's charitable purpose	$500.00

Indian Creek Nature Center 6665 Otis Road SE Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	$200.00
Iowa Annual Conference UMC 2301 Rittenhouse St. Des Moines, IA 50321	N/A	To benefit organization's charitable purpose	$200 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	$500.00
Luther College 700 College Drive Decorah, IA 52101	N/A	To benefit organization's charitable purpose	$100.00
Orchestra Iowa 119 Third Ave. SE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	$4,500.00
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
Theatre Cedar Rapids 102 Third St SE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	$700.00
The Carl & Mary Koehler History Center 615 1st Ave SE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	$500.00
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

UMCOR P.O. Box 9028 New York, NY 10087	N/A	To benefit organization's charitable purpose	$5,900 00
United Way 1030 Fifth Avenue SE #100 Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	$18,000 00
Waypoint 318 5th St SE Cedar Rapids, IA 52401	N/A	To benefit organization's charitable purpose	$13,500.00
Willis Dady Emergency Shelture 1247 4th Ave SE Cedar Rapids, IA 52403	N/A	To benefit organization's charitable purpose	$1,000.00
Total			**$154,885.00**