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: HOBBY FAMILY FOUNDATION

A Employer identification number: 76-0489862

Number and street (or P O box number if mail is not delivered to street address): 2131 SAN FELIPE

Room/suite:

B Telephone number (see instructions): (713) 521-3377

City or town, state or province, country, and ZIP or foreign postal code: HOUSTON, TX 77019-5620

C If exemption application is pending, check here ▶ ☐

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity

☐ Final return ☐ Amended return

☐ Address change ☐ Name change

D 1 Foreign organizations, check here ▶ ☐

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

H Check type of organization ☒ Section 501(c)(3) exempt private foundation

☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶ $ 18,038,434.

J Accounting method ☒ Cash ☐ Accrual

☐ Other (specify) ____________________

(Part I, column (d) must be on cash basis)

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

Part I Analysis of Revenue and Expenses

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

		(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)	55,000.			
	2 Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3 Interest on savings and temporary cash investments	9.	9.		ATCH 1
	4 Dividends and interest from securities	448,502.	448,502.		ATCH 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	850,516.			
	b Gross sales price for all assets on line 6a 4,082,118.				
	7 Capital gain net income (from Part IV, line 2)		850,516.		
	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	1,354,027.	1,299,027.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) ATCH 3	1,784.	892.		892.
	c Other professional fees (attach schedule) *	81,572.	81,572.		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) ATCH 5	6,324.	324.		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) ATCH 6	2,162.	2,162.		
	24 **Total operating and administrative expenses.** Add lines 13 through 23	91,842.	84,950.		892.
	25 Contributions, gifts, grants paid	2,141,300.			2,141,300.
	26 **Total expenses and disbursements** Add lines 24 and 25	2,233,142.	84,950.	0	2,142,192.
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-879,115.			
	b **Net investment income** (if negative, enter -0-)		1,214,077.		
	c **Adjusted net income** (if negative, enter -0-)				

*ATCH 4

11

		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	321,545.	511,024.	511,024.
	2	Savings and temporary cash investments	228,608.	121,082.	121,082.
	3	Accounts receivable ▶ 116,884.			
		Less allowance for doubtful accounts ▶	1,297.	116,884.	116,884.
	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			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule) ATCH 7	8,576,207.	7,838,024.	13,551,630.
	c	Investments - corporate bonds (attach schedule)			
	11	Investments - land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	12	Investments - mortgage loans			
	13	Investments - other (attach schedule) ATCH 8	3,891,661.	3,553,189.	3,737,814.
	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)	13,019,318.	12,140,203.	18,038,434.
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	13,019,318.	12,140,203.	
	30	**Total net assets or fund balances** (see instructions)	13,019,318.	12,140,203.	
	31	**Total liabilities and net assets/fund balances** (see instructions)	13,019,318.	12,140,203.	

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	13,019,318.
2	Enter amount from Part I, line 27a	2	-879,115.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	12,140,203.
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	12,140,203.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	SEE PART IV SCHEDULE			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

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

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

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	850,516.
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	0

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	2,886,651.	17,314,301.	0.166721
2011	1,081,467.	17,575,949.	0.061531
2010	1,336,656.	16,806,768.	0.079531
2009	923,817.	14,849,430.	0.062212
2008	1,213,747.	18,204,926.	0.066671

2 Total of line 1, column (d)	2	0.436666
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	0.087333
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	17,089,285.
5 Multiply line 4 by line 3	5	1,492,459.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	12,141.
7 Add lines 5 and 6	7	1,504,600.
8 Enter qualifying distributions from Part XII, line 4	8	2,142,192.

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	12,141.
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	
3	Add lines 1 and 2			3	12,141.
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	12,141.
6	Credits/Payments				
a	2013 estimated tax payments and 2012 overpayment credited to 2013	6a	17,546.		
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	17,546.
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	5,405.
11	Enter the amount of line 10 to be **Credited to 2014 estimated tax** ▶ 5,405. **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	N/A	
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) ▶ TX,			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	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)*

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 ▶ CATHY LEESON Telephone no ▶ (713)521-3377

Located at ▶2131 SAN FELIPE HOUSTON, TX ZIP+4 ▶ 77019-5620

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	N/A	
	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	N/A	
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	N/A	
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

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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** N/A

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** N/A

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
ATCH 9		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 ▶

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		0
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 N/A	
2	
3	
4	

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	16,801,576.
b	Average of monthly cash balances	1b	547,952.
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	17,349,528.
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	
3	Subtract line 2 from line 1d	3	17,349,528.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	260,243.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	17,089,285.
6	**Minimum investment return.** Enter 5% of line 5	6	854,464.

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	854,464.
2a	Tax on investment income for 2013 from Part VI, line 5	2a	12,141.		
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	12,141.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	842,323.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	842,323.
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	842,323.

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	2,142,192.
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	2,142,192.
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	12,141.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	2,130,051.

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					842,323.
2	Undistributed income, if any, as of the end of 2013					
a	Enter amount for 2012 only					
b	Total for prior years 20 11 ,20 10 ,20 09					
3	Excess distributions carryover, if any, to 2013					
a	From 2008	319,802.				
b	From 2009	188,257.				
c	From 2010	517,340.				
d	From 2011	220,145.				
e	From 2012	2,054,442.				
f	**Total** of lines 3a through e		3,299,986.			
4	Qualifying distributions for 2013 from Part XII, line 4 ▶ $ 2,142,192.					
a	Applied to 2012, but not more than line 2a					
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					842,323.
e	Remaining amount distributed out of corpus		1,299,869.			
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		4,599,855.			
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					
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)		319,802.			
9	**Excess distributions carryover to 2014.** Subtract lines 7 and 8 from line 6a		4,280,053.			
10	Analysis of line 9					
a	Excess from 2009	188,257.				
b	Excess from 2010	517,340.				
c	Excess from 2011	220,145.				
d	Excess from 2012	2,054,442.				
e	Excess from 2013	1,299,869.				

Form **990-PF** (2013)

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

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))

W.P. HOBBY

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 address of the person to whom applications should be addressed

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 STATEMENT 6 SEE STATEMENT 6 VARIOUS, TX 77019		PC	VARIOUS, ATTACHED	2,141,300.
Total . . . . ▶ 3a				2,141,300.
b *Approved for future payment*				
SEE STATEMENT 7 SEE STATEMENT 7 VARIOUS, TX 77019	N/A	PC	VARIOUS, ATTACHED	3,625,385.
Total . . . . ▶ 3b				3,625,385.

Form **990-PF** (2013)

JSA
3E1491 1 000

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			14	9.	
4 Dividends and interest from securities			14	448,502.	
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	850,516.	
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)				1,299,027.	

13 **Total** Add line 12, columns (b), (d), and (e) . . . . 13 1,299,027.

(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
	N/A		N/A

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

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

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

▶ Carey Lee | 11/10/14 | ▶ Treasurer

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
CHARLES H CLINES		8/15/2014		P00366963

Firm's name ▶ MCGLADREY LLP | Firm's EIN ▶ 42-0714325

Firm's address ▶ 1400 POST OAK BLVD., STE 900
HOUSTON, TX 77056-3009 | Phone no 713-625-3500

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
HOBBY FAMILY FOUNDATION	76-0489862

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)(3) (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 HOBBY FAMILY FOUNDATION

Employer identification number 76-0489862

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	W.P. HOBBY 2131 SAN FELIPE HOUSTON, TX 77019	$ 5,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
2	W.P. HOBBY 2131 SAN FELIPE HOUSTON, TX 77019	$ 50,000.	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)

Name of organization	Employer identification number
HOBBY FAMILY FOUNDATION	76-0489862

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

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
----		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
----		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
----		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
----		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
----		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
----		$	

Name of organization HOBBY FAMILY FOUNDATION

Employer identification number 76-0489862

Part III ***Exclusively*** **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year.** Complete columns **(a)** through **(e)** and the following line entry.

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year (Enter this information once. See instructions) ▶ $ ____________

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

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

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

HOBBY FAMILY FOUNDATION 76-0489862

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		SEE STATEMENT 8					VARIOUS	VARIOUS
1,589,593.		1,500,796.					88,797.	
		SEE STATEMENT 8					VARIOUS	VARIOUS
2,492,525.		1,730,806.					761,719.	
TOTAL GAIN(LOSS)		....					850,516.	

ATTACHMENT 1

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
SEE STATEMENT 1		9.	9.
	TOTAL	9.	9.

ATTACHMENT 2

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
SEE STATEMENT 2		448,502.	448,502.
	TOTAL	448,502.	448,502.

ATTACHMENT 3

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
SEE STATEMENT 3		1,784.	892.		892.
	TOTALS	1,784.	892.		892.

ATTACHMENT 4

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
SEE STATEMENT 3		81,572.	81,572.
	TOTALS	81,572.	81,572.

ATTACHMENT 5

FORM 990PF, PART I - TAXES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
SEE STATEMENT 3		6,324.	324.
	TOTALS	6,324.	324.

ATTACHMENT 6

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
SEE STATEMENT 3		2,162.	2,162.
	TOTALS	2,162.	2,162.

ATTACHMENT 7

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
SEE STATEMENT 4	7,838,024.	13,551,630.
TOTALS	7,838,024.	13,551,630.

ATTACHMENT 8

FORM 990PF, PART II - OTHER INVESTMENTS

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
SEE STATEMENT 4	3,553,189.	3,737,814.
TOTALS	3,553,189.	3,737,814.

HOBBY FAMILY FOUNDATION

76-0489862

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 9

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION
SEE STATEMENT 5	SEE STATEMENT 5

SCHEDULE D (Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T.
▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9 and 10.
▶ Information about Schedule D and its separate instructions is at www.irs gov/form1041.

OMB No 1545-0092

2013

Name of estate or trust: HOBBY FAMILY FOUNDATION

Employer identification number: 76-0489862

Note: *Form 5227 filers need to complete only Parts I and II*

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

See instructions for how to figure the amounts to enter on the lines below This form may be easier to complete if you round off cents to whole dollars	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions) However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
1b Totals for all transactions reported on Form(s) 8949 with **Box A** checked	1,589,593.	1,500,796.		88,797.
2 Totals for all transactions reported on Form(s) 8949 with **Box B** checked				
3 Totals for all transactions reported on Form(s) 8949 with **Box C** checked				

4 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	4	
5 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	5	
6 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2012 Capital Loss Carryover Worksheet	6	( )
7 **Net short-term capital gain or (loss).** Combine lines 1a through 6 in column (h) Enter here and on line 17, column (3) on the back ▶	7	88,797.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

See instructions for how to figure the amounts to enter on the lines below This form may be easier to complete if you round off cents to whole dollars	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions) However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
8b Totals for all transactions reported on Form(s) 8949 with **Box D** checked	2,224,328.	1,730,806.		493,522.
9 Totals for all transactions reported on Form(s) 8949 with **Box E** checked				
10 Totals for all transactions reported on Form(s) 8949 with **Box F** checked				

11 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	11	
12 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	12	
13 Capital gain distributions	13	268,197.
14 Gain from Form 4797, Part I	14	
15 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2012 Capital Loss Carryover Worksheet	15	( )
16 **Net long-term capital gain or (loss).** Combine lines 8a through 15 in column (h) Enter here and on line 18a, column (3) on the back ▶	16	761,719.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Part III Summary of Parts I and II

Caution: *Read the instructions* **before** *completing this part.*

			(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
17	**Net short-term gain or (loss)**	17			88,797.
18	**Net long-term gain or (loss):**				
a	Total for year	18a			761,719.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht)	18b			
c	28% rate gain	18c			
19	**Total net gain or (loss).** Combine lines 17 and 18a ▶	19			850,516.

Note: *If line 19, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a) If lines 18a and 19, column (2), are net gains, go to Part V, and* **do not** *complete Part IV If line 19, column (3), is a net loss, complete Part IV and the* **Capital Loss Carryover Worksheet,** *as necessary*

Part IV Capital Loss Limitation

20 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the **smaller** of

a The loss on line 19, column (3) **or** b $3,000 . . . . 20 ( )

Note: *If the loss on line 19, column (3), is more than $3,000,* **or** *if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the* **Capital Loss Carryover Worksheet** *in the instructions to figure your capital loss carryover*

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 18a and 19 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), **and** Form 1041, line 22, is more than zero

Caution: *Skip this part and complete the* **Schedule D Tax Worksheet** *in the instructions if*

- *Either line 18b, col (2) or line 18c, col (2) is more than zero, or*
- *Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero*

Form 990-T trusts. Complete this part **only** if both lines 18a and 19 are gains, or qualified dividends are included in income in Part I of Form 990-T, **and** Form 990-T, line 34, is more than zero Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 18b, col (2) or line 18c, col (2) is more than zero

21	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)			21			
22	Enter the **smaller** of line 18a or 19 in column (2) but not less than zero	22					
23	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	23					
24	Add lines 22 and 23	24					
25	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- ▶	25					
26	Subtract line 25 from line 24 If zero or less, enter -0-			26			
27	Subtract line 26 from line 21 If zero or less, enter -0-			27			
28	Enter the **smaller** of the amount on line 21 or $2,450			28			
29	Enter the **smaller** of the amount on line 27 or line 28			29			
30	Subtract line 29 from line 28 If zero or less, enter -0- This amount is taxed at 0% ▶					30	
31	Enter the smaller of line 21 or line 26			31			
32	Subtract line 30 from line 26			32			
33	Enter the **smaller** of line 21 or $11,950			33			
34	Add lines 27 and 30			34			
35	Subtract line 34 from line 33 If zero or less, enter -0-			35			
36	Enter the **smaller** of line 32 or line 35			36			
37	Multiply line 36 by 15% ▶					37	
38	Enter the amount from line 31			38			
39	Add lines 30 and 36			39			
40	Subtract line 39 from line 38 If zero or less, enter -0-			40			
41	Multiply line 40 by 20% ▶					41	
42	Figure the tax on the amount on line 27 Use the 2013 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)			42			
43	Add lines 37, 41, and 42			43			
44	Figure the tax on the amount on line 21 Use the 2013 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)			44			
45	**Tax on all taxable income.** Enter the **smaller** of line 43 or line 44 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36) ▶					45	

Form **8949**

Department of the Treasury
Internal Revenue Service

Sales and Other Dispositions of Capital Assets

▶ Information about Form 8949 and its separate instructions is at www irs gov/form8949

▶ File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D.

OMB No 1545-0074

2013

Attachment Sequence No **12A**

Name(s) shown on return: HOBBY FAMILY FOUNDATION

Social security number or taxpayer identification number: 76-0489862

Most brokers issue their own substitute statement instead of using Form 1099-B They also may provide basis information (usually your cost) to you on the statement even if it is not reported to the IRS Before you check Box A, B, or C below, determine whether you received any statement(s) and, if so, the transactions for which basis was reported to the IRS Brokers are required to report basis to the IRS for most stock you bought in 2011 or later

Part I **Short-Term.** Transactions involving capital assets you held one year or less are short-term For long-term transactions, see page 2

Note. You may aggregate all short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required Enter the total directly on Schedule D, line 1a, you are not required to report these transactions on Form 8949 (see instructions).

You *must* **check Box A, B, *or* C below. Check only one box.** If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box If you have more short-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need

☒ **(A)** Short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)

☐ **(B)** Short-term transactions reported on Form(s) 1099-B showing basis was **not** reported to the IRS

☐ **(C)** Short-term transactions not reported to you on Form 1099-B

1 (a) Description of property (Example 100 sh XYZ Co)	(b) Date acquired (Mo , day, yr)	(c) Date sold or disposed (Mo , day, yr)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis See the **Note** below and see *Column (e)* in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f) See the separate instructions: (f) Code(s) from instructions	(g) Amount of adjustment	(h) **Gain or (loss).** Subtract column (e) from column (d) and combine the result with column (g)
SEE STATEMENT 8	VARIOUS	VARIOUS	1,589,593.	1,500,796.			88,797.
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts) Enter each total here and include on your Schedule D, line **1b** (if **Box A** above is checked), **line 2** (if **Box B** above is checked), or **line 3** (if **Box C** above is checked) ▶			1,589,593.	1500796.			88,797.

Note. If you checked Box A above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis See *Column (g)* in the separate instructions for how to figure the amount of the adjustment

For Paperwork Reduction Act Notice, see your tax return instructions.

JSA
3X2615 2 000

Form 8949 (2013) Attachment Sequence No **12A** Page **2**

Name(s) shown on return (Name and SSN or taxpayer identification no not required if shown on other side) HOBBY FAMILY FOUNDATION

Social security number or taxpayer identification number 76-0489862

Most brokers issue their own substitute statement instead of using Form 1099-B They also may provide basis information (usually your cost) to you on the statement even if it is not reported to the IRS Before you check Box D, E, or F below, determine whether you received any statement(s) and, if so, the transactions for which basis was reported to the IRS Brokers are required to report basis to the IRS for most stock you bought in 2011 or later

Part II Long-Term.

Transactions involving capital assets you held more than one year are long term For short-term transactions, see page 1.

Note. You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the total directly on Schedule D, line 8a, you are not required to report these transactions on Form 8949 (see instructions)

You *must* check Box D, E, *or* F below. Check only one box. If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need

☒ (D) Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)

☐ (E) Long-term transactions reported on Form(s) 1099-B showing basis was **not** reported to the IRS

☐ (F) Long-term transactions not reported to you on Form 1099-B

1 (a) Description of property (Example 100 sh XYZ Co)	(b) Date acquired (Mo , day, yr)	(c) Date sold or disposed (Mo , day, yr)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis See the Note below and see *Column (e)* in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f) See the separate instructions		(h) Gain or (loss). Subtract column (e) from column (d) and combine the result with column (g)
					(f) Code(s) from instructions	(g) Amount of adjustment	
SEE STATEMENT 8	VARIOUS	VARIOUS	2,224,328.	1,730,806.			493,522.
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts) Enter each total here and include on your Schedule D, **line 8b** (if **Box D** above is checked), **line 9** (if **Box E** above is checked), or **line 10** (if **Box F** above is checked) ▶			2,224,328	1730806.			493,522.

Note. If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis See *Column (g)* in the separate instructions for how to figure the amount of the adjustment

Hobby Family Foundation
EIN 76-0489862
Form 990PF - 2013

STATEMENT 1

Part I, Line 3 - Interest from Savings and Temporary Cash Investments	Total	Investment	Charitable
Amegy Bank N.A.	4	4	
Fidelity Brokerage Services	5	5	
Total	9	9	0

Hobby Family Foundation
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STATEMENT 2

Part I, Line 4 - Dividends & Interest from Securities	Total	Investment	Charitable
Amegy Investments Inc.	189,292	189,292	
TIFF Multi-Asset Fund	135,397	135,397	
Fidelity Brokerage Services	123,813	123,813	
Total	448,502	448,502	0

Hobby Family Foundation
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Expenses

STATEMENT 3

	Total	Investment	Charitable
Part I, Line 16b - Accounting Fees			
Margolis, Phipps & Wright	1,784	892	892
Part I, Line 16c - Other Professional Fees			
Investment Advisory Fees			
Avalon Advisors	26,813	26,813	
Fayez Sarofim & Co.	18,414	18,414	
Luther King Capital Management	36,345	36,345	
	81,572	81,572	0
Part I, Line 18 - Taxes			
Foreign Taxes	324	324	
Estimated Excise Tax Payments	6,000		
Total Taxes	6,324	324	0
Part I, Line 23 - Other Expenses			
Bank Fees-Fees on foreign dividends & reorganization fees	152	152	
TIFF Investment Program-Exit Fee	2,010	2,010	
Total	2,162	2,162	0

STATEMENT 4

Hobby Family Foundation			
EIN 76-0489862			
Form 990PF - 2013			
	End of Year		
Balance Sheets - Part II	Shares	(B) Book Value	(C) FMV
Line 10a - Investments - U.S. Obligations			
	0	0.00	0
TOTAL		0.00	0
Line 10b - Investments - Corporate Stock			
ABBOTT LABORATORIES	3,600	70,308.17	137,988
ABBVIE INC	4,646	122,848.02	245,355
ADOBE SYS INC	1,700	49,087.15	101,794
AGL RESOURCES INC.	982	46,375 36	46,380
AIR PRODUCTS & CHEMICALS	250	22,300.53	27,945
AKAMAI TECHNOLOGIES	1,700	76,049.50	80,206
ALTRIA GROUP	7,692	160,041 13	295,296
AMAZON COM	400	69,957.21	159,516
AMGEN INC	1,100	93,099.21	125,488
APPLE COMPUTER	250	131,916 45	140,255
AT&T INC	2,947	104,089.86	103,617
BALL CORP	2,500	113,045 00	129,150
BRISTOL MYERS SQUIBB	1,102	30,465 85	58,571
CABOT OIL & GAS	4,800	48,570.00	186,048
CAMPBELL SOUP	913	37,484 61	39,515
CANADIAN IMPERIAL	373	28,231.20	31,858
CELGENE CORP	1,250	65,113.50	211,210
CENTERPOINT ENERGY	2,939	60,688.88	68,126
CHEVRON CORPORATION	3,217	172,350.98	401,835
CISCO SYSTEMS INC.	1,389	26,403.08	31,155
COCA-COLA COMPANY	10,876	90,897.78	449,288
COLGATE-PALMOLIVE CO	1,500	42,508 83	97,815
COMERICA INC	3,000	99,108 80	142,620
CONAGRA FOODS INC	940	26,354.50	31,678
CONOCOPHILLIPS	4,924	237,352.25	347,881
COVIDIEN PLC	1,800	68,638 69	122,580
CULLEN FROST BANKERS	1,600	76,928 00	119,088
DANAHER CORP	2,200	67,628 80	169,840
DOMINION RESOURCES	792	42,836 55	51,234
DOW CHEMICAL	1,206	40,556.94	53,546
DR PEPPER SNAPPLE	617	27,805 10	30,060
DUKE ENERGY CORP	1,223	83,370 93	84,399
DUPONT EI DE NEMOURS	2,586	117,058.91	168,012
EMC CORP MASS	4,250	64,767.50	106,888
EMERSON ELECTRIC	1,200	57,576 86	84,216
EXXON MOBIL CORP	3,371	30,927 46	341,145
FMC CORP	2,200	54,532 80	166,012
FRANKLIN ELECTRIC INC	2,800	78,617 20	124,992
GENERAL ELECTRIC	4,884	73,285.68	136,899
GENUINE PARTS CO	431	27,311 57	35,855
GLACIER BANCORP	5,500	80,465 13	163,845
GLAXOSMITHKLINE ADR	828	38,683.91	44,207
GOOGLE INC	160	107,672.89	179,314

STATEMENT 4

Hobby Family Foundation			
EIN 76-0489862			
Form 990PF - 2013			
	End of Year		
Balance Sheets - Part II	Shares	(B) Book Value	(C) FMV
HANCOCK HOLDING CO.	3,300	99,398.00	121,044
HASBRO INC	711	26,795 24	39,112
HOME DEPOT	1,600	62,489 89	131,744
HONEYWELL INT'L	900	74,803.93	82,233
HSBC HOLDINGS PLC	991	62,129.54	54,634
INTEL CORP	5,498	136,520 04	142,701
INTERNATIONAL PAPER	675	30,681.11	33,095
ISHARES IBOXX	651	77,537 46	74,336
ISHARES TR HIGH YIELD	834	76,491.64	77,462
ISHARES TR US PREFERRED STOCK	1,800	71,445 03	66,294
JP MORGAN CHASE	2,396	77,552 26	140,118
JARDEN CORP	3,000	99,562.66	184,050
JOHNSON & JOHNSON	1,858	61,878.48	170,174
KIMBERLY CLARK CORP	1,255	89,123.10	131,097
KIRBY CORP	1,750	101,947.00	173,688
KRAFT FOODS GROUP	753	32,521 51	40,594
LILLY ELI & CO	1,046	44,789 09	53,346
LOCKHEED MARTIN CORP	250	22,887 12	37,165
LORILLARD INC	644	30,808 77	32,638
MCDONALDS CORP	482	35,542 20	46,768
MCGRAW HILL CO	800	19,360 25	62,560
MEADWESTVACO CORP	912	25,771.57	33,680
MERCK & CO INC	4,938	149,976 11	247,147
MICROSOFT CORP	3,894	104,208 39	145,675
MONSANTO CO	1,000	67,805 00	116,550
NATIONAL FUEL GAS CO	2,000	93,944 84	142,800
NATIONAL INSTRUMENTS	3,200	65,520 51	102,464
NETAPP INC	3,000	105,998 70	123,420
NEWS CORP CL A	150	1,091.33	2,703
OASIS PETROLEUM	2,800	87,746 40	131,516
PALL CORP	1,000	57,456.71	85,350
PEOPLES UTD FINL INC	2,125	31,598.96	32,130
PEPSICO INC	2,275	66,756 65	188,689
PERKINELMER INC	2,800	89,942 80	115,444
PETSMART INC	1,100	27,952 47	80,025
PFIZER	2,515	53,845 02	77,034
PHILIP MORRIS	5,404	55,171 88	470,851
PHILLIPS 66	850	14,566.17	65,561
PROCTER & GAMBLE	4,943	184,873 28	402,410
RANGE RES CORP	1,800	61,965 24	151,758
RAVEN INDUSTRIES	2,400	65,827 00	98,736
REPUBLIC SERVICES INC	913	31,170.09	30,312
REYNOLDS AMERICAN INC	2,618	122,068.97	130,874
RIO TINTO PLC	300	21,112.43	16,929
ROCKWELL AUTOMATION	1,000	104,841.72	118,160
ROCKWELL COLLINS INC	1,600	87,841 60	118,272
ROPER INDUSTRIES	650	57,282.94	90,142
ROYAL DUTCH SHELL ADR	1,087	79,807 97	81,645

STATEMENT 4

Hobby Family Foundation			
EIN 76-0489862			
Form 990PF - 2013			
	End of Year		
Balance Sheets - Part II	Shares	(B) Book Value	(C) FMV
ROYAL DUTCH SHELL PLC SPONS	1,500	7,548 03	106,905
SABMILLER PLC	300	12,590 00	15,408
SEADRILL LTD	643	29,659 40	26,414
SM ENERGY CO	2,000	86,241 81	166,220
SONOCO PRODS CO	844	28,811 71	35,212
SYSCO CORP	886	26,959.65	31,985
TARGET CORP	1,000	48,560.00	63,270
TEXAS INSTRUMENTS	811	28,409.25	35,611
THERMO FISHER SCIENTIFIC	1,500	54,571.40	167,025
TIFFANY & CO	1,400	76,373 54	129,892
TIME WARNER CABLE INC	280	25,665 41	37,940
TIME WARNER INC	2,000	60,920 00	139,440
TRACTOR SUPPLY CO	2,000	90,031 60	155,160
TRIMBLE NAV LTD	4,200	40,482.00	145,740
TWENTY-FIRST CENTURY	600	8,095 34	21,102
UNITED PARCEL SVC	345	30,268 58	36,253
US BANCORP	2,600	87,300 52	105,040
VERIZON COMMUNICATIONS	2,404	105,991 53	118,133
VF CORP	2,100	81,521.16	130,914
WAL-MART STORES	1,311	81,840.46	103,163
WALGREEN COMPANY	4,500	137,157 22	258,480
WASTE CONNECTIONS INC	2,900	99,448 81	126,527
WASTE MANAGEMENT INC	741	30,054 74	33,249
WELLS FARGO & CO	3,529	115,830 00	160,217
WILLIAMS COS INC	894	29,969 83	34,482
TOTAL	232,394	7,838,023.83	13,551,630
Line 10c - Investments - Corporate Bonds			
Line 15 - Other Assets			
TIFF INVESTMENT PROGRAM	229,878	3,553,188 51	3,737,814
TOTAL		11,391,212 34	17,289,444.09

Hobby Family Foundation
EIN 76-0489862
Form 990PF - 2013
Part VIII

STATEMENT 5

Part VIII, Line 1 - Officers, directors, trustees, foundation managers

(a)	(b)		(c)	(d)	(e)
Name and Address	Title	Ave Hours per Week Devoted to Position	Compensation	Contributions to Emp Benefit Plans & Def Compensation	Expense Account, Other Allowances
Pamela George 2131 San Felipe Houston, TX 77019-5620	Secretary	.5 hour	0	0	0
W P Hobby 2131 San Felipe Houston, TX 77019-5620	Trustee and President	5 hour	0	0	0
Diana P Hobby 2131 San Felipe Houston, TX 77019-5620	Trustee and Vice President	5 hour	0	0	0
Laura H Beckworth 2131 San Felipe Houston, TX 77019-5620	Trustee and Vice President	5 hour	0	0	0
Paul W Hobby 2131 San Felipe Houston, TX 77019-5620	Vice President	5 hour	0	0	0
Cathy Leeson 2131 San Felipe Houston, TX 77019-5620	Treasurer	.5 hour	0	0	0

STATEMENT 6

Part XV, Line 3a - Grants and Contributions Paid During the Year

NAME	PURPOSE	AMOUNT
A.W.A.R.E. Always Wanted A Riding Experience 1708 Center Point Road San Marcos, TX 78666	Cont.-Operating Expenses	5,000.00
AHAVA MINISTRIES 9658 CR 501 BAYFIELD CO 81122	Cont.-Operating Expenses	1,000.00
American Red Cross Greater Houston Chapter 2700 Southwest Freeway Houston, TX 77001-0397	Cont.-Operating Expenses	10,000.00
Assistive Media Attn: David Erdody 400 Maynard St., Suit 603 Ann Arbor MI 48104	Cont.-Operating Expenses	500.00
Baylor College of Medicine Office of Development One Baylor Plaza, MS: BCM 160 Houston, TX 77030	Capital Campaign	200,000.00
Center for Public Policy Priorities 7020 Easy Wind Drive., Suite 200 Austin, TX 78752	Capital Campaign	25,000.00
Central Texas Medical Center Foundation 1315 IH 35 North San Marcos, TX 78666	Cont.-Operating Expenses	10,000.00
Chatham Hall 800 Chatham Hall Circle Chatham, VA 24531-3085	Endowed Dept. Chair	240,000.00
College Foundation c/o UVa Gift Accounting P.O. Box 400807 Charlottesville, VA 22904-4807	Capital Campaign	25,000.00
College Foundation c/o UVa Gift Accounting P.O. Box 400807 Charlottesville, VA 22904-4807	Capital Campaign	100,000.00
DALE VOLUNTEER FIRE DEPT. P.O. BOX 52 DALE TX 78616	Cont.-Operating Expenses	1,000.00

STATEMENT 6

Part XV, Line 3a - Grants and Contributions Paid During the Year

NAME	PURPOSE	AMOUNT
Daughters Of The Republic Of Texas 510 East Anderson Lane Austin TX 78752	Cont.-Operating Expenses	5,000.00
Del Valle High School 5201 Ross Road Del Valle TX 78617	Cont.-Operating Expenses	500.00
EISENHOWER FOUNDATION P.O. BOX 295 ABILENE KS 67410	Cont.-Operating Expenses	5,000.00
Emmanuel Episcopal Church 117 North Church Street Lockhart, TX 78644	Cont.-Operating Expenses	5,000.00
Fellowship of Christian Athletes, The 1 Riverway, Suite 900 Houston, TX 77056	Cont.-Operating Expenses	10,000.00
Fellowship of Christian Athletes, The 1 Riverway, Suite 900 Houston, TX 77056	Cont.-Operating Expenses	5,000.00
Friends of the National World War II Memorial Attn: General Kicklighter, Chair 703 13th St., NW, Suite 800 Washington DC 20005	Capital Campaign	1,000.00
Gay Hill Volunteer Fire Department c/o Donald Schroeder 1650 Affleck Brenham, TX 77833	Cont.-Operating Expenses	1,000.00
GREATER HOUSTON PARTNERSHIP FOUNDATION 1200 Smith Street, Suite 700 Houston TX 77002	Cont.-Operating Expenses	5,000.00
Greater San Marcos Youth Council Inc. Attn: Julia New P.O. Box 1455 San Marcos TX 78667-1455	Cont.-Operating Expenses	10,000.00
Greater San Marcos Youth Council Inc. Attn: Julia New P.O. Box 1455 San Marcos TX 78667-1455	Cont.-Operating Expenses	500.00
HABITAT FOR HUMANITY - SAN MARCOS P.O. BOX 1594 SAN MARCOS TX 78666	Cont.-Operating Expenses	5,000.00

STATEMENT 6

Part XV, Line 3a - Grants and Contributions Paid During the Year

NAME	PURPOSE	AMOUNT
Hays County Attn: Vickie Dorsett 712 S. Stagecoach Trail, #1071 San Marcos TX 78666	Cont.-Operating Expenses	10,000.00
Hays County Area Food Bank 220 Herndon St. San Marcos, TX 78666	Cont.-Operating Expenses	5,000.00
Hays County Area Food Bank 220 Herndon St. San Marcos, TX 78666	Cont.-Operating Expenses	1,500.00
Hays County Community Health Foundation c/o Bowie Elem School/Vicky Wilson 4020 Monterrey Oak San Marcos, TX 78666	Cont.-Operating Expenses	5,000.00
Hays-Caldwell Women's Center P.O. Box 234 San Marcos, TX 78667	Cont.-Operating Expenses	5,000.00
HOLOCAUST MUSEUM HOUSTON 5401 CAROLINE STREET HOUSTON TX 77004-6804	Cont.-Operating Expenses	1,000.00
I AM WATERS FOUNDATION 3262 WESTHEIMER, BOX 229 HOUSTON TX 77098	Cont.-Operating Expenses	5,000.00
Kinkaid School 201 Kinkaid Drive Houston TX 77024	Cont.-Operating Expenses	10,000.00
KUT 90.5 University of Texas at Austin 1 University Station A0704 Austin, TX 78712	Cont.-Operating Expenses	5,000.00
Lady Bird Johnson Wildflower Center 4801 La Crosse Avenue Austin, TX 78739	Cont.-Operating Expenses	25,000.00
LBJ Museum of San Marcos 120 West Hopkins, Ste. 200 San Marcos, TX 78666	Cont.-Operating Expenses	10,000.00
Lilith Fund P.O. Box 684949 Austin TX 78768-4949	Cont.-Operating Expenses	5,000.00

STATEMENT 6

Part XV, Line 3a - Grants and Contributions Paid During the Year

NAME	PURPOSE	AMOUNT
McDonald Observatory - Univ of Texas at Austi Attention: David Lambert 1 University Station, C1402 Austin TX 78712-0259	Cont.-Operating Expenses	25,000.00
MD Anderson Foundation Development Office 6900 Fannin, 6th Floor Houston TX 77030	Cont.-Operating Expenses	1,500.00
Memorial Hermann Foundation 959 Gessner St., Suite 2650 Houston, TX 77024	Capital Campaign	5,000.00
Memorial Hermann Foundation 959 Gessner St., Suite 2650 Houston, TX 77024	Cont.-Operating Expenses	10,000.00
Menil Foundation, Inc. 1515 Branard Houston TX 77006	Capital Campaign	200,000.00
Methodist Hospital Foundation P.O. Box 4384 Houston, TX 77210-4384	Capital Campaign	10,000.00
MID-COUNTY VOLUNTEER FIRE DEPT. P.O. BOX 103 LOCKHART TX 78644	Cont.-Operating Expenses	500.00
NAU CENTER FOR TEXAS CULTURAL HERITAGE P.O. BOX 3404 HOUSTON TX 77253-3404	Capital Campaign	15,000.00
New Hope Baptist Church 2200 FM 390 W Gay Hill, TX 77833	Cont.-Operating Expenses	1,000.00
P.A.W.S. Shelter for Animals 48 Hwy 150 East Kyle, TX 78640	Cont.-Operating Expenses	5,000.00
Pin Oak Charity Horse Show Association 2501 South Mason Road, Suite 410 Katy, TX 77218	Cont.-Operating Expenses	5,000.00
Pines and Prairies Land Trust 106 Conference Drive Bastrop, TX 78602	Cont.-Operating Expenses	5,000.00

STATEMENT 6

Part XV, Line 3a - Grants and Contributions Paid During the Year

NAME	PURPOSE	AMOUNT
Salvation Army Disaster Relief Dallas Command P.O. Box 36607 Dallas TX 75235-6607	Cont.-Operating Expenses	2,500.00
SAN JACINTO MUSEUM OF HISTORY ONE MONUMENT CIRCLE LA PORTE TX 77571-9585	Cont.-Operating Expenses	25,000.00
San Marcos Citizens Police Academy Alumni Ass 2300 IH 35 South San Marcos TX 78666	Cont.-Operating Expenses	5,000.00
San Marcos Citizens Police Academy Alumni Ass 2300 IH 35 South San Marcos TX 78666	Cont.-Operating Expenses	5,000.00
San Marcos Educational Foundation 500 W. Hutchison San Marcos, TX 78666	Cont.-Operating Expenses	5,000.00
San Marcos Greenbelt Alliance P.O. Box 1572 San Marcos, TX 78666-1572	Cont.-Operating Expenses	5,000.00
San Marcos River Foundation P.O. Box 1393 San Marcos, TX 78667-1393	Cont.-Operating Expenses	5,000.00
SOLID ROCK CHURCH 2500 HUNTER ROAD SAN MARCOS TX 78666	Cont.-Operating Expenses	5,000.00
SOUTH AUSTIN OPTIMIST LITTLE LEAGUE P.O. BOX 150158 AUSTIN TX 78715	Cont.-Operating Expenses	10,000.00
St. John's School 2401 Claremont Lane Houston TX 77019-5897	Cont.-Operating Expenses	2,500.00
St. John's School 2401 Claremont Lane Houston TX 77019-5897	Capital Campaign	500,000.00
St. John's School 2401 Claremont Lane Houston TX 77019-5897	Capital Campaign	300,000.00

STATEMENT 6

Part XV, Line 3a - Grants and Contributions Paid During the Year

NAME	PURPOSE	AMOUNT
TELLURIDE FOUNDATION 220 E. COLORADO AVE., SUITE 106 P.O. BOX 422 TELLURIDE CO 81435	Cont.-Operating Expenses	5,000.00
TEXAS EXES SCHOLARSHIP FOUNDATION 2110 SAN JACINTO BLVD. AUSTIN TX 78712	Cont.-Operating Expenses	10,000.00
TEXAS SOUTHERN UNIVERSITY 3100 CLEBURNE STREET HOUSTON TX 77004	Cont.-Operating Expenses	2,500.00
Univ of NC Arts & Sciences Foundation 134 E. Franklin St. CB #6115 UNC - CH Chapel Hill NC 27599-6115	Cont.-Operating Expenses	25,000.00
UNIV. OF TEXAS - COLLEGE OF FINE ARTS 2305 TRINITY STREET, DFA 2.4, STOP D1400 AUSTIN TX 78712-1424	Cont.-Operating Expenses	1,000.00
Univ. of Texas System Chancellor's Council 601 Colorado Street Austin TX 78701-2982	Cont.-Operating Expenses	10,000.00
UNIV. OF VIRGINIA-SCHOOL OF ARCHITECTURE OFFICE OF DEVELOP. & PUBLIC AFFAIRS P.O. BOX 400807 CHARLOTTESVILLE VA 22904	Cont.-Operating Expenses	50,000.00
University of Notre Dame P. O. Box 519 Notre Dame IN 46556-9988	Cont.-Operating Expenses	5,000.00
University of Texas Law School Foundation University of Texas 727 E. Dean Keeton St. Austin, TX 78705	Capital Campaign	50,000.00
University of Texas Law School Foundation University of Texas 727 E. Dean Keeton St. Austin, TX 78705	Cont.-Operating Expenses	10,800.00
University of Texas Law School Foundation University of Texas 727 E. Dean Keeton St. Austin, TX 78705	Cont.-Operating Expenses	45,000.00

STATEMENT 6

Part XV, Line 3a - Grants and Contributions Paid During the Year

NAME	PURPOSE	AMOUNT
Wake Forest University Post Office Box 7226 Winston-Salem, NC 27109-7226	Cont.-Operating Expenses	10,000.00
Washington County Fair Association 1305 E. Blue Bell Road, Suite 110 Brenham TX 77833	Cont.-Operating Expenses	1,000.00
WIKIMEDIA FOUNDATION, INC. P.O. BOX 98204 WASHINGTON DC 20090-8204	Cont.-Operating Expenses	5,000.00
	TOTAL DONATIONS MADE	2,141,300.00

Hobby Family Foundation
EIN 76-0489862
Form 990PF - 2013

STATEMENT 7

Part XV, Line 3b - Grants and contributions approved for future payment

Name and Address	Purpose	Amount
American Red Cross Greater Houston Chapter 2700 Southwest Freeway Houston, TX 77001-0397	Capital Campaign	10,000
Baylor College of Medicine One Baylor Plaza, MS· BCM 160 Houston, TX 77030	Capital Campaign	400,000
Buffalo Bayou Partnership 1113 Vine Street, Suite 200 Houston, TX 77002	Capital Campaign	500,000
Center for Public Policy Priorities 7020 Easy Wind Drive , Suite 200 Austin, TX 78752	Capital Campaign	25,000
College Foundation c/o UVA Gift Accounting P.O Box 400807 Charlottesville, VA 22904-4807	Capital Campaign	75,000
Friends of the National World War II Memorial 703 13th St., NW Suite 800 Washington, DC 20005	Capital Campaign	2,000
Menil Foundation, Inc. 1515 Branard Houston, TX 77006	Capital Campaign	800,000
Nau Center for Texas Cultural Heritage P O Box 3404 Houston, TX 77253-3404	Capital Campaign	15,000
St. John's School 2401 Claremont Lane Houston, TX 77019-5897	Capital Campaign	1,425,000
University of Texas Law School Foundation University of Texas 727 E Dean Keeton St. Austin, TX 78705	Capital Campaign	298,385
University of Virginia - School of Architecture Office of Development & Public Affairs P O Box 400807 Charlottesville, VA 22904	Capital Campaign	75,000
		3,625,385

STATEMENT 8

Hobby Family Foundation						
EIN 76-0489862						
Form 990PF - 2013						
Part IV - Capital Gains and Losses for Tax on Investment Income						
	How	Date	Date	Gross		
Description	Acquired	Acquired	Sold	Sales Price	Cost	Gain(Loss)
Short-Term Capital Gains						
Publicly Traded Securities				1,589,593	1,500,796	88,797
Long-Term Capital Gains						
Publicly Traded Securities				1,822,318	1,392,334	429,984
TIFF Multi-Asset Fund				402,010	338,473	63,537
Subtotal - Capital Gains per Part IV Detail				3,813,921	3,231,603	582,318
Capital Gain Distributions				268,197		268,197
Total				4,082,118	3,231,603	850,516

STATEMENT 8

Hobby Family Foundation							
EIN 76-0489862							
Form 990PF - 2013							
Part IV - Capital Gains and Losses for Tax on Investment Income							
Description	Par Value/ Shares	How Acquired	Date Acquired	Date Sold	Gross Sales Price	Cost	Capital Gain(Loss)
SHORT-TERM CAPITAL GAINS(LOSSES)							
Avalon-Equity Income							
CONSOLIDATED EDISON HLDG CO INC	632	P	08/14/12	01/07/13	35,607.79	39,978.30	(4,370 51)
SCANA CORP NEW	652	P	08/14/12	01/08/13	29,867 19	32,024.15	(2,156 96)
HEINZ H J CO *CASH PAYMENT AT $72 50 PER SHARE*	1229	P	08/14/12	02/14/13	89,137.62	68,404.29	20,733 33
STAPLES INC	1435	P	01/17/13	02/19/13	20,330.05	18,493 71	1,836 34
MONDELEZ INTL INC COM	1709	P	08/14/12	03/08/13	48,611.75	45,413 79	3,197 96
REYNOLDS AMERN INC	918	P	08/14/12	03/12/13	39,236 92	42,803 40	(3,566.48)
ROYAL DUTCH SHELL ADR EA REP 2 CL B EURO 07	381	P	08/14/12	03/12/13	25,791.14	27,973 17	(2,182 03)
ALTRIA GROUP INC	1505	P	08/14/12	03/12/13	51,381.05	53,412.30	(2,031 25)
VODAFONE GROUP SPON ADR	386	P	08/14/12	03/12/13	10,622.48	11,583.28	(960 80)
AT&T INC COM	1033	P	08/14/12	03/12/13	37,871 31	38,529.86	(658 55)
GLAXOSMITHKLINE ADR	290	P	08/14/12	03/12/13	12,931.65	13,548.71	(617 06)
SOUTHERN CO	361	P	08/14/12	03/12/13	16,270.73	16,836 53	(565 80)
DOW CHEMICAL CO	424	P	01/07/13	03/12/13	14,004.99	14,258 82	(253 83)
LOCKHEED MARTIN CORP	156	P	08/14/12	03/12/13	14,045 92	14,281.57	(235 65)
ABBVIE INC COM USD0 01	265	P	02/19/13	03/12/13	9,902.82	10,126.53	(223.71)
DR PEPPER SNAPPLE GROUP INC COM	217	P	08/14/12	03/12/13	9,585 56	9,779.11	(193 55)
DUKE ENERGY CORP	153	P	03/07/13	03/12/13	10,613.74	10,654 90	(41 16)
ISHARES IBOXX INVESTMENT GRADE CORPORATE BOND ETF	161	P	08/14/12	03/12/13	19,176 76	19,208 68	(31 92)
ISHARES IBOXX INVESTMENT GRADE CORPORATE BOND ETF		P		Wash Sale	0 00	(29 14)	29 14
CENTERPOINT ENERGY INC	366	P	03/08/13	03/12/13	7,949 92	7,971 00	(21 08)
TIME WARNER CABLE INC COM	98	P	11/19/12	03/12/13	8,970.94	8,982.90	(11 96)
TEXAS INSTRUMENTS INC	285	P	03/08/13	03/12/13	10,069 19	9,983.52	85 67
KRAFT FOODS GROUP INC COM NPV	24	P	11/19/12	03/12/13	1,206 51	1,076 36	130 15
CONOCOPHILLIPS	231	P	03/07/13	03/12/13	13,553.32	13,405 65	147 67
CONOCOPHILLIPS	198	P	08/14/12	03/12/13	11,617 13	11,367 12	250 01
KRAFT FOODS GROUP INC COM NPV	241	P	03/07/13	03/12/13	12,115.35	11,827.51	287 84
JOHNSON & JOHNSON	129	P	02/14/13	03/12/13	10,104 34	9,789 80	314 54
DUKE ENERGY CORP	276	P	08/14/12	03/12/13	19,146.35	18,814.70	331 65
ISHARES US PREFERREDSTOCK ETF	503	P	08/14/12	03/12/13	20,235 23	19,858 29	376 94
DOMINION RESOURCES INC VA NEW	234	P	08/14/12	03/12/13	13,063.01	12,541 74	521 27
PINNACLE WEST CAP CP	169	P	08/14/12	03/12/13	9,572 35	9,019.28	553 07
ISHARES IBOXX HIGH YIELD CORPORATE BONDETF	292	P	08/14/12	03/12/13	27,445 04	26,781 25	663 79
CANADIAN IMPERIAL BANK OF COMMERCE	115	P	08/14/12	03/12/13	9,332 04	8,665 23	666 81
CENTERPOINT ENERGY INC	668	P	08/14/12	03/12/13	14,509.70	13,793.86	715 84
MARSH & MCLENNAN COS	284	P	08/14/12	03/12/13	10,446.10	9,641 43	804 67
SYSCO CORP	311	P	08/14/12	03/12/13	10,401.16	9,463 26	937 90
WEINGARTEN RLTY INVS SH BEN INT	325	P	08/14/12	03/12/13	9,903.27	8,930 64	972 63
HASBRO INC	250	P	08/14/12	03/12/13	10,506 01	9,421 68	1,084 33
CISCO SYS INC	487	P	08/30/12	03/12/13	10,490 71	9,257.24	1,233 47
VENTAS INC	197	P	08/14/12	03/12/13	13,872.87	12,556 43	1,316 44
MAXIM INTEGRATED PRODS INC	319	P	11/14/12	03/12/13	10,268.88	8,934 39	1,334 49

STATEMENT 8

Hobby Family Foundation							
EIN 76-0489862							
Form 990PF - 2013							
Part IV - Capital Gains and Losses for Tax on Investment Income							
	Par Value/	How	Date	Date	Gross		Capital
Description	Shares	Acquired	Acquired	Sold	Sales Price	Cost	Gain(Loss)
CINEMARK HLDGS INC COM	391	P	08/14/12	03/12/13	10,670 85	9,312.29	1,358 56
WALGREEN COMPANY	262	P	08/29/12	03/12/13	10,731.27	9,287.61	1,443 66
MARATHON OIL CORP	246	P	08/14/12	03/12/13	8,335.52	6,744.95	1,590 57
HCP INC COM	472	P	08/14/12	03/12/13	23,142 73	21,371 65	1,771 08
KIMBERLY CLARK CORP	160	P	08/14/12	03/12/13	15,052.46	13,268 35	1,784 11
GENUINE PARTS CO	152	P	08/14/12	03/12/13	11,449 90	9,631.92	1,817 98
CONAGRA FOODS INC	330	P	10/24/12	03/12/13	11,422.72	9,252 11	2,170 61
NATIONAL RETAIL PPTYS INC COM	471	P	08/14/12	03/12/13	16,388.08	14,022.03	2,366.05
MEADWESTVACO CORP	320	P	08/14/12	03/12/13	11,712.95	9,042.66	2,670 29
INTL PAPER CO	257	P	08/14/12	03/12/13	11,952 83	8,799.35	3,153 48
VERIZON COMMUNICATIONS	843	P	08/14/12	03/12/13	40,607 65	37,343 89	3,263 76
PROCTER & GAMBLE CO	210	P	06/20/12	03/12/13	16,172.26	12,627.24	3,545 02
LILLY ELI & CO	366	P	08/14/12	03/12/13	20,123.39	15,671 90	4,451 49
MARATHON OIL CORP	701	P	08/14/12	03/19/13	23,952 98	19,220.37	4,732 61
WALGREEN COMPANY	748	P	08/29/12	03/28/13	35,366 36	26,515 78	8,850 58
MARSH & MCLENNAN COS	812	P	08/14/12	05/09/13	31,940.27	27,566 35	4,373 92
MAXIM INTEGRATED PRODS INC	909	P	11/14/12	06/17/13	25,716 71	25,458 82	257 89
INTL PAPER CO	734	P	08/14/12	06/17/13	33,585 64	25,131 20	8,454 44
HCP INC COM	217	P	06/06/13	08/12/13	9,111.71	10,178 60	(1,066 89)
HCP INC COM	87	P	08/14/12	08/12/13	3,653 08	3,933 36	(280 28)
VENTAS INC	92	P	08/14/12	08/12/13	5,916 20	5,863 91	52 29
LOCKHEED MARTIN CORP	76	P	08/14/12	08/12/13	9,400 70	6,957 69	2,443 01
COVANTA HLDG CORP COM	818	P	06/17/13	10/30/13	14,000 55	16,610.59	(2,610 04)
COVANTA HLDG CORP COM	346	P	08/12/13	10/30/13	5,922 00	7,219 45	(1,297 45)
COVANTA HLDG CORP COM	235	P	09/18/13	10/30/13	4,022.17	5,044.34	(1,022 17)
NATIONAL RETAIL PPTYS INC COM	319	P	06/17/13	12/13/13	9,650.82	11,492 80	(1,841 98)
Subtotal					**1,179,770.69**	**1,106,934.45**	**72,836.24**
Luther King							
TIFFANY & COMPANY	70	P	05/24/12	01/31/13	4,592 83	3,978.10	614 73
TIFFANY & COMPANY	30	P	05/24/12	01/31/13	1,968.36	1,704 90	263.46
TIFFANY & COMPANY	200	P	05/24/12	01/31/13	13,122.39	11,368 00	1,754 39
GOOGLE INC CL A	30	P	11/07/12	02/22/13	23,868 16	20,188.67	3,679 49
NATIONAL FUEL GAS CO N J COM	300	P	05/03/12	04/30/13	18,618.31	13,889.34	4,728 97
NATIONAL FUEL GAS CO N J COM	97	P	05/03/12	04/30/13	6,022.60	4,490 89	1,531 71
NATIONAL FUEL GAS CO N J COM	3	P	05/03/12	04/30/13	186 30	138 89	47 41
NATIONAL FUEL GAS CO N J COM	100	P	05/03/12	04/30/13	6,205.87	4,629.78	1,576 09
NATIONAL FUEL GAS CO N J COM	100	P	05/03/12	04/30/13	6,206.86	4,629 78	1,577 08
TIFFANY & COMPANY	500	P	05/24/12	04/30/13	36,857 42	28,414 50	8,442 92
JARDEN CORP COM	150	P	10/31/12	05/08/13	7,089.79	4,975.00	2,114 79
JARDEN CORP COM	100	P	10/31/12	05/08/13	4,726.52	3,316.00	1,410 52
JARDEN CORP COM	50	P	10/31/12	05/08/13	2,363 11	1,658.00	705 11
JARDEN CORP COM	46	P	10/31/12	05/08/13	2,174.07	1,525.36	648 71

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Hobby Family Foundation							
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Form 990PF - 2013							
Part IV - Capital Gains and Losses for Tax on Investment Income							
	Par Value/	How	Date	Date	Gross		Capital
Description	Shares	Acquired	Acquired	Sold	Sales Price	Cost	Gain(Loss)
JARDEN CORP COM	104	P	10/31/12	05/08/13	4,913 28	3,448 64	1,464 64
INTERNATIONAL BUSINESS MACHS CORP COM	400	P	12/19/12	11/21/13	73,626 31	78,332 00	(4,705 69)
BOK FINANCIAL CORP NEW	1,300 00	P	05/08/13	11/26/13	82,117.56	84,957.00	(2,839 44)
MARTIN MARIETTA MATLS INC COM	1,150 00	P	07/19/13	12/31/13	115,162 63	122,216.30	(7,053 67)
Subtotal					**409,822.37**	**393,861.15**	**15,961.22**
Total Short-Term Capital Gain					**1,589,593.06**	**1,500,795.60**	**88,797.46**
LONG-TERM CAPITAL GAINS(LOSSES)							
Luther King							
HOME DEPOT INC COM	400	P	02/07/05	01/08/13	25,275.63	16,529.14	8,746 49
ADOBE SYS INC COM	800	P	07/15/10	01/08/13	30,282.11	22,534 48	7,747 63
ADOBE SYS INC COM	100	P	07/15/10	01/08/13	3,782.92	2,816.81	966 11
COVIDIEN PLC SHS NEW	100	P	10/13/10	01/08/13	5,923 79	4,100.50	1,823 29
COVIDIEN PLC SHS NEW	100	P	10/13/10	01/08/13	5,923.78	4,101 00	1,822 78
COVIDIEN PLC SHS NEW	100	P	10/13/10	01/08/13	5,923 78	4,101.00	1,822 78
COVIDIEN PLC SHS NEW	100	P	10/13/10	01/08/13	5,923.78	4,101.00	1,822 78
COVIDIEN PLC SHS NEW	200	P	10/13/10	01/08/13	11,847 57	8,203 00	3,644 57
PROCTER & GAMBLE CO COM	100	P	01/18/11	01/08/13	6,842.47	6,555 00	287 47
PROCTER & GAMBLE CO COM	100	P	01/18/11	01/08/13	6,842 48	6,555 00	287 48
PROCTER & GAMBLE CO COM	100	P	01/18/11	01/08/13	6,842 48	6,557 00	285 48
NATIONAL OILWELL VARCO INC	84	P	05/11/11	01/09/13	5,830 64	5,757.36	73 28
NATIONAL OILWELL VARCO INC	800	P	05/11/11	01/09/13	55,529.95	54,805.68	724 27
NATIONAL OILWELL VARCO INC	16	P	05/11/11	01/09/13	1,110.60	1,096 16	14 44
NATIONAL OILWELL VARCO INC	84	P	05/11/11	01/09/13	5,830 31	5,754 84	75 47
NATIONAL OILWELL VARCO INC	16	P	05/11/11	01/09/13	1,110.54	1,096 00	14 54
NATIONAL OILWELL VARCO INC	84	P	05/11/11	01/09/13	5,828 63	5,754.00	74 63
NATIONAL OILWELL VARCO INC	16	P	05/11/11	01/09/13	1,110.22	1,098 00	12 22
NATIONAL OILWELL VARCO INC	65	P	11/17/11	01/09/13	4,511 81	4,544 80	(32 99)
NATIONAL OILWELL VARCO INC	400	P	11/17/11	01/09/13	27,764 97	27,970 84	(205 87)
NATIONAL OILWELL VARCO INC	100	P	11/17/11	01/09/13	6,941.24	6,992.00	(50 76)
NATIONAL OILWELL VARCO INC	35	P	11/17/11	01/09/13	2,429 44	2,449 20	(19 76)
CABOT OIL & GAS CORP COM	400	P	06/02/06	01/31/13	21,132.92	4,347 67	16,785 25
NUANCE COMMUNICATIONS INC COM	200	P	12/21/07	01/31/13	4,801 69	3,532.00	1,269 69
NUANCE COMMUNICATIONS INC COM	300	P	01/25/08	01/31/13	7,202 54	4,464 17	2,738 37
CULLEN FROST BANKERS	200	P	09/19/11	01/31/13	11,721 43	9,616 00	2,105 43
CULLEN FROST BANKERS	100	P	09/19/11	01/31/13	5,862 12	4,808.00	1,054 12
CULLEN FROST BANKERS	100	P	09/19/11	01/31/13	5,860 12	4,810 00	1,050 12
CELGENE CORP	100	P	12/06/10	02/22/13	10,097 28	5,514 00	4,583 28
CELGENE CORP	50	P	12/06/10	02/22/13	5,048.64	2,757 00	2,291 64
CELGENE CORP	50	P	02/11/11	02/22/13	5,048 64	2,605.50	2,443 14
NATIONAL INSTRS CORP COM	400	P	08/26/09	02/22/13	11,884.13	6,961.54	4,922 59
NATIONAL INSTRS CORP COM	400	P	08/26/09	02/22/13	11,887.73	6,961 54	4,926 19
GLACIER BANCORP INC NEW COM	200	P	03/31/11	03/14/13	3,661 91	3,022.69	639 22

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Hobby Family Foundation
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Part IV - Capital Gains and Losses for Tax on Investment Income

Description	Par Value/ Shares	How Acquired	Date Acquired	Date Sold	Gross Sales Price	Cost	Capital Gain(Loss)
GLACIER BANCORP INC NEW COM	700	P	03/31/11	03/14/13	12,820 21	10,579 43	2,240 78
GLACIER BANCORP INC NEW COM	100	P	03/31/11	03/14/13	1,828 96	1,511 35	317 61
CABOT OIL & GAS CORP COM	300	P	06/02/06	04/30/13	20,288 04	3,260 75	17,027 29
WALGREEN CO	500	P	06/04/07	04/30/13	24,515.19	22,765 77	1,749 42
FOSTER WHEELER AG COM	600	P	08/30/10	04/30/13	12,549.72	13,044.36	(494 64)
FOSTER WHEELER AG COM	200	P	08/30/10	04/30/13	4,183.91	4,348 12	(164 21)
GLACIER BANCORP INC NEW COM	100	P	03/31/11	04/30/13	1,826.96	1,511.35	315 61
GLACIER BANCORP INC NEW COM	100	P	03/31/11	04/30/13	1,826.96	1,511 35	315 61
GLACIER BANCORP INC NEW COM	100	P	03/31/11	04/30/13	1,826.96	1,511 35	315 61
GLACIER BANCORP INC NEW COM	100	P	03/31/11	04/30/13	1,826.96	1,511.35	315 61
GLACIER BANCORP INC NEW COM	100	P	03/31/11	04/30/13	1,826.96	1,511.35	315 61
GLACIER BANCORP INC NEW COM	100	P	03/31/11	04/30/13	1,826.96	1,511 35	315 61
GLACIER BANCORP INC NEW COM	200	P	03/31/11	04/30/13	3,653 92	3,022 69	631 23
GLACIER BANCORP INC NEW COM	100	P	03/31/11	04/30/13	1,826 96	1,511 35	315 61
GLACIER BANCORP INC NEW COM	100	P	03/31/11	04/30/13	1,826 96	1,511.35	315 61
GLACIER BANCORP INC NEW COM	100	P	03/31/11	04/30/13	1,824 96	1,511 35	313 61
GLACIER BANCORP INC NEW COM	1,100 00	P	03/31/11	04/30/13	20,096 53	16,624 80	3,471 73
GLACIER BANCORP INC NEW COM	200	P	03/31/11	04/30/13	3,653 92	3,022 69	631 23
GLACIER BANCORP INC NEW COM	100	P	03/31/11	04/30/13	1,826 96	1,511 34	315 62
FOSTER WHEELER AG COM	200	P	11/16/11	04/30/13	4,183 91	4,154 00	29 91
FOSTER WHEELER AG COM	100	P	11/16/11	04/30/13	2,091.95	2,077.00	14 95
FOSTER WHEELER AG COM	100	P	11/16/11	04/30/13	2,091 95	2,076 00	15 95
FOSTER WHEELER AG COM	500	P	11/16/11	04/30/13	10,459.76	10,384.05	75 71
FOSTER WHEELER AG COM	500	P	11/16/11	04/30/13	10,459 77	10,384 05	75 72
FOSTER WHEELER AG COM	100	P	11/16/11	04/30/13	2,091 95	2,076 00	15 95
FOSTER WHEELER AG COM	100	P	11/16/11	04/30/13	2,091.95	2,076.00	15 95
FOSTER WHEELER AG COM	200	P	11/16/11	04/30/13	4,183 91	4,152 00	31 91
FOSTER WHEELER AG COM	100	P	11/16/11	04/30/13	2,091 95	2,077.00	14 95
FOSTER WHEELER AG COM	300	P	02/01/12	04/30/13	6,275 87	7,071 00	(795 13)
FOSTER WHEELER AG COM	100	P	02/01/12	04/30/13	2,091 95	2,357 00	(265 05)
FOSTER WHEELER AG COM	100	P	02/01/12	04/30/13	2,091 95	2,357 00	(265 05)
FOSTER WHEELER AG COM	2,400 00	P	02/01/12	04/30/13	50,206 86	56,563 44	(6,356 58)
FOSTER WHEELER AG COM	100	P	02/01/12	04/30/13	2,091 95	2,359.00	(267 05)
RANGE RES CORP COM	100	P	03/17/06	05/08/13	7,457.50	2,505 00	4,952 50
RANGE RES CORP COM	100	P	03/17/06	05/08/13	7,457.51	2,504 00	4,953 51
RANGE RES CORP COM	200	P	03/17/06	05/08/13	14,915.02	5,008 00	9,907 02
RANGE RES CORP COM	200	P	03/17/06	05/08/13	14,915 02	5,006.00	9,909 02
CABOT OIL & GAS CORP COM	400	P	06/02/06	05/08/13	27,158.29	4,347.00	22,811 29
CABOT OIL & GAS CORP COM	300	P	06/02/06	05/08/13	20,368 71	3,260 75	17,107 96
THERMO FISHER SCIENTIFIC INC	400	P	04/18/08	05/08/13	33,314.29	21,440 80	11,873 49
MONSANTO CO NEW COM	50	P	06/07/10	05/08/13	5,380.03	2,512.32	2,867 71
ADOBE SYS INC COM	300	P	07/15/10	05/08/13	13,569.44	8,450.43	5,119 01
ADOBE SYS INC COM	100	P	08/04/10	05/08/13	4,523 15	2,972 00	1,551 15
MONSANTO CO NEW COM	100	P	03/10/11	05/08/13	10,760 06	6,781 00	3,979 06

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Part IV - Capital Gains and Losses for Tax on Investment Income							
	Par Value/	How	Date	Date	Gross		Capital
Description	Shares	Acquired	Acquired	Sold	Sales Price	Cost	Gain(Loss)
MONSANTO CO NEW COM	100	P	03/10/11	05/08/13	10,760.05	6,781.00	3,979 05
MONSANTO CO NEW COM	100	P	03/10/11	05/08/13	10,760 05	6,783.00	3,977 05
NUANCE COMMUNICATIONS INC COM	1,900 00	P	01/25/08	07/19/13	36,013.86	28,273.09	7,740 77
NUANCE COMMUNICATIONS INC COM	1,100.00	P	01/25/08	07/19/13	20,855.64	16,368.63	4,487 01
NUANCE COMMUNICATIONS INC COM	200	P	01/25/08	07/19/13	3,789.94	2,976.11	813 83
NUANCE COMMUNICATIONS INC COM	400	P	08/21/09	07/19/13	7,581 85	4,904 00	2,677 85
NUANCE COMMUNICATIONS INC COM	200	P	08/21/09	07/19/13	3,790 93	2,452.00	1,338 93
NUANCE COMMUNICATIONS INC COM	100	P	08/21/09	07/19/13	1,895 47	1,226.00	669 47
NUANCE COMMUNICATIONS INC COM	100	P	08/21/09	07/19/13	1,895.47	1,226 00	669 47
NUANCE COMMUNICATIONS INC COM	100	P	08/21/09	07/19/13	1,895 47	1,226 00	669 47
NUANCE COMMUNICATIONS INC COM	200	P	08/21/09	07/19/13	3,790.93	2,452.00	1,338 93
NUANCE COMMUNICATIONS INC COM	100	P	08/21/09	07/19/13	1,895.47	1,226 00	669 47
NUANCE COMMUNICATIONS INC COM	100	P	08/21/09	07/19/13	1,895 47	1,228.00	667 47
MALLINCKRODT PUB LTD CO	12.5	P	10/13/10	07/19/13	538.60	358 49	180 11
MALLINCKRODT PUB LTD CO	12.5	P	10/13/10	07/19/13	538 60	358.53	180 07
MALLINCKRODT PUB LTD CO	75	P	10/13/10	07/19/13	3,231.60	2,151 10	1,080 50
MALLINCKRODT PUB LTD CO	1.25	P	12/14/11	07/19/13	53 87	37 24	16 63
MALLINCKRODT PUB LTD CO	3 625	P	12/14/11	07/19/13	156.19	107.49	48 70
MALLINCKRODT PUB LTD CO	100	P	12/14/11	07/19/13	4,308.80	2,966 05	1,342 75
MALLINCKRODT PUB LTD CO	7.625	P	12/14/11	07/19/13	328 55	226 11	102 44
MALLINCKRODT PUB LTD CO	12.5	P	12/14/11	07/19/13	538 60	370.64	167 96
ALLERGAN INC COM	700	P	03/08/12	07/30/13	63,563 96	64,357 97	(794 01)
ADOBE SYS INC COM	100	P	08/04/10	09/05/13	4,680 66	2,971 00	1,709 66
ADOBE SYS INC COM	100	P	08/04/10	09/05/13	4,680 67	2,971 00	1,709 67
ADOBE SYS INC COM	100	P	08/04/10	09/05/13	4,680.67	2,971 00	1,709 67
ADOBE SYS INC COM	100	P	08/04/10	09/05/13	4,680 67	2,971 00	1,709 67
ADOBE SYS INC COM	100	P	08/04/10	09/05/13	4,680 67	2,972 00	1,708 67
SM ENERGY CO COM	100	P	04/21/10	09/13/13	7,430 86	3,863 00	3,567 86
SM ENERGY CO COM	200	P	04/21/10	09/13/13	14,857 78	7,726 00	7,131 78
SM ENERGY CO COM	100	P	04/21/10	09/13/13	7,428.89	3,862.00	3,566 89
SM ENERGY CO COM	55	P	04/21/10	09/13/13	4,086 98	2,122 45	1,964 53
SM ENERGY CO COM	45	P	04/21/10	09/13/13	3,342 80	1,736 55	1,606 25
GLACIER BANCORP INC NEW COM	500	P	03/31/11	11/26/13	14,677.74	7,556.73	7,121 01
DU PONT E I DE NEMOURS & CO COM	500	P	10/31/12	11/26/13	30,679 46	22,439 80	8,239 66
US BANCORP DEL COM	600	P	11/01/12	11/26/13	23,513 98	20,146 28	3,367 70
KIRBY CORP COM	50	P	11/01/12	11/26/13	4,698 96	2,917.00	1,781 96
KIRBY CORP COM	100	P	11/01/12	11/26/13	9,397.94	5,816.00	3,581 94
KIRBY CORP COM	100	P	11/01/12	11/26/13	9,397.94	5,814 00	3,583 94
RAVEN INDUSTRIES INC	300	P	11/02/12	11/26/13	11,725.79	8,217 00	3,508 79
RAVEN INDUSTRIES INC	300	P	11/02/12	11/26/13	11,725 80	8,216 00	3,509 80
AMGEN INC COM	40	P	11/07/12	11/26/13	4,556 29	3,385 44	1,170 85
AMGEN INC COM	35	P	11/07/12	11/26/13	3,986 75	2,962.05	1,024.70
AMGEN INC COM	100	P	11/07/12	11/26/13	11,390 72	8,465 00	2,925 72
V F CORP COM	25	P	11/08/12	11/26/13	5,863.71	3,881 75	1,981 96

STATEMENT 8

Hobby Family Foundation							
EIN 76-0489862							
Form 990PF - 2013							
Part IV - Capital Gains and Losses for Tax on Investment Income							
Description	Par Value/ Shares	How Acquired	Date Acquired	Date Sold	Gross Sales Price	Cost	Capital Gain(Loss)
V F CORP COM	100	P	11/08/12	11/26/13	23,454.83	15,529.00	7,925 83
MICROSOFT CORP COM	800	P	11/13/12	11/26/13	30,016 67	21,756 47	8,260 20
ROCKWELL COLLINS INC DEL COM STK	400	P	11/19/12	11/26/13	29,198 89	21,960 40	7,238 49
FRANKLIN ELEC INC	700	P	11/19/12	11/26/13	30,594 46	19,654 30	10,940 16
TRACTOR SUPPLY CO	300	P	11/21/12	11/26/13	22,296.95	13,504.74	8,792 21
TRACTOR SUPPLY CO	195	P	11/21/12	11/26/13	14,492 15	8,778 08	5,714 07
TRACTOR SUPPLY CO	1	P	11/21/12	11/26/13	74.32	45 02	29 30
TRACTOR SUPPLY CO	4	P	11/21/12	11/26/13	295.28	180.06	115 22
Subtotal					**1,254,469.64**	**914,563.78**	**339,905.86**
Avalon - Equity Income							
BRISTOL MYERS SQUIBB	386	P	03/31/11	03/12/13	14,679 94	10,286.42	4,393 52
CHEVRON CORP NEW	228	P	09/14/11	03/12/13	27,017 41	22,306 90	4,710 51
DU PONT E I DE NEMOURS & CO	171	P	03/25/11	03/12/13	8,502 26	9,348.52	(846 26)
DU PONT E I DE NEMOURS & CO	36	P	08/16/11	03/12/13	1,789.95	1,684 14	105 81
GENERAL ELECTRIC CO	1235	P	01/30/12	03/12/13	28,788.44	23,244 80	5,543 64
INTEL CORP	304	P	10/11/06	03/12/13	6,527 34	6,421.21	106 13
INTEL CORP	432	P	02/10/10	03/12/13	9,275.69	8,563.06	712 63
JPMORGAN CHASE & CO	302	P	02/17/09	03/12/13	15,127.66	6,805.12	8,322 54
COCA COLA CO	313	P	03/02/07	03/12/13	12,147.78	7,230 60	4,917 18
MCDONALDS CORP	92	P	01/11/08	03/12/13	9,078 84	5,046 56	4,032 28
MERCK & CO INC NEW COM	286	P	03/31/11	03/12/13	12,861 62	9,504.64	3,356 98
MICROSOFT CORP	454	P	11/16/10	03/12/13	12,585 41	11,753 43	831 98
PFIZER INC	348	P	11/04/10	03/12/13	9,699.20	6,068.82	3,630 38
PFIZER INC	534	P	01/11/12	03/12/13	14,883.26	11,694 60	3,188 66
PHILIP MORRIS INTL INC COM	387	P	01/19/05	03/12/13	35,058.55	12,878 54	22,180 01
EXXON MOBIL CORP	211	P	01/19/05	03/12/13	18,780.72	10,839.13	7,941 59
GENERAL ELECTRIC CO	358	P	01/30/12	07/09/13	8,455 85	6,738 17	1,717 68
EXXON MOBIL CORP	216	P	01/19/05	07/09/13	19,940 77	11,095 99	8,844 78
VENTAS INC	471	P	08/14/12	08/16/13	27,794.07	30,020 70	(2,226 63)
HCP INC COM	180	P	08/14/12	08/29/13	7,353 32	8,137 99	(784 67)
PINNACLE WEST CAP CP	483	P	08/14/12	08/29/13	26,096.13	25,776.99	319 14
VODAFONE GROUP SPON ADR REP 10 ORD USD0 11428571 6	1099	P	08/14/12	09/18/13	36,990 48	32,979 34	4,011 14
HCP INC COM	1078	P	08/14/12	10/03/13	42,842 31	48,737 53	(5,895 22)
SOUTHERN CO	1031	P	08/14/12	10/17/13	42,564.91	48,084 40	(5,519 49)
CINEMARK HLDGS INC COM	1114	P	08/14/12	11/07/13	36,150.90	26,531.69	9,619 21
LOCKHEED MARTIN CORP	118	P	08/14/12	11/21/13	16,352 74	10,802 72	5,550 02
NATIONAL RETAIL PPTYS INC COM	1343	P	08/14/12	12/13/13	40,630 28	39,660 53	969 75
WEINGARTEN RLTY INVS SH BEN INT	929	P	08/14/12	12/13/13	25,872.38	25,527.90	344 48
Subtotal					**567,848.21**	**477,770.44**	**90,077.77**
TIFF	22998 287	P	11/14/05	11/26/13	402,010 05	338,472 69	63,537 36
Subtotal					**402,010.05**	**338,472.69**	**63,537.36**

STATEMENT 8

Hobby Family Foundation							
EIN 76-0489862							
Form 990PF - 2013							
Part IV - Capital Gains and Losses for Tax on Investment Income							
	Par Value/	How	Date	Date	Gross		Capital
Description	Shares	Acquired	Acquired	Sold	Sales Price	Cost	Gain(Loss)
Total Long-Term Capital Gain					**2,224,327.90**	**1,730,806.91**	**493,520.99**
Total Capital Gains					**3,813,920.96**	**3,231,602.51**	**582,318.45**