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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****2011**Department of the Treasury
Internal Revenue Service

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

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

Name of foundation THE LAVALLEY FOUNDATION		A Employer identification number 34-1722402						
Number and street (or P O box number if mail is not delivered to street address) 5800 MONROE STREET	Room/suite BLDG F	B Telephone number (see the instructions) (451) 988-2008						
City or town SYLVANIA	State ZIP code OH 43560	C If exemption application is pending, check here <input type="checkbox"/>						
G Check all that apply: <table border="0"> <tr> <td><input type="checkbox"/> Initial return</td> <td><input type="checkbox"/> Initial Return of a former public charity</td> </tr> <tr> <td><input type="checkbox"/> Final return</td> <td><input type="checkbox"/> Amended return</td> </tr> <tr> <td><input type="checkbox"/> Address change</td> <td><input type="checkbox"/> Name change</td> </tr> </table>		<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial Return of a former public charity	<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return	<input type="checkbox"/> Address change	<input type="checkbox"/> Name change	D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial Return of a former public charity							
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return							
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change							
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>						
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 17,818,453.	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 <input type="checkbox"/>						

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 (att sch)	0.			
	2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	769,845.	769,845.		
	5a Gross rents				
	b Net rental income or (loss)		L-6a Stmt		
	6a Net gain/(loss) from sale of assets not on line 10	209,896.			
	b Gross sales price for all assets on line 6a	4,329,492.			
	7 Capital gain net income (from Part IV, line 2)		209,896.		
	8 Net short-term capital gain			19,480.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit/(loss) (att sch)					
11 Other income (attach schedule) See Line 11 Stmt	19,916.	19,916.			
12 Total. Add lines 1 through 11	999,657.	999,657.	19,480.		
ADMINISTRATIVE AND OPERATING EXPENSES	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	5,947.	5,947.		
	b Accounting fees (attach sch)				
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule)(see instrs) Federal	19,754.	19,754.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences and meetings				
	22 Printing and publications				
23 Other expenses (attach schedule) See Line 23 Stmt	55,949.	55,949.			
24 Total operating and administrative expenses. Add lines 13 through 23	81,650.	81,650.			
25 Contributions, gifts, grants paid	896,050.			896,050.	
26 Total expenses and disbursements. Add lines 24 and 25	977,700.	81,650.		896,050.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	21,957.				
b Net investment income (if negative, enter -0)		918,007.			
c Adjusted net income (if negative, enter -0)			19,480.		

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Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
ASSETS	1 Cash – non-interest-bearing	477,678.	444,219.	444,219.
	2 Savings and temporary cash investments			
	3 Accounts receivable			
	Less allowance for doubtful accounts			
	4 Pledges receivable			
	Less allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U S and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) L-10b Stmt	9,058,789.	9,363,280.	10,330,741.
	c Investments – corporate bonds (attach schedule) L-10c Stmt	4,488,295.	4,122,675.	3,946,600.
	11 Investments – land, buildings, and equipment basis			
LIABILITIES	Less accumulated depreciation (attach schedule)			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) L-13 Stmt	3,022,156.	3,140,211.	3,096,893.
	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)	17,046,918.	17,070,385.	17,818,453.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
NET ASSETS OR FUND BALANCES	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe Outstanding Checks)	60,000.	51,000.	
	23 Total liabilities (add lines 17 through 22)	60,000.	51,000.	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>			
	24 Unrestricted	16,986,918.	17,019,385.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	16,986,918.	17,019,385.	
	31 Total liabilities and net assets/fund balances (see instructions)	17,046,918.	17,070,385.	

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	16,986,918.
2	Enter amount from Part I, line 27a	2	21,957.
3	Other increases not included in line 2 (itemize) <u>Basis Adjustments</u>	3	10,510.
4	Add lines 1, 2, and 3	4	17,019,385.
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	17,019,385.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a MORGAN STANLEY SMITH BARNEY		P	Various	Various
b CHARLES SCHWAB		P	Various	Various
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 4,038,857.		3,900,232.	138,625.
b 290,635.		219,364.	71,271.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a 0.	0.	0.	138,625.
b 0.	0.	0.	71,271.
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	209,896.
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	209,896.

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 (column (b) divided by column (c))
2010	809,800.	17,527,425.	0.046202
2009	711,547.	15,223,908.	0.046739
2008	820,413.	17,568,225.	0.046699
2007	1,086,813.	19,602,566.	0.055442
2006	959,694.	18,896,010.	0.050788

2 Total of line 1, column (d)	2	0.245870
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	0.049174
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	18,488,180.
5 Multiply line 4 by line 3	5	909,138.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	9,180.
7 Add lines 5 and 6	7	918,318.
8 Enter qualifying distributions from Part XII, line 4	8	896,050.

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)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	18,360.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	18,360.
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	18,360.
6 Credits/Payments			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6 a	28,000.	
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	28,000.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	112.	
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	9,528.	
11 Enter the amount of line 10 to be Credited to 2012 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>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</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>OH - Ohio</u>		
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 <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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Form 990-PF (2011)

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	X	
14	The books are in care of LaValley, LaValley, Todak & Schaefer Telephone no (419) 882-0081 Located at 5800 Monroe St., Bldg. F., Sylvania, OH ZIP + 4 43560			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year 15			
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years 20__ , 20__ , 20__ , 20__		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see instructions)	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here 20__ , 20__ , 20__ , 20__		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If 'Yes,' did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	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 2011?	4b	X

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Form 990-PF (2011)

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?**5b**

Organizations relying on a current notice regarding disaster assistance check here

☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?**6b**

If 'Yes' to 6b, file Form 8870

X**7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?**7b****Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Richard G. LaValley Jr. 5800 Monroe St. Sylvania OH 43560	Trustee 3.00	0.	0.	0.
Daniel J. LaValley 5800 Monroe St. Sylvania OH 43560	Trustee 3.00	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				
0				
0				
0				
0				

Total number of other employees paid over \$50,000

None

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		
		NONE

Total number of others receiving over \$50,000 for professional services **None****Part IX-A** Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 NONE	
	0.
2	
3	
4	

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

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

Total. Add lines 1 through 3 **None**

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Form 990-PF (2011)

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	17,197,125.
b	Average of monthly cash balances	1b	532,141.
c	Fair market value of all other assets (see instructions)	1c	1,040,460.
d	Total (add lines 1a, b, and c)	1d	18,769,726.
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	18,769,726.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	281,546.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	18,488,180.
6	Minimum investment return. Enter 5% of line 5	6	924,409.

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	924,409.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	18,360.
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	18,360.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	906,049.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	906,049.
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	906,049.

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	896,050.
b	Program-related investments — total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	896,050.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	896,050.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				906,049.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2011				
a From 2006	0.			
b From 2007	1,562.			
c From 2008	0.			
d From 2009	0.			
e From 2010	0.			
f Total of lines 3a through e	1,562.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 896,050.				
a Applied to 2010, 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 2011 distributable amount				896,050.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	1,562.			
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount — see instructions		0.		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount — see instructions			0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				9,999.
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 2006 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2007	0.			
b Excess from 2008	0.			
c Excess from 2009	0.			
d Excess from 2010	0.			
e Excess from 2011	0.			

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

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

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2011	(b) 2010	(c) 2009	(d) 2008	
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 organization 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))

None

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

None

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

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

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

N/A

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

N/A

c Any submission deadlines

N/A

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

N/A

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				
ABLE / LSNO 520 Madison Ave., Ste. 740 Toledo OH 43604	N/A	Public	Donee's Exempt Purposes	10,000.
Adopt America Network 1500 N. Superior St., #303 Toledo OH 43604		Public	Donee's Exempt Purposes	1,500.
American Heart Association 5455 N. High St. Columbus OH 43214	N/A	Public	Donee's Exempt Purposes	5,000.
Double Arc 3837 Secor Rd. Toledo OH 43623	N/A	Public	Donee's Exempt Purposes	10,000.
Catholic Diocese of Toledo - Exclaim 1933 Spielbusch Ave. Toledo OH 43604	N/A	Public	Donee's Exempt Purposes	2,500.
First Tee of Lake Erie P.O. Box 502 Port Clinton OH 43452	N/A	Public	Donee's Exempt Purposes	16,000.
Foundation for Life 3454 Pak Alley Ct., #211 Toledo OH 43606	N/A	Public	Donee's Exempt Purposes	5,000.
Franciscan Academy 5335 Silica Drive Sylvania OH 43560	N/A	Public	Donee's Exempt Purposes	25,500.
Heartbeat of Toledo 2130 Madison Ave. Toledo OH 43604	N/A	Public	Donee's Exempt Purposes	10,000.
See Line 3a statement				810,550.
Total			3a	896,050.
b Approved for future payment				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

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) Exclu- sion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14		769,845.
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		209,896.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a TALF Income			14		50,004.
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)					1,029,745.
13 Total. Add line 12, columns (b), (d), and (e)				13	1,029,745.

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

Form 990-PF
Part I, Line 6a

Net Gain or Loss From Sale of Assets

2011

Name THE LAVALLEY FOUNDATION Employer Identification Number 34-1722402

Asset Information:

Description of Property		<u>MORGAN STANLEY SMITH BARNEY</u>	
Date Acquired	<u>Various</u>	How Acquired	<u>Purchased</u>
Date Sold	<u>Various</u>	Name of Buyer	<u>Various</u>
Sales Price	<u>4,038,857.</u>	Cost or other basis (do not reduce by depreciation)	<u>3,900,232.</u>
Sales Expense		Valuation Method	
Total Gain (Loss)	<u>138,625.</u>	Accumulation Depreciation	
Description of Property		<u>CHARLES SCHWAB</u>	
Date Acquired	<u>Various</u>	How Acquired	<u>Purchased</u>
Date Sold	<u>Various</u>	Name of Buyer	<u>Various</u>
Sales Price	<u>290,635.</u>	Cost or other basis (do not reduce by depreciation)	<u>219,364.</u>
Sales Expense		Valuation Method	
Total Gain (Loss)	<u>71,271.</u>	Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	

Form 990-PF, Page 1, Part I, Line 11

Line 11 Stmt

Other income	Rev/Exp Book	Net Inv Inc	Adj Net Inc
TALF Income	50,004.	50,004.	
Plymouth Venture	-27,110.	-27,110.	
Miscellaneous	-2,978.	-2,978.	
Total	<u>19,916.</u>	<u>19,916.</u>	

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Investment Fees	55,749.	55,749.		
Ohio Sec of State	200.	200.		
OTHER				
Total	<u>55,949.</u>	<u>55,949.</u>		

Form 990-PF, Page 11, Part XV, line 3a

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
Imagination Station				Person or <input type="checkbox"/>
1 Discovery Way				Business <input type="checkbox"/>
Toledo OH 43604	N/A	Public	Donee's Exempt Purposes	100,000.
International Samaritan				Person or <input type="checkbox"/>
614 S. Ashley St.				Business <input checked="" type="checkbox"/>
Ann Arbor MI 48103	N/A	Public	Donee's Exempt Purposes	25,000.
Kidney Foundation of NWO				Person or <input type="checkbox"/>
3100 W. Central Ave., Ste. 250				Business <input checked="" type="checkbox"/>
Toledo OH 43606	N/A	Public	Donee's Exempt Purposes	800.
Learning Club of Toledo				Person or <input type="checkbox"/>
1702 Upton Ave.				Business <input checked="" type="checkbox"/>
Toledo OH 43607	N/A	Public	Donee's Exempt Purposes	16,000.
Little Sisters of the Poor				Person or <input type="checkbox"/>
930 South Wynn Rd.				Business <input checked="" type="checkbox"/>
Oregon OH 43616	N/A	Public	Donee's Exempt Purposes	26,000.
Lourdes College				Person or <input type="checkbox"/>
6832 Convent Blvd.				Business <input checked="" type="checkbox"/>
Sylvania OH 43560	N/A	Public	Donee's Exempt Purposes	5,000.
Make A Wish				Person or <input type="checkbox"/>
405 Madison Ave., #210				Business <input checked="" type="checkbox"/>
Toledo OH 43604	N/A	Public	Donee's Exempt Purposes	1,500.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
Mary Immaculate School 3835 Secor Rd. Toledo OH 43623	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 101,000.
Mobile Meals 2220 Jefferson Ave. Toledo OH 43604	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 1,250.
Mom's House 2505 Franklin Ave. Toledo OH 43610	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 16,000.
Northwest Ohio Food Bank 24 East Woodruff Ave. Toledo OH 43604	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 20,000.
Northwest Ohio Scholarship Fund 1933 Spielbusch Ave. Toledo OH 43697	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 100,000.
Notre Dame Academy 3535 West Sylvania Ave. Toledo OH 43623	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 32,000.
PPCS Foundation 5200 Harroun Road Sylvania OH 43560	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 1,000.
Read for Literacy 325 North Madison St. Toledo OH 43604	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 5,000.
River Raisin Centre for the Arts 114 S. Monroe St. Monroe MI 48161	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 10,000.
Servant Leadership Center 1618 W. Sylvania Ave. Toledo OH 43612	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 10,000.
St. Francis de Sales High School 2323 W. Bancroft Toledo OH 43607	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 30,000.
St. Lukes Foundation 5901 Monclova Rd. Maumee OH 43537	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 50,000.
St. Ursula Academy 4025 Indian Road Toledo OH 43606	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 100,000.
The Science Society 1 Discovery Way Toledo OH 43604	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 5,000.
Toledo Bar Association Foundation 311 N. Superior St. Toledo OH 43604	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 25,000.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
Toledo Botanical Gardens 5403 Elmer Drive Toledo OH 43615		Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 20,000.
Toledo Children Hosp Fndtn 2142 N. Cove Blvd. Toledo OH 43606	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 30,000.
Toledo Zoo P.O. Box 140130 Toledo OH 43614	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 20,000.
United Way NW Ohio One Stranahan Square Toledo OH 43604	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 10,000.
University of Toledo Foundation 2801 W. Bancroft St. Toledo OH 43606-3390	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 45,000.
Women Blessing Women 223 Page St. Toledo OH 43620	N/A	Public	Donee's Exempt Purposes	Person or Business <input checked="" type="checkbox"/> 5,000.

Total

810,550.

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
MORGAN STANLEY SMITH BARNEY	3,795,945.	3,566,952.
CHARLES SCHWAB	5,567,335.	6,763,789.
Total	<u>9,363,280.</u>	<u>10,330,741.</u>

Form 990-PF, Page 2, Part II, Line 10c

L- 10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
MORGAN STANLEY SMITH BARNEY	4,122,675.	3,946,600.
Total	<u>4,122,675.</u>	<u>3,946,600.</u>

Form 990-PF, Page 2, Part II, Line 13

L-13 Stmt

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
MORGAN STANLEY SMITH BARNEY (MUTUAL FUNDS)	1,667,833.	1,621,653.
MORGAN STANLEY SMITH BARNEY (ALTERNATIVES)	1,264,864.	1,261,965.
MORGAN STANLEY SMITH BARNEY (MUNICIPAL BONDS)	51,683.	57,444.
PLYMOUTH VENTURE PARTNERS II, LP	155,831.	155,831.
Total	<u>3,140,211.</u>	<u>3,096,893.</u>

Supporting Statement of:**Investments/Line 13 FMV-2**

Description	Amount
TALF	252,992.
MS OPP	750,000.
CBRE	258,973.
Total	<u>1,261,965.</u>

MorganStanley SmithBarney

CLIENT STATEMENT | For the Period December 1-31, 2011

Active Assets Account THE Lavalley Foundation
400-020465-022 5800 Monroe St. #F

Activity

DEBIT CARD & CHECKING ACTIVITY

CHECKS WRITTEN (CONTINUED)

Date Written	Date Paid	Check Number	Activity Type	Payee	Expense Category	Credits/(Debits)
12/12	12/22	0270	Check	TEH SERVANT LEADERSHIP CENTER		(10,000.00)
TOTAL CHECKS WRITTEN						\$(421,500.00)

MONEY MARKET FUND (MMF) AND BANK DEPOSITS ACTIVITY

Date	Activity Type	Description	Credits/(Debits)
12/1	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	\$4,897.60
12/2	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	8,745.78
12/7	Automatic Redemption	MS ACTIVE ASSETS MONEY TRUST	(260.00)
12/8	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	558.32
12/12	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	47,882.63
12/13	Automatic Redemption	MS ACTIVE ASSETS MONEY TRUST	(94,260.00)
12/14	Automatic Redemption	MS ACTIVE ASSETS MONEY TRUST	(70,500.00)
12/15	Automatic Redemption	MS ACTIVE ASSETS MONEY TRUST	(100,000.00)
12/16	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	78,969.63
12/19	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	2,436.50
12/20	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	1,300.20
12/21	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	3,746.40
12/22	Automatic Redemption	MS ACTIVE ASSETS MONEY TRUST	(28,860.00)
12/23	Automatic Redemption	MS ACTIVE ASSETS MONEY TRUST	(10,000.00)
12/27	Automatic Redemption	MS ACTIVE ASSETS MONEY TRUST	(55,000.00)
12/30	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	1,090.93
NET ACTIVITY FOR PERIOD			\$(209,252.01)

REALIZED GAIN/(LOSS) DETAIL

LONG-TERM GAIN/(LOSS)

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
BAC CAP TR XIV	5 630 12-30-51	05/17/10	12/12/11	70,000 000	\$43,659.00	\$51,281.00	\$(7,622.00)

CONTINUED



MorganStanley
SmithBarney

CLIENT STATEMENT | For the Period December 1-31, 2011

Active Assets Account
400-020465-022
THE LAVALLEY FOUNDATION
5800 MONROE ST. #F

Activity

REALIZED GAIN/(LOSS) DETAIL

LONG-TERM GAIN/(LOSS) (CONTINUED)

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
BUCKEYE PARTNERS LP	09/16/10	12/12/11	225,000,000	140,332.50	164,812.50	(24,480.00)	
	02/04/10	12/06/11	564,000	35,131.93	23,966.94	11,164.99	
DEUTSCHE TELEKOM AG 1 ORD IADS	02/04/10	12/06/11	3,000,000	35,998.54	39,613.10	(3,614.56)	
	05/17/10	12/06/11	4,500,000	53,997.82	50,987.66	3,010.16	
FERRELLGAS PARTNERS LP	02/04/10	12/06/11	1,100,000	24,147.58	25,156.66	(1,009.08)	
	07/19/10	12/06/11	1,100,000	24,147.58	26,743.00	(2,595.42)	
Long-Term This Period				\$357,414.95	\$382,560.86	\$(25,145.91)	
Long-Term Year to Date				\$3,087,251.09	\$2,968,105.37	\$119,145.72	

SHORT-TERM GAIN/(LOSS)

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
BAC CAP TR XIV 5.630 12-30-51	09/29/11	12/12/11	5,000,000	3,118.50	2,958.00	160.50	
BUCKEYE PARTNERS LP	03/16/11	12/06/11	1,000,000	62,290.65	63,844.81	(1,554.16)	
FERRELLGAS PARTNERS LP	03/16/11	12/06/11	1,800,000	39,514.21	46,514.13	(6,999.92)	
Short-Term This Period				\$104,923.36	\$113,316.94	\$(8,393.58)	
Short-Term Year to Date				\$951,606.75	\$932,127.02	\$19,479.73	
Net Realized Gain/(Loss) This Period				\$462,338.31	\$495,877.80	\$(33,539.49)	
Net Realized Gain/(Loss) Year to Date				\$4,038,857.84	\$3,900,232.39	\$138,625.45	

New Treasury regulations require that we report your adjusted cost basis and classify the gain or loss as either long-term or short-term on the sale of covered securities acquired on or after January 1, 2011. These regulations also require that we make basis adjustments due to wash sales, certain corporate actions and transfers by gift or inheritance, which will be reflected on your Form 1099-B. This section may not reflect all of the basis adjustments we are required to make for tax reporting purposes. The information in this section is provided for informational purposes only and should not be used in the preparation of your income tax returns. Please refer to the Disclosures section of this statement for additional information.

002939 MSADT072 030252

MorganStanley SmithBarney

Active Assets Account THE LAVALLEY FOUNDATION
400-020465-022 5800 MONROE ST. #F

CLIENT STATEMENT

Fiscal Review 1/1/11-12/31/11

INVESTMENT RELATED ACTIVITY

SALES/REDEMPTIONS

Transaction Date	Settlement Date	Activity Type	Description	Comments	Quantity	Price	Inflows/(Outflows)
2/4/10	2/9/10	Trade Adjustment	E V RISK-MANAG EQ OPT INC A	CXL BUY EXP LOI	15,702.858		\$125,000.00
2/4/10	2/9/10	Trade Adjustment	E V GLOBAL MACRO ABSOLUT RET A	CXL BUY EXP LOI	12,041.883		125,000.00
5/17/10	5/20/10	Trade Adjustment	LORD ABBETT SHT DURATION INC A	CXL BUY 43572.985 SHRS EXP LOI	43,572.985		200,000.00
12/8/10	12/13/10	Trade Adjustment	EATON VANCE EMERGMKT LCL INC A	CXL BUY EXP LOI	9,606.148		100,000.00
1/20/11	1/20/11	Sold	ALT INVEST MS TALF CYM				66,481.75
1/25/11	1/28/11	Sold	PRUDENTIAL FINL 6000 *23FB15	ACCURED INTEREST 13,583.33	500,000.000	99.7500	512,333.33
1/25/11	1/28/11	Sold	ZIONS BANCORP 9.5% SER C	PREFERENTIAL RATE ACTED AS PRINCIPAL	5,000.000	25.7209	127,144.08
1/25/11	1/28/11	Sold	MARSHALL & ILSLEY 5000 17JA17	ACCURED INTEREST 152.78	100,000.000	101.7500	101,902.78
1/25/11	1/28/11	Sold	BARCLAYS BANK PLC 8 125% ADR	PREFERENTIAL RATE ACTED AS PRINCIPAL	4,000.000	25.5901	101,054.74
1/25/11	1/28/11	Sold	DEUTSCHE BK CONT CAP III 7.60%	PREFERENTIAL RATE ACTED AS PRINCIPAL	4,000.000	25.5593	100,932.43
1/25/11	1/28/11	Sold	TC PIPELINES LP	ACTED AS PRINCIPAL PREFERENTIAL RATE	1,300.000	52.1043	66,703.48
1/25/11	1/28/11	Sold	DUKE ENERGY CORP HLDING CO	PREFERENTIAL RATE ACTED AS AGENT	3,100.000	18.0810	55,128.22
1/31/11	2/3/11	Sold	CITIGROUP CAP XI 6000 *34SP27	ACCURED INTEREST 500.00 PREFERENTIAL RATE ACTED AS PRINCIPAL	3,000.000	23.7800	71,332.63
2/23/11	2/23/11	Return of Escrow	AID23 CANCEL CONTRIB	UNSETTLED PURCHASE IN ESCROW			66,000.00
3/16/11	3/21/11	Sold	PRUDENTIAL FINL 6000 *23FB15	ACCURED INTEREST 2,400.00	400,000.000	99.8500	401,800.00
4/25/11	4/28/11	Sold	LINCOLN NATL CORP 7000 *66MY17	ACCURED INTEREST 3,756.67	120,000.000	101.2500	125,256.67
5/6/11	5/11/11	Sold	DONNELEY (R R) 7625 20JN15	ACCURED INTEREST 3,092.36	100,000.000	102.0000	105,092.36
5/20/11	5/25/11	Sold	LORD ABBETT SHT DURATION INC A		10,799.136	4.6300	50,000.00
5/25/11	5/31/11	Sold	LORD ABBETT SHT DURATION INC A		10,822.511	4.6200	50,000.00
6/15/11	6/15/11	Redemption	DOW CHEMICAL CO 5600 *19DE15	REDEMPTION OF CALLED BOND	100,000.000		100,000.00
7/7/11	7/7/11	Redemption	LINCOLN NAT CP 6750 *66AP20	REDEMPTION OF CALLED SECURITY	4,000.000		100,000.00

CONTINUED



MorganStanley
SmithBarney

CLIENT STATEMENT

Active Assets Account
400-020465-022

THE LAVALLEY FOUNDATION
5800 MONROE ST. #F

Fiscal Review 1/1/11-12/31/11

INVESTMENT RELATED ACTIVITY

SALES/REDEMPTIONS (CONTINUED)

Transaction Date	Settlement Date	Activity Type	Description	Comments	Quantity	Price	Inflows/(Outflows)
7/18/11	7/21/11	Sold	EXELON CORP	PREFERENTIAL RATE ACTED AS AGENT	2,500,000	42.9455	106,022.95
7/18/11	7/21/11	Sold	ELI LILLY & CO	PREFERENTIAL RATE ACTED AS AGENT	2,800,000	37.9227	104,850.82
7/18/11	7/21/11	Sold	AMERICAN ELECTRIC POWER CO	PREFERENTIAL RATE ACTED AS AGENT	2,800,000	37.0710	102,482.77
7/18/11	7/21/11	Sold	BLACKROCK LTD DURATION INC	BLACKROCK LTD DURATION INC	3,200,000	17.3500	54,820.24
7/18/11	7/21/11	Sold	BLACKROCK LTD DURATION INC	BLACKROCK LTD DURATION INC	2,800,000	17.3303	47,906.81
7/18/11	7/21/11	Trade Adjustment	INTER-AMER DEV BK 9500 14JARG	ACCURED INTEREST 2,586.24	80,000,000		55,443.95
8/17/11	8/22/11	Sold	AMEX 6800 *66SP01	ACCURED INTEREST 3,230.00	100,000,000	98.5000	101,724.00
9/29/11	10/4/11	Sold	FIFTH THIRD BANC 4500 18JN01	Trade date reporting adjustment	100,000,000	98.1600	99,691.50
10/27/11	11/1/11	Sold	BRISTOL MYERS SQUIBB CO	ACTED AS AGENT	4,300,000	32.6052	138,530.42
10/27/11	11/1/11	Sold	PFIZER INC	ACTED AS AGENT	6,750,000	19.5701	130,459.65
10/27/11	11/1/11	Sold	E V GLOBAL MACRO ABSOLUT RET A	CONFIRM NBR	12,533,590	9.9600	124,834.56
10/27/11	11/1/11	Sold	E V RISK-MANAG EQ OPT INC A	CONFIRM NBR	16,977,042	7.0500	119,688.15
10/27/11	11/1/11	Sold	TOTAL FINA ELF SA	ACTED AS AGENT	2,000,000	54.9435	108,379.57
10/27/11	11/1/11	Sold	EL PASO PIPELINE PARTNERS LP	ACTED AS AGENT	3,000,000	34.0026	100,560.81
10/27/11	11/1/11	Sold	FIFTH THIRD CAP 7250 *67AU15	ACCURED INTEREST 1,550.69 ACTED AS PRINCIPAL	4,000,000	24.5786	98,306.51
11/7/11	11/10/11	Sold	PROTECTIVE LIFE 7250 *66JN30	ACCURED INTEREST 805.56 ACTED AS PRINCIPAL	4,000,000	24.2068	96,819.34
12/6/11	12/9/11	Sold	BUCKEYE PARTNERS LP	ACTED AS AGENT	1,564,000	63.1990	97,422.58
12/6/11	12/9/11	Sold	DEUTSCHE TELEKOM AG 1 ORD 1ADS	ACTED AS AGENT	7,500,000	12.1800	89,996.36
12/6/11	12/9/11	Sold	FERRELLGAS PARTNERS LP	ACTED AS AGENT	4,000,000	22.2855	87,809.37
12/12/11	12/15/11	Sold	BAC CAP TR XIV 5630 *51DE15	ACCURED INTEREST 4,222.50	300,000,000	62.3700	191,332.50
TOTAL SALES/REDEMPTIONS							\$4,808,245.33

062939 MSADT072 030258

2011 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss)

Accounting Method: High Cost

Long-Term	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
AMERN TOWER CORP CLASS A: AMT	210 0000	08/12/05	05/25/11	\$11,411.83	\$4,785.90	\$6,625.93
AMERN TOWER CORP CLASS A: AMT	330 0000	05/10/07	05/25/11	\$17,932.86	\$12,774.30	\$5,158.56
AMERN TOWER CORP CLASS A: AMT	200 0000	01/07/08	05/25/11	\$10,868.40	\$7,832.00	\$3,036.40
AMERN TOWER CORP CLASS A: AMT	260 0000	01/18/08	05/25/11	\$14,128.92	\$9,497.80	\$4,631.12
Security Subtotal				\$54,342.01	\$34,890.00	\$19,452.01
CEPHALON INC: CEPH	100 0000	09/24/09	10/14/11	\$8,150.00	\$5,827.48	\$2,322.52
CEPHALON INC: CEPH	400 0000	09/24/09	10/14/11	\$32,600.00	\$23,309.51	\$9,290.49
CEPHALON INC: CEPH	674 0000	09/24/09	10/14/11	\$54,931.00	\$39,277.20	\$15,653.80
CEPHALON INC: CEPH	700 0000	09/24/09	10/14/11	\$57,050.00	\$40,791.64	\$16,258.36
Security Subtotal				\$152,731.00	\$109,205.83	\$43,525.17
GLAXOSMITHKLINE PLC ADR FSPONSORED ADR 1 ADR REP 2 GSK	1,015 0000	10/17/08	05/25/11	\$43,809.79	\$40,125.69	\$3,684.10
Security Subtotal				\$43,809.79	\$40,125.69	\$3,684.10



G000100310203

Charles SCHWAB
INSTITUTIONALSchwab One® Account of
THE LAVALLEY FOUNDATIONReport Period
**January 1 - December 31,
2011**Account Number
7274-3239**2011 Year-End Schwab Gain/Loss Report****Realized Gain or (Loss) (continued)**

Realized Gain or (Loss) (continued)					Accounting Method: High Cost	
Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
HEINZ H J CO HNZ	745 0000	03/29/07	05/25/11	\$39,752.43	\$35,142.99 ¹	\$4,609.44
Security Subtotal				\$39,752.43	\$35,142.99	\$4,609.44
Total Long-Term				\$290,635.23	\$219,364.51	\$71,270.72
Total Realized Gain or (Loss)				\$290,635.23	\$219,364.51	\$71,270.72

Schwab has provided realized gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings. See Terms and Conditions.

Option Customers: Realized gain/loss of underlying securities is adjusted to reflect the premiums of assigned or exercised options. Please consult IRS publication 550, Investment Income and Expenses, for additional information on Options.

Endnotes For Your Account

Symbol Endnote Legend

† Data for this holding has been edited or provided by a third party

**Application for Extension of Time To File an
Exempt Organization Return**

OMB No 1545-1709

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

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

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

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

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only ☐*All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns***Enter filer's identifying number, see instructions**

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	THE LAVALLEY FOUNDATION	<input checked="" type="checkbox"/> 34-1722402
	Number, street, and room or suite number. If a P.O. box, see instructions	Social security number (SSN)
	5800 MONROE STREET, BLDG F	<input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	SYLVANIA	OH 43560

Enter the Return code for the return that this application is for (file a separate application for each return)

04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► LaValley LaValley Todak & Schaefer

Telephone No ► (419) 882-0081 FAX No ► _____

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

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until Aug 15, 20 12, to file the exempt organization return for the organization named above.

The extension is for the organization's return for

- ☒ calendar year 20 11 or
- ☐ tax year beginning _____, 20 _____, and ending _____, 20 _____

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	18,000.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

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