Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning JUN 1, 2011 **, and ending** MAY 31, 2012

Name of foundation
LOATS FOUNDATION, INC.
C/O DRAPER & MCGINLEY, P.A.

Number and street (or P O box number if mail is not delivered to street address): 365 W. PATRICK STREET
Room/suite:

City or town, state, and ZIP code: FREDERICK, MD 21701-4854

A Employer identification number 52-0610535

B Telephone number 301-694-7411

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐

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

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

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

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

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 3,224,221.

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis)*

Part I	**Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))	**(a)** Revenue and expenses per books	**(b)** Net investment income	**(c)** Adjusted net income	**(d)** Disbursements for charitable purposes (cash basis only)
Revenue					
1	Contributions, gifts, grants, etc., received	0.		N/A	
2	Check ▶ ☒ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	1,920.	1,920.		STATEMENT 1
4	Dividends and interest from securities	132,279.	132,279.		STATEMENT 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	108,332.			
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		108,332.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss)				
11	Other income	676.	676.		STATEMENT 3
12	**Total.** Add lines 1 through 11	243,207.	243,207.		
Operating and Administrative Expenses					
13	Compensation of officers, directors, trustees, etc	0.	0.		0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees				
b	Accounting fees STMT 4	3,735.	3,735.		0.
c	Other professional fees STMT 5	16,063.	16,063.		0.
17	Interest				
18	Taxes				
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses STMT 6	2,592.	1,960.		0.
24	**Total operating and administrative expenses.** Add lines 13 through 23	22,390.	21,758.		0.
25	Contributions, gifts, grants paid	168,550.			168,550.
26	**Total expenses and disbursements.** Add lines 24 and 25	190,940.	21,758.		168,550.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	52,267.			
b	**Net investment income** (if negative, enter -0-)		221,449.		
c	**Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	24,645.	144,720.	144,720.
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons			
	7	Other notes and loans receivable ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U.S. and state government obligations			
	b	Investments - corporate stock STMT 7	2,956,375.	2,888,567.	3,079,501.
	c	Investments - corporate bonds			
	11	Investments - land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other			
	14	Land, buildings, and equipment: basis ▶			
		Less accumulated depreciation ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers)	2,981,020.	3,033,287.	3,224,221.
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			
	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	2,981,020.	3,033,287.	
	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			
	30	**Total net assets or fund balances**	2,981,020.	3,033,287.	
	31	**Total liabilities and net assets/fund balances**	2,981,020.	3,033,287.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,981,020.
2	Enter amount from Part I, line 27a	2	52,267.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	3,033,287.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,033,287.

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 ATTACHED MORGAN STANLEY		VARIOUS	VARIOUS
b	SEE ATTACHED MORGAN STANLEY		VARIOUS	VARIOUS
c	SEE ATTACHED MORGAN STANLEY		VARIOUS	VARIOUS
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				85,083.
b				22,312.
c				937.
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				85,083.
b				22,312.
c				937.
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 } 2 108,332.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c).
If (loss), enter -0- in Part I, line 8 } 3 N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see 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))
2010	144,500.	3,119,426.	.046323
2009	144,500.	2,867,694.	.050389
2008	212,044.	3,200,388.	.066256
2007	208,700.	3,793,053.	.055022
2006	196,500.	3,715,741.	.052883

2	**Total** of line 1, column (d)	2	.270873
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	.054175
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	3,252,127.
5	Multiply line 4 by line 3	5	176,184.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	2,214.
7	Add lines 5 and 6	7	178,398.
8	Enter qualifying distributions from Part XII, line 4	8	168,550.

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	4,429.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0.
3	Add lines 1 and 2			3	4,429.
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	4,429.
6	Credits/Payments:				
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	8,862.		
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	8,862.
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	4,433.
11	Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶ 4,433. **Refunded** ▶			11	0.

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 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. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	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? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6		X
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ MD			
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 2011 or the taxable year beginning in 2011 (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

LOATS FOUNDATION, INC.
C/O DRAPER & MCGINLEY, P.A.
52-0610535

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ C. RICHARD MILLER Telephone no. ▶ 301-898-4000

Located at ▶ 5 N. MAIN STREET, WOODSBORO, MD ZIP+4 ▶ 21798-8816

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

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

			Yes	No
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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception**. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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? ☐ 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.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ________, ________, ________, ________			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 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.)* N/A	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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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

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

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** 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? N/A **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 8		0.	0.	0.

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

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

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

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

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

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

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 THE LOATS FOUNDATION MAKES CONTRIBUTIONS TO VARIOUS NON-PROFIT ORGANIZATIONS AND CONTRIBUTES SCHOLARSHIP FUNDS TO COLLEGES AND UNIVERSITIES.	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 THE LOATS FOUNDATION DOESN'T HAVE ANY PROGRAM RELATED INVESTMENTS. THE FOUNDATION CONTRIBUTES FUNDS TO NON-PROFIT ORGANIZATIONS, COLLEGES AND UNIVERSITIES.	0.
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	3,216,969.
b	Average of monthly cash balances	1b	84,683.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	3,301,652.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	3,301,652.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	49,525.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,252,127.
6	**Minimum investment return.** Enter 5% of line 5	6	162,606.

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	162,606.
2a	Tax on investment income for 2011 from Part VI, line 5 2a 4,429.		
b	Income tax for 2011. (This does not include the tax from Part VI.) 2b		
c	Add lines 2a and 2b	2c	4,429.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	158,177.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	158,177.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	158,177.

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	168,550.
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	168,550.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	168,550.

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					158,177.
2 Undistributed income, if any, as of the end of 2011					
a Enter amount for 2010 only				5,341.	
b Total for prior years: ______ , ______ , ______			0.		
3 Excess distributions carryover, if any, to 2011:					
a From 2006					
b From 2007					
c From 2008					
d From 2009					
e From 2010	144,500.				
f **Total** of lines 3a through e		144,500.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 168,550.					
a Applied to 2010, but not more than line 2a				5,341.	
b Applied to undistributed income of prior years (Election required - see instructions)			0.		
c Treated as distributions out of corpus (Election required - see instructions) **		163,209.			
d Applied to 2011 distributable amount					0.
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).)		144,500.			144,500.
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		163,209.			
b Prior years' undistributed income. Subtract line 4b from line 2b			0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions			0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.				0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012					13,677.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)		0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7		0.			
9 **Excess distributions carryover to 2012** Subtract lines 7 and 8 from line 6a		163,209.			
10 Analysis of line 9:					
a Excess from 2007					
b Excess from 2008					
c Excess from 2009					
d Excess from 2010					
e Excess from 2011	163,209.				

** SEE STATEMENT 9

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)

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

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:

LOATS FOUNDATION, INC., 301-898-4000
35 E. CHURCH STREET, FREDERICK, MD 21701

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*				
BIG BROTHERS/BIG SISTERS 2 EAST CHURCH STREET FREDERICK, MD 21701				3,000.
FAMILIES PLUS 35 EAST CHURCH STREET FREDERICK, MD 21701				5,500.
FREDERICK COMMUNITY COLLEGE 7932 OPOSSUMTOWN PIKE FREDERICK, MD 21702				40,000.
FREDERICK COUNTY YOUTH HOT LINE 263 EAST CHURCH STREET FREDERICK, MD 21701				3,000.
FROSTBURG STATE UNIVERSITY FOUNDATION 101 BRADDOCK ROAD FROSTBURG, MD 21532				12,700.
Total SEE CONTINUATION SHEET(S)			▶ 3a	168,550.
b *Approved for future payment* NONE				
Total			▶ 3b	0.

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
	(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					1,920.
4 Dividends and interest from securities					132,279.
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					676.
8 Gain or (loss) from sales of assets other than inventory					108,332.
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)		0.		0.	243,207.

13 Total Add line 12, columns (b), (d), and (e) 13 243,207.

(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).
3	INTEREST EARNED ON OPERATING CASH ACCOUNT NECESSARY TO DIST. FUNDS.
4	DIVIDENDS EARNED ON INVESTMENTS HELD FOR SCHOLARSHIPS AND CONT.
7	NET GAIN ON SALE OF INVESTMENTS HELD FOR SCHOLARSHIPS AND CONT.

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	

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer or trustee

8/20/12
Date

▶ TREASURER/DIRECTOR
Title

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

Paid Preparer Use Only

Print/Type preparer's name JAMES A. DRAPER	Preparer's signature James A Draper CPA	Date 08/10/12	Check ☐ if self- employed	PTIN P00222904
Firm's name ▶ DRAPER & MCGINLEY, P.A.			Firm's EIN ▶ 52-1268363	
Firm's address ▶ 365 W. PATRICK ST. FREDERICK, MD 21701			Phone no. (301)694-7411	

Form 990-PF (2011)

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
HEARLTY HOUSE INC PO BOX 857 FREDERICK, MD 21705				3,600.
HOOD COLLEGE 401 ROSEMONT AVENUE FREDERICK, MD 21701				18,800.
MARYLAND SHERIFF'S YOUTH RANCH 7902 FINGERBOARD ROAD FREDERICK, MD 21704				2,300.
MCDANIEL UNIVERSITY 2 COLLEGE HILL WESTMINSTER, MD 21157				11,350.
MOUNT ST. MARY'S UNIVERSITY 16300 OLD EMMITSBURG ROAD EMMITSBURG, MD 21727				7,800.
SALISBURY UNIVERSITY FOUNDATION, INC 1101 CAMDEN AVE SALISBURY, MD 21801				3,500.
SCOTT KEY CENTER 350 MONTEVUE LANE FREDERICK, MD 21702				1,300.
SHEPHERD UNIVERSITY FOUNDATION PO BOX 5000 SPEPHERDSTOWN, WV 25543				12,700.
TOWSON UNIVERSITY FOUNDATION 8000 YORK ROAD TOWSON, MD 21252				14,700.
TRINITY SCHOOL 6040 NEW DESIGN ROAD FREDERICK, MD 21703				8,000.
Total from continuation sheets				104,350.

123631 08-03-11

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
UNIVERSITY OF MARYLAND BALTIMORE COUNTY 1000 HILLTOP CIRCLE BALTIMORE, MD 21250				6,300.
UNIVERSITY OF MARYLAND COLLEGE PARK COLLEGE PARK, MD 20742				12,700.
YMCA OF FREDERICK COUNTY 1000 NORTH MARKET STREET FREDERICK, MD 21701				1,300.
Total from continuation sheets				

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
MORGAN STANLEY	1,914.
WOODSBORO BANK	6.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	1,920.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
MORGAN STANLEY	132,279.	0.	132,279.
TOTAL TO FM 990-PF, PART I, LN 4	132,279.	0.	132,279.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
MISC. INCOME - SHAREHOLDER SETTLEMENTS	676.	676.	
TOTAL TO FORM 990-PF, PART I, LINE 11	676.	676.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	3,735.	3,735.		0.
TO FORM 990-PF, PG 1, LN 16B	3,735.	3,735.		0.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MANAGEMENT FEES	16,063.	16,063.		0.
TO FORM 990-PF, PG 1, LN 16C	16,063.	16,063.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
POSTAGE/ADMINISTRATIVE	6.	0.		0.
INSURANCE	2,450.	1,960.		0.
SAFE DEPOSIT BOX RENTAL	136.	0.		0.
TO FORM 990-PF, PG 1, LN 23	2,592.	1,960.		0.

FORM 990-PF CORPORATE STOCK STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	2,888,567.	3,079,501.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,888,567.	3,079,501.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 8

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
REV., DR. ROBERT DRIVER-BISHOP 31 E. CHURCH STREET FREDERICK, MD 21701	PRESIDENT 0.00	0.	0.	0.
C. RICHARD MILLER,JR. 31 E. CHURCH STREET FREDERICK, MD 21701	TREASURER/DIRECTOR 0.00	0.	0.	0.
LORRAINE PRETE 31 E. CHURCH STREET FREDERICK, MD 21701	DIRECTOR 0.00	0.	0.	0.
KATHLEEN A. COSTLOW 31 E. CHURCH STREET FREDERICK, MD 21701	DIRECTOR 0.00	0.	0.	0.
W. PHILLIP FOGARTY 31 E. CHURCH STREET FREDERICK, MD 21701	DIRECTOR 0.00	0.	0.	0.
MARION D. CARMACK, JR. 31 E. CHURCH STREET FREDERICK, MD 21701	VICE PRESIDENT/DIRECTOR 0.00	0.	0.	0.
BARBARA BRITTAIN 31 E. CHURCH STREET FREDERICK, MD 21701	DIRECTOR 0.00	0.	0.	0.
HELEN HAHN 31 E. CHURCH STREET FREDERICK, MD 21701	SECRETARY/DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

ELECTION UNDER REGULATIONS SECTION 53.4942(A)-3(D)(2) TO TREAT EXCESS QUALIFYING DISTRIBUTIONS AS DISTRIBUTIONS OUT OF CORPUS

STATEMENT 9

CONSISTENT WITH REGULATION SECTION 53.4942(A)-3(D)(2), THE TRUST ELECTS TO TREAT 2009 DISTRIBUTIONS AS DISTRIBUTIONS OUT OF THE CORPUS.

Portfolio Valuation By Position

Valuation Currency: USD

W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN

05/31/2012

Trade Date Reporting

Security Description	*Shares or Face Value*	*Div or YTM@pur*	*Book Price*	*Book Cost*	*Market Price*	*Market Value*	*Unrealized Gain (Loss)*	*Accrued Interest*	*Total Market Value*	*% of *** Portfolio*	*Acct Type*
PRINCIPAL FINANCIAL GRP INC PFD CUSIP 74251V300 *S&P· BB+, Moodys. BAA3*	500 00	1 63	21.45	10,725.00	26 23	13,115.00	2,390.00		13,115.00	0 41	C
TOTAL PREFERRED STOCKS				183,425.38		192,241.40	8,816 02	429 63	192,671.03	5 99	
CONVERTIBLE PREFERRED STOCKS											
BANK OF AMERICA 7 25% PERP CUSIP 060505682 *Convertible, S&P BB+, Moodys BA3*	75.00	72.50	984.94	73,870.48	934.00	70,050.00	(3,820 48)		70,050.00	2 18	C
WELLS FARGO & CO SER L 7 5% 31 DEC 2049 CONV PFD CUSIP 949746804 *Convertible, S&P: BBB+, Moodys: BAA3*	75 00	75 00	1,038.28	77,870 75	1,106 25	82,968.75	5,098 00		82,968.75	2 58	C
ACCRUAL CASH DIVIDEND WELLS FARGO & CO SER L EX DATE. 05/29/2012 PAY DATE· 06/15/2012 CUSIP 949746804								1,406.25	1,406.25	0 04	C
TOTAL CONVERTIBLE PREFERRED STOCKS				151,741.23		153,018.75	1,277.52	1,406 25	154,425.00	4 80	
TOTAL EQUITIES				*2,034,197.77*		*2,188,532.96*	*154,335.19* 28961.57 D/E (1120)	*7,637.44*	*2,196,170.40*	*68.23*	
TOTAL PORTFOLIO				3,027,820.88		3,211,117.64	183,296.76 Fm	7,637.44	3,218,755.08	100.00	
CASH -		Woodsforobank		+ 5466.39		+ 5466.39			+ 5466.39		
Totals				3,073,287.27		3216584.03			3,224,221.47		

Yield to Maturity at Purchase is represented for fixed income instruments only and represents stated annual coupon or OID on debt at the time of purchase and is obtained from publicly available information
Cost Basis and acquisition dates for securities delivered into your account after your purchase were provided by you or a third party and we make no representation as to the accuracy of such information
The totals in the portfolio valuation by position section do not include the value of unpriced securities (securities with prices denoted with N/A) and any assets not held by Morgan Stanley & Co LLC Yield/Interest and Gain/Loss information is estimated
***An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency Although the Fund seeks to preserve the value of your investment at $1 00 per share, it is possible to lose money by investing in the fund The yield shown represents the SEC 7-day yield.*
**** Please see the general disclosures set forth at the end of this Supplemental Report*

Activity
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
10/01/2011 to 10/31/2011
Period Reporting

Trade/Eff Date Settlement Date	Activity Type	Description	Quantity	Price per Unit	Total Amount	Account Type
US DOLLAR						
DEPOSITS AND WITHDRAWALS						
10/05/2011 10/05/2011	CASH RECEIVED	CK RECD BB&T (BK OF AMER LITIGAT ION SETTLEMENT)-THE LOATS FO UND ATION INC			61.11	C
	TOTAL DEPOSITS AND WITHDRAWALS				61.11	
EXPENSE ACTIVITY						
10/01/2011 10/01/2011	MISCELLANEOUS EXPENSE	DEBIT INTEREST FOR THE PERIOD 09 /01/11 TO 09/30/11			(3 13)	M
10/03/2011 10/03/2011	DIVIDEND EXPENSE	TELSTRA CORPORATION LIMITED ADR P/D 20111003 2000SH@ 0 6783 USD/ SHR 0% TAX WITHHELD AT SOURCE			(40 00)	C
10/14/2011 10/14/2011	DIVIDEND EXPENSE	RECKITT BENCKISER GROUP PLC SLOU GH UNSP P/D 20111014 3000SH @ 0 1716 USD/SHR 0% TAX WITHHELD AT SOURCE			(45 00)	C
10/19/2011 10/19/2011	MANAGEMENT FEE	FEE 07-11,08-11,09-11 23 AUTOPWM 0092212019 311903483			(3,889.02)	C
10/25/2011 10/25/2011	DIVIDEND EXPENSE	GENERAL ELECTRIC CO COM STK P/D 20111025 2000SH@ 0 1500 USD /SHR 0% TAX WITHHELD AT SOURCE			(300 00)	C
	TOTAL EXPENSE ACTIVITY				(4,277.15)	
INCOME ACTIVITY						
09/30/2011 09/30/2011	DIVIDEND INCOME	WA CORE BOND PORT I CASH DIVIDEN D			528 45	C
09/30/2011 09/30/2011	DIVIDEND INCOME	PIMCO FDS TOTAL RETURN FUND-IN C ASH DIVIDEND			279 60	C

Consider misc.
investment income
based on previously
recognized losses due
to ownership of BAC
shares

Activity

W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN

11/01/2011 to 11/30/2011

Period Reporting

Trade/Eff Date *Settlement Date*	*Activity Type*	*Description*	*Quantity*	*Price per Unit*	*Total Amount*	*Account Type*
US DOLLAR						
DEPOSITS AND WITHDRAWALS						
11/15/2011 11/15/2011	CASH RECEIVED	CK RECD BB&T-THE LOATS FDTN			614.99	C
	TOTAL DEPOSITS AND WITHDRAWALS				614.99	
EXPENSE ACTIVITY						
11/07/2011 11/07/2011	DIVIDEND EXPENSE	VALE S A ADR P/D 110711 400SH FEE 00 0050000USD/SH			(2 00)	C
11/07/2011 11/07/2011	DIVIDEND EXPENSE	VALE S A ADR P/D 110711 400SH FEE 00 0150000USD/SH			(6 00)	C
11/16/2011 11/16/2011	DIVIDEND EXPENSE	TELEFONICA S A ADR P/D 20111116 1000SH@ 1 0534 USD/SHR 19 00% TAX WITHHELD AT SOURCE			(10 00)	C
	TOTAL EXPENSE ACTIVITY				(18.00)	
INCOME ACTIVITY						
10/31/2011 10/31/2011	DIVIDEND INCOME	WA CORE BOND PORT I CASH DIVIDEND			470 16	C
10/31/2011 10/31/2011	DIVIDEND INCOME	PIMCO FDS TOTAL RETURN FUND-IN CASH DIVIDEND			277.29	C
11/01/2011 11/01/2011	DIVIDEND INCOME	VERIZON COMMUNICATIONS P/D 20111101 1000SH @ 0 5000 USD/SHR 0% TAX WITHHELD AT SOURCE			500.00	C
11/01/2011 11/01/2011	DIVIDEND INCOME	BANK OF AMERICA CORP8 20% PFD PERP P/D 20111101 2000SH@ 0 51 25 USD/SHR 0% TAX WITHHELD AT SOURCE			1,025 00	C

Valuation Currency: USD

Portfolio Valuation By Position
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
05/31/2012
Trade Date Reporting

Security Description	*Shares or Face Value*	*Div or YTM@pur*	*Book Price*	*Book Cost*	*Market Price*	*Market Value*	*Unrealized Gain (Loss)*	*Accrued Interest*	*Total Market Value*	*% of *** Portfolio*	*Acct Type*
CASH AND CASH ALTERNATIVES											
CURRENCIES											
US DOLLAR CUSIP 00000139	27,197 73			27,197.73		27,197 73			27,197.73	0 84	C
MONEY MARKET FUNDS**											
MORGAN STANLEY LIQ MMKT-INST L CUSIP 61747C772	112,056.25	0 19	1 00	112,056.25	1 00	112,056.25			112,056.25	3 48	H
TOTAL CASH AND CASH ALTERNATIVES				*139,253.98*		*139,253.98*			*139,253.98*	*4.33*	
FIXED INCOME											
FIXED INCOME ETFS											
ISHARES IBOXX H/Y CORP BOND 6 420% DUE @ 0 00 TICKER HYG	500.00	6.42	90.76	45,378.40	87.77	43,885 00	(1,493 40)		43,885 00	1.36	C
FIXED INCOME MUTUAL FUNDS											
DODGE & COX INCOME FUND COM TICKER DODIX	8,079.59	0 55	13.71	110,760.00	13 67	110,447.95	(312.05)		110,447.95	3 43	C

Yield to Maturity at Purchase is represented for fixed income instruments only and represents stated annual coupon or OID on debt at the time of purchase and is obtained from publicly available information
Cost Basis and acquisition dates for securities delivered into your account after your purchase were provided by you or a third party and we make no representation as to the accuracy of such information
The totals in the portfolio valuation by position section do not include the value of unpriced securities (securities with prices denoted with N/A) and any assets not held by Morgan Stanley & Co LLC. Yield/Interest and Gain/Loss information is estimated
***An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency Although the Fund seeks to preserve the value of your investment at $1 00 per share, it is possible to lose money by investing in the fund The yield shown represents the SEC 7-day yield.*
**** Please see the general disclosures set forth at the end of this Supplemental Report*

Valuation Currency: USD

Portfolio Valuation By Position
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
05/31/2012
Trade Date Reporting

Security Description	*Shares or Face Value*	*Div or YTM@pur*	*Book Price*	*Book Cost*	*Market Price*	*Market Value*	*Unrealized Gain (Loss)*	*Accrued Interest*	*Total Market Value*	*% of *** Portfolio*	*Acct Type*
LOOMIS SAYLES FDS BD FD INSTL CL OPEN END FUND TICKER LSBDX	17,299.27	0 80	13.68	236,730 00	14.26	246,687.59	9,957.59		246,687.59	7 66	C
PIMCO FDS TOTAL RETURN FUND-IN TICKER PTTRX	9,332 42	0.35	10.95	102,150.00	11.28	105,269.70	3,119.70		105,269.70	3 27	C
T ROWE PRICE CORP INCOME FD INC TICKER· PRPIX	7,012.92	0 47	9.86	69,136.65	9.95	69,778.58	641.93		69,778 58	2 17	C
T ROWE SPECTRUM INCOME TICKER RPSIX	10,012 95	0.53	12.64	126,564 08	12.50	125,161.88	(1,402 20)		125,161.88	3 89	C
WA CORE BOND PORT I TICKER· WATFX	15,000.00	0 38	10.91	163,650.00	12 14	182,100 00	18,450.00		182,100.00	5 66	C
TOTAL FIXED INCOME MUTUAL FUNDS				808,990 73		839,445.70	30,454 97		839,445.70	26 08	
TOTAL FIXED INCOME				*854,369.13*		*883,330.70*	*28,961.57*		*883,330.70*	*27.44*	

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Portfolio Valuation By Position

Valuation Currency: USD

W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN

05/31/2012

Trade Date Reporting

Security Description	Shares or Face Value	Div or YTM@pur	Book Price	Book Cost	Market Price	Market Value	Unrealized Gain (Loss)	Accrued Interest	Total Market Value	% of *** Portfolio	Acct Type
EQUITIES											
COMMON STOCKS											
Energy											
Integrated Oil & Gas											
CHEVRON CORPORATION TICKER CVX	1,200.00	3 60	83.49	100,191 56	98 31	117,972 00	17,780.44		117,972.00	3 67	C
ACCRUAL CASH DIVIDEND CHEVRON CORPORATION EX DATE 05/16/2012 PAY DATE 06/11/2012 TICKER CVX								1,080.00	1,080.00	0 03	C
ROYAL DUTCH SH A TICKER RDS/A	1,000.00	2.92	70.18	70,181.60	62.18	62,180.00	(8,001.60)		62,180.00	1 93	C
Integrated Oil & Gas				170,373.16		180,152.00	9,778 84	1,080.00	181,232 00	5 63	
Oil & Gas Exploration & Production											
CONOCOPHILLIPS TICKER COP	800 00	2 64	48.65	38,923 92	52 16	41,728 00	2,804.08		41,728 00	1.30	C

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ACCRUAL CASH DIVIDEND CONOCOPHILLIPS EX DATE· 05/17/2012 PAY DATE· 06/01/2012 TICKER COP								528.00	528.00	0.02	C
Oil & Gas Exploration & Production				38,923 92		41,728 00	2,804 08	528.00	42,256.00	1 31	
Oil & Gas Refining & Marketing											
PHILLIPS 66 WI TICKER PSX	400.00		28.92	11,567 61	30 03	12,012.00	444.39		12,012.00	0 37	C
Oil & Gas Storage & Transportation											
ENBRIDGE INC COM STK TICKER ENB	1,000.00	1.09	38.49	38,492.40	39 43	39,430 00	937.60		39,430.00	1 23	C
ACCRUAL CASH DIVIDEND ENBRIDGE INC COM STK EX DATE· 05/11/2012 PAY DATE: 06/01/2012 TICKER· ENB								274.43	274.43	0 01	C
KINDER MORGAN HOLD CO LLC TICKER KMI	1,000.00	1.28	37.08	37,080 00	34 19	34,190.00	(2,890.00)		34,190 00	1 06	C
SPECTRA ENERGY CORP TICKER SE	1,000 00	1.12	30.56	30,559.14	28 71	28,710 00	(1,849.14)		28,710 00	0 89	C

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05/31/2012
Trade Date Reporting

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ACCRUAL CASH DIVIDEND SPECTRA ENERGY CORP EX DATE: 05/09/2012 PAY DATE· 06/11/2012 TICKER SE								280.00	280.00	0 01	C
WILLIAMS COS THE COM TICKER WMB	2,000.00	1 04	17 74	35,474 08	30 53	61,060 00	25,585.92		61,060.00	1 90	C
Oil & Gas Storage & Transportation				141,605.62		163,390 00	21,784.38	554.43	163,944.43	5.09	
Energy				362,470.31		397,282.00	34,811.69	2,162.43	399,444.43	12.41	
Industrials											
Electrical Components & Equipment											
EMERSON ELEC CO COM TICKER. EMR	1,000.00	1 60	45.75	45,747.38	46.77	46,770.00	1,022.62		46,770.00	1 45	C
ACCRUAL. CASH DIVIDEND EMERSON ELEC CO COM EX DATE 05/09/2012 PAY DATE. 06/11/2012 TICKER· EMR								400.00	400.00	0 01	C
Electrical Components & Equipment				45,747.38		46,770.00	1,022 62	400 00	47,170.00	1 47	
Industrial Conglomerates											
GENERAL ELEC CO TICKER GE	1,600 00	0 68	20.10	32,158.24	19.09	30,544 00	(1,614 24)		30,544 00	0 95	C

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Portfolio Valuation By Position

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05/31/2012

Trade Date Reporting

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Environmental Services											
REPUBLIC SERVICES INC COM TICKER RSG	2,000.00	0.88	29.88	59,760.70	26.36	52,720.00	(7,040 70)		52,720 00	1 64	C
WASTE MANAGEMENT INC TICKER WM	1,500 00	1 42	34 61	51,915 12	32 44	48,660.00	(3,255 12)		48,660 00	1 51	C
Environmental Services				111,675 82		101,380.00	(10,295.82)		101,380.00	3 15	
Air Freight & Couriers											
UNITED PARCEL SERVICE INC CL B TICKER UPS	700 00	2 28	61.48	43,035.76	74.94	52,458.00	9,422.24		52,458 00	1 63	C
Industrials				232,617.20		231,152.00	(1,465 20)	400.00	231,552.00	7.19	
Consumer Discretionary											
Restaurants											
MCDONALDS CORP COM TICKER MCD	500.00	2 80	74 65	37,327.33	89.34	44,670.00	7,342.67		44,670.00	1.39	C
ACCRUAL CASH DIVIDEND MCDONALDS CORP COM EX DATE 05/31/2012 PAY DATE: 06/15/2012 TICKER MCD								350 00	350.00	0 01	C
Restaurants				37,327.33		44,670.00	7,342.67	350 00	45,020.00	1 40	

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Trade Date Reporting

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Publishing & Printing											
PEARSON PLC 25P SPONSORED ADR TICKER PSO	2,000.00	0 62	14.73	29,452.00	17.71	35,420 00	5,968.00		35,420.00	1 10	C
Consumer Discretionary				66,779.33		80,090 00	13,310.67	350 00	80,440.00	2 50	
Consumer Staples											
Brewers											
ANHEUSER BUSCH INBEV SA SPON TICKER BUD	250 00	1 29	46.05	11,512 58	67 70	16,925 00	5,412.42		16,925.00	0 53	C
Packaged Foods											
NESTLE SA CHF10 SPONS ADR 20 ADRS - 1 REG'D) TICKER· NSRGY	1,100 00	1 79	49.13	54,041.00	56.85	62,535.00	8,494 00		62,535 00	1 94	C
UNILEVER N V COM SHR TICKER. UN	700 00	1 06	31.08	21,756.00	31 36	21,952.00	196 00		21,952.00	0 68	C
ACCRUAL ADR DIVIDEND UNILEVER N V COM SHR EX DATE 05/09/2012 PAY DATE. 06/13/2012 TICKER UN								223 86	223.86	0 01	C
UNILEVER PLC SPON ADR TICKER UL	400.00	1 24	25 41	10,163 44	31.58	12,632 00	2,468.56		12,632 00	0 39	C

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ACCRUAL ADR DIVIDEND UNILEVER PLC SPON ADR EX DATE 05/09/2012 PAY DATE. 06/13/2012 TICKER UL								127.92	127.92	0 00	C
Packaged Foods				85,960.44		97,119.00	11,158.56	351.78	97,470.78	3 03	
Household Products											
COLGATE PALMOLIVE CO COM TICKER CL	700.00	2 48	81.03	56,719 01	98 30	68,810 00	12,090.99		68,810.00	2 14	C
KIMBERLY CLARK CORP TICKER KMB	500 00	2.96	66.91	33,452.90	79 35	39,675.00	6,222.10		39,675.00	1 23	C
PROCTER & GAMBLE CO TICKER PG	500.00	2 25	48.18	24,090.07	62.29	31,145.00	7,054.93		31,145.00	0 97	C
RECKITT BENCKISER GROUP PLC SLOUGH UNSPONSORED ADR (UK) TICKER RBGPY	3,000.00	0 35	10.30	30,900 00	10.73	32,190.00	1,290 00		32,190 00	1.00	C
ACCRUAL ADR DIVIDEND RECKITT BENCKISER GROUP PLC EX DATE 02/22/2012 PAY DATE. 06/15/2012 TICKER· RBGPY								641.84	641.84	0 02	C
Household Products				145,161.98		171,820.00	26,658.02	641.84	172,461.84	5 36	
Consumer Staples				242,635.00		285,864 00	43,229.00	993.62	286,857.62	8 91	

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Health Care											
Health Care Equipment											
MEDTRONIC INC COM TICKER MDT	1,000 00	1.04	39.60	39,601 60	36 84	36,840 00	(2,761.60)		36,840.00	1 14	C
Pharmaceuticals											
ABBOTT LABS NPV TICKER ABT	1,000 00	2 04	48.27	48,265.01	61 79	61,790 00	13,524 99		61,790 00	1 92	C
GLAXO SMITHKLINE SPONS PLC ADR TICKER GSK	611.00	2.28	43.86	26,800.78	44.11	26,951.21	150.43		26,951.21	0 84	C
ACCRUAL· ADR DIVIDEND GLAXO SMITHKLINE SPONS PLC ADR EX DATE 05/09/2012 PAY DATE 07/05/2012 TICKER· GSK								335.50	335.50	0.01	C
JOHNSON & JOHNSON TICKER JNJ	1,000.00	2 44	51.01	51,013 97	62.43	62,430.00	11,416.03		62,430.00	1 94	C
ACCRUAL CASH DIVIDEND JOHNSON & JOHNSON EX DATE 05/24/2012 PAY DATE 06/12/2012 TICKER JNJ								610 00	610.00	0 02	C

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NOVARTIS AG USD SPON ADR REP 1/20 REGD SHS TICKER NVS	700 00	1 65	53.12	37,183.97	52.03	36,421 00	(762 97)		36,421.00	1 13	C
PFIZER INC TICKER PFE	2,000 00	0.88	17.18	34,369.80	21.87	43,740.00	9,370.20		43,740 00	1 36	C
ACCRUAL· CASH DIVIDEND PFIZER INC EX DATE 05/09/2012 PAY DATE: 06/05/2012 TICKER PFE								440.00	440 00	0.01	C
Pharmaceuticals				197,633 53		231,332 21	33,698 68	1,385 50	232,717.71	7 23	
Health Care				237,235.13		268,172.21	30,937.08	1,385.50	269,557.71	8 37	
Financials											
Banks											
US BANCORP COM TICKER USB	1,000 00	0 78	31 82	31,820 50	31.11	31,110.00	(710 50)		31,110.00	0 97	C
Regional Banks											
BB & T CORPORATION COM TICKER BBT	1,000 00	0 80	23.25	23,246 80	30.22	30,220.00	6,973 20		30,220 00	0 94	C

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Thrifts & Mortgage Finance											
PEOPLES UNITED FINANCIAL INC TICKER PBCT	5,100.00	0 64	13.05	66,540 15	11.63	59,313.00	(7,227.15)		59,313 00	1 84	C
Asset Management & Custody Banks											
BLACKROCK INC TICKER BLK	100 00	6 00	157.77	15,777 28	170.80	17,080.00	1,302.72		17,080.00	0 53	C
Financials				137,384 73		137,723.00	338.27		137,723.00	4 28	
Information Technology											
Data Processing & Outsourced Services											
PAYCHEX INC TICKER PAYX	2,000.00	1.28	31.27	62,532 52	29 97	59,940 00	(2,592.52)		59,940.00	1 86	C
Systems Software											
MICROSOFT CORP USD 0 01 TICKER MSFT	1,500.00	0 80	32.59	48,890 40	29 19	43,785 00	(5,105.40)		43,785.00	1 36	C
ACCRUAL CASH DIVIDEND MICROSOFT CORP USD 0 01 EX DATE 05/15/2012 PAY DATE· 06/14/2012 TICKER MSFT								300 00	300 00	0 01	C
Systems Software				48,890 40		43,785.00	(5,105.40)	300.00	44,085.00	1.37	

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Semiconductors												
ACCRUAL CASH DIVIDEND INTEL CORP EX DATE 05/03/2012 PAY DATE 06/01/2012 TICKER INTC									210 00	210.00	0 01	C
Information Technology					111,422 92		103,725 00	(7,697 92)	510.00	104,235.00	3 24	
Telecommunication Services												
Integrated Telecommunication Services												
AT&T INC ISIN US00206R1023 TICKER T		1,500 00	1.76	25 95	38,924.10	34 17	51,255 00	12,330.90		51,255.00	1 59	C
CENTURYLINK INC TICKER CTL		1,300.00	2 90	37.96	49,348 51	39 22	50,986.00	1,637.49		50,986.00	1 58	C
ROYAL PTT NEDERLAND N V ADS TICKER KKPNY		4,000.00	0.98	10.13	40,526.20	9 54	38,152.00	(2,374.20)		38,152.00	1 19	C
TELSTRA CORP ADR TICKER TLSYY		2,000.00	1 36	14.21	28,420 00	17.22	34,440 00	6,020.00		34,440 00	1 07	C
TELSTRA CORPORATION ORDS	AUD	8,000 00		3 46	27,654 38	3 55	28,400.00	745 62		28,400 00	0 86	C
TICKER TTRAF	USD			3 11	24,900 00	3 46	27,661 60	2,761.60		27,661.60		
Integrated Telecommunication Services					182,118 81		202,494.60	20,375.79		202,494 60	6 29	

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W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
05/31/2012
Trade Date Reporting

Security Description	*Shares or Face Value*	*Div or YTM@pur*	*Book Price*	*Book Cost*	*Market Price*	*Market Value*	*Unrealized Gain (Loss)*	*Accrued Interest*	*Total Market Value*	*% of *** Portfolio*	*Acct Type*
Wireless Telecommunication Services											
ROGERS COMMUNICATIONS INC CAD CL B COM NPV NONVTG TICKER RCI	1,800 00	1.56	33.83	60,894.23	34 31	61,758 00	863 77		61,758.00	1 92	C
VODAFONE GP PLC ADS NEW TICKER VOD	2,800 00	1 46	23.38	65,473 50	26 79	75,012 00	9,538 50		75,012.00	2 33	C
Wireless Telecommunication Services				126,367 73		136,770 00	10,402 27		136,770.00	4.25	
Telecommunication Services				308,486.54		339,264.60	30,778 06		339,264.60	10 54	
TOTAL COMMON STOCKS				1,699,031.16		1,843,272.81	144,241 65	5,801 56	1,849,074.37	57 45	
PREFERRED STOCKS											
ALLIANZ SE 8 375% PFD PERP CUSIP 018805200 *S&P A+, Moodys A3*	2,000 00	2 09	25 20	50,400.00	26 16	52,312.00	1,912.00		52,312.00	1 63	C
ARCH CAPITAL GROUP LTD CUSIP. G0450A204 *S&P BBB, Moodys BAA2*	1,000 00	1.69	25.80	25,801.90	25.78	25,780.00	(21.90)		25,780 00	0 80	C

Yield to Maturity at Purchase is represented for fixed income instruments only and represents stated annual coupon or OID on debt at the time of purchase and is obtained from publicly available information
Cost Basis and acquisition dates for securities delivered into your account after your purchase were provided by you or a third party and we make no representation as to the accuracy of such information
The totals in the portfolio valuation by position section do not include the value of unpriced securities (securities with prices denoted with N/A) and any assets not held by Morgan Stanley & Co LLC Yield/Interest and Gain/Loss information is estimated
***An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency Although the Fund seeks to preserve the value of your investment at $1 00 per share, it is possible to lose money by investing in the fund The yield shown represents the SEC 7-day yield*
**** Please see the general disclosures set forth at the end of this Supplemental Report*

Portfolio Valuation By Position

Valuation Currency: USD

W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN

05/31/2012
Trade Date Reporting

Security Description	*Shares or Face Value*	*Div or YTM@pur*	*Book Price*	*Book Cost*	*Market Price*	*Market Value*	*Unrealized Gain (Loss)*	*Accrued Interest*	*Total Market Value*	*% of *** Portfolio*	*Acct Type*
BANK OF AMERICA CORP 8 20% PFD PERP CUSIP 060505765 *S&P BB+, Moodys B1*	2,000 00	2 05	24.77	49,544 15	25 15	50,300 00	755.85		50,300 00	1 56	C
BARCLAYS BANK PLC 6 625% PERP PFD CUSIP 06739F390 *S&P BBB, Moodys BA2*	500.00	1 66	21.99	10,995 00	23 32	11,660 00	665 00		11,660 00	0 36	C
ACCRUAL ADR DIVIDEND BARCLAYS BANK PLC 6 625% PERP EX DATE 05/30/2012 PAY DATE 06/15/2012 CUSIP 06739F390								207 03	207.03	0 01	C
FIFTH THIRD CAPITAL TRUST VI 7 2 5% PFD 15 NOV 2067 CUSIP 31678V206 *S&P BB+, Moodys BAA3*	1,000.00	1 81	22.32	22,324.95	25 36	25,360 00	3,035.05		25,360.00	0 79	C
HSBC FINANCE CORP PFD 6 36% CUSIP 40429C607 *S&P BBB+, Moodys BAA3*	560 00	1 59	24 35	13,634 38	24 49	13,714 40	80.02		13,714 40	0 43	C
ACCRUAL CASH DIVIDEND HSBC FINANCE CORP PFD 6 36% EX DATE· 05/30/2012 PAY DATE. 06/15/2012 CUSIP 40429C607								222.60	222.60	0 01	C

Yield to Maturity at Purchase is represented for fixed income instruments only and represents stated annual coupon or OID on debt at the time of purchase and is obtained from publicly available information
Cost Basis and acquisition dates for securities delivered into your account after your purchase were provided by you or a third party and we make no representation as to the accuracy of such information
The totals in the portfolio valuation by position section do not include the value of unpriced securities (securities with prices denoted with N/A) and any assets not held by Morgan Stanley & Co LLC. Yield/Interest and Gain/Loss information is estimated.
***An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency Although the Fund seeks to preserve the value of your investment at $1 00 per share, it is possible to lose money by investing in the fund The yield shown represents the SEC 7-dav yield*
**** Please see the general disclosures set forth at the end of this Supplemental Report*

Income & Expenses

W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN

06/01/2011 to 05/31/2012
Trade Date Reporting

Valuation Currency: USD
Sort Order: Transaction Type
Payment Date
Security Name

Security Description	Payment Date	Gross Payment	Total Withholding	Net Payment	Capital Gains	
					Short Term	Long Term
LONG TERM CAPITAL GAINS						
BLACKROCK STRAT INC OPPORT INST BLACKROCK STRAT INC OPPORT INST LONG TERM CAPITAL GAIN AT $0 02 PER SHARE	07/21/2011					68 34
TEMPLETON GLOBAL BD FD TEMPLETON GLOBAL BD FD LONG TERM CAPITAL GAIN AT $0 08 PER SHARE	12/19/2011					869 00
TOTAL LONG TERM CAPITAL GAINS						937.34
DIVIDEND EXPENSE						
DANONE-SPONS ADR P/D 20110603 30 00SH@ 0 3673 USD/SHR 25 00% TAX WITHHELD AT SOURCE	06/03/2011	(60 00)		(60.00)		
VEOLIA ENVIRONNEMENT PARIS ADR P /D 20110628 1200SH@ 1 7359 USD/S HR 25 00% TAX WITHHELD AT SOURCE	06/28/2011	(2,060 10)	515.02	(1,545.08)		
VODAFONE GROUP PLC SP ADR P/D 20 110805 1800SH@ 0.9868 USD/S HR 0 % TAX WITHHELD AT SOURCE	08/05/2011	(36.00)		(36 00)		
VODAFONE GROUP PLC SP ADR P/D 20 110805 1800SH@ 0.9868 USD/S HR 0 % TAX WITHHELD AT SOURCE	08/05/2011	(1,763 85)		(1,763.85)		
VODAFONE GROUP PLC SP ADR P/D 20 110805 1800SH@ 0.9868 USD/S HR 0 % TAX WITHHELD AT SOURCE	08/05/2011	(36.00)		(36.00)		
VALE S A ADR P/D 090211 400SH FE E 00 0050000USD/SH	09/02/2011	(2.00)		(2 00)		
ALLIANZ SE 8.375% PFD PERP P/D 2 0110915 1000SH@ 0 5 234 USD/SHR 26 00% TAX WITHHELD AT SOURCE	09/15/2011	(523.44)		(523.44)		
TELSTRA CORPORATION LIMITED ADR P/D 20111003 2000SH@ 0 6783 USD/ SHR 0% TAX WITHHELD AT SOURCE	10/03/2011	(40 00)		(40 00)		

Income & Expenses

W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN

06/01/2011 to 05/31/2012

Trade Date Reporting

Valuation Currency: USD
Sort Order: Transaction Type

Payment Date
Security Name

Security Description	*Payment Date*	*Gross Payment*	*Total Withholding*	*Net Payment*	*Capital Gains*	
					Short Term	*Long Term*
MORGAN STANLEY LIQ MMKT-INST L	10/31/2011	6.75		6 75		
FIFTH THIRD CAPITAL TRUST VI 7.2 5% P/D 20111115 1000SH @ 0.4531 USD/SHR 0% TAX WITHHELD AT SOURCE	11/15/2011	453.13		453.13		
MORGAN STANLEY LIQ MMKT-INST L	11/30/2011	6 80		6 80		
MORGAN STANLEY LIQ MMKT-INST L	12/30/2011	3.19		3.19		
MORGAN STANLEY LIQ MMKT-INST L	01/31/2012	8 67		8.67		
FIFTH THIRD CAPITAL TRUST VI 7 2 5% P/D 20120215 1000SH @ 0 4531 USD/SHR 0% TAX WITHHELD AT SOURCE	02/15/2012	453.13		453.13		
MORGAN STANLEY LIQ MMKT-INST L	02/29/2012	17 26		17.26		
MORGAN STANLEY LIQ MMKT-INST L	03/30/2012	18 65		18 65		
MORGAN STANLEY LIQ MMKT-INST L	04/30/2012	9.91		9.91		
FIFTH THIRD CAPITAL TRUST VI 7.2 5% P/D 20120515 1000SH @ 0.4531 USD/SHR 0% TAX WITHHELD AT SOURCE	05/15/2012	453.13		453 13		
MORGAN STANLEY LIQ MMKT-INST L	05/31/2012	13.38		13 38		
TOTAL INTEREST INCOME		1,914.10		1,914.10		
MISCELLANEOUS EXPENSE						
DEBIT INTEREST FOR THE PERIOD 09/01/11 TO 09/30/11	10/01/2011	(3 13)		(3.13)		
TOTAL MISCELLANEOUS EXPENSE		(3.13)		(3.13)		
MANAGEMENT FEE						
FEE 04-11,05-11,06-11 23 AUTOPWM 0090604221 259503635	07/20/2011	(4,192.98)		(4,192.98)		
FEE 07-11,08-11,09-11 23 AUTOPWM 0092212019 311903483	10/19/2011	(3,889.02)		(3,889 02)		
FEE 10-11,11-11,12-11 23 AUTOPWM 0093800477 688403390	01/20/2012	(3,913.12)		(3,913.12)		

: .06 income
(3,09) for Inc/expense

Income & Expenses

W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN

06/01/2011 to 05/31/2012
Trade Date Reporting

Valuation Currency: USD
Sort Order: Transaction Type

Payment Date
Security Name

Security Description	*Payment Date*	*Gross Payment*	*Total Withholding*	*Net Payment*	*Capital Gains*	
					Short Term	*Long Term*
FEE 01-12,02-12,03-12 23 AUTOPWM 0095878553 127303181	04/19/2012	(4,068.20)		(4,068.20)		
TOTAL MANAGEMENT FEE		(16,063.32)		(16,063.32)		
MISCELLANEOUS INCOME						
CREDIT INTEREST FOR THE PERIOD 0 3/01/12 TO 03/31/12	04/01/2012	0.06		0.06		
TOTAL MISCELLANEOUS INCOME		0.06		0.06		
TOTAL PORTFOLIO		122,308.61		118,129.87	0.00	937.34

Realized Gains & Losses

W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN

06/01/2011 to 05/31/2012
Trade Date Reporting

Valuation Currency: USD
Sort Order: Closing Date

Shares or Face Value	Security Description	Purchase Date	Sale Date	Cost	Proceeds	Gain (Loss) Short Term	Gain (Loss) Long Term
1,000 000	TELEFONICA S A ADR TICKER: TEF	03/29/2011	06/10/2011	25,096.60	23,259.55	(1,837.05)	
500 000	BAXTER INTERNATIONAL INC USD1 COM TICKER BAX	01/11/2011	07/06/2011	24,877.55	30,262.56	5,385.01	
300.000	ENCANA CORPORATION TICKER. ECA	02/02/2010	07/06/2011	9,713.97	9,201.15		(512 82)
600.000	ENCANA CORPORATION TICKER ECA	01/15/2010	07/06/2011	20,724 00	18,402 31		(2,321 69)
400.000	MCCORMICK & CO INC COM NON VTG TICKER· MKC	04/12/2010	07/06/2011	15,370 40	19,848 22		4,477.82
300.000	MCCORMICK & CO INC COM NON VTG TICKER· MKC	03/25/2010	07/06/2011	11,425.80	14,886.16		3,460 36
700.000	MEDTRONIC INC COM TICKER: MDT	01/11/2011	07/07/2011	25,651 57	26,799 75	1,148.18	
500.000	METLIFE INC COMM STOCK TICKER: MET	04/15/2011	07/07/2011	22,093.85	22,129 02	35.17	
300 000	GENUINE PARTS CO COM TICKER· GPC	04/12/2010	07/20/2011	12,968 82	16,869.37		3,900 55
100 000	GENUINE PARTS CO COM TICKER: GPC	03/25/2010	07/20/2011	4,242 60	5,623.12		1,380 52
300 000	GENUINE PARTS CO COM TICKER· GPC	02/02/2010	07/20/2011	11,732.97	16,869.36		5,136.39
300.000	GENUINE PARTS CO COM TICKER· GPC	01/15/2010	07/20/2011	11,673.00	16,869.37		5,196.37
7,000 000	EATON VANCE FLOATINGRATE INST TICKER. EIBLX	10/04/2010	08/12/2011	61,530 00	60,550.00	(980.00)	
400 000	AIR PRODS & CHEMS INC COM TICKER. APD	04/12/2010	09/08/2011	30,099.96	32,471 57		2,371.61
3,000.000	PIMCO UNCONSTRAINED INST CL MF TICKER· PFIUX	10/04/2010	09/27/2011	33,990 00	32,790 00	(1,200 00)	

Realized Gains & Losses

W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN

06/01/2011 to 05/31/2012

Trade Date Reporting

Valuation Currency: USD
Sort Order: Closing Date

Shares or Face Value	Security Description	Purchase Date	Sale Date	Cost	Proceeds	Gain (Loss) Short Term	Gain (Loss) Long Term
13,673 655	PIMCO UNCONSTRAINED INST CL MF TICKER. PFIUX	03/25/2010	09/27/2011	150,000 00	149,453.05		(546 95)
1,000 000	SYSCO CORP TICKER: SYY	03/09/2010	10/03/2011	28,717.00	25,883.90		(2,833 10)
500.000	SYSCO CORP TICKER· SYY	07/24/2009	10/03/2011	11,440 00	12,941.95		1,501.95
300 000	VEOLIA ENVIRONNEMENT PARIS ADR TICKER VE	05/06/2010	10/14/2011	8,475 00	4,674.60		(3,800 40)
400 000	VEOLIA ENVIRONNEMENT PARIS ADR TICKER· VE	03/25/2010	10/14/2011	13,795 96	6,232 80		(7,563 16)
400 000	VEOLIA ENVIRONNEMENT PARIS ADR TICKER VE	02/02/2010	10/14/2011	13,911 96	6,232.80		(7,679 16)
100.000	VEOLIA ENVIRONNEMENT PARIS ADR TICKER: VE	01/15/2010	10/14/2011	3,647.99	1,558.20		(2,089.79)
600.000	WAL MART STORES INC TICKER: WMT	08/13/2010	10/14/2011	30,257.46	33,146.06		2,888 60
100.000	HOME DEPOT INC COM TICKER· HD	03/25/2010	10/19/2011	3,279.99	3,544 35		264.36
300 000	HOME DEPOT INC COM TICKER HD	03/09/2010	10/19/2011	9,509 97	10,633 05		1,123 08
400 000	HOME DEPOT INC COM TICKER· HD	02/17/2010	10/19/2011	11,990 52	14,177 41		2,186 89
500 000	E ON AG SPONSORED ADR TICKER· EONGY	08/10/2011	10/21/2011	10,014 50	11,859.97	1,845 47	
500 000	GDF SUEZ ADR WI TICKER: GDFZY	05/18/2011	10/21/2011	18,684.30	14,865.06	(3,819 24)	
500.000	E ON AG SPONSORED ADR TICKER. EONGY	08/10/2011	11/22/2011	10,014.50	11,155.63	1,141 13	
2,000 000	GENERAL ELEC CO TICKER: GE	09/07/2010	11/22/2011	30,896 40	30,017 82		(878 58)
500 000	MERCK & CO TICKER MRK	03/25/2010	11/22/2011	18,939.95	16,935.17		(2,004 78)

Realized Gains & Losses
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
06/01/2011 to 05/31/2012
Trade Date Reporting

Valuation Currency: USD
Sort Order: Closing Date

Shares or Face Value	*Security Description*	*Purchase Date*	*Sale Date*	*Cost*	*Proceeds*	*Gain (Loss)* Short Term	*Gain (Loss)* Long Term
100 000	MERCK & CO TICKER· MRK	07/24/2009	11/22/2011	3,097.00	3,387.04		290 04
100 000	MERCK & CO TICKER: MRK	01/31/2008	11/22/2011	4,558.99	3,387.03		(1,171.96)
300 000	MERCK & CO TICKER MRK	08/10/2006	11/22/2011	12,345 00	10,161.10		(2,183.90)
1,000.000	TELEFONICA S A ADR TICKER TEF	09/07/2011	11/22/2011	19,304 40	18,067.95	(1,236.45)	
1,000.000	DEUTSCHE BANK CONTINGENT C APITAL TR V 8.05% PERP PFD CUSIP 25150L108	07/14/2010	12/15/2011	25,280.00	23,759.64		(1,520 36)
500 000	GDF SUEZ ADR WI TICKER. GDFZY -	05/18/2011	12/15/2011	18,684.30	12,994.75	(5,689 55)	
	WPX ENERGY INC TICKER: WPX	01/15/2010	01/06/2012	7.94	11.05		3 11
167 000	WPX ENERGY INC TICKER. WPX	07/13/2010	01/11/2012	1,798.09	2,776.40		978.31
166 000	WPX ENERGY INC TICKER: WPX	04/12/2010	01/11/2012	2,244.39	2,759.78		515.39
100 000	WPX ENERGY INC TICKER· WPX	02/02/2010	01/11/2012	1,214.13	1,662 52		448.39
233.000	WPX ENERGY INC TICKER· WPX	01/15/2010	01/11/2012	2,777.17	3,873.66		1,096.49
1,000 000	MARATHON PETROLEUM CORP TICKER: MPC	11/29/2011	01/26/2012	33,170 00	37,609 47	4,439 47	
1,000 000	PG&E CORP COM STK TICKER: PCG	11/28/2011	02/17/2012	37,954.70	42,037.44	4,082 74	
100 000	METLIFE INC PFD 6.5% SERIES B CUSIP 59156R603	01/15/2010	02/27/2012	2,472 00	2,581 24		109.24
400 000	METLIFE INC PFD 6.5% SERIES B CUSIP 59156R603	01/15/2010	02/28/2012	9,888 00	10,253.53		365 53

Realized Gains & Losses
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
06/01/2011 to 05/31/2012
Trade Date Reporting

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Sort Order: Closing Date

Shares or Face Value	Security Description	Purchase Date	Sale Date	Cost	Proceeds	Gain (Loss)	
						Short Term	Long Term
4,000.000	BLACKROCK STRAT INC OPPORT INST TICKER BSIIX	10/04/2010	03/05/2012	40,600.00	39,080.00		(1,520.00)
5,000.000	EATON VANCE STRATEGIC INC I TICKER: ESIIX	02/02/2010	03/05/2012	40,450.00	40,500.00		50 00
10,845 679	EATON VANCE STRATEGIC INC I TICKER. ESIIX	01/15/2010	03/05/2012	87,850.00	87,850 00		
1,000 000	HSBC HOLDINGS PLC ADR TICKER: HBC	11/16/2011	03/05/2012	38,784.90	44,381.20	5,596.30	
400 000	EXXON MOBIL CORP TICKER· XOM	01/11/2011	03/19/2012	30,198 04	34,801.53		4,603.49
500 000	EXXON MOBIL CORP TICKER. XOM	08/13/2010	03/19/2012	30,074 55	43,501 92		13,427.37
300.000	INTL BUSINESS MACHS CORP TICKER. IBM	05/04/2010	03/19/2012	38,243 97	61,783 52		23,539 55
1,000.000	PKG CORP AMER COM STK TICKER: PKG	05/18/2011	03/19/2012	28,829.60	29,834.86	1,005 26	
6,000.000	TEMPLETON GLOBAL BD FD TICKER· TGBAX	09/27/2011	03/19/2012	76,980.00	79,260 00	2,280 00	
5,000 000	TEMPLETON GLOBAL BD FD TICKER: TGBAX	05/04/2010	03/19/2012	67,400 00	66,050 00		(1,350.00)
1,000.000	VERIZON COMMUNICATIONS COM STK TICKER: VZ	10/04/2010	03/21/2012	32,992 10	39,787.28		6,795 18
100.000	3 M CO TICKER MMM	11/02/2010	03/27/2012	8,490.00	8,926.11		436.11
300 000	3 M CO TICKER MMM	09/07/2010	03/27/2012	24,658.68	26,778.32		2,119 64
500 000	MICROCHIP TECH INC COM TICKER MCHP	11/02/2010	03/27/2012	16,233 45	18,457.27		2,223 82
1,000 000	MICROCHIP TECH INC COM TICKER. MCHP	10/04/2010	03/27/2012	31,041.30	36,914 53		5,873.23
300 000	AIR PRODS & CHEMS INC COM TICKER APD	03/20/2012	04/17/2012	27,324.72	27,121.73	(202 99)	

Realized Gains & Losses

W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN

06/01/2011 to 05/31/2012

Trade Date Reporting

Valuation Currency: USD
Sort Order: Closing Date

Shares or Face Value	*Security Description*	*Purchase Date*	*Sale Date*	*Cost*	*Proceeds*	*Gain (Loss)*	
						Short Term	*Long Term*
500 000	M & T BANK CORPORATION COM STK TICKER: MTB	11/14/2011	04/17/2012	36,012 90	43,689.77	7,676.87	
400.000	AUTOMATIC DATA PROCESSING INC TICKER· ADP	05/04/2010	04/18/2012	17,082.40	21,933 38		4,850 98
400 000	AUTOMATIC DATA PROCESSING INC TICKER. ADP	02/17/2010	04/18/2012	16,576 00	21,933 39		5,357 39
200 000	CHUBB CORP COM TICKER CB	04/12/2010	04/18/2012	10,293.42	14,221.70		3,928.28
300 000	CHUBB CORP COM TICKER CB	03/25/2010	04/18/2012	15,680 97	21,332 55		5,651 58
400 000	VALE S.A ADR TICKER: VALE	02/02/2010	04/18/2012	10,987.96	9,301 67		(1,686 29)
1,500.000	DANONE-SPONS ADR TICKER: DANOY	03/28/2011	05/07/2012	19,200 00	20,849 98		1,649.98
250 000	ANHEUSER BUSCH INBEV SA SPON TICKER BUD	05/07/2010	05/17/2012	11,512.57	17,466.48		5,953 91
1,500.000	DANONE-SPONS ADR TICKER: DANOY	03/28/2011	05/17/2012	19,200.00	19,790 55		590 55
1,000 000	INTEL CORP TICKER. INTC	11/22/2011	05/31/2012	23,231.60	25,872 92	2,641 32	
	TOTAL PORTFOLIO			1,669,491.83	1,776,886.59	22,311.64	85,083.12