Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2012

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

THE JOANNA FOUNDATION
C/O LYNN REGNERY
7423 Fisherman Creek
Wilmington, NC 28405

A Employer identification number: 36-3666551

B Telephone number (see the instructions): (910) 264-4444

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, column (c), line 16) ► $ 749,845.

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) (see instructions))*

	Line	(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)				
	2 Ck ► ☒ if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	12,650.	12,650.	12,650.	
	4 Dividends and interest from securities	4,143.	4,143.	4,143.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	-22,516.			
	b Gross sales price for all assets on line 6a 153,008.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	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/(loss) (att sch)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	-5,723.	16,793.	16,793.	
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	9,600.			9,600.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) See St 1	586.	293.		293.
	b Accounting fees (attach sch) See St 2	450.	225.		225.
	c Other prof fees (attach sch)				
	17 Interest	13.	7.		6.
	18 Taxes (attach schedule)(see instrs) See Stm 3	1,185.	593.		592.
	19 Depreciation (attach sch) and depletion	1,254.			
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 4	743.	372.		371.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	13,831.	1,490.		11,087.
	25 Contributions, gifts, grants paid Part XV	30,957.			30,957.
	26 **Total expenses and disbursements.** Add lines 24 and 25	44,788.	1,490.	0.	42,044.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	-50,511.			
	b **Net investment income** (if negative, enter 0)		15,303.		
	c **Adjusted net income** (if negative, enter 0-)			16,793.	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
ASSETS	1 Cash – non-interest-bearing			
	2 Savings and temporary cash investments	417,500.	108,124.	108,124.
	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) Statement 5	61,488.	56,107.	120,670.
	c Investments – corporate bonds (attach schedule) Statement 6	161,275.	426,775.	423,697.
	11 Investments – land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) Statement 7	129,846.	129,846.	95,155.
	14 Land, buildings, and equipment basis ► 15,021.			
	Less accumulated depreciation (attach schedule) See Stmt 8 ► 12,822.	3,453.	2,199.	2,199.
	15 Other assets (describe ►)			
	16 **Total assets** (to be completed by all filers – see the instructions Also, see page 1, item I)	773,562.	723,051.	749,845.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES	**Foundations that follow SFAS 117, check here ► ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	773,562.	723,051.	
	30 **Total net assets or fund balances** (see instructions)	773,562.	723,051.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	773,562.	723,051.	

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	773,562.
2	Enter amount from Part I, line 27a	2	-50,511.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	723,051.
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	723,051.

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)
1a See Statement 9			
b			
c			
d			
e			

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

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

	(i) 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	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7	2	-22,516.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	0.

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2011	39,124.	766,464.	0.051045
2010	46,086.	766,995.	0.060086
2009	47,500.	775,031.	0.061288
2008	46,554.	822,003.	0.056635
2007	48,287.	922,050.	0.052369

2	**Total** of line 1, column (d)	2	0.281423
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	0.056285
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	761,425.
5	Multiply line 4 by line 3	5	42,857.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	153.
7	Add lines 5 and 6	7	43,010.
8	Enter qualifying distributions from Part XII, line 4	8	42,044.

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 ► ☐ 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 ► ☐ and enter 1% of Part I, line 27b		1	306.
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	306.
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	306.
6 Credits/Payments			
a 2012 estimated tax pmts and 2011 overpayment credited to 2012	6a 576.		
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	576.
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	0.
10 **Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►		10	270.
11 Enter the amount of line 10 to be **Credited to 2013 estimated tax** ► 270.	**Refunded** ►	11	0.

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?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		X
*If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ► $ 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
4 a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ► N/A			
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

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

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

Website address ► N/A

14 The books are in care of ► LYNN REGNERY Telephone no ► (910) 264-4444

Located at ► 7423 Fisherman Creek Wilmington NC ZIP + 4 ► 28405

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here N/A ► ☐

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 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If 'Yes,' enter the name of the foreign country ►			

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

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.					Yes	No
1 a 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)?				1 b	N/A	
Organizations relying on a current notice regarding disaster assistance check here			► ☐			
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?				1 c		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))						
a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	☐ Yes	☒ No				
If 'Yes,' list the years ► 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)				2 b	N/A	
c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20__ , 20__ , 20__ , 20__						
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes	☒ No				
b If 'Yes,' did it have excess business holdings in 2012 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)*				3 b	N/A	
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?				4 a		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?				4 b		X

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

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

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

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

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

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

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

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? **5b** N/A

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

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

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? 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 (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
LYNN REGNERY 7423 Fisherman Creek Wilmington, NC 28405	President 5.00	9,600.	0.	0.
JOHN REGNERY 11149 YELLOW LEAF WAY GERMANTOWN, MD 20876	Vice Preside 1.00	0.	0.	0.
REBECCA DELRAY REGNERY 11149 YELLOW LEAF WAY GERMANTOWN, MD 20876	Treasurer 1.00	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				

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

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over $50,000 for professional services ►		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 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
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	773,020.
b Average of monthly cash balances		1b	
c Fair market value of all other assets (see instructions)		1c	
d **Total** (add lines 1a, b, and c)		1d	773,020.
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	773,020.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	11,595.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	761,425.
6 **Minimum investment return.** Enter 5% of line 5		6	38,071.

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	38,071.
2a Tax on investment income for 2012 from Part VI, line 5	2a 306.		
b Income tax for 2012 (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b		2c	306.
3 Distributable amount before adjustments Subtract line 2c from line 1		3	37,765.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	37,765.
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	37,765.

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	42,044.
b Program-related investments — total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 **Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	42,044.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	42,044.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				37,765.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
b Total for prior years 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2012				
a From 2007 2,676.				
b From 2008 5,928.				
c From 2009 9,172.				
d From 2010 8,360.				
e From 2011 1,377.				
f **Total** of lines 3a through e	27,513.			
4 Qualifying distributions for 2012 from Part XII, line 4: ► $ 42,044.				
a Applied to 2011, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2012 distributable amount				37,765.
e Remaining amount distributed out of corpus	4,279.			
5 Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	31,792.			
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 2011 Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	2,676.			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	29,116.			
10 Analysis of line 9				
a Excess from 2008 5,928.				
b Excess from 2009 9,172.				
c Excess from 2010 8,360.				
d Excess from 2011 1,377.				
e Excess from 2012 4,279.				

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 2012, enter the date of the ruling ►

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

	Tax year	Prior 3 years			
	(a) 2012	**(b)** 2011	**(c)** 2010	**(d)** 2009	**(e) Total**
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 or e-mail of the person to whom applications should be addressed

See Statement 10

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

See Statement for Line 2a

c Any submission deadlines

See Statement for Line 2a

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

See Statement for Line 2a

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
SEE ATTACHED LISTING	NONE	EXEMPT	CHARITABLE	30,957.
Total			► 3a	30,957.
b Approved for future payment				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					12,650.
4 Dividends and interest from securities					4,143.
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					-22,516.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)					-5,723.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 -5,723.

(See worksheet in line 13 instructions to verify calculations)

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

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

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	1 a (1)		X
(2) Other assets	1 a (2)		X
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1 b (1)		X
(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
(3) Rental of facilities, equipment, or other assets	1 b (3)		X
(4) Reimbursement arrangements	1 b (4)		X
(5) Loans or loan guarantees	1 b (5)		X
(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c		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			

2 a 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

Lynn Regnery | 5/14/13 | President

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self employed	PTIN
Renee' E. McNutt, CPA	Renee' E. McNutt, CPA	5/13/13		P01223223

Firm's name ► Knott & McNutt, CPAs, PLLC — Firm's EIN ► 45-4136090

Firm's address ► 1985 Eastwood Rd., Ste. 204, Wilmington, NC 28403 — Phone no (910) 509-3800

THE JOANNA FOUNDATION
C/O LYNN REGNERY **36-3666551**

Statement 1
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Legal Fees	$ 586.	$ 293.		$ 293.
Total	$ 586.	$ 293.	$ 0.	$ 293.

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Tax Preparation	$ 450.	$ 225.		$ 225.
Total	$ 450.	$ 225.	$ 0.	$ 225.

Statement 3
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
IL Charity Fund	$ 15.	$ 8.		$ 7.
IL Secretary of State	10.	5.		5.
US Treasury - 2011 tax	584.	292.		292.
US Treasury - 2012 estimated tax	576.	288.		288.
Total	$ 1,185.	$ 593.	$ 0.	$ 592.

Statement 4
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Investment Expenses-Merrill	$ 95.	$ 48.		$ 47.
Investment Expenses-Schwab	170.	85.		85.
Membership to Sams/Costco	200.	100.		100.
Office Expense	278.	139.		139.
Total	$ 743.	$ 372.	$ 0.	$ 371.

Statement 5
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
SEE ATTACHED LISTING	Cost	$ 56,107.	$ 120,670.
	Total	$ 56,107.	$ 120,670.

Statement 6
Form 990-PF, Part II, Line 10c
Investments - Corporate Bonds

Corporate Bonds	Valuation Method	Book Value	Fair Market Value
SEE ATTACHED LISTING	Cost	$ 426,775.	$ 423,697.
	Total	$ 426,775.	$ 423,697.

Statement 7
Form 990-PF, Part II, Line 13
Investments - Other

Other Investments	Valuation Method	Book Value	Fair Market Value
SEE ATTACHED LISTING	Cost	$ 129,846.	$ 95,155.
	Total	$ 129,846.	$ 95,155.

Statement 8
Form 990-PF, Part II, Line 14
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value	Fair Market Value
Machinery and Equipment	$ 15,021.	$ 12,822.	$ 2,199.	$ 2,199.
Total	$ 15,021.	$ 12,822.	$ 2,199.	$ 2,199.

Statement 9
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	156 Alcatel Lucent	Purchased	Various	10/18/2012
2	20000 Bank of America Due 5/15/12	Purchased	Various	5/15/2012
3	25 Dell Inc	Purchased	Various	10/18/2012
4	4 Walt Disney	Purchased	Various	10/18/2012

Statement 9 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
5	2 E-Trade Financial	Purchased	Various	10/18/2012
6	30000 GE Due 6/15/12	Purchased	Various	6/15/2012
7	25000 Goldman Sachs Due 8/1/12	Purchased	Various	8/01/2012
8	45 LSI Corp	Purchased	Various	10/18/2012
9	37 Motorola	Purchased	Various	5/22/2012
10	40 Yahoo Inc	Purchased	Various	10/18/2012
11	75000 Progressive Corp 6.375%	Purchased	11/12/2009	1/17/2012

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i)-(j)	(l) Gain (Loss)
1	167.		7,214.	-7,047.				$ -7,047.
2	20,000.		21,660.	-1,660.				-1,660.
3	236.		1,049.	-813.				-813.
4	201.		1,075.	-874.				-874.
5	10.		1,037.	-1,027.				-1,027.
6	30,000.		32,650.	-2,650.				-2,650.
7	25,000.		25,501.	-501.				-501.
8	285.		1,536.	-1,251.				-1,251.
9	1,480.		1,910.	-430.				-430.
10	629.		1,565.	-936.				-936.
11	75,000.		80,327.	-5,327.				-5,327.
							Total	$ -22,516.

Statement 10
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program:	
Name:	Lynn Regnery
Care Of:	
Street Address:	7423 Fisherman Creek
City, State, Zip Code:	Wilmington, NC 28405
Telephone:	(910) 602-6020
E-Mail Address:	
Form and Content:	None Specified
Submission Deadlines:	None
Restrictions on Awards:	None

Joanna Foundation
2012

Adopt an Angel	$	80
Adopt an Angel		1,000
Adopt an Angel		500
Brighter Way Foundation		2,000
Brighter Way Foundation		1,000
Camp Corral		100
Cape Fear Tutoring		350
Disablility Resource Center		1,000
Gethsemani Trappist Monks		320
Hinsdale Humane Society		250
Humane Society International		500
Humane Society of US		100
International Society for Protection of Mustangs and Burros		750
Montgomery County Humane Society		400
Montgomery County Humane Society		1,250
Mount Saint Mary's Abbey		160
N.C. Coastal Land Trust		1,000
Naval Sea Cadets		250
Ocean Foundation		1,000
Ocean Foundation		500
Ogden School PTA		100
Pat Floyd Ministries		2,000
Pat Floyd Ministries		500
Pat Floyd Ministries		10,000
Pear Endangered Animal Rescue		500
Poplar Springs Animal Sanctuary		500
Pug Rescue of NC		1,000
Red Wiggler Foundation		1,000
Save the Manatees		250
Saving Animals During Disaster		1,000
Sea Cadets		480
Smash Cancer		100
Smash Tennis		70
Trappestine Nuns Lady of Mississippi Abbey		830
UNC-TV		300
Gross Donations	$	31,140
Adjustment for Ck # 0365		(8)
Void Uncleared Donation to Smithsonian		(175)
Net Donations	$	30,957

Income Summary

Income Summary	This Period: Federally Tax-Exempt	This Period: Federally Taxable	Year to Date: Federally Tax-Exempt	Year to Date: Federally Taxable
Schwab One Interest	0.00	0.87	0.00	18.43
Cash Dividends	0.00	1,436.29	0.00	3,999.40
Corporate Bond and Other Interest	0.00	943.75	0.00	14,815.65
Total Income	0.00	2,380.91	0.00	18,833.48
Accrued Interest Paid [4]	0.00	0.00	0.00	(5,063.25)

[4] Certain accrued interest paid on taxable bonds may be deductible; consult your tax advisor.

Investment Detail - Cash

Cash	Market Value	% of Account Assets
Cash	108,154.89	14%
Total Cash	108,154.89	14%
Total Cash	108,154.89	14%

Investment Detail - Fixed Income

Corporate Bonds	Par / Units Purchased	Market Price / Cost Per Unit	Market Value / Cost Basis	% of Account Assets / Acquired	Unrealized Gain or (Loss)	Estimated Annual Income / Yield to Maturity
BANK OF AMERICA 4.75%13	25,000.0000	102.1947	25,548.68	3%	(237.32)	1,187.50
NOTES DUE 08/15/13	25,000.0000	103.1440	25,786.00	03/08/12	(237.32)	2.48%
CUSIP: 060505BD5						
MOODY'S: Baa3 S&P: BBB+						*Accrued Interest: 448.61*

Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings.
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement.

Investment Detail - Fixed Income (continued)

Corporate Bonds (continued)	Par / Units Purchased	Market Price / Cost Per Unit	Market Value / Cost Basis	% of Account Assets / Acquired	Unrealized Gain or (Loss)	Estimated Annual Income / Yield to Maturity
CITIGROUP INC 5%14	25,000.0000	105.2022	26,300.55	4%	287.05	1,250.00
SUB NOTES DUE 09/15/14	25,000.0000	104.0540	26,013.50	04/19/12	287.05	3.22%
CUSIP: 172967CQ2						
MOODY'S: Baa3 S&P: BBB+						*Accrued Interest: 368.06*
CITIGROUP INC 6%13	25,000.0000	104.7516	26,187.90	4%	(391.10)	1,500.00
NOTES DUE 12/13/13	25,000.0000	106.3160	26,579.00	03/09/12	(391 10)	2.28%
CUSIP: 172967FE6						
MOODY'S: Baa2 S&P: A-						*Accrued Interest: 66.67*
CITIGROUP INC 6.5%13	25,000.0000	103.4489	25,862.23	3%	(577.27)	1,625.00
NOTES DUE 08/19/13	25,000.0000	105.7580	26,439.50	04/25/12	(577.27)	1.99%
CUSIP: 172967EU1						
MOODY'S: Baa2 S&P: A-						*Accrued Interest: 595.83*
ENERSIS S A 7.375%14F	10,000.0000	105.3111	10,531.11	1%	(159.29)	737.50
NT DUE 01/15/14	10,000.0000	106.9040	10,690.40	10/18/12	(159.29)	1.66%
CUSIP: 29274FAE4						
MOODY'S: Baa2 S&P: BBB+						*Accrued Interest: 340.07*
GOLDMAN SACHS 6%14	25,000.0000	106.3575	26,589.38	4%	(113.12)	1,500.00
NOTES DUE 05/01/14	25,000.0000	106.8100	26,702.50	08/23/12	(113.12)	1.85%
CUSIP: 38141EA33						
MOODY'S: A3 S&P: A-						*Accrued Interest: 250.00*
GOLDMAN SACHS 5.25%13	25,000.0000	103.3985	25,849.63	3%	(383.87)	1,312.50
DUE 10/15/13	25,000.0000	104.9340	26,233.50	03/09/12	(383.87)	2.07%
CUSIP: 38141GDQ4						
MOODY'S: A3 S&P: A-						*Accrued Interest: 277.08*

Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement.

SIPC

Investment Detail - Fixed Income (continued)

Corporate Bonds (continued)	Par / Units Purchased	Market Price / Cost Per Unit	Market Value / Cost Basis	% of Account Assets / Acquired	Unrealized Gain or (Loss)	Estimated Annual Income / Yield to Maturity
GOLDMAN SACHS GP 4.75%13	25,000.0000	102.0599	25,514.98	3%	(353.77)	1,187.50
NOTES DUE 07/15/13	25,000.0000	103.4750	25,868.75	04/25/12	(353.77)	1.82%
CUSIP: 38141GDK7						
MOODY'S: A3 S&P: A-						Accrued Interest: 547.57
HSBC FINANCE CP 4.25%14	15,000.0000	102.3751	15,356.27	2%	(365.23)	637.50
INTERNOTES DUE 10/15/14	15,000.0000	104.8100	15,721.50	10/18/12	(365.23)	1.76%
CUSIP: 40429XWN2						
MOODY'S: Baa1 S&P: A						Accrued Interest: 134.58
JPMORGAN CHASE 4.875%14	25,000.0000	104.3536	26,088.40	3%	(131.35)	1,218.75
BONDS DUE 03/15/14	25,000.0000	104.8790	26,219.75	06/05/12	(131.35)	2.05%
CUSIP: 46625HBJ8						
MOODY'S: A3 S&P: A-						Accrued Interest: 358.85
JPMORGAN CHASE 5.125%14	25,000.0000	106.2588	26,564.70	4%	253.20	1,281.25
NOTES DUE 09/15/14	25,000.0000	105.2460	26,311.50	06/05/12	253.20	2.72%
CUSIP: 46625HBV1						
MOODY'S: A3 S&P: A-						Accrued Interest: 377.26
MERRILL LYNCH 6.15%13	25,000.0000	101.6586	25,414.65	3%	(629.85)	1,537.50
MED TRM NT DUE 04/25/13	25,000.0000	104.1780	26,044.50	03/07/12	(629.85)	2.34%
CUSIP: 59018YN56						
MOODY'S: Baa2 S&P: A-						Accrued Interest: 281.88
MERRILL LYNCH C 5.45%13	25,000.0000	100.3802	25,095.05	3%	(616.70)	1,362.50
NOTES DUE 02/05/13	25,000.0000	102.8470	25,711.75	03/08/12	(616.70)	2.21%
CUSIP: 59018YM40						
MOODY'S: Baa2 S&P: A-						Accrued Interest: 552.57

Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement.

SIPC

Investment Detail - Fixed Income (continued)

Corporate Bonds (continued)	Par / Units Purchased	Market Price / Cost Per Unit	Market Value / Cost Basis	% of Account Assets / Acquired	Unrealized Gain or (Loss)	Estimated Annual Income / Yield to Maturity
MORGAN STANLEY 5.3%13	**25,000.0000**	**100.6773**	**25,169.33**	**3%**	(596.92)	1,325.00
NOTES DUE 03/01/13	25,000.0000	103.0650	25,766.25	03/09/12	(596.92)	2.07%
CALLABLE						
CUSIP: 617446HR3						
MOODY'S: Baa1 S&P: A-						*Accrued Interest: 441.67*
MORGAN STANLEY 4.75%14	**25,000.0000**	**103.4156**	**25,853.90**	**3%**	465.65	1,187.50
SUB NOTES DUE 04/01/14	25,000.0000	101.5530	25,388.25	03/08/12	465.65	3.95%
CUSIP: 61748AAE6						
MOODY'S: Baa2 S&P: BBB+						*Accrued Interest: 296.88*
MORGAN STANLEY 2.875%14	**25,000.0000**	**101.6877**	**25,421.93**	**3%**	516.93	718.75
MED TRM NT DUE 01/24/14	25,000.0000	99.6200	24,905.00	03/07/12	516 93	3.08%
CUSIP: 61747WAD1						
MOODY'S: Baa1 S&P: A-						*Accrued Interest: 313.45*
PITNEY BOWES 3.875%13	**10,000.0000**	**101.2718**	**10,127.18**	**1%**	(107.32)	387.50
NOTES DUE 06/15/13	10,000.0000	102.3450	10,234.50	06/05/12	(107.32)	1.54%
CALLABLE						
CUSIP: 72447WAN9						
MOODY'S: Baa2 S&P: BBB						*Accrued Interest: 17.22*

Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings.
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

SIPC

Investment Detail - Fixed Income (continued)

Corporate Bonds (continued)	Par / Units Purchased	Market Price / Cost Per Unit	Market Value / Cost Basis	% of Account Assets / Acquired	Unrealized Gain or (Loss)	Estimated Annual Income / Yield to Maturity
PITNEY BOWES 4.875%14	25,000.0000	104.8826	26,220.65	4%	61.90	1,218.75
MED.TRM NT DUE 08/15/14	25,000.0000	104.6350	26,158.75	06/05/12	61.90	2.67%
CALLABLE						
CUSIP: 72447WAU3						
MOODY'S: Baa2 S&P: BBB						*Accrued Interest: 460.42*
Total Corporate Bonds	410,000.0000		423,696.52	57%	(3,078.38)	21,175.00
		Total Cost Basis	426,774.90			

Total Accrued Interest for Corporate Bonds: 6,128.67

Total Fixed Income	410,000.0000		423,696.52	57%	(3,078.38)	21,175.00
		Total Cost Basis	426,774.90			

Accrued Interest represents the interest that would be received if the fixed income investment was sold prior to the coupon payment.
Estimated Annual Income ("EAI") and Estimated Yield ("EY") calculations are for informational purposes only. The actual income and yield might be lower or higher than the estimated amounts. EY is based upon EAI and the current price of the security and will fluctuate. For certain types of securities, the calculations could include a return of principal or capital gains in which case EAI and EY would be overstated. EY and EAI are not promptly updated to reflect when an issuer has missed a regular payment or announced changes to future payments, in which case EAI and EY will continue to display at a prior rate.

Investment Detail - Equities

Equities	Quantity / Units Purchased	Market Price / Cost Per Share	Market Value / Cost Basis	% of Account Assets / Acquired	Unrealized Gain or (Loss)	Estimated Yield / Holding Days	Estimated Annual Income / Holding Period
A T & T INC NEW	31.0000	33.7100	1,045.01	<1%	(322.67)	5.22%	54.56
SYMBOL: T	31.0000	44.1187	1,367.68 t	05/01/95	(322.67)	6454	Long-Term

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Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

SIPC

Investment Detail - Equities (continued)

Equities (continued)	Quantity / Units Purchased	Market Price / Cost Per Share	Market Value / Cost Basis	% of Account Assets / Acquired	Unrealized Gain or (Loss)	Estimated Yield / Holding Days	Estimated Annual Income / Holding Period
CHEVRON CORPORATION	308.0000	108.1400	33,307.12	4%	22,577.37	3.32%	1,108.80
SYMBOL: CVX	308.0000	34.8368	10,729.75 t	02/02/98	22,577.37	5446	Long-Term
COMCAST CORP NEW CL A	96.0000	37.3600	3,586.56	<1%	1,322.11	1.73%	62.40
SYMBOL: CMCSA	96.0000	23.5880	2,264.45 t	05/01/95	1,322.11	6454	Long-Term
GOLDMAN SACHS GROUP INC	100.0000	127.5600	12,756.00	2%	5,201.75	1.56%	200.00
SYMBOL: GS	100.0000	75.5425	7,554.25 t	05/04/99	5,201.75	4990	Long-Term
HARLEY DAVIDSON INC	400.0000	48.8300	19,532.00	3%	16,832.00	1.26%	248.00
SYMBOL: HOG	400.0000	6.7500	2,700.00 t	08/01/95	16,832.00	6362	Long-Term
INTEL CORP	200.0000	20.6200	4,124.00	<1%	287.13	4.36%	180.00
SYMBOL: INTC	200.0000	19.1843	3,836.87 t	03/12/98	287.13	5408	Long-Term
INTL BUSINESS MACHINES	100.0000	191.5500	19,155.00	3%	14,142.50	1.77%	340.00
SYMBOL: IBM	100.0000	50.1250	5,012.50 t	09/17/97	14,142.50	5584	Long-Term
MICROSOFT CORP	200.0000	26.7097	5,341.94	<1%	(2,513.06)	3.44%	184.00
SYMBOL: MSFT	200.0000	39.2750	7,855.00 t	05/05/99	(2,513.06)	4989	Long-Term
MOTOROLA SOLUTIONS INC	42.0000	55.6800	2,338.56	<1%	(254.97)	1.86%	43.68
SYMBOL: MSI	42.0000	61.7507	2,593.53 t	04/01/94	(254.97)	6849	Long-Term
PITNEY BOWES INC	709.0000	10.6400	7,543.76	1%	(2,461.38)	14.09%	1,063.50
SYMBOL: PBI	709.0000	14.1116	10,005.14	10/17/12	(2,461.38)	75	Short-Term
WAL-MART STORES INC	175.0000	68.2300	11,940.25	2%	9,752.75	2.33%	278.25
SYMBOL: WMT	175.0000	12.5000	2,187.50 t	05/01/95	9,752.75	6454	Long-Term
Total Equities	2,361.0000		120,670.20	16%	64,563.53		3,763.10
		Total Cost Basis:	56,106.67				

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Investment Detail - Equities (continued)

Estimated Annual Income ("EAI") and Estimated Yield ("EY") calculations are for informational purposes only. The actual income and yield might be lower or higher than the estimated amounts. EY is based upon EAI and the current price of the security and will fluctuate. For certain types of securities, the calculations could include a return of principal or capital gains in which case EAI and EY would be overstated. EY and EAI are not promptly updated to reflect when an issuer has missed a regular payment or announced changes to future payments, in which case EAI and EY will continue to display at a prior rate.

Investment Detail - Other Assets

Other Assets	Quantity / Units Purchased	Market Price / Cost Per Share	Market Value / Cost Basis	% of Account Assets / Acquired	Unrealized Gain or (Loss)	Holding Days	Holding Period
POWERSHS QQQ TRUST SER 1	**1,461.0000**	**65.1301**	**95,155.08**	**13%**	**(34,690.73)**		
SYMBOL: QQQ	324.0000	100.1237	32,440.08 t	02/09/00	(11,337.93)	4709	Long-Term
	369.0000	88.2061	32,548.08 t	04/20/00	(8,515.07)	4638	Long-Term
	366.0000	88.7068	32,466.70 t	08/01/00	(8,629.08)	4535	Long-Term
	402.0000	80 5745	32,390.95 t	11/01/00	(6,208.65)	4443	Long-Term
Cost Basis			*129,845.81*				
Total Other Assets	1,461.0000		95,155.08	13%	(34,690.73)		
		Total Cost Basis	129,845.81				

Total Investment Detail	747,676.69
Total Account Value	747,676.69
Total Cost Basis	612,727.98

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