



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990-PF**Department of the Treasury
Internal Revenue Service (77)**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

2008**For calendar year 2008, or tax year beginning** 10/01, **2008, and ending** 9/30, **2009****G** Check all that apply: Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name change ☐Use the
IRS label
Otherwise,
print
or type.
See Specific
Instructions.GEORGE T. WELCH TESTAMENTARY TRUST
P.O. BOX 1796
WALLA WALLA, WA 99362**A** Employer identification number

91-6024318

B Telephone number (see the instructions)

509-525-2000

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 ☐**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) **J** Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify) _____

► \$ 3,416,564.

(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 the instructions).)

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

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

92.

92.

N/A

4 Dividends and interest from securities

90,621.

90,621.

5a Gross rents

b Net rental income or (loss)

6a Net gain/(loss) from sale of assets not on line 10

-474,370.

b Gross sales price for all assets on line 6a 630,280.

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

-383,657.

90,713.

24,810.

13 Compensation of officers, directors, trustees, etc

31,013.

6,203.

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees (attach schedule)

b Accounting fees (attach sch) SEE ST 1

2,445.

1,956.

489.

c Other prof fees (attach sch)

17 Interest

18 Taxes (attach schedule) SEE STMT 2

825.

19 Depreciation (attach sch) and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses (attach schedule)

SEE STATEMENT 3

25.

25.

24 Total operating and administrative expenses. Add lines 13 through 23

34,308.

8,184.

25,299.

25 Contributions, gifts, grants paid PART XV

207,211.

207,211.

26 Total expenses and disbursements. Add lines 24 and 25

241,519.

8,184.

232,510.

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

-625,176.

b Net investment income (if negative, enter -0-)

82,529.

c Adjusted net income (if negative, enter -0-)

SCANNED FEB 17 2010

RECEIVED

ADMINISTRATIVE
AND
OPERATING
EXPENSES

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1	Cash — non-interest-bearing				
	2	Savings and temporary cash investments		43,047.	71,566.	71,566.
	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 the 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 4		3,627,673.	2,815,921.	2,380,811.
	c	Investments — corporate bonds (attach schedule) STATEMENT 5		832,887.	987,902.	951,195.
LIABILITIES	11	Investments — land, buildings, and equipment basis				
		Less: accumulated depreciation (attach schedule)				
	12	Investments — mortgage loans				
	13	Investments — other (attach schedule)				
	14	Land, buildings, and equipment: basis				
		Less: accumulated depreciation (attach schedule)				
	15	Other assets (describe SEE STATEMENT 6)		140.	7,557.	12,992.
	16	Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)		4,503,747.	3,882,946.	3,416,564.
	17	Accounts payable and accrued expenses				
	18	Grants payable				
NET ASSETS OR FUND BALANCES	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.	
		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		1,961,083.	1,961,083.	
	28	Paid-in or capital surplus, or land, building, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		2,542,664.	1,921,863.	
	30	Total net assets or fund balances (see the instructions)		4,503,747.	3,882,946.	
	31	Total liabilities and net assets/fund balances (see the instructions)		4,503,747.	3,882,946.	

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	4,503,747.
2	Enter amount from Part I, line 27a	2	-625,176.
3	Other increases not included in line 2 (itemize) SEE STATEMENT 7	3	4,375.
4	Add lines 1, 2, and 3	4	3,882,946.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	3,882,946.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a SEE STATEMENT 8				
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			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			
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	-474,370.
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 the instructions) If (loss), enter -0- in Part I, line 8		3	-15,719.

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))
2007	191,617.	4,309,951.	0.044459
2006	260,966.	4,648,745.	0.056137
2005	233,686.	4,340,227.	0.053842
2004	233,869.	4,150,250.	0.056351
2003	201,461.	3,913,503.	0.051478

2 Total of line 1, column (d)	2	0.262267
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	0.052453
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	2,982,054.
5 Multiply line 4 by line 3	5	156,418.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	825.
7 Add lines 5 and 6	7	157,243.
8 Enter qualifying distributions from Part XII, line 4	8	232,510.

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 the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter 'N/A' on line 1 Date of ruling letter. _____ (attach copy of ruling 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		1 825.
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		3 825.
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-		5 825.
6 Credits/Payments		
a 2008 estimated tax pmts and 2007 overpayment credited to 2008	6a 8,380.	
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 8,380.	
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 7,555.	
11 Enter the amount of line 10 to be Credited to 2009 estimated tax 840. Refunded	11 6,715.	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation \$ 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? <i>If 'Yes,' attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) WA		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses.</i>		X

BAA

Form 990-PF (2008)

Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address <u>N/A</u>				
14	The books are in care of <u>BAKER BOYER BANK</u> Telephone no <u>509-525-2000</u>			
Located at <u>P.O. BOX 1796 WALLA WALLA WA</u> ZIP + 4 <u>99362</u>				
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	N/A	☐	
		15		N/A

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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here		☐
1 b		X
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 2008?		
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 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008?	☐ Yes ☒ No	
If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u> .		
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 the 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 <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u> .		
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 2008 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 2008)		
3 b	N/A	
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2008?		X
4 b		X

BAA

Form 990-PF (2008)

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**

X

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 you answered 'Yes' to 6b, also file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?**7b**

N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
BAKER BOYER BANK P.O. BOX 1796 WALLA WALLA, WA 99362	TRUSTEE 7.00	31,013.	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.

BAA

Form 990-PF (2008)

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	2,988,083.
b	Average of monthly cash balances	1b	36,653.
c	Fair market value of all other assets (see instructions)	1c	2,730.
d	Total (add lines 1a, b, and c)	1d	3,027,466.
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	3,027,466.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	45,412.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,982,054.
6	Minimum investment return. Enter 5% of line 5	6	149,103.

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	149,103.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	825.
b	Income tax for 2008 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	825.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	148,278.
4	Recoveries of amounts treated as qualifying distributions	4	4,375.
5	Add lines 3 and 4	5	152,653.
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	152,653.

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	232,510.
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	232,510.
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	825.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	231,685.

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 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				152,653.
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only			0.	
b Total for prior years. 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2008:				
a From 2003				
b From 2004				
c From 2005	148,257.			
d From 2006	260,966.			
e From 2007	191,617.			
f Total of lines 3a through e	600,840.			
4 Qualifying distributions for 2008 from Part XII, line 4 ▶ \$ 232,510.				
a Applied to 2007, 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)	232,510.			
d Applied to 2008 distributable amount				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a))	152,653.			152,653.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	680,697.			
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 2007 Subtract line 4a from line 2a Taxable amount — see instructions			0.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				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 2003 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	680,697.			
10 Analysis of line 9				
a Excess from 2004				
b Excess from 2005				
c Excess from 2006	256,570.			
d Excess from 2007	191,617.			
e Excess from 2008	232,510.			

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
<i>a Paid during the year</i> TOTAL COMMUNITY GRANTS ALL DONEES ARE IN WALLA WALLA WALLA WALLA, WA 99362	SEE STATEMENT		SEE STATEMENT 10	80,278.
TOTAL EDUCATIONAL GRANTS ALL DONEES ARE IN WALLA WALLA WALLA WALLA, WA 99362	SEE STATEMENT		SEE STATEMENT 10	69,500.
TOTAL MEDICAL GRANTS ALL DONEES ARE IN WALLA WALLA WALLA WALLA, WA 99362	SEE STATEMENT		SEE STATEMENT 10	57,433.
Total			3a	207,211.
<i>b Approved for future payment</i>				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	92.	
4 Dividends and interest from securities			14	90,621.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	-474,370.	
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)				-383,657.	
13 Total. Add line 12, columns (b), (d), and (e)				13	-383,657.

(See worksheet in the instructions for line 13 to verify calculations)

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

[illegible]

2008

FEDERAL STATEMENTS

PAGE 1

GEORGE T. WELCH TESTAMENTARY TRUST

91-6024318

1/18/10

03 21PM

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEMASTER & DANIELS, ACCTG & TAX PREP				
TOTAL	\$ 2,445.	\$ 1,956.		\$ 489.
	\$ 2,445.	\$ 1,956.		\$ 489.

STATEMENT 2
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX				
TOTAL	\$ 825.	\$ 0.		\$ 0.
	\$ 825.	\$ 0.		\$ 0.

STATEMENT 3
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
WA STATE FILING FEES				
TOTAL	\$ 25.	\$ 25.		\$ 0.
	\$ 25.	\$ 25.		\$ 0.

STATEMENT 4
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
GOLDMAN SACHS MID CAP VALUE FD	COST	\$ 419,626.	\$ 344,475.
BAKER BOYER BANK EQUITY FUND E	COST	978,083.	872,918.
DODGE & COX INTERNATIONAL STOCK FUND	COST	153,049.	141,825.
GOLDMAN SACH REAL EST SEC #649	COST	230,760.	165,063.
FEDERATED KAUFMANN SMALL FUND #757	COST	69,294.	60,752.
WELLS FARGO ADVNTGE ASIA PACIFIC	COST	93,395.	69,052.
BLACK ROCK US OPPORTUNITY CL A FD #120	COST	423,399.	354,968.
BLACK ROCK EQUITY DIVIDEND FUND CL A	COST	222,361.	161,331.
FEDERATED INTER CONTIN'L ISHS #176	COST	167,985.	142,789.
FEDERATED CAPITL APPRN #680	COST	57,969.	67,638.
TOTAL		\$ 2,815,921.	\$ 2,380,811.

2008

FEDERAL STATEMENTS

PAGE 2

GEORGE T. WELCH TESTAMENTARY TRUST

91-6024318

1/18/10

03 21PM

STATEMENT 5
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

CORPORATE BONDS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
BAKER BOYER BANK INCOME FUND F	COST	\$ 987,902.	\$ 951,195.
	TOTAL	\$ 987,902.	\$ 951,195.

STATEMENT 6
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
ACCRUED INTEREST		\$ 2.
ACCRUED INTEREST	\$ 2.	
EXCISE TAX RECEIVABLE	7,555.	7,555.
EX-DIVIDENDS		5,435.
TOTAL	\$ 7,557.	\$ 12,992.

STATEMENT 7
FORM 990-PF, PART III, LINE 3
OTHER INCREASES

REFUND OF PRIOR YEAR GRANTS		\$ 4,375.
TOTAL	\$	\$ 4,375.

STATEMENT 8
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	919 FED. INTER CONTIN'L ISHS	PURCHASED	9/05/2008	VARIOUS
2	1243 BLACK ROCK US OPP	PURCHASED	11/30/2007	VARIOUS
3	1318 BLACK ROCK EQ. DIV	PURCHASED	12/06/2007	VARIOUS
4	12509 BAKER BOYER BANK EQ. FD E	PURCHASED	10/31/2002	VARIOUS
5	8567 BAKER BOYER BANK INC FD F	PURCHASED	4/30/2003	VARIOUS
6	2293 DODGE & COX INT'L	PURCHASED	3/04/2005	VARIOUS
7	2230 FED. INTER CONTIN'L ISHS	PURCHASED	3/06/2008	4/06/2009
8	15013 FED. KAUFMANN SMALL CAP FUND	PURCHASED	VARIOUS	VARIOUS
9	905 GOLDMAN SACHS MID CAP VAL	PURCHASED	12/06/2005	VARIOUS
10	4013 GOLDMAN SACH REAL EST SEC	PURCHASED	6/06/2006	VARIOUS
11	1387 WELLS FARGO ADVNTGE ASIA	PURCHASED	3/06/2007	VARIOUS
12	LOSSES FROM COMMON TRUST FUND	PURCHASED	VARIOUS	VARIOUS
13	NET CAPITAL GAIN DISTRIBUTIONS	PURCHASED	VARIOUS	VARIOUS

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	29,935.		45,654.	-15,719.				\$ -15,719.

GEORGE T. WELCH TESTAMENTARY TRUST

91-6024318

1/18/10

03.21PM

STATEMENT 8 (CONTINUED)
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

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)
2	30,960.		44,947.	-13,987.				\$ -13,987.
3	18,105.		27,295.	-9,190.				-9,190.
4	92,365.		108,958.	-16,593.				-16,593.
5	70,000.		79,601.	-9,601.				-9,601.
6	53,284.		74,874.	-21,590.				-21,590.
7	65,884.		133,040.	-67,156.				-67,156.
8	181,231.		310,605.	-129,374.				-129,374.
9	24,305.		34,206.	-9,901.				-9,901.
10	35,494.		79,709.	-44,215.				-44,215.
11	10,329.		17,588.	-7,259.				-7,259.
12	0.		148,173.	-148,173.				-148,173.
13	18,388.		0.	18,388.				18,388.
							TOTAL	\$ -474,370.

STATEMENT 9
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:	BAKER BOYER BANK
NAME:	PETER J. ALLEN
CARE OF:	P.O. BOX 1796
STREET ADDRESS:	WALLA WALLA, WA 99362
CITY, STATE, ZIP CODE:	509-525-2000
TELEPHONE:	APPLICATION LETTER STATING ACADEMIC PLANS OR OTHER NEED,
FORM AND CONTENT:	AND STATEMENT OF RESOURCES AND EXPENSES.
SUBMISSION DEADLINES:	SEE STATEMENT
RESTRICTIONS ON AWARDS:	RESIDENT OF WALLA WALLA COUNTY, WASHINGTON

2008

FEDERAL SUPPLEMENTAL INFORMATION

PAGE 1

GEORGE T. WELCH TESTAMENTARY TRUST

91-6024318

1/18/10

03 21PM

STATEMENT TO SUPPORT FORM 990-PF, PAGE 10, PART XV, LINE 2C:

FEBRUARY 15, MAY 15, AUGUST 15, AND NOVEMBER 15 FOR MEDICAL REQUESTS; MAY 1 FOR ACADEMIC REQUESTS; AND JULY 31 FOR COMMUNITY REQUESTS.

George T Welch Testamentary Trust
Schedule to Support Form 990-PF, Part XV, Line 3a -
Grants & Contributions Paid During the Year

91-6024318
FYE 9-30-09

<u>Recipient</u>	<u>Relationship</u>	<u>Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
<u>Community Grants:</u>				
BLUE MOUNTAIN ART ALLIANCE	N/A	PUBLIC CHARITY	ARTWALLA - HAUNTED HOUSE CELEBRATION	2,500
CARNEGIE ART CENTER	N/A	PUBLIC CHARITY	LOCAL ART SHOWS	4,000
CHILDREN'S HOME SOCIETY OF WASHINGTON	N/A	PUBLIC CHARITY	EDUCATION PROGRAM FOR CHILDREN	4,000
CHILDREN'S MUSEUM OF WALLA WALLA	N/A	PUBLIC CHARITY	SCIENCE & ENGINEERING WORKSHOPS	4,000
COMMUNITY CENTER FOR YOUTH	N/A	PUBLIC CHARITY	SUPPORT MUSIC & NUTRITIONAL PROGRAM	4,000
COMMUNITY COUNCIL	N/A	PUBLIC CHARITY	RESEARCH FOR COMMITTEE STUDY	4,000
EDISON PTA OF WALLA WALLA	N/A	PUBLIC CHARITY	BOOKS FOR BABES - BOOKS FOR FAMILIES OF NEWBORNS	2,000
FREEWATER ELEMENTARY SCHOOL	N/A	PUBLIC CHARITY	PLAYGROUND EQUIPMENT	2,000
FRIENDS OF CHILDREN OF WALLA WALLA	N/A	PUBLIC CHARITY	PROGRAM SUPPORT	2,000
GREAT EXPLORATIONS IN EDUCATION	N/A	PUBLIC CHARITY	MATH & SCIENCE CONFERENCE	2,000
GROVE ELEMENTARY SCHOOL	N/A	PUBLIC CHARITY	LIBRARY BOOKS	2,000
HELPLINE	N/A	PUBLIC CHARITY	UTILITY ASSIST TO LOW INCOME FAMILY	4,000
KIRKMAN HOUSE MUSEUM	N/A	PUBLIC CHARITY	REPLACE MUSEUM CARRIAGE HOUSE	4,000
SAFE KIDS BLUE MT COALITION	N/A	PUBLIC CHARITY	PURCHASE INJURY EQUIPMENT	4,000
WALLA WALLA CHORAL SOCIETY	N/A	PUBLIC CHARITY	SUPPORT CONCERT	4,000
WALLA WALLA COMMUNITY COLLEGE	N/A	PUBLIC CHARITY	STUDENTS OF COLOR LEADERSHIP CONFERENCE	2,625
WALLA WALLA COMMUNITY COLLEGE	N/A	PUBLIC CHARITY	ADULT VOCATIONAL GRANT	9,956
WALLA WALLA GENERAL HOSPITAL	N/A	PUBLIC CHARITY	SUPPORT COMMUNITY HEALTH PROGRAMS	4,000
WALLA WALLA HIGH SCHOOL	N/A	PUBLIC CHARITY	THREE WIRELESS MICS FOR MUSICALS	2,837
WALLA WALLA LINCOLN SCHOOL	N/A	PUBLIC CHARITY	DENTAL CARE FOR STUDENTS	4,000
WALLA WALLA SYMPHONY SOCIETY	N/A	PUBLIC CHARITY	LIBRARY RESCUE PROJECT	3,360
WHITMAN COLLEGE	N/A	PUBLIC CHARITY	NEWSPAPER INDEXING PROJECT	2,000
WHITMAN COLLEGE	N/A	PUBLIC CHARITY	WISE PROGRAM	3,000
TOTAL COMMUNITY GRANTS				<u>80,278</u>

<u>Educational Grants</u>				
AKARI, SHILOH	NONE	N/A	EDUCATIONAL EXPENSES	4,000
BROWN, BETHANY	NONE	N/A	EDUCATIONAL EXPENSES	4,000
CALDERA, NICOLE	NONE	N/A	EDUCATIONAL EXPENSES	4,000
CORONADO, CAMERION	NONE	N/A	EDUCATIONAL EXPENSES	4,000
DELP, DANIEL	NONE	N/A	EDUCATIONAL EXPENSES	3,000
FLORES, RODOLFO	NONE	N/A	EDUCATIONAL EXPENSES	4,000
GREENWOOD, KENDRA	NONE	N/A	EDUCATIONAL EXPENSES	4,000
HAWKINS, RYAN	NONE	N/A	EDUCATIONAL EXPENSES	4,000
HAYUNGA, BRYCE	NONE	N/A	EDUCATIONAL EXPENSES	4,000
HENDERSON, MAXWELL	NONE	N/A	EDUCATIONAL EXPENSES	4,000
JAUSORO, MARIAH	NONE	N/A	EDUCATIONAL EXPENSES	4,000
JOHNSON, TIMOTHY	NONE	N/A	EDUCATIONAL EXPENSES	3,000
JONES, CARL	NONE	N/A	EDUCATIONAL EXPENSES	4,000
JUERGENSEN, SARAH	NONE	N/A	EDUCATIONAL EXPENSES	3,000
JUERGENSEN, STEPHANIE	NONE	N/A	EDUCATIONAL EXPENSES	3,000
LOPEZ, JENNIFER	NONE	N/A	EDUCATIONAL EXPENSES	3,000
SCHADE, ASHLEY	NONE	N/A	EDUCATIONAL EXPENSES	2,500
SMITH, LYNN	NONE	N/A	EDUCATIONAL EXPENSES	4,000
STONE, KATHERINE	NONE	N/A	EDUCATIONAL EXPENSES	4,000
TOTAL EDUCATIONAL GRANTS				<u>69,500</u>

George T Welch Testamentary Trust
Schedule to Support Form 990-PF, Part XV, Line 3a -
Grants & Contributions Paid During the Year

91-6024318
FYE 9-30-09

<u>Recipient</u>	<u>Relationship</u>	<u>Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Medical Grants:				
AGUILAR, THELMA	NONE	N/A	MEDICAL EXPENSES	1,500
ARLT, VANESSA	NONE	N/A	MEDICAL EXPENSES	500
ARTERBURN, BEVERLY	NONE	N/A	MEDICAL EXPENSES	1,500
BUGHI, DOLORES	NONE	N/A	MEDICAL EXPENSES	358
CAUSEY, JIM	NONE	N/A	MEDICAL EXPENSES	1,500
CHASE, ANNE	NONE	N/A	MEDICAL EXPENSES	1,430
COBLENS, CLAREEN	NONE	N/A	MEDICAL EXPENSES	1,500
COLBY, STEPHEN	NONE	N/A	MEDICAL EXPENSES	1,500
COLLINS, AURORA	NONE	N/A	MEDICAL EXPENSES	611
DANIEL, BARBARA	NONE	N/A	MEDICAL EXPENSES	1,500
DIMINO, NELMA	NONE	N/A	MEDICAL EXPENSES	1,500
DINING, RANDALL	NONE	N/A	MEDICAL EXPENSES	1,500
DINWIDDIE, DORIS	NONE	N/A	MEDICAL EXPENSES	1,500
DONNETT, ALICE	NONE	N/A	MEDICAL EXPENSES	1,182
EGGERS, SALLY ANNE	NONE	N/A	MEDICAL EXPENSES	1,000
GEORGE, JULENE	NONE	N/A	MEDICAL EXPENSES	1,500
GIBSON, RUTH	NONE	N/A	MEDICAL EXPENSES	1,000
GIBSON, VICTORIA	NONE	N/A	MEDICAL EXPENSES	381
GOINGS, PHILIP	NONE	N/A	MEDICAL EXPENSES	83
GRADWOHL, GERALD	NONE	N/A	MEDICAL EXPENSES	385
GRIMALDI, MARIA	NONE	N/A	MEDICAL EXPENSES	1,000
HEPWORTH, SHERRY	NONE	N/A	MEDICAL EXPENSES	298
HIATT, JEFF	NONE	N/A	MEDICAL EXPENSES	1,210
JONES, JULIA	NONE	N/A	MEDICAL EXPENSES	70
LUCARELLI, RHEA	NONE	N/A	MEDICAL EXPENSES	420
MCFARLEY, JACK	NONE	N/A	MEDICAL EXPENSES	833
MCLERAN, HELEN	NONE	N/A	MEDICAL EXPENSES	280
MEDICAL TEAMS INTERNATIONAL	NONE	PUBLIC CHARITY	DENTURE FUND - WWW DENTAL VAN	10,500
MEJORADO, LISA	NONE	N/A	MEDICAL EXPENSES	280
MOCK, DELBERT	NONE	N/A	MEDICAL EXPENSES	420
MORFORD, CAROLIE	NONE	N/A	MEDICAL EXPENSES	1,500
MUMM, PENNIE	NONE	N/A	MEDICAL EXPENSES	560
O'NEIL, PATRICIA	NONE	N/A	MEDICAL EXPENSES	239
OSORIO, RITA	NONE	N/A	MEDICAL EXPENSES	584
PATTERSON, STEVE	NONE	N/A	MEDICAL EXPENSES	175
PARKS, MARTHA	NONE	N/A	MEDICAL EXPENSES	1,000
PEREZ, PABLO	NONE	N/A	MEDICAL EXPENSES	1,500
REESE, TONYA	NONE	N/A	MEDICAL EXPENSES	806
RIVERA, CASSANDRA	NONE	N/A	MEDICAL EXPENSES	1,500
SMITH, HELEN	NONE	N/A	MEDICAL EXPENSES	90
STEVENS, SANDRA	NONE	N/A	MEDICAL EXPENSES	278
TARWATER, CRAIG	NONE	N/A	MEDICAL EXPENSES	1,500
TAYLOR, PEGGY	NONE	N/A	MEDICAL EXPENSES	1,460
WALLA WALLA FAMILY YMCA	NONE	PUBLIC CHARITY	MEDICAL / SENIOR GRANT	7,500
ZIMMERMAN, DOROTHY	NONE	N/A	MEDICAL EXPENSES	1,500
TOTAL MEDICAL GRANTS				57,433

Part XIII, Line 4c - Qualifying Distributions for FYE 9-30-09 Treated as Being Distributions Out of Corpus

Pursuant to IRS Regulation 53 4942(a)-3(d)(2), The George T Welch Testamentary Trust Elects to Treat \$ 232,510 of Current Distributions Under Subparagraph (d)(1)(iii) of IRS Regulation 53 4942(a)-3 as a Distribution Out of Corpus

Signed,  Baker Boyer Bank, Trustee
Peter J Allen, Trust Officer