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

2009

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

For calendar year 2009, or tax year beginning , and ending

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation JOHN C. & ADA K. ARTER MEMORIAL FUND		A Employer identification number 55-6138361
	F/B/O UNION MISSION		B Telephone number 304-345-9400
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite CITY NATIONAL BANK, P.O. BOX 4168		C If exemption application is pending, check here <input type="checkbox"/>
	City or town, state, and ZIP code CHARLESTON, WV 25364-4168		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input type="checkbox"/> Section 501(c)(3) exempt private foundation <input checked="" type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 2,717,635.		J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(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				N/A	
2 Check <input checked="" type="checkbox"/> If the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		66,388.	66,388.		
4 Dividends and interest from securities		47,858.	47,858.		
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		-21,461.			
b Gross sales price for all assets on line 6a		952,420.			
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 or (loss)					
11 Other income					
12 Total: Add lines 1 through 11		92,785.	114,246.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees		2,278.	2,278.		0.
c Other professional fees		17,271.	17,271.		0.
17 Interest					
18 Taxes		4,020.	4,020.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses					
24 Total operating and administrative expenses. Add lines 13 through 23		23,569.	23,569.		0.
25 Contributions, gifts, grants paid		126,505.			126,505.
26 Total expenses and disbursements. Add lines 24 and 25		150,074.	23,569.		126,505.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-57,289.			
b Net investment income (if negative, enter -0-)			90,677.		
c Adjusted net income (if negative, enter -0-)				N/A	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments		492,927.	144,569.	144,569.
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges		2,040.	266.	266.
	10a	Investments - U.S. and state government obligations STMT 6		875,000.	709,989.	713,521.
	b	Investments - corporate stock STMT 7		617,740.	752,263.	747,201.
	c	Investments - corporate bonds STMT 8		765,004.	1,088,335.	1,112,078.
11	Investments - land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other					
14	Land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation ▶					
15	Other assets (describe ▶)					
	16 Total assets (to be completed by all filers)		2,752,711.	2,695,422.	2,717,635.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶)				
	23 Total liabilities (add lines 17 through 22)		0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>					
	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 ▶ <input checked="" type="checkbox"/>					
	and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds		0.	0.	
28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.		
29	Retained earnings, accumulated income, endowment, or other funds		2,752,711.	2,695,422.		
30	Total net assets or fund balances		2,752,711.	2,695,422.		
	31 Total liabilities and net assets/fund balances		2,752,711.	2,695,422.		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,752,711.
2	Enter amount from Part I, line 27a	2	-57,289.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	2,695,422.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,695,422.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a			
b SEE ATTACHED STATEMENTS			
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 952,420.		973,881.	-21,461.

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			-21,461.

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	-21,461.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8 }	3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	141,040.	2,627,872.	.053671
2007	143,331.	2,775,000.	.051651
2006	140,628.	2,768,030.	.050804
2005	674,862.	3,084,721.	.218776
2004	120,652.	3,416,186.	.035318

2 Total of line 1, column (d)	2	.410220
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	.082044
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	2,584,778.
5 Multiply line 4 by line 3	5	212,066.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	907.
7 Add lines 5 and 6	7	212,973.
8 Enter qualifying distributions from Part XII, line 4	8	126,505.

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.

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Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	1,814.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	1,814.
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	1,814.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	2,080.	
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	2,080.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	266.	
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax <input type="checkbox"/> 266. Refunded <input type="checkbox"/> 0.	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 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.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		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? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> WV		
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	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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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? Website address ► N/A	13	X	
14	The books are in care of ► GRAY, GRIFFITH & MAYS, A.C. Telephone no. ► 304-345-9400 Located at ► 707 VIRGINIA ST. E., SUITE 400, CHARLESTON, WV ZIP+4 ► 25301			
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			<input checked="" type="checkbox"/> 0.

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here		<input checked="" type="checkbox"/>
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 2009?		<input checked="" type="checkbox"/>
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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2009 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 2009.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		<input checked="" type="checkbox"/>
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 2009?		<input checked="" type="checkbox"/>

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

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

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

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 "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
CITY NATIONAL BANK, WV 10 HALE STREET, SUITE 100 CHARLESTON, WV 25301	TRUSTEE 0.00	0.	0.	0.

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

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

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

0

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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	2,305,392.
b	Average of monthly cash balances	1b	318,748.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	2,624,140.
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	2,624,140.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	39,362.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,584,778.
6	Minimum investment return. Enter 5% of line 5	6	129,239.

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	129,239.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	1,814.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,814.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	127,425.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	127,425.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	127,425.

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	126,505.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	126,505.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	126,505.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				127,425.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005	498,828.			
c From 2006	4,412.			
d From 2007	6,621.			
e From 2008	11,687.			
f Total of lines 3a through e	521,548.			
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$	126,505.			
a Applied to 2008, 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 2009 distributable amount				126,505.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	920.			920.
6 Enter the net total of each column as indicated below:	520,628.			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
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 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	520,628.			
10 Analysis of line 9:				
a Excess from 2005	497,908.			
b Excess from 2006	4,412.			
c Excess from 2007	6,621.			
d Excess from 2008	11,687.			
e Excess from 2009				

N/A

- b** Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(j)(3) or ☐ 4942(j)(5)

- [illegible]

1 Information Regarding Foundation Managers:

- a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

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

NONE

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

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

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

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

- c Any submission deadlines:**

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

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	FEDERAL HOME LN MTG CORP	P	11/18/08	03/02/09
b	FEDERAL HOME LN MTG CORP	P	02/18/09	12/04/09
c	FREDDIE MAC @ 5% DUE	P	02/26/09	12/04/09
d	FEDERAL HOME LOAN BANK BD	P	04/11/08	01/22/09
e	FEDERAL HOME LOAN BANK BD	P	06/18/08	01/13/09
f	FEDERAL HOME LOAN BANK BD	P	04/25/08	01/29/09
g	FEDERAL HOME LOAN BANK	P	05/15/09	11/20/09
h	FEDERAL FARM CREDIT BANK BD	P	01/27/09	05/04/09
i	FEDERAL FARM CREDIT BANK BD	P	05/15/09	09/24/09
j	FEDERAL FARM CREDIT BANK BD	P	06/16/09	09/24/09
k	FEDERAL FARM CREDIT BANK BD	P	03/14/08	02/10/09
l	FANNIE MAE NOTE @ 5%	P	02/27/09	06/18/09
m	CATERPILLAR FIN SVCS POWERNT	P	05/08/06	11/15/09
n	FEDERAL HOME LOAN BANK BD	P	01/10/08	07/22/09
o	FEDERAL HOME LOAN BANK BD	P	04/02/08	04/22/09

(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 50,000.		50,000.	0.
b 100,000.		100,000.	0.
c 50,000.		50,000.	0.
d 50,000.		50,000.	0.
e 75,000.		75,000.	0.
f 100,000.		100,000.	0.
g 25,000.		25,000.	0.
h 25,000.		25,000.	0.
i 25,000.		25,000.	0.
j 50,000.		50,000.	0.
k 100,000.		100,000.	0.
l 50,000.		50,000.	0.
m 25,000.		23,881.	1,119.
n 50,000.		50,000.	0.
o 100,000.		100,000.	0.

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			0.
b			0.
c			0.
d			0.
e			0.
f			0.
g			0.
h			0.
i			0.
j			0.
k			0.
l			0.
m			1,119.
n			0.
o			0.

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

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

3

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	FEDERAL HOME LOAN BANK @ 5.2%	P	09/22/08	10/15/09
b	FEDERAL FARM CREDIT BANK BD	P	11/18/08	11/25/09
c	GENERAL MOTORS CORP SR PFD	P	06/28/01	05/29/09
d				
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

(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 25,000.		25,000.	0.
b 50,000.		50,000.	0.
c 2,420.		25,000.	-22,580.
d			
e			
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			0.
b			0.
c			-22,580.
d			
e			
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

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	-21,461.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

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

SOURCE	AMOUNT
CITY NATIONAL BANK	66,388.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	66,388.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CITY NATIONAL BANK	47,858.	0.	47,858.
TOTAL TO FM 990-PF, PART I, LN 4	47,858.	0.	47,858.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	2,278.	2,278.		0.
TO FORM 990-PF, PG 1, LN 16B	2,278.	2,278.		0.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TRUST FEES	17,182.	17,182.		0.
DEMAND NOTE FEES	89.	89.		0.
TO FORM 990-PF, PG 1, LN 16C	17,271.	17,271.		0.

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX	4,019.	4,019.		0.
TO FORM 990-PF, PG 1, LN 18	4,019.	4,019.		0.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	6
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
US GOVT OBLIGA. SEE STMT 9	X		709,989.	713,521.
TOTAL U.S. GOVERNMENT OBLIGATIONS			709,989.	713,521.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			709,989.	713,521.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS SEE STMT 10	752,263.	747,201.
TOTAL TO FORM 990-PF, PART II, LINE 10B	752,263.	747,201.

FORM 990-PF	CORPORATE BONDS	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS SEE STMT 11	1,088,335.	1,112,078.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,088,335.	1,112,078.

John C. & Ada K. Arter Memorial Fund FBO Union Mission
FEIN 55-6138361
990-PF Balance Sheet
Part II Line 10 A
12/31/2009

Statement 9

Description	Shares	Market Cost Per Share	Cost Basis	12/31/09 Market Value
FFCB 3 05% 03-23-15	25,000 000	98 469000	25,000 00	24,617.25
FFCB 3 45% 08-11-14	25,000 000	100 625000	25,000 00	25,156 25
FFCB 4 00% 05-26-17	25,000 000	99 625000	25,000 00	24,906 25
FHLB 5 00% 12-27-17	100,000 000	103 063000	100,000 00	103,063 00
FHLB 4.00% 01-28-13	50,000 000	102 000000	50,000 00	51,000 00
FHLB 3 20% 08-25-10	125,000 000	101 563000	125,000.00	126,953 75
FHLB 4 125% 02-12-19	50,000 000	96.906000	50,000.00	48,453.00
FHLB 4 0% 07-30-21 STP	100,000.000	97 469000	100,000.00	97,469.00
FHLB 4 00% 11-18-16	25,000 000	99 219000	25,000.00	24,804 75
FHLB 2 00% 12-23-19	50,000 000	97 719000	50,000 00	48,859 50
FHLB 3% 04-27-15 STP	50,000 000	99 500000	50,000.00	49,750 00
FHLB 4.0% 06-30-17	25,000 000	99 781000	25,000 00	24,945 25
FED Kaufmann FD #66	2,906 977	4 659999	10,000 00	13,546 51
US T-Bill 02-18-10	25,000 000	99.997000	24,996 39	24,999 25
US T-Bill 03-18-10	25,000 000	99 990000	24,992 67	24,997 50
			\$ 709,989.06	\$ 713,521.26

John C. & Ada K. Arter Memorial Fund FBO Union Mission

FEIN 55-6138361

990-PF Balance Sheet

Part II Line 10 B

12/31/2009

Statement 10

Description	Shares	Market Cost Per Share	Cost Basis	12/31/08 Market Value
AT&T Inc	300 000	28.030000	7,523 99	8,409.00
Abbott Labs	200 000	53.990000	9,623 99	10,798.00
Amgen Inc.	200 000	56 570000	12,130.00	11,314.00
Automatic Data Proce	200 000	42 820000	7,503 78	8,564.00
BB&T Corp	500 000	25.370000	11,307.50	12,685 00
Centurytel Inc.	200 000	36.210000	5,670 00	7,242 00
Cisco Sys Inc	300 000	23 940000	5,355.74	7,182 00
Citigroup, Inc.	400 000	3 310000	18,285.00	1,324.00
CitiGroup Cap PFD ST	1,000 000	18 270000	25,000.00	18,270 00
Coca-Cola Company	400.000	57.000000	19,188.25	22,800.00
Conocophillips	200.000	51 070000	9,173 98	10,214.00
Consol Energy Corp	300 000	49.800000	14,937 60	14,940.00
Walt Disney Company	200.000	32.250000	5,832 93	6,450.00
E I Dupont	600 000	33.670000	31,033.75	20,202.00
Eaton Tx Mgd Div Eq	2,950 000	13.130000	48,327.00	38,733.50
Eaton Tax Mgd GL Buy	3,000 000	13.890000	49,780.00	41,670.00
Eaton Tx Mgd GL Div	1,550 000	12.330000	24,645 80	19,111.50
Eaton Risk Mgd Div	1,100 000	16.660000	20,672 00	18,326.00
Europacific Growth F	489 716	38.339997	25,000 86	18,775.71
Exxon Mobile Corp	300 000	68.190000	11,331 62	20,457.00
FPL Group, Inc.	300.000	52 820000	10,047.00	15,846.00
Amer Fundamental A	639 684	32 730004	27,500 61	20,936.86
General Elec Co	1,000 000	15 130000	26,461.92	15,130.00
General Mills Inc	100 000	70 810000	5,820 79	7,081.00
Growth Fd of America	870.322	27.330000	30,000 67	23,785.90
HSBC Financial grp.	1,000.000	22 060000	25,000 00	22,060.00
H J Heinz Co	200.000	42.760000	7,225 99	8,552.00
Hewlett Packard Co	500.000	51.510000	19,986 15	25,755.00
Home Depot Inc	600.000	28 930000	25,893.52	17,358.00
Intel Corporations	300 000	20 400000	4,542.00	6,120.00
International Business Mach	400 000	130 900000	43,257 01	52,360.00
Johnson & Johnson	500 000	64 410000	29,145.65	32,205 00
MDU Resources Group	300 000	23 600000	6,193 78	7,080 00
Marathon Oil Corp	300 000	31 220000	8,340 62	9,366.00
McDonalds Corp	200 000	62 440000	11,714.00	12,488.00
Microsoft Corp	200 000	30 480000	3,968.00	6,096.00
Occidental Pete Corp	200 000	81 350000	3,342.00	16,270.00
Oracle Sys Corp	200 000	24.530000	3,420.00	4,906.00
Peabody Energy Group	500 000	45 210000	19,042.42	22,605.00
Pinnacle West Capita	200 000	36 580000	6,266.00	7,316.00
Proctor & Gamble Co	200.000	60 630000	11,471.99	12,126.00
Sysco Corp	200 000	27.940000	4,604 96	5,588.00
Texas Instruments	200.000	26.060000	3,155 70	5,212.00
3M Co Com	200.000	82.670000	11,431.87	16,534.00
United Parcel Servic	200 000	57 370000	9,634.00	11,474.00
United Technologies	300 000	69 410000	10,555.09	20,823.00
Verizon Comm Inc	200 000	33 130000	5,913 98	6,626.00
Walmart Stores Inc	200.000	53 450000	10,663.98	10,690.00
Walgreen Company	200.000	36.720000	5,339 40	7,344.00
			\$ 752,262.89	\$ 747,201.47

John C. & Ada K. Arter Memorial Fund FBO Union Mission

FEIN 55-6138361

990-PF Balance Sheet

Part II Line C

12/31/2009

Statement 11

Description	Shares	Market Cost Per Share	Cost Basis	12/31/09 Market Value
BB&T 5.2% 12-23-15	25,000.000	103.862000	24,649.75	25,965.50
BB&T Cap 8.95% PFD	1,000.000	26.860000	25,003.50	26,860.00
Bk of Amer 8.2% PFD	2,000 000	24.170000	50,000.00	48,340 00
Bear Stn 4.55 062310	28,750.000	101.673000	27,959.37	29,230.99
CISCO 5.25% 02-22-11	25,000.000	104 933000	25,000.00	26,233.25
Citigroup 5.125%	25,000.000	99.531000	23,620.50	24,882.75
Danville VA 4.20%	50,000.000	103.975000	50,000.00	51,987 50
John Deere Cap 3.00%	50,000.000	100.493000	50,000.00	50,246.50
Deutsche BK 6 625%	500.000	20.990000	12,500.00	10,495.00
Du Pont 4 75% 3-15-15	25,000.000	106 358000	24,781.25	26,589.50
GE 5.50% 11-15-11	25,000.000	101.190000	25,000.00	25,297.50
GE Cap 4.4% 04-15-14	50,000.000	98.506000	50,000.00	49,253.00
GE Cap 4.3% 05-15-12	50,000.000	102.280000	50,000.00	51,140.00
Georgia Power 4.25%	25,000.000	96.904000	24,973.75	24,226.00
Goldman Sachs 4.00%	25,000.000	97.658000	25,000.00	24,414.50
HSBC FI 5 60% 091512	50,000 000	104.626000	50,000.00	52,313 00
ING Group 8 5% PFD	1,000.000	21.920000	25,000.00	21,920.00
ML 4.13 05-12-11 S/P	25,000.000	98.018000	25,000.00	24,504.50
Microsoft Corp 4.2%	25,000.000	99.843000	25,000 00	24,960.75
Morgan Stanley 6.45%	1,100.000	21.450000	27,500.00	23,595 00
Nat Rural 3.9% 8-15-10	25,000.000	101.661000	25,000.00	25,415.25
Pitney Bowes 4 75%	25,000.000	103.999000	25,000.00	25,999 75
Protective Life 4.0%	25,000 000	101.669000	25,021.75	25,417.25
Prude 6.00% 12-01-17	75,000.000	103.171000	74,550.00	77,378.25
Toyota 5.25% 122211	100,000.000	106.790000	100,000.00	106,790 00
Verizon 4 35% 021513	50,000.000	104.602000	48,610.00	52,301.00
Wachovia 5 75% 2-1-18	50,000.000	104.357000	50,000 00	52,178.50
Wells Fargo 6.45%	50,000.000	105 605000	49,165 50	52,802 50
Wells Fargo 7.875%	2,000.000	25.670000	50,000.00	51,340 00
			\$ 1,088,335.37	\$ 1,112,077.74