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Form **990-PF**

Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning , 2012, and ending , 20

Name of foundation HAYES FAMILY FOUNDATION		A Employer identification number 93-1330414
Number and street (or P O box number if mail is not delivered to street address) P.O. BOX 399	Room/suite	B Telephone number (see instructions) (503) 538-3043
City or town, state, and ZIP code NEWBERG, OR 97132		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply	<input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change	<input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 3,049,254.	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)		100,000.			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		5,783.	5,783.		ATCH 1
4 Dividends and interest from securities		72,563.	72,563.		ATCH 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		-205.			
b Gross sales price for all assets on line 6a 227,538.					
7 Capital gain net income (from Part IV, line 2)					
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) (attach schedule)					
11 Other income (attach schedule) ATCH 3		1,278.	27.		
12 Total. Add lines 1 through 11		179,419.	78,373.		
13 Compensation of officers, directors, trustees, etc		0			
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
b Accounting fees (attach schedule)					
c Other professional fees (attach schedule)					
17 Interest					
18 Taxes (attach schedule) (see instructions) ATCH 4		2,546.			
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule)					
24 Total operating and administrative expenses.					
25 Add lines 13 through 23		2,546.	2,288.		
25 Contributions, gifts, grants paid		136,600.			136,600.
26 Total expenses and disbursements. Add lines 24 and 25		139,146.	2,288.		136,600.
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements		40,273.			
b Net investment income (if negative, enter -0-)			76,085.		
c Adjusted net income (if negative, enter -0-)					

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	339,565.	275,292.	275,292.
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶ 650.			
		Less allowance for doubtful accounts ▶		650.	650.
	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 schedule) ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments - U S and state government obligations (attach schedule) .			
	b	Investments - corporate stock (attach schedule) ATCH 5	2,060,688.	1,633,427.	2,609,063.
	c	Investments - corporate bonds (attach schedule)	43,387.	152,266.	164,249.
	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 ▶)				
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	2,443,640.	2,061,635.	3,049,254.	
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 (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 ▶ <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 and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds	2,443,640.	2,061,635.	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds . .			
	30	Total net assets or fund balances (see instructions)	2,443,640.	2,061,635.	
31	Total liabilities and net assets/fund balances (see instructions)	2,443,640.	2,061,635.		

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	2,443,640.
2	Enter amount from Part I, line 27a	2	40,273.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	2,483,913.
5	Decreases not included in line 2 (itemize) ▶ ATCH 6	5	401,878.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,082,035.

Form 990-PF (2012)

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)			(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE PART IV SCHEDULE					
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) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(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					
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	-205.	
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 (col (b) divided by col (c))
2011	145,341.	2,606,926.	0.055752
2010	118,958.	2,405,510.	0.049452
2009	94,407.	1,971,863.	0.047877
2008	41,269.	1,936,194.	0.021314
2007	42,000.	1,881,126.	0.022327
2 Total of line 1, column (d)			2 0.196722
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 0.039344
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 2,905,125.
5 Multiply line 4 by line 3			5 114,299.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 761.
7 Add lines 5 and 6			7 115,060.
8 Enter qualifying distributions from Part XII, line 4 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			8 136,600.

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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	761.
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	
3 Add lines 1 and 2	3	761.
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	761.
6 Credits/Payments		
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	
b Exempt foreign organizations - tax withheld at source	6b	
c Tax paid with application for extension of time to file (Form 8868)	6c	1,600.
d Backup withholding erroneously withheld	6d	
7 Total credits and payments. Add lines 6a through 6d	7	1,600.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	17.
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	822.
11 Enter the amount of line 10 to be Credited to 2013 estimated tax <input type="checkbox"/> 822. Refunded <input checked="" type="checkbox"/>	11	

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 the 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"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? 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?		X
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"/> OR, 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 2012 or the taxable year beginning in 2012 (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

Form 990-PF (2012)

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ▶ N/A				
14	The books are in care of ▶ DELBERT J. HAYES Telephone no ▶ (503) 538-3043			
Located at ▶ P.O. BOX 399 NEWBERG, OR		ZIP+4 ▶ 97132		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here	15		
and enter the amount of tax-exempt interest received or accrued during the year		▶ 15		
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	Yes	No
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶				X

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 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 type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input 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 checked="" type="checkbox"/> Yes	<input 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 type="checkbox"/> No
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b	X
Organizations relying on a current notice regarding disaster assistance check here ▶ <input 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 2012?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If "Yes," list the years ▶		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions)	2b	X
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 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)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b	X

Form 990-PF (2012)

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

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

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

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

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

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

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

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

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

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

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

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

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

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
ATCH 7		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

Form 990-PF (2012)

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 NONE	
2	
All other program-related investments See instructions	
3 NONE	
Total. Add lines 1 through 3	

Form 990-PF (2012)

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	2,661,453.
b	Average of monthly cash balances	1b	287,912.
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	2,949,365.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	2,949,365.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	44,240.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,905,125.
6	Minimum investment return. Enter 5% of line 5	6	145,256.

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	145,256.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	761.
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	761.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	144,495.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	144,495.
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	144,495.

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	136,600.
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	136,600.
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	761.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	135,839.

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				144,495.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			58,668.	
b Total for prior years 20 10, 20 09, 20 08				
3 Excess distributions carryover, if any, to 2012				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 136,600.				
a Applied to 2011, but not more than line 2a			58,668.	
b Applied to undistributed income of prior years (Election required - see instructions)				
c Treated as distributions out of corpus (Election required - see instructions)				
d Applied to 2012 distributable amount				77,932.
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 . (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see instructions				
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				66,563.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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

NOT APPLICABLE

- 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)

- 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

[illegible]

- 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 invest-
ment 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 (i)(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))

N/A

- 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

N/A

- 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

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

- c Any submission deadlines

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

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

<div>Recipient</div> <div>Name and address (home or business)</div>	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 <i>Paid during the year</i> ATCH 8				
Total			▶ 3a	136,600.
b <i>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 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					
4 Dividends and interest from securities			14	78,563.	
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					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory . .					
11 Other revenue a _____					
b ATCH 9				1,278.	
c _____					
d _____					
e _____					
12 Subtotal Add columns (b), (d), and (e)				79,841.	
13 Total. Add line 12, columns (b), (d), and (e)				79,841.	

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- | | | | |
|--|-------|-----|----|
| <p>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?</p> <p>a Transfers from the reporting foundation to a noncharitable exempt organization of</p> <p>(1) Cash</p> <p>(2) Other assets</p> <p>b Other transactions:</p> <p>(1) Sales of assets to a noncharitable exempt organization</p> <p>(2) Purchases of assets from a noncharitable exempt organization</p> <p>(3) Rental of facilities, equipment, or other assets</p> <p>(4) Reimbursement arrangements</p> <p>(5) Loans or loan guarantees</p> <p>(6) Performance of services or membership or fundraising solicitations</p> <p>c Sharing of facilities, equipment, mailing lists, other assets, or paid employees</p> <p>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</p> | | Yes | No |
| | | | |
| | 1a(1) | | X |
| | 1a(2) | | X |
| | | | |
| | 1b(1) | | X |
| | 1b(2) | | X |
| | 1b(3) | | X |
| | 1b(4) | | X |
| | 1b(5) | | X |
| | 1b(6) | | X |
| | 1c | | X |

[illegible]

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

- b** If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign
Here**

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

Signature of officer or trustee Albert J. Hagen

Date _____

6-21-2018

Title

TRUSTEE

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

**Paid
Preparer
Use Only**

Print/Type preparer's name

CHERYL J. PAYNE

Preparer's signature

Cheryl J. Payne

Date _____

6/29/2013

Check ☐ if self-employed

PTIN

P01290446

Firm's name ► PRICEWATERHOUSECOOPERS LLP

Firm's address ► 1300 SW FIFTH AVE., SUITE 3100
PORTLAND, OR

97201

Firm's EIN ▶ 13-4008324

Phone no 971-544-4000

Schedule of Contributors

OMB No 1545-0047

► Attach to Form 990, Form 990-EZ, or Form 990-PF.

2012

Name of the organization

HAYES FAMILY FOUNDATION

Employer identification number

93-1330414

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ► \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization HAYES FAMILY FOUNDATION

Employer identification number

93-1330414

Part I Contributors (see instructions) Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	DELBERT J. AND SANDRA L. HAYES P.O. BOX 399 NEWBERG, OR 97132	\$ 100,000.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization HAYES FAMILY FOUNDATION

Employer identification number

93-1330414

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----

Name of organization HAYES FAMILY FOUNDATION

Employer identification number

93-1330414

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry.For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this information once See instructions.) ► \$ _____

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----

**SCHEDULE D
(Form 1041)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

► Attach to Form 1041, Form 5227, or Form 990-T.
► Information about Schedule D (Form 1041) and its separate instructions is at
www.irs.gov/form1041.

OMB No 1545-0092

2012

Name of estate or trust

HAYES FAMILY FOUNDATION

Employer identification number

93-1330414

Note: Form 5227 filers need to complete **only** Parts I and II

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2011 Capital Loss Carryover Worksheet	4	()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back	5	

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	-205.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2011 Capital Loss Carryover Worksheet	11	()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back	12	-205.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2012

Part III Summary of Parts I and II Caution: Read the instructions before completing this part.		(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
13	Net short-term gain or (loss)	13		
14	Net long-term gain or (loss):			
a	Total for year	14a		-205.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a ▶	15		-205.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and **do not** complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation

16	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of a The loss on line 15, column (3) or b \$3,000	16	(205.)
-----------	---	-----------	----------

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** in the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if

- Either line 14b, col (2) or line 14c, col (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 14b, col (2) or line 14c, col (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) . . .	17	
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18	
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) . .	19	
20	Add lines 18 and 19	20	
21	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- . . . ▶	21	
22	Subtract line 21 from line 20. If zero or less, enter -0-	22	
23	Subtract line 22 from line 17. If zero or less, enter -0-	23	
24	Enter the smaller of the amount on line 17 or \$2,400	24	
25	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 and 26, go to line 27 and check the "No" box <input type="checkbox"/> No. Enter the amount from line 23	25	
26	Subtract line 25 from line 24	26	
27	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31 <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	27	
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28	
29	Subtract line 28 from line 27	29	
30	Multiply line 29 by 15% (15)	30	
31	Figure the tax on the amount on line 23. Use the 2012 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	31	
32	Add lines 30 and 31	32	
33	Figure the tax on the amount on line 17. Use the 2012 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	33	
34	Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)	34	

Schedule D (Form 1041) 2012

Employer identification number

93-1330414

[illegible]

6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b	-205.
--	-------

ATTACHMENT 1

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
US TREASURY	4.	4.
MORGAN STANLEY	5,779.	5,779.
TOTAL	<u>5,783.</u>	<u>5,783.</u>

ATTACHMENT 2

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
MORGAN STANLEY	72,563.	72,563.
TOTAL	<u>72,563.</u>	<u>72,563.</u>

ATTACHMENT 3

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
OTHER BROKER INCOME	27.	27.
FEDERAL EXCISE TAX REFUND	1,251.	
TOTALS	<u>1,278.</u>	<u>27.</u>

ATTACHMENT 4

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
FEDERAL TAXES	1,943.	1,943.
OREGON TAXES	345.	345.
FOREIGN TAXES	258.	
TOTALS	<u>2,546.</u>	<u>2,288.</u>

CLIENT STATEMENT | For the Period December 1-31, 2012

Active Assets Account
181-021907-060DELBERT HAYES SANDRA L HAYES CO-TTE
HAYES FAM FOU TR U/A DTD 11/26/2001

Holdings

STOCKS

COMMON STOCKS

Morgan Stanley & Co. LLC (Morgan Stanley), Citi Investment Research & Analysis (CIRA), and Standard & Poor's equity research ratings may be shown for certain securities. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance. Because the applicable research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. Where a particular company is covered by both Morgan Stanley and CIRA, you can and should view both research reports. CIRA's equity research ratings are (1) Buy, (2) Neutral and (3) Sell. For ease of comparison, Morgan Stanley and Standard & Poor's equity research ratings have been normalized to a 1 (Buy), 2 (Hold), and 3 (Sell). Please refer to the quarter month-end statement (or your first statement, if you have not yet received a statement at the quarter-end) for a summary guide describing Morgan Stanley, CIRA and Standard & Poor's ratings. Morgan Stanley Smith Barney LLC does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared for Standard & Poor's.

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
AMERICAN ELECTRIC POWER CO (AEP)	12/14/09	1,000,000	\$34.001	\$34,000.92	\$42,680.00	\$8,679.08 LT	\$1,880.00	4.40
Share Price: \$42.680; Rating: Morgan Stanley: 1, Citigroup: 2, S&P: 2; Next Dividend Payable 03/2013								
BLACKROCK GLBL OPP EQ TR (BOE)	1/17/07	1,193,000	27.747	33,102.12	15,747.60	(17,354.52) LT R	1,487.67	9.44
Share Price: \$13.200, Next Dividend Payable 02/2013								
BOEING CO (BA)	10/12/07	500,000	97.821	48,910.25	37,680.00	(11,230.25) LT		
	7/23/08	1,000,000	67.465	67,464.99	75,360.00	7,895.01 LT		
Total		1,500,000		116,375.24	113,040.00	(3,335.24) LT	2,910.00	2.57
Share Price: \$75.350, Rating: Morgan Stanley: 1, Citigroup: 1, S&P: 1; Next Dividend Payable 03/2013								
BP PLC ADS (BP)	9/10/03	500,000	43.281	21,640.40	20,820.00	(820.40) LT A	1,080.00	5.18
Share Price: \$41.640; Rating: S&P: 2								
CAMERON INTNL CORP (CAM)	12/18/12	500,000	57.330	28,665.01	28,230.00	(435.01) ST		
Share Price: \$56.460; Rating: Morgan Stanley: 1, Citigroup: 2, S&P: 2								
CATERPILLAR INC (CAT)	12/9/11	300,000	96.906	29,071.78	26,882.55	(2,189.23) LT	624.00	2.32
Share Price: \$89.609; Rating: Morgan Stanley: 1, Citigroup: 2, S&P: 1; Next Dividend Payable 03/2013								
CITIGROUP INC NEW (C)	9/13/07	100,000	469.225	46,922.47	3,956.00	(42,966.47) LT	4.00	0.10
Share Price: \$39.560; Rating: Morgan Stanley: 1, S&P: 1; Next Dividend Payable 02/2013								
COSTAMARE INC (CMRE)	12/14/10	5,000,000	12.918	64,590.84	69,600.00	5,009.16 LT	5,400.00	7.75
Share Price: \$13.920; Rating: Morgan Stanley: 1; Next Dividend Payable 02/2013								
EATON VANCE TAX MGD DIV EQU FD (EXG)	5/18/07	2,000,000	16.703	33,406.92	17,620.00	(15,786.92) LT R	1,952.00	11.07
Share Price: \$8.810; Next Dividend Payable 02/2013								
EMERSON ELECTRIC CO (EMR)	5/1/12	1,000,000	49.930	49,929.52	52,960.00	3,030.48 ST	1,640.00	3.09
Share Price: \$52.960; Rating: Morgan Stanley: 1, Citigroup: 1, S&P: 2; Next Dividend Payable 03/2013								
GENERAL ELECTRIC CO (GE)	8/23/04	1,500,000	32.822	49,232.66	31,485.00	(17,747.66) LT A		
	12/2/11	15,000,000	16.367	245,507.42	314,850.00	69,342.58 LT		

CONTINUED

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2012

Active Assets Account
181-021907-060

DELBERT HAYES SANDRA L HAYES CO-TTEE
HAYES FAM FOU TR U/A DTD 1/1/26/2001

Holdings

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
Total		16,500,000		294,740.08	346,335.00	51,594.92 LT	12,540.00	3.62
Share Price: \$20.990; Rating: Morgan Stanley: 2, Citigroup: 1, S&P: 2; Next Dividend Payable 01/25/13								
HONEYWELL INTERNATIONAL INC (HON)	3/11/10	1,000,000	43.167	43,166.63	63,470.00	20,303.37 LT	1,640.00	2.58
Share Price: \$63.470; Rating: Morgan Stanley: 1, Citigroup: 1, S&P: 1; Next Dividend Payable 03/2013								
INVESCO MORTGAGE CAPITAL INC (IVR)	10/18/12	1,000,000	21.573	21,572.71	19,710.00	(1,862.71) ST	2,600.00	13.19
Share Price: \$19.710; Rating: Morgan Stanley: 1; Next Dividend Payable 01/28/13								
JOHNSON & JOHNSON (JNJ)	9/10/03	500,000	52.734	26,366.95	35,050.00	8,683.05 LT A	1,220.00	3.48
Share Price: \$70.100; Rating: Morgan Stanley: 2, Citigroup: 1, S&P: 1; Next Dividend Payable 03/2013								
JPMORGAN CHASE & CO (JPM)	9/13/07	1,000,000	46.216	46,216.19	43,969.10	(2,247.09) LT		
	4/3/12	500,000	46.326	23,162.75	21,984.55	(1,178.20) ST		
Total		1,500,000		69,378.94	65,953.65	(2,247.09) LT (1,178.20) ST	1,800.00	2.72
Share Price: \$43.969; Rating: Morgan Stanley: 1, Citigroup: 1, S&P: 1; Next Dividend Payable 01/2013								
NIKE INC B (NKE)	12/29/76	3,980,000	0.000	0.00	205,368.00	205,368.00 LT 2		
	11/3/05	2,020,000	21.775	43,985.50	104,232.00	60,246.50 LT 2		
	11/3/05	8,000,000	21.775	174,200.00	412,800.00	238,600.00 LT 2		
	11/3/05	4,000,000	21.775	87,100.00	206,400.00	119,300.00 LT 2		
	12/27/06	5,000,000	24.946	124,731.25	258,000.00	133,268.75 LT 2		
	--	4,000,000	--	Please Provide	206,400.00	N/A		
Total		27,000,000		430,016.75	1,393,200.00	756,783.25 LT	11,340.00	0.81
Share Price: \$51.600; Rating: Morgan Stanley: 2, Citigroup: 2, S&P: 2; Next Dividend Payable 03/2013								
NRG ENERGY INC (NRG)	7/24/12	1,200,000	19.162	22,994.98	27,588.00	4,593.02 ST	432.00	1.56
Share Price: \$22.990; Rating: Citigroup: 1, S&P: 1; Next Dividend Payable 02/2013								
PEOPLE'S UNITED FINANCIAL INC. (PBCT)	5/3/11	2,500,000	14.063	35,157.34	30,225.00	(4,932.34) LT	1,600.00	5.29
Share Price: \$12.090; Rating: Morgan Stanley: 2, S&P: 2; Next Dividend Payable 02/2013								
PPL CORPORATION (PPL)	9/20/10	1,500,000	27.369	41,053.94	42,945.00	1,891.06 LT	2,160.00	5.02
Share Price: \$28.630; Rating: Citigroup: 2, S&P: 1; Next Dividend Payable 01/02/13								
SEADRILL LTD (SDRL)	6/28/11	1,000,000	34.649	34,649.40	36,800.00	2,150.60 LT	3,400.00	9.23
Share Price: \$36.800; Rating: Citigroup: 1; Next Dividend Payable 03/2013								
SEMPRA ENERGY (SRE)	3/23/12	1,000,000	58.914	58,913.87	70,940.00	12,026.13 ST	2,400.00	3.38
Share Price: \$70.940; Rating: Morgan Stanley: 1, Citigroup: 1, S&P: 2; Next Dividend Payable 01/15/13								

CONTINUED

CLIENT STATEMENT | For the Period December 1-31, 2012

Holdings

Active Assets Account
181-021907-060DELBERT HAYES SANDRA L HAYES CO-TTE
HAYES FAM FOU TR U/A DTD 11/26/2001

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
SPECTRA ENERGY CORP COM (SE)	2/28/05	500.000	22.894	11,447.13	13,690.00	2,242.87 LT	610.00	4.45
Share Price: \$27.380; Rating: Morgan Stanley: 2, Citigroup: 2, S&P: 1; Next Dividend Payable 03/2013								
SUPERIOR ENERGY SERVICES INC (SPN)	7/27/10	1,000.000	24.211	24,211.20	20,720.00	(3,491.20) LT	—	—
Share Price: \$20.720; Rating: Citigroup: 1, S&P: 1								
WAL MART STORES INC (WMT)	9/10/03	500.000	57.888	28,944.15	34,115.00	5,170.85 LT A	795.00	2.33
Share Price: \$68.230; Rating: Morgan Stanley: 2, Citigroup: 1, S&P: 1; Next Dividend Payable 03/2013								
WEATHERFORD INTERNATIONAL LTD (WFT)	3/14/07	100.000	22.069	2,206.85	1,119.00	(1,087.85) LT	—	—
	3/14/07	1,400.000	22.072	30,901.07	15,666.00	(15,235.07) LT	—	—
Total		1,500.000		33,107.92	16,785.00	(16,322.92) LT	—	—
Share Price: \$11.190; Rating: Morgan Stanley: 1, Citigroup: 1, S&P: 1								

STOCKS

Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
85.6%	\$1,633,427.21	\$2,609,062.80	\$753,061.88 LT	\$59,514.67	2.28%
			\$16,173.71 ST	\$0.00	

CORPORATE FIXED INCOME

CORPORATE BONDS

Security Description	Trade Date	Face Value	Orig. Unit Cost	Orig. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
BAC CAPITAL TRUST XIII	9/25/12	60,000.000	\$80.081	\$48,048.50			\$2,400.00	4.76
CUSIP 05518UAA5			\$80.081	\$48,048.50	\$50,317.80	\$2,269.30 ST	\$106.66	
Unit Price: \$83.863; Coupon Rate 4.000%; Perpetual Maturity; Interest Paid Quarterly Jun 15, Callable \$100.00 on 01/30/13; Yield to Maturity 4.928%; Floater; Moody B1 S&P BB+; Issued 02/16/07								
GOLDMAN SACHS CAP III	8/14/12	50,000.000	74.473	37,236.50			2,000.00	5.18
CUSIP 38144QAA7			74.473	37,236.50	38,596.50	1,360.00 ST	150.00	
Unit Price: \$77.193; Coupon Rate 4.000%; Perpetual Maturity; Interest Paid Quarterly Sep 04; Callable \$100.00 on 01/31/13; Yield to Maturity 5.397%; Floater, Moody BA2 S&P BB+; Issued 05/15/07								

CONTINUED

CLIENT STATEMENT | For the Period December 1-31, 2012

Active Assets Account
181-021907-060DELBERT HAYES SANDRA L HAYES CO-TTE
HAYES FAM FOU TR U/A DTD 11/26/2001

Holdings

CORPORATE FIXED INCOME
CORPORATE BONDS (CONTINUED)

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
WACHOVIA CAPTL TRUST CUSIP 92978AAA0	3/15/11	25,000,000	87.524	21,881.00	21,881.00			
			87.524	21,881.00	24,875.00	2,994.00 LT		
	3/8/12	25,000,000	94.374	23,593.50	23,593.50			
			94.374	23,593.50	24,875.00	1,281.50 ST		
Total		50,000,000		45,474.50	49,750.00	2,994.00 LT 1,281.50 ST	2,784.85 123.77	5.59
<i>Unit Price: \$99.500; Coupon Rate 5.569%, Perpetual Maturity; Interest Paid Quarterly Mar 15; Callable \$100.00 on 01/31/13, Yield to Maturity 5.601%; Floater; Moody BAA3 S&P BBB+; Issued 02/01/06</i>								
LINCOLN NATL CORP FIXED TO 6.0 5% TILL 7/27/10 4/17 FLOATS THEREAFTER CUSIP 534187AU3		25,000,000	86.024	21,506.00	21,506.00			
			86.024	21,506.00	24,906.25	3,400.25 LT	1,512.50 298.29	6.07
<i>Unit Price: \$99.625, Coupon Rate 6.050%; Matures 04/20/2067, Int. Semi-Annually Apr/Oct 20; Callable \$100.00 on 04/20/17; Yield to Maturity 6.073%; Floater; Moody BAA1 S&P BBB; Issued 03/13/07</i>								
CORPORATE FIXED INCOME		185,000,000		\$152,265.50	\$152,265.50	\$6,394.25 LT \$4,910.80 ST	\$8,697.35 \$678.72	5.32%
TOTAL CORPORATE FIXED INCOME (incl. accr. int.)		5.4%			\$164,249.27			
TOTAL MARKET VALUE		100.0%		\$1,785,692.71	\$3,047,924.78	\$759,456.13 LT \$21,084.51 ST	\$68,350.02 \$678.72	2.24%

TOTAL VALUE (includes accrued interest)

2 - You, or a third party, have provided the transaction details for this position.

A - You executed this transaction elsewhere and later transferred the security to your Morgan Stanley Smith Barney LLC Account. Another financial institution has provided us with the transaction detail for this position.

R - The cost basis for this tax lot was adjusted due to a reclassification of income.

Unrealized Gain/(Loss) totals only reflect positions that have cost basis and/or market value information available. Cash, MMF, Deposits and positions stating 'Please Provide' are not included.

ATTACHMENT 6FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCESDESCRIPTIONAMOUNT

BOOK/TAX DIFFERENCES

401,878.

TOTAL

401,878.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 7

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
DELBERT J. HAYES P.O. BOX 399 NEWBERG, OR 97132	TRUSTEE 2.00	0	0	0
SANDRA L. HAYES P.O. BOX 399 NEWBERG, OR 97132	TRUSTEE 1.00	0	0	0
NANCY J. HENDERSON 8614 WARNER DR SE SALEM, OR 97317	TRUSTEE 1.00	0	0	0
JOHN W. HAYES 8836 CHURCH LAKE BL CHASKA, MN 55318	TRUSTEE 1.00	0	0	0
KATHRYN L. HERRMANN 3276 REDTAIL LANE EUGENE, OR 97405	TRUSTEE 1.00	0	0	0
SUSAN L. CLARK DELLWOOD DRIVE EUGENE, OR 97405	TRUSTEE 1.00	0	0	0
GRAND TOTALS		0	0	0

FORM 990BF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 8.

<u>RECIPIENT NAME AND ADDRESS</u>	<u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT</u>		<u>PURPOSE OF GRANT OR CONTRIBUTION</u>	<u>AMOUNT</u>
BEAVER ATHLETIC STUDENT FUND 859 SW 35TH ST CORVALLIS, OR 97333-4015			SCHOLARSHIP SUPPORT	1,600.
DUCK ATHLETIC FUND 1720 E 13TH, SUITE 410 EUGENE, OR 97403-2253			SCHOLARSHIP SUPPORT	2,000
PROVIDENCE NEWBERG HEALTH FOUNDATION 1001 PROVIDENCE DRIVE NEWBERG, OR 97132			MEDICAL AID FOR THE NEEDY	31,000
MEDICAL TEAMS INTERNATIONAL P O BOX 10 PORTLAND, OR 97207-0010			MEDICAL AID FOR THE NEEDY	5,000
WASHINGTON STATE UNIVERSITY FOUNDATION P O BOX 641925 PULLMAN, WA 99164-1925			SCHOLARSHIP SUPPORT	12,000.
VOLUNTEERS IN MEDICINE CLINIC 2260 MARCOLA RD. SPRINGFIELD, OR 97477-2594			MEDICAL AID FOR THE NEEDY	5,000.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 8 (CONT'D)

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

OREGON HEALTH & SCIENCE UNIVERSITY FOUNDATION

1121 S W SALMON ST., SUITE 100

PORTLAND, OR 97205-2021

OHSU PARKINSON CENTER OF OREGON

20,000

GEORGE FOX UNIVERSITY

414 N MERIDIAN ST.

NEWBERG, OR 97132

FACILITY IMPROVEMENT SUPPORT

60,000

TOTAL CONTRIBUTIONS PAID

136,600

FORM 990-PF, PART XVI-A - ANALYSIS OF OTHER REVENUE

ATTACHMENT 9

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	RELATED OR EXEMPT FUNCTION INCOME	
				AMOUNT	
FEDERAL EXCISE TAX REFUND			01	1,251.	
OTHER BROKER INCOME			14	27.	
TOTALS				1,278.	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
24,897.		1,000 SHARES OF WELLS FARGO CAP PROPERTY TYPE: SECURITIES 20,612.				P	10/14/2009	03/08/2012
							4,285.	
24,668.		1,000 SHARES OF JP CHASE CAP XI PROPERTY TYPE: SECURITIES 22,815.				P	10/14/2009	04/03/2012
							1,853.	
62,833.		1,000 SHARES OF PROCTER & GAMBLE PROPERTY TYPE: SECURITIES 67,310.				P	06/04/2008	05/01/2012
							-4,477.	
21,268.		333.333 SHARES OF DUKE ENERGY CORP NEW PROPERTY TYPE: SECURITIES 15,880.				P	02/28/2005	VARIOUS
							5,388.	
24,316.		1,000 SHARES OF BAC CAP TR IV PROPERTY TYPE: SECURITIES 19,006.				P	10/14/2009	09/25/2012
							5,310.	
24,660.		1,000 SHARES OF CITIGROUP CAP VII PROPERTY TYPE: SECURITIES 24,712.				P	09/13/2011	09/25/2012
							-52.	
19,907.		2,000 SHARES OF WINDSTREAM CORP PROPERTY TYPE: SECURITIES 29,236.				P	01/17/2007	09/07/2012
							-9,329.	
24,917.		600 SHARES BAKER HUGHES INC PROPERTY TYPE: SECURITIES 28,172.				P	10/14/2009	12/18/2012
							-3,255.	
72.		INVESCO MORTGAGE CAPITAL INC - CAPITAL G					72.	
TOTAL GAIN (LOSS)							<u>-205.</u>	