Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990-PF and its separate instructions is at *www.irs.gov/form990pf.*

OMB No 1545-0052

2013

Open to Public Inspection

For calendar year 2013 or tax year beginning , and ending

Name of foundation
JOHN C. & ADA K. ARTER MEMORIAL FUND
F/B/O SALVATION ARMY

A Employer identification number
55-6138362

Number and street (or P O box number if mail is not delivered to street address)
CITY NATIONAL BANK P.O. BOX 4168

Room/suite

B Telephone number
304-345-9400

City or town, state or province, country, and ZIP or foreign postal code
CHARLESTON, WV 25364-4168

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 3,189,728.

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

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

		Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received			N/A	
	2	Check ▶ ☒ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	59,471.	58,419.		STATEMENT 1
	4	Dividends and interest from securities	46,859.	46,859.		STATEMENT 2
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-13,888.			
	b	Gross sales price for all assets on line 6a 533,337.				
	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	92,442.	105,278.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0.	0.		0.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees				
	b	Accounting fees STMT 3	2,594.	2,594.		0.
	c	Other professional fees STMT 4	19,720.	19,720.		0.
	17	Interest				
	18	Taxes STMT 5	1,650.	1,650.		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	23,964.	23,964.		0.
	25	Contributions, gifts, grants paid	158,471.			158,471.
	26	**Total expenses and disbursements.** Add lines 24 and 25	182,435.	23,964.		158,471.
	27	Subtract line 26 from line 12				
	a	Excess of revenue over expenses and disbursements	-89,993.			
	b	**Net investment income** (if negative, enter -0-)		81,314.		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

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10-10-13 LHA **For Paperwork Reduction Act Notice, see instructions.**

12

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	84,851.	47,848.	47,848.
	3	Accounts receivable ▶			
		Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons			
	7	Other notes and loans receivable ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U S and state government obligations STMT 6	410,196.	360,670.	352,822.
	b	Investments - corporate stock STMT 7	933,108.	820,346.	1,153,567.
	c	Investments - corporate bonds STMT 8	1,512,158.	1,621,456.	1,635,491.
	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 - see the instructions Also, see page 1, item I)	2,940,313.	2,850,320.	3,189,728.
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶)			
	23	Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	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	2,940,313.	2,850,320.	
	30	Total net assets or fund balances	2,940,313.	2,850,320.	
	31	Total liabilities and net assets/fund balances	2,940,313.	2,850,320.	

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	2,940,313.
2	Enter amount from Part I, line 27a	2	-89,993.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	2,850,320.
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	2,850,320.

JOHN C. & ADA K. ARTER MEMORIAL FUND CONTINUATION FOR 990-PF, PART IV
F/B/O SALVATION ARMY 55-6138362 PAGE 1 OF 4

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	ENTERGY OF LA 4.7% 800.00 SHS	P	05/15/13	11/21/13
b	FEDERAL HOME LOAN BANK BD2.20% 10000.00 SHS	P	09/26/12	05/20/13
c	FANNIE MAE 3.5% DUE 09-25-41 2984.83 SHS	P	01/30/12	01/25/13
d	FEDERAL HOME LOAN MTG CORP2.50% DUE 01-15-43	P	05/03/13	06/17/13
e	FEDERAL HOME LOAN MTG CORP2.50% DUE 01-15-43	P	05/03/13	07/15/13
f	FEDERAL HOME LOAN MTG CORP2.50% DUE 01-15-43	P	05/03/13	08/15/13
g	FEDERAL HOME LOAN MTG CORP2.50% DUE 01-15-43	P	05/03/13	09/16/13
h	FEDERAL HOME LOAN MTG CORP2.50% DUE 01-15-43	P	05/03/13	10/15/13
i	FEDERAL HOME LOAN MTG CORP2.50% DUE 01-15-43	P	05/03/13	12/16/13
j	FEDERATED TOAL RETURN ULTRASHORT BD #108	P	02/19/13	02/28/13
k	GNMA 2.50% DUE 09-20-42	P	09/13/12	03/20/13
l	GNMA 2.50% DUE 09-20-42	P	09/13/12	04/22/13
m	GNMA 2.50% DUE 09-20-42	P	09/13/12	05/20/13
n	GNMA 2.50% DUE 09-20-42	P	09/13/12	06/20/13
o	GNMA 2.50% DUE 09-20-42	P	09/13/12	07/22/13

	(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	15,117.		20,000.	-4,883.
b	10,000.		10,000.	0.
c	2,985.		2,996.	-11.
d	449.		445.	4.
e	117.		116.	1.
f	121.		120.	1.
g	128.		127.	1.
h	78.		77.	1.
i	80.		79.	1.
j	15,000.		15,000.	0.
k	679.		682.	-3.
l	362.		364.	-2.
m	333.		335.	-2.
n	362.		364.	-2.
o	390.		392.	-2.

	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				-4,883.
b				0.
c				-11.
d				4.
e				1.
f				1.
g				1.
h				1.
i				1.
j				0.
k				-3.
l				-2.
m				-2.
n				-2.
o				-2.

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	

JOHN C. & ADA K. ARTER MEMORIAL FUND
F/B/O SALVATION ARMY

CONTINUATION FOR 990-PF, PART IV
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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	GNMA 2.50% DUE 09-20-42	P	09/13/12	08/20/13
b	BANK OF AMERICA CRP 2000 SHS	P	05/20/08	05/01/13
c	JOHN DEERE CAP CORP NOTES 3.00%	P	10/06/09	09/12/13
d	DODGE & COX INCOME FD147	P	VARIOUS	11/13/13
e	EATON VANCE TAX MGD DIVEQUITY INCOME FUND	P	VARIOUS	11/13/13
f	EATON VANCE TX MGD GL BUY WROPPORTUNITIES FD	P	05/06/08	01/11/13
g	EATON VANCE TX MGD GL BUY WROPPORTUNITIES FD	P	06/26/08	03/01/13
h	EATON VANCE TAX MGD GLBLDIV EQUITY INCOME FD	P	06/26/08	01/11/13
i	EATON VANCE TAX MGD GLBLDIV EQUITY INCOME FD	P	06/26/08	11/13/13
j	EATON VANCE RISK MGD DIVEREQUITY INCOME FUND	P	06/26/08	11/13/13
k	FEDERAL FARM CREDIT BANK BDS2.00% DUE 02-01-19	P	01/25/12	02/01/13
l	FANNIE MAE 3.5% DUE 09-25-41	P	01/30/12	02/25/13
m	FANNIE MAE 3.5% DUE 09-25-41	P	01/30/12	03/25/13
n	FANNIE MAE 3.5% DUE 09-25-41	P	01/30/12	04/25/13
o	FANNIE MAE 3.5% DUE 09-25-41	P	01/30/12	05/28/13

	(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	418.		420.	-2.
b	50,000.		50,000.	0.
c	50,025.		50,000.	25.
d	27,160.		26,384.	776.
e	12,708.		18,868.	-6,160.
f	3,336.		5,085.	-1,749.
g	11,092.		15,880.	-4,788.
h	2,544.		4,282.	-1,738.
i	4,855.		7,840.	-2,985.
j	6,050.		10,341.	-4,291.
k	50,000.		50,000.	0.
l	630.		632.	-2.
m	5,274.		5,294.	-20.
n	729.		732.	-3.
o	1,701.		1,708.	-7.

	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				-2.
b				0.
c				25.
d				776.
e				-6,160.
f				-1,749.
g				-4,788.
h				-1,738.
i				-2,985.
j				-4,291.
k				0.
l				-2.
m				-20.
n				-3.
o				-7.

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

JOHN C. & ADA K. ARTER MEMORIAL FUND
F/B/O SALVATION ARMY

CONTINUATION FOR 990-PF, PART IV
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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	FANNIE MAE 3.5% DUE 09-25-41	P	01/30/12	06/25/13
b	FANNIE MAE 3.5% DUE 09-25-41	P	01/30/12	07/25/13
c	FANNIE MAE 3.5% DUE 09-25-41	P	01/30/12	08/26/13
d	FANNIE MAE 3.5% DUE 09-25-41	P	01/30/12	09/25/13
e	FANNIE MAE 3.5% DUE 09-25-41	P	01/30/12	12/26/13
f	FEDERATED INCOME TRUSTSH BEN INT-FUND 36	P	11/18/11	02/28/13
g	GE CAPITAL INTERNOTESMTNF 4.500% 03/15/13	P	06/14/04	03/15/13
h	GOLDMAN SACHS GROUP INCMTNV 4.00% 1/29/25	P	02/25/10	01/29/13
i	GNMA 3.50% DUE 09-20-41	P	09/15/11	01/22/13
j	GNMA 3.50% DUE 09-20-41	P	09/15/11	02/21/13
k	GNMA 3.50% DUE 09-20-41	P	09/15/11	03/20/13
l	GNMA 3.50% DUE 09-20-41	P	09/15/11	04/23/13
m	GNMA 3.50% DUE 09-20-41	P	09/15/11	05/20/13
n	GNMA 3.50% DUE 09-20-41	P	09/15/11	06/20/13
o	GNMA 3.50% DUE 09-20-41	P	09/15/11	07/22/13

	(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	5,779.		5,801.	-22.
b	474.		475.	-1.
c	3,215.		3,227.	-12.
d	3,232.		3,245.	-13.
e	4,538.		4,555.	-17.
f	4,572.		4,611.	-39.
g	50,000.		47,225.	2,775.
h	50,000.		50,000.	0.
i	1,830.		1,830.	0.
j	131.		131.	0.
k	4,714.		4,714.	0.
l	658.		658.	0.
m	2,179.		2,179.	0.
n	67.		67.	0.
o	2,952.		2,952.	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				-22.
b				-1.
c				-12.
d				-13.
e				-17.
f				-39.
g				2,775.
h				0.
i				0.
j				0.
k				0.
l				0.
m				0.
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	

JOHN C. & ADA K. ARTER MEMORIAL FUND
F/B/O SALVATION ARMY

CONTINUATION FOR 990-PF, PART IV
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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	GNMA 3.50% DUE 09-20-41	P	09/15/11	08/20/13
b	GNMA 3.50% DUE 09-20-41	P	09/15/11	09/20/13
c	GNMA 3.50% DUE 09-20-41	P	09/15/11	10/21/13
d	GNMA 3.50% DUE 09-20-41	P	09/15/11	11/20/13
e	GNMA 3.50% DUE 09-20-41	P	09/15/11	12/20/13
f	GNMA 2.50% DUE 09-20-42	P	09/13/12	09/20/13
g	GNMA 2.50% DUE 09-20-42	P	09/13/12	10/21/13
h	GNMA 2.50% DUE 09-20-42	P	09/13/12	11/20/13
i	GNMA 2.50% DUE 09-20-42	P	09/13/12	12/20/13
j	HEINZ H J COCOM	P	VARIOUS	02/14/13
k	ING GROUP N V8.5% OER HYB CAP	P	06/10/08	12/16/13
l	MDU RESOURCES GROUP	P	VARIOUS	08/16/13
m	PINNACLE WEST CAPITAL CORP	P	12/27/05	08/16/13
n	SOUTHERN CALIFORNIA EDISONPFD 5.625%	P	05/10/12	11/21/13
o	WELLS FARGO CAP XII PFD	P	03/05/08	03/15/13

	(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	219.		219.	0.
b	743.		743.	0.
c	407.		407.	0.
d	789.		789.	0.
e	973.		973.	0.
f	445.		447.	-2.
g	471.		473.	-2.
h	497.		499.	-2.
i	522.		524.	-2.
j	14,492.		7,226.	7,266.
k	25,000.		25,000.	0.
l	8,410.		6,194.	2,216.
m	10,998.		8,498.	2,500.
n	12,307.		15,000.	-2,693.
o	50,000.		50,000.	0.

	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				0.
d				0.
e				0.
f				-2.
g				-2.
h				-2.
i				-2.
j				7,266.
k				0.
l				2,216.
m				2,500.
n				-2,693.
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	-13,888.
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 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	533,337.		547,225.	-13,888.

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				-13,888.

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 -13,888.

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 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))
2012	155,548.	3,093,258.	.050286
2011	159,173.	3,100,090.	.051345
2010	158,033.	3,124,472.	.050579
2009	148,256.	3,016,962.	.049141
2008	299,869.	3,132,549.	.095727

2	**Total** of line 1, column (d)	2	.297078
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	.059416
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	3,132,362.
5	Multiply line 4 by line 3	5	186,112.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	813.
7	Add lines 5 and 6	7	186,925.
8	Enter qualifying distributions from Part XII, line 4	8	158,471.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ________ **(attach copy of letter if necessary-see instructions)**				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	1,626.
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	1,626.
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	1,626.
6	Credits/Payments				
a	2013 estimated tax payments and 2012 overpayment credited to 2013	6a	1,800.		
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	1,800.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	174.
11	Enter the amount of line 10 to be **Credited to 2014 estimated tax** ▶		174. **Refunded** ▶	11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ 0. (2) On foundation managers ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ 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*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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

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 ▶ 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 ▶ 15 1,052.

		Yes	No
16 At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

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

			Yes	No
1a During the year did the foundation (either directly or indirectly)				
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		1b		X
Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?		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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013?	☐ Yes ☒ No			
If "Yes," list the years ▶ ______, ______, ______, ______				
b Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions)	N/A	2b		
c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ______, ______, ______, ______				
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b If "Yes," did it have excess business holdings in 2013 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 2013.)*	N/A	3b		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?		4b		X

JOHN C. & ADA K. ARTER MEMORIAL FUND
F/B/O SALVATION ARMY

55-6138362

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 ST. 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

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

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

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
NONE		

Total number of others receiving over $50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 ▶	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes				
a	Average monthly fair market value of securities			1a	3,113,303.
b	Average of monthly cash balances			1b	66,760.
c	Fair market value of all other assets			1c	
d	**Total** (add lines 1a, b, and c)			1d	3,180,063.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.		
2	Acquisition indebtedness applicable to line 1 assets			2	0.
3	Subtract line 2 from line 1d			3	3,180,063.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)			4	47,701.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4			5	3,132,362.
6	**Minimum investment return.** Enter 5% of line 5			6	156,618.

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	156,618.
2a	Tax on investment income for 2013 from Part VI, line 5	2a	1,626.		
b	Income tax for 2013 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	1,626.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	154,992.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	154,992.
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	154,992.

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	158,471.
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	158,471.
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	158,471.

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7					154,992.
2 Undistributed income, if any, as of the end of 2013					
a Enter amount for 2012 only				0.	
b Total for prior years ______ , ______ , ______			0.		
3 Excess distributions carryover, if any, to 2013:					
a From 2008	57,474.				
b From 2009					
c From 2010	3,867.				
d From 2011	6,056.				
e From 2012	2,655.				
f Total of lines 3a through e		70,052.			
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ $ 158,471.					
a Applied to 2012, 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 2013 distributable amount					154,992.
e Remaining amount distributed out of corpus		3,479.			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)		0.			0.
6 Enter the net total of each column as indicated below:					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		73,531.			
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 2012 Subtract line 4a from line 2a Taxable amount - see instr				0.	
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014					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 2008 not applied on line 5 or line 7		57,474.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a		16,057.			
10 Analysis of line 9					
a Excess from 2009					
b Excess from 2010	3,867.				
c Excess from 2011	6,056.				
d Excess from 2012	2,655.				
e Excess from 2013	3,479.				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2013	(b) 2012	(c) 2011	(d) 2010	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon a "Assets" alternative test - enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see instructions.)

1 **Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

a The name, address, and telephone number or e-mail address 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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SALVATION ARMY PO BOX 6130 CHARLESTON, WV 25362			INCOME DISTRIBUTION	158,471.
Total			▶ 3a	158,471.
b *Approved for future payment* NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					59,471.
4 Dividends and interest from securities					46,859.
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					-13,888.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0.		0.	92,442.

13 Total. Add line 12, columns (b), (d), and (e) 13 92,442.

(See worksheet in line 13 instructions to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes)
3	THE SOURCE OF INCOME IS FROM INVESTMENTS, THIS INCOME IS TO BE
4	DISTRIBUTED TO THE SALVATION ARMY.
8	

JOHN C. & ADA K. ARTER MEMORIAL FUND

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

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of:			
(1) Cash	1a(1)		X
(2) Other assets	1a(2)		X
b Other transactions:			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
(3) Rental of facilities, equipment, or other assets	1b(3)		X
(4) Reimbursement arrangements	1b(4)		X
(5) Loans or loan guarantees	1b(5)		X
(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

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

b If "Yes," complete the following schedule.

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

Sign Here

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

▶ City National Bank by: [illegible] | 05/14/14 | ▶ VP + Trust Officer

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self- employed	PTIN
K. SCOTT PHILLIPS	K. Scott Phillips, CPA	5/13/14		P01323272

Firm's name ▶ GRAY, GRIFFITH & MAYS, A.C. | Firm's EIN ▶ 55-0621482

Firm's address ▶ 707 VIRGINIA STREET, EAST, SUITE 400
CHARLESTON, WV 25301-2711 | Phone no. (304) 345-9400

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

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
CITY NATIONAL BANK	59,471.	58,419.	
TOTAL TO PART I, LINE 3	59,471.	58,419.	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
CITY NATIONAL BANK	46,859.	0.	46,859.	46,859.	
TO PART I, LINE 4	46,859.	0.	46,859.	46,859.	

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	2,594.	2,594.		0.
TO FORM 990-PF, PG 1, LN 16B	2,594.	2,594.		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	19,720.	19,720.		0.
TO FORM 990-PF, PG 1, LN 16C	19,720.	19,720.		0.

FORM 990-PF TAXES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX	1,650.	1,650.		0.
TO FORM 990-PF, PG 1, LN 18	1,650.	1,650.		0.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 6

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
US GOVT. OBLIG SEE STMT 9	X		360,670.	352,822.
TOTAL U.S. GOVERNMENT OBLIGATIONS			360,670.	352,822.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			360,670.	352,822.

FORM 990-PF CORPORATE STOCK STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS SEE STMT 10	820,346.	1,153,567.
TOTAL TO FORM 990-PF, PART II, LINE 10B	820,346.	1,153,567.

FORM 990-PF CORPORATE BONDS STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS SEE STMT 11	1,621,456.	1,635,491.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,621,456.	1,635,491.

John C. & Ada K. Arter Memorial Fund FBO Salvation Army
FEIN 55-6138362
990-PF Balance Sheet
Part II Line 10 A
12/31/2013

Statement 9

Description	Shares	Market Cost Per Share	Cost Basis	12/31/13 Market Value
GNMA 3 5% 09-20-41	6,873 810	96 603	6,873 81	6,640 31
GNMA 3 0% 05-16-42	25,000 000	88 032	25,000 00	22,008 00
GNMA 2 50% 09-20-42	30,055.850	95 737	30,206 13	28,774 57
FHLB BD 3.0% 3-27-20	150,000 000	102 661	148,989 00	153,991 50
FHLB 2 20% 09-27-21	35,000 000	91 791	34,965 00	32,126 85
FHLB 2 20% 10-15-21	10,000 000	94 196	10,000 00	9,419 60
FHLB 2.13% 12-13-22	20,000 000	90 370	19,960 00	18,074 00
FHLB 1 55% 01-17-20	20,000 000	94 772	20,000 00	18,954 40
FFCB 1 29% 06-14-19	25,000 000	94 545	24,962 50	23,636 25
FNMA 3 5% 09-25-41	5,743 860	99 947	5,765 40	5,740 82
FNMA 1 00% 12-27-19	25,000 000	98 962	25,000 00	24,740 50
FHLMC 2 5% 01-15-43	9,027 500	96 544	8,948 52	8,715 51
			$ 360,670.36	**$ 352,822.31**

John C. & Ada K. Arter Memorial Fund FBO Salvation Army
FEIN 55-6138362
990-PF Balance Sheet
Part II Line 10 B
12/31/2013 **Statement 10**

Description	Shares	Market Cost Per Share	Cost Basis	12/31/13 Market Value
AT&T	300 000	35 1600	7,523 99	10,548 00
Abbott Labs	200 000	38 3300	4,617 11	7,666 00
Abbvie Inc	200 000	52 8100	5,006 88	10,562 00
Amgen Inc	400 000	114 0800	28,272 00	45,632 00
Automatic Data Proce	200 000	80 7990	7,503 78	16,159 80
BB&T Corp	500 000	37 3200	11,307 50	18,660 00
Becton Dickinson & Co	150 000	110 4900	11,279 47	16,573 50
Berkshire Hathaway	100 000	118 5600	7,068 56	11,856 00
Centurylink Inc	200 000	31 8500	5,670 00	6,370 00
Chevron Corporation	100 000	124 9100	7,637 40	12,491 00
Cisco Sys Inc	300 000	22 4300	5,355 74	6,729 00
CitiGroup Cap PFD ST	1,000 000	25 1000	25,000 00	25,100 00
Coca-Cola Company	1,000 000	41 3100	24,496 24	41,310 00
Congra Foods Inc	250 000	33 7000	7,631 05	8,425 00
Conocophillips	200 000	70 6500	6,974 73	14,130 00
Consol Energy Corp	700 000	38 0400	28,670 54	26,628 00
Walt Disney Company	200 000	76 4000	5,832 93	15,280 00
Dodge & Cox Income F	2,845 959	13 5300	38,616 05	38,505 83
Dollar Gen Corp New	250 000	60 3200	5,831 05	15,080 00
E I Dupont	825 000	64 9700	42,017 57	53,600 25
Europacific Growth F	749 254	49 0700	35,003 36	36,765 89
Exxon Mobil Corp	300 000	101 2000	11,331 62	30,360 00
Facebook Inc	300 000	54 6490	11,400 00	16,394 70
General Electric Co	1,300 000	28 0300	32,248 88	36,439 00
General Mills Inc	200 000	49 9100	5,820 79	9,982 00
Glaxo Smithlike ADR	300 000	53 3900	13,129 47	16,017 00
Hewlett Packard Co	400 000	27 9800	10,975 50	11,192 00
Home Depot Inc	600 000	82 3400	25,893 52	49,404 00
Intel Corporation	300 000	25 9550	4,542 00	7,786 50
Ishares Iboxx $ Inve	350 000	114 1880	39,700 75	39,965 80
ETF I-Shares TR EAFE	50 000	67 0950	3,097 75	3,354 75
EFT Ishares Trust	100 000	65 7100	6,031 85	6,571 00
I Shs Russell Midcap	40 000	149 9800	5,497 07	5,999 20
Ishares Russell Valu	60 000	99 5000	5,380 44	5,970 00
I Shs Russell 2000 I	50 000	115 3600	5,197 00	5,768 00
Ishares Trust	650 000	36 8300	24,123 45	23,939 50
Johnson & Johnson	600 000	91 5900	34,911 65	54,954 00
Kellogg Co	250 000	61 0700	12,662 32	15,267 50
Eli Lilly	300 000	51 0000	11,864 98	15,300 00
Marathon Oil Corp	200 000	35 3000	3,522 70	7,060 00
McDonalds Corp	200 000	97 0300	11,714 00	19,406 00
Microsoft Corp	500 000	37 4100	11,155 73	18,705 00
Nextera Energy Inc	300 000	85 6200	10,051 00	25,686 00
Oracle Sys Corp	200 000	38 2600	3,420 00	7,652 00
Peabody Energy Group	500 000	19 5300	19,042 42	9,765 00
Phillips 66 Com	100 000	77 1300	2,199 25	7,713 00
Pinnacle West Capita	500 000	52 9200	19,013 00	26,460 00
Proctor & Gamble Co	500 000	81 4100	29,096 99	40,705 00
Sector SPDR Tr Utili	300 000	37 9700	10,457 85	11,391 00
Southern Co	200 000	41 1100	8,862 50	8,222 00
Stanley Blck Dck PFD	800 000	21 3800	20,000 00	17,104 00
Sysco Corp	200 000	36 1000	4,604 96	7,220 00
Texas Instruments	200 000	43 9100	3,155 70	8,782 00
3M Co Com	200 000	140 2500	11,431 87	28,050 00
Tortoise Energy PFD	1,500 000	8 3300	15,000 00	12,495 00
United Parcel Servic	200 000	105 0800	9,634 00	21,016 00
United Technologies	300 000	113 8000	10,555 09	34,140 00
Verizon Comm Inc	200 000	49 1400	5,547 25	9,828 00
Walmart Stores Inc	200 000	78 6900	10,663 98	15,738 00
Walgreen Company	100 000	57 4400	2,669 70	5,744 00
Waste Management Inc	400 000	44 8700	13,422 59	17,948 00
			$ 820,345.57	**$ 1,153,567.22**

John C. & Ada K. Arter Memorial Fund FBO Salvation Army
FEIN 55-6138362
990-PF Balance Sheet
Part II Line C
12/31/2013

Statement 11

Description	Shares		Market Cost Per Share		Cost Basis		12/31/13 Market Value
Airgas 3 275% 2-15-20	45,000.000		94.454		45,067 20		42,504 30
Avon 4 2% 07-15-18	50,000 000		100 878		50,625 00		50,439 00
BB&T Corp PFD 5 625%	1,000 000		20.350		25,000 00		20,350 00
BB&T 5 2% 12-23-15	25,000 000		108 051		24,649 75		27,012 75
Bank of America 5 35%	25,000 000		106 033		25,000 00		26,508 25
Bk Amer 3 625% 3-17-16	25,000 000		105 207		25,087 50		26,301 75
Bk America 2 0%	35,000 000		99 823		34,868.75		34,938 05
Berkshre 4 25% 1-15-21	25,000 000		106 269		25,000.00		26,567 25
Berkshir 2 20%021516	25,000.000		103 290		25,114 50		25,822 50
Cabot Ark Sch 3 00%	25,000 000		100 946		25,000 00		25,236 50
Celgene 1 9% 081517	40,000 000		99 527		40,260 80		39,810 80
Citigroup 5 125%	25,000 000		101 461		23,620 50		25,365 25
CW Edison 1 95% 9-1-16	25,000 000		102 131		24,850 00		25,532 75
Danville VA 4 20%	50,000 000		100 594		50,000 00		50,297 00
Deutsche BK 6.625%	500 000		24 860		12,500 00		12,430 00
Devon Energy 3 25%	25,000 000		95 355		25,062 50		23,838 75
Dominion 2 75% 9-15-22	25,000 000		92 521		24,950 00		23,130 25
Dow Chemical 3 05%	50,000 000		97 970		50,000 00		48,985 00
Du Pont 4 75% 3-15-15	25,000 000		104 875		24,781 25		26,218 75
EMC Corp 2.65% 06-1-20	20,000 000		97 938		19,957 40		19,587 60
GE Cap CD 80% 100515	15,000 000		99 865		15,000 00		14,979 75
Gen Elec 2 25% 110915	25,000 000		103 061		24,950 00		25,765 25
GE Cap 3 15% 09-07-22	50,000 000		96 772		49,794 00		48,386 00
GE Cap 4 4% 04-15-14	50,000.000		100 903		50,000 00		50,451.50
Georgia Power 4 25%	25,000 000		108 778		24,973 75		27,194 50
Goldman Sachs 4 00%	25,000.000		104 394		25,000 00		26,098 50
Goldman Sachs 6 20%	800 000		22 500		20,000 00		18,000 00
Goldman Sach 2%	25,000 000		97 892		24,925 00		24,473 00
HSBC Bk CD 2% 102723	25,000 000		100 251		25,000 00		25,062 75
Hewlet Packar 2 125%	25,000 000		101 827		24,825 00		25,456 75
Howard Co Md 2 375%	35,000 000		89 365		34,650 00		31,277 75
IBM 1.25% 02-06-17	40,000 000		99 740		39,624 40		39,896 00
JPMorgan 3 5% (Step)	25,000 000		102 420		25,000 00		25,605 00
JPMorgan 2 625% 102920	25,000 000		101 210		24,812 50		25,302 50
Kellogg 1 75% 051717	50,000 000		99 882		50,000.00		49,941 00
Kimco Realty 6%	500 000		20 870		12,500 00		10,435 00
Kohls Corp 3 25%	35,000 000		91 427		33,851 14		31,999 45
Lockheed 2 125% 9/16	25,000 000		102 599		25,125 00		25,649 75
Maryland St 2 20%	35,000 000		94 381		35,000 00		33,033 35
Microsoft Corp 4.2%	25,000 000		110 223		25,000 00		27,555 75
Montgomery VA 3 643%	50,000 000		98.121		50,000 00		49,060 50
Montgomery VA 3 35%	25,000 000		98 295		25,000 00		24,573 75
Morgan Stanley 3 8%	15,000 000		105 783		14,632.50		15,867 45
Morgan Stanley 6 45%	1,100 000		23 820		27,500 00		26,202 00
NY NY 3 947% 10-01-19	25,000 000		105 400		25,000 00		26,350 00
Pitney Bowes 4 75%	25,000 000		105 422		25,000 00		26,355 50
Prude 6 00% 12-01-17	75,000 000		114 990		74,550 00		86,242 50
Rainsplitter 4 125%	50,000 000		106.759		49,938 50		53,379 50
Verizon 2 45% 110122	25,000 000		88 525		23,419 20		22,131 25
Wachovia 5 75% 2-1-18	50,000 000		115 308		50,000 00		57,654 00
Walgreen Co 3 10%	20,000 000		93 749		19,990 00		18,749 80
Wells Fargo PFD 5 25	800 000		20 130		20,000 00		16,104 00
Western Union 2 875%	25,000 000		101 524		25,000 00		25,381 00
					$ 1,621,456.14		**$ 1,635,491.30**