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

2014

Open to Public Inspection

For calendar year 2014 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) | Room/suite
CITY NATIONAL BANK P.O. BOX 4168

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)* ▶$ 3,258,618.

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).)

	Line	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check ▶ ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	59,411.	57,830.		STATEMENT 1
	4 Dividends and interest from securities	39,847.	39,847.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	14,195.			
	b Gross sales price for all assets on line 6a 324,457.				
	7 Capital gain net income (from Part IV, line 2)		14,195.		
	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	113,453.	111,872.		
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	2,589.	2,594.		0.
	c Other professional fees STMT 4	23,440.	23,440.		0.
	17 Interest				
	18 Taxes STMT 5	1,466.	1,466.		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	27,495.	27,500.		0.
	25 Contributions, gifts, grants paid	159,486.			159,486.
	26 **Total expenses and disbursements** Add lines 24 and 25	186,981.	27,500.		159,486.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-73,528.			
	b **Net investment income** (if negative, enter -0-)		84,372.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	47,848.	70,167.	68,895.
	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	360,670.	383,370.	390,354.
	b Investments - corporate stock STMT 7	820,346.	715,508.	1,160,441.
	c Investments - corporate bonds STMT 8	1,621,456.	1,607,747.	1,638,928.
	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)	2,850,320.	2,776,792.	3,258,618.
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 ▶ [X] 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	2,850,320.	2,776,792.	
	30 **Total net assets or fund balances**	2,850,320.	2,776,792.	
	31 **Total liabilities and net assets/fund balances**	2,850,320.	2,776,792.	

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	2,850,320.
2	Enter amount from Part I, line 27a	2	-73,528.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	2,776,792.
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	2,776,792.

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	324,457.		310,262.	14,195.

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				14,195.

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	14,195.
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))
2013	158,471.	3,132,362.	.050592
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

2	Total of line 1, column (d)	2	.251943
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	.050389
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	3,176,438.
5	Multiply line 4 by line 3	5	160,058.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	844.
7	Add lines 5 and 6	7	160,902.
8	Enter qualifying distributions from Part XII, line 4	8	159,486.

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	1,687.
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	1,687.
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	1,687.
6	Credits/Payments:		
a	2014 estimated tax payments and 2013 overpayment credited to 2014 — 6a: 1,640.		
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	1,640.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	1.
9	**Tax due** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	48.
10	**Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be: **Credited to 2015 estimated tax** ▶ Refunded ▶	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?	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 2014 or the taxable year beginning in 2014 (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

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

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

Website address ▶ N/A

14 The books are in care of ▶ 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 ▶ [X]

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 | 1,581.

			Yes	No
16	At any time during calendar year 2014, 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 FinCEN Form 114, (formerly 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 [X] No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	[ ] Yes [X] No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	[ ] Yes [X] No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	[ ] Yes [X] 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 [X] 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 [X] 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 2014?		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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014?	[ ] Yes [X] 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 [X] No			
b	If "Yes," did it have excess business holdings in 2014 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 2014.)*	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 2014?		4b		X

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

5a During the year did the foundation pay or incur any amount to			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No		
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No		
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions)	☐ Yes ☒ No		
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No		
b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?		5b	X
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A	☐ Yes ☐ No		
If "Yes," attach the statement required by Regulations section 53.4945-5(d)			
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b	X
If "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

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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	3,165,802.
b	Average of monthly cash balances		1b	59,008.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	3,224,810.
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	3,224,810.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	48,372.
5	**Net value of noncharitable-use assets** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	3,176,438.
6	**Minimum investment return.** Enter 5% of line 5		6	158,822.

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	158,822.
2a	Tax on investment income for 2014 from Part VI, line 5	2a 1,687.		
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	1,687.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	157,135.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	157,135.
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	157,135.

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	159,486.
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	159,486.
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	159,486.

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				157,135.
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			0.	
b Total for prior years: ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2014:				
a From 2009				
b From 2010 3,867.				
c From 2011 6,056.				
d From 2012 2,655.				
e From 2013 3,479.				
f **Total** of lines 3a through e	16,057.			
4 Qualifying distributions for 2014 from Part XII, line 4: ▶ $ 159,486.				
a Applied to 2013, 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 2014 distributable amount				157,135.
e Remaining amount distributed out of corpus	2,351.			
5 Excess distributions carryover applied to 2014 (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	18,408.			
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 2013. Subtract line 4a from line 2a Taxable amount - see instr.			0.	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2015.** Subtract lines 7 and 8 from line 6a	18,408.			
10 Analysis of line 9:				
a Excess from 2010 3,867.				
b Excess from 2011 6,056.				
c Excess from 2012 2,655.				
d Excess from 2013 3,479.				
e Excess from 2014 2,351.				

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 2014, 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) 2014	(b) 2013	(c) 2012	(d) 2011	(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 ▶ [X] 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	159,486.
Total			▶ 3a	159,486.
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					59,411.
4 Dividends and interest from securities					39,847.
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					14,195.
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.	113,453.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 113,453.

(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	

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 [signature] VP | 05/15/2015 | 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	5/13/15		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

423622 11-24-14

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	FEDERAL HOME LOAN BANK 2.5%	P	01/14/14	04/30/14
b	FEDERAL FARM CREDIT BANK BD 2.45%	P	05/06/14	12/08/14
c	FEDERAL HOME LOAN BANK 2.5%	P	05/03/13	03/17/14
d	FEDERAL HOME LOAN BANK 2.5%	P	05/03/13	04/15/14
e	FEDERAL HOME LOAN BANK 2.5%	P	05/03/13	04/30/14
f	GE CAPITAL RETAIL BK 15,000 SH	P	10/01/13	09/02/14
g	DODGE & COX INCOME FD 147 - 1,082.251 SHS	P	02/20/01	06/10/14
h	AMGEN INC COM - 100.000 SHS	P	01/05/01	12/02/14
i	CDK GLOBAL INC COM CUSIP: - 66.666 SHS	P	06/10/09	10/20/14
j	CITIGROUP INC NOTE	P	07/16/09	05/05/14
k	CITIGROUP CAP PD 6* DDE 02-14-33 - 1,000.000 SHS	P	02/05/03	04/28/14
l	DANVILLE VA 4.20%	P	05/19/09	03/01/14
m	DODGE & COX INCOME FD 147 - 1,000.000 SHS	P	08/27/10	01/31/14
n	DODGE & COX INCOME FD - 216.920 SHS	P	08/27/10	03/14/14
o	DODGE & COX INCOME FD 147 - 400.000 SHS	P	08/27/10	03/17/14

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	25,000.		25,000.	0.
b	25,000.		25,000.	0.
c	88.		87.	1.
d	168.		167.	1.
e	57.		68.	-11.
f	14,960.		15,000.	-40.
g	15,043.		15,000.	43.
h	16,845.		5,908.	10,937.
i	1,789.		948.	841.
j	25,000.		23,621.	1,379.
k	25,000.		25,000.	0.
l	50,000.		50,000.	0.
m	13,710.		13,390.	320.
n	3,000.		2,905.	95.
o	5,524.		5,356.	168.

	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				1.
d				1.
e				-11.
f				-40.
g				43.
h				10,937.
i				841.
j				1,379.
k				0.
l				0.
m				320.
n				95.
o				168.

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter "-0-" in Part I, line 7 }	2	
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	DODGE & COX INCOME FD 147 - 146.788 SHS	P	08/27/10	06/10/14
b	FANNIE MAE 3.5%	P	01/30/12	02/25/14
c	FANNIE MAE 3.5%	P	01/30/12	03/25/14
d	FANNIE MAE 3.5%	P	01/30/12	04/25/14
e	FANNIE MAE 3.5%	P	01/30/12	05/27/14
f	FANNIE MAE 3.5%	P	01/30/12	06/25/14
g	FEDERAL HOME LOAN MTG CORP 2.50% DUE 01-15-43 - 4	P	05/03/13	05/15/14
h	FEDERAL HOME LOAN MTG CORP 2.50% DUE 01-15-43 -	P	05/03/13	08/15/14
i	FEDERAL HOME LOAN MTG CORP 2.50% DUE 01-15-43 - 6	P	05/03/13	09/15/14
j	FEDERAL HOME LOAN MTG CORP 2.50% DUE 01-15-43 - 2	P	05/03/13	10/15/14
k	GENERAL ELECTRIC CAP CORP 4.4% DUE 04-15-14 - 50,	P	04/14/08	04/15/14
l	GNMA 3.50% 09- 20-41 - 144.760 SHS	P	09/15/11	04/21/14
m	GNMA 3.50% 09- 20-41 - 996.640 SHS	P	09/15/11	05/20/14
n	GNMA 3.50% 09- 20-41 - 260.840 SHS	P	09/15/11	06/20/14
o	GNMA 3.50% 09- 20-41 - 4.720 SHS	P	09/15/11	07/21/14

	(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	2,040.		1,965.	75.
b	3,007.		3,018.	-11.
c	549.		552.	-3.
d	511.		513.	-2.
e	780.		783.	-3.
f	897.		900.	-3.
g	460.		456.	4.
h	38.		38.	0.
i	60.		60.	0.
j	268.		265.	3.
k	50,000.		50,000.	0.
l	145.		145.	0.
m	997.		997.	0.
n	261.		261.	0.
o	5.		5.	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				75.
b				-11.
c				-3.
d				-2.
e				-3.
f				-3.
g				4.
h				0.
i				0.
j				3.
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	

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% 09- 20-41 - 516.080 SHS	P	09/15/11	08/20/14
b	GNMA 3.50% 09- 20-41 - 144.280 SHS	P	09/15/11	10/02/14
c	GNMA 2.50% DUE 09-20-42 - 545.760 SHS	P	09/13/12	01/21/14
d	GNMA 2.50% DUE 09-20-42L - 43.980 SHS	P	09/13/12	02/20/14
e	GNMA 2.50% DUE 09-20-42 - 507.170 SHS	P	09/13/12	04/21/14
f	GNMA 2.50% DUE 09-20-42 - 1859.150 SHS	P	09/13/12	05/20/14
g	GNMA 2.50% DUE 09-20-42 - 655.210 SHS	P	09/13/12	06/20/14
h	GNMA 2.50% DUE 09-20-42 - 577.940 SHS	P	09/13/12	07/21/14
i	GNMA 2.50% DUE 09-20-42 - 789.370 SHS	P	09/13/12	08/20/14
j	GNMA 2.50% DUE 09-20-42 - 89.560 SHS	P	09/13/12	09/22/14
k	GNMA 2.50% DUE 09-20-42 - 895.840 SHS	P	09/13/12	10/20/14
l	GNMA 2.50% DUE 09-20-42 - 1193.340 SHS	P	09/13/12	11/20/14
m	GNMA 2.50% DUE 09-20-42 - 634.390 SHS	P	09/13/12	12/31/14
n	HOME DEPOT INC COM - 200 SHS	P	04/01/02	12/02/14
o	JOHNSON & JCHNSON. COM - 100 SHS	P	12/12/01	12/02/14

	(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	516.		516.	0.
b	144.		144.	0.
c	546.		549.	-3.
d	44.		44.	0.
e	507.		510.	-3.
f	1,859.		1,868.	-9.
g	655.		658.	-3.
h	578.		581.	-3.
i	789.		793.	-4.
j	90.		90.	0.
k	896.		900.	-4.
l	1,193.		1,199.	-6.
m	634.		637.	-3.
n	19,703.		9,712.	9,991.
o	10,794.		5,611.	5,183.

	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				-3.
d				0.
e				-3.
f				-9.
g				-3.
h				-3.
i				-4.
j				0.
k				-4.
l				-6.
m				-3.
n				9,991.
o				5,183.

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter "-0-" in Part I, line 7 }	2	
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	PEABODY ENERGY CORP - 200 SHS	P	09/02/08	12/02/14
b	PEABODY ENERGY CORP - 300 SHS	P	VARIOUS	12/22/14
c	CAPITAL GAINS DIVIDENDS			
d				
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,890.		11,490.	-9,600.
b	2,364.		7,552.	-5,188.
c	53.			53.
d				
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col (h) gain over col. (k), but not less than "-0-")
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				-9,600.
b				-5,188.
c				53.
d				
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter "-0-" in Part I, line 7 }	2	14,195.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

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

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
CITY NATIONAL BANK	59,411.	57,830.	
TOTAL TO PART I, LINE 3	59,411.	57,830.	

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	39,900.	53.	39,847.	39,847.	
TO PART I, LINE 4	39,900.	53.	39,847.	39,847.	

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	2,589.	2,594.		0.
TO FORM 990-PF, PG 1, LN 16B	2,589.	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	23,440.	23,440.		0.
TO FORM 990-PF, PG 1, LN 16C	23,440.	23,440.		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	1,466.	1,466.		0.
TO FORM 990-PF, PG 1, LN 18	1,466.	1,466.		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		383,370.	390,354.
TOTAL U.S. GOVERNMENT OBLIGATIONS			383,370.	390,354.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			383,370.	390,354.

FORM 990-PF — CORPORATE STOCK — STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS SEE STMT 10	715,508.	1,160,441.
TOTAL TO FORM 990-PF, PART II, LINE 10B	715,508.	1,160,441.

FORM 990-PF — CORPORATE BONDS — STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS SEE STMT 11	1,607,747.	1,638,928.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,607,747.	1,638,928.

John C. & Ada K. Arter Memorial Fund FBO Salvation Army
FEIN 55-6138362
990-PF Balance Sheet
Part II Line 10 A
12/31/2014

Statement 9

Description	Shares	Market Cost Per Share	Cost Basis	12/31/14 Market Value
GNMA 3 5% 09-20-41	4,809 500	100 234	4,809 50	4,820 75
GNMA 3 0% 05-16-42	25,000 000	98 180	25,000 00	24,545 00
GNMA 2 50% 09-20-42	22,264 120	100 924	22,375 42	22,469 84
FHLB BD 3 0% 3-27-20	150,000 000	105 363	148,989 00	158,044 50
FHLB 2 10% 09-27-21	35,000 000	97 534	34,965 00	34,136 90
FHLB 2 20% 10-15-21	10,000 000	98 429	10,000 00	9,842 90
FHLB 2 13% 12-13-22	20,000 000	96 823	19,960 00	19,364 60
FHLB 1 10% 01-10-23	40,000 000	100 022	39,500 00	40,008 80
FHLB 1 55% 01-17-20	20,000 000	97 897	20,000 00	19,579 40
FFCB 1 29% 06-14-19	25,000 000	97 793	24,962 50	24,448 25
FNMA 1 25% 12-27-19	25,000 000	100 123	25,000 00	25,030 75
FHLMC 2 5% 01-15-43	7,877 110	102 356	7,808 20	8,062 69
			$ 383,369.62	$ 390,354 38

John C & Ada K. Arter Memorial Fund FBO Salvation Army
FEIN 55-6138362
990-PF Balance Sheet
Part II Line 10 B
12/31/2014

Statement 10

Description	Shares	Market Cost Per Share	Cost Basis	12/31/14 Market Value
AT&T	300 000	33 5900	7,523 99	10,077 00
Abbott Labs	200 000	45 0200	4,617 11	9,004 00
Abbvie Inc	200 000	65 4400	5,006 88	13,088 00
Amgen Inc	300 000	159 2900	22,364 00	47,787 00
Automatic Data Proce	200 000	83 3700	6,555 30	16,674 00
BB&T Corp	500 000	38 8900	11,307 50	19,445 00
Becton Dickinson & Co	150 000	139 1600	11,279 47	20,874 00
Berkshire Hathaway	100 000	150 1500	7,068 56	15,015 00
Centurylink Inc	200 000	39 5800	5,670 00	7,916 00
Chevron Corporation	100 000	112 1800	7,637 40	11,218 00
Cisco Sys Inc	300 000	27 8150	5,355 74	8,344 50
Coca-Cola Company	1,000 000	42 2200	24,496 24	42,220 00
Congra Foods Inc	250 000	36 2800	7,631 05	9,070 00
Conocophillips	200 000	69 0600	6,974 73	13,812 00
Consol Energy Corp	700 000	33 8100	28,670 54	23,667 00
Walt Disney Company	200 000	94 1900	5,832 93	18,838 00
Dollar Gen Corp New	250 000	70 7000	5,831 05	17,675 00
E I Dupont	825 000	73 9400	42,017 57	61,000 50
Europacific Growth F	749 254	47 1300	35,003 36	35,312 34
Exxon Mobil Corp	300 000	92 4500	11,331 62	27,735 00
Facebook Inc	300 000	78 0200	11,400 00	23,406 00
General Electric Co	1,300 000	25 2700	32,248 88	32,851 00
General Mills Inc	200 000	53 3300	5,820 79	10,666 00
Glaxo Smithlike ADR	300 000	42 7400	13,129 47	12,822 00
Hewlett Packard Co	400 000	40 1300	10,975 50	16,052 00
Home Depot Inc	400 000	104 9700	16,181 76	41,988 00
Intel Corporation	300 000	36 2900	4,542 00	10,887 00
Ishares Iboxx $ Inve	350 000	119 4100	39,700 75	41,793 50
ETF I-Shares TR EAFE	50 000	60 8400	3,097 75	3,042 00
EFT Ishares Trust	100 000	73 7600	6,031 85	7,376 00
I Shs Russell Midcap	40 000	167 0400	5,497 07	6,681 60
Ishares Russell Valu	60 000	101 6800	5,380 44	6,100 80
I Shs Russell 2000 I	50 000	119 6200	5,197 00	5,981 00
Ishares Trust	650 000	39 4400	24,123 45	25,636 00
Johnson & Johnson	500 000	104 5700	29,300 65	52,285 00
Kellogg Co	250 000	65 4400	12,662 32	16,360 00
Eli Lilly	300 000	68 9900	11,864 98	20,697 00
Marathon Oil Corp	200 000	28 2900	3,522 70	5,658 00
McDonalds Corp	200 000	93 7000	11,714 00	18,740 00
Microsoft Corp	500 000	46 4500	11,155 73	23,225 00
Nextera Energy Inc	300 000	106 2900	10,051 00	31,887 00
Oracle Sys Corp	200 000	44 9700	3,420 00	8,994 00
Phillips 66 Com	100 000	71 7000	2,199 25	7,170 00
Pinnacle West Capita	500 000	68 3100	19,013 00	34,155 00
Proctor & Gamble Co	500 000	91 0900	29,096 99	45,545 00
Sector SPDR Tr Utili	300 000	47 2200	10,457 85	14,166 00
Southern Co	200 000	49 1100	8,862 50	9,822 00
Stanley Blck Dck PFD	800 000	25 2600	20,000 00	20,208 00
Sysco Corp	200 000	39 6900	4,604 96	7,938 00
Texas Instruments	200 000	53 4650	3,155 70	10,693 00
3M Co Com	200 000	164 3200	11,431 87	32,864 00
Tortoise Energy PFD	1,500 000	9 7200	15,000 00	14,580 00
United Parcel Servic	200 000	111 1700	9,634 00	22,234 00
United Technologies	300 000	115 0000	10,555 09	34,500 00
Verizon Comm Inc	200 000	46 7800	5,547 25	9,356 00
Walmart Stores Inc	200 000	85 8800	10,663 98	17,176 00
Walgreen Company	100 000	76 0500	2,669 70	7,605 00
Waste Management Inc	400 000	51 3200	13,422 59	20,528 00
			$ 715,507.86	$ 1,160,441.24

John C. & Ada K. Arter Memorial Fund FBO Salvation Army
FEIN 55-6138362
990-PF Balance Sheet
Part II Line C
12/31/2014 **Statement 11**

Description	Shares	Market Cost Per Share	Cost Basis	12/31/14 Market Value
Abbvie Inc 2% 110618	20,000 000	99 665	19,980 00	19,933 00
Airgas 3 275% 2-15-20	45,000 000	98 241	45,067 20	44,208 45
Avon 4 2% 07-15-18	50,000 000	91 500	50,625 00	45,750 00
BB&T Corp PFD 5 625%	1,000 000	24 190	25,000 00	24,190 00
BB&T 5 2% 12-23-15	25,000 000	103 988	24,649 75	25,997 00
Bank of America 5 35%	25,000 000	102 668	25,000 00	25,667 00
Bk Amer 3 625% 3-17-16	25,000 000	102 809	25,087 50	25,702 25
Bk America 2 0%	35,000 000	99 924	34,868 75	34,973 40
Berkshre 4 25% 1-15-21	25,000 000	109 944	25,000 00	27,486 00
Berkshiir 2 20%021516	25,000 000	102 083	25,114 50	25,520 75
Cabot Ark Sch 3 00%	25,000 000	100 646	25,000 00	25,161 50
Celgene 1 9% 081517	40,000 000	100 352	40,260 80	40,140 80
CW Edison 1 95% 9-1-16	25,000 000	101 584	24,850 00	25,396 00
Credit Suisse 1 5%	25,000 000	93 545	25,000 00	23,386 25
Deutsche BK 6 625%	500 000	25 550	12,500 00	12,775 00
Devon Energy 3 25%	25,000 000	98 236	25,062 50	24,559 00
Dominion 2 75% 9-15-22	25,000 000	96 992	24,950 00	24,248 00
Dow Chemical 3 05%	50,000 000	99 918	50,000 00	49,959 00
Du Pont 4 75% 3-15-15	25,000 000	100 831	24,781 25	25,207 75
EMC Corp 2 65% 06-1-20	20,000 000	99 519	19,957 40	19,903 80
Gen Elec 2 25% 110915	25,000 000	101 372	24,950 00	25,343 00
GE Cap 3 15% 09-07-22	50,000 000	101 852	49,794 00	50,926 00
Georgia Power 4 25%	25,000 000	109 654	24,973 75	27,413 50
Goldman Sachs 4 00%	25,000 000	101 543	25,000 00	25,385 75
Goldman Sachs 6 20%	800 000	25 363	20,000 00	20,290 72
Goldman Sach 2%	25,000 000	96 306	24,925 00	24,076 50
HSBC Bk CD 2% 102723	25,000 000	101 058	25,000 00	25,264 50
Hewlet Packar 2 125%	25,000 000	100 785	24,825 00	25,196 25
Howard Co Md 2 375%	35,000 000	100 652	34,650 00	35,228 20
IBM 1 25% 02-06-17	40,000 000	100 306	39,624 40	40,122 40
JPMorgan 3 5% (Step)	25,000 000	99 700	25,000 00	24,925 00
JPMorgan 2 625% 102920	25,000 000	102 690	24,812 50	25,672 50
Kellogg 1 75% 051717	50,000 000	100 523	50,000 00	50,261 50
Kimco Realty 6%	500 000	25 100	12,500 00	12,550 00
Kinder Morgan 3 5%	20,000 000	98 383	20,079 20	19,676 60
Kohls Corp 3 25%	35,000 000	97 369	33,851 14	34,079 15
Laboratory Corp 2 5%	20,000 000	99 650	20,000 00	19,930 00
Lockheed 2 125% 9/16	25,000 000	101 827	25,125 00	25,456 75
Maryland St 2 20%	35,000 000	98 532	35,000 00	34,486 20
Microsoft Corp 4 2%	25,000 000	109 864	25,000 00	27,466 00
Montgomery VA 3 643%	50,000 000	104 808	50,000 00	52,404 00
Montgomery VA 3 35%	25,000 000	105 191	25,000 00	26,297 75
Morgan Stanley 3 8%	20,000 000	103 302	19,913 75	20,660 40
Morgan Stanley 6 45%	1,100 000	25 193	27,500 00	27,712 52
NY NY 3 947% 10-01-19	25,000 000	107 866	25,000 00	26,966 50
Philadelphia 04-15-18	15,000 000	98 449	14,638 35	14,767 35
Pitney Bowes 4 75%	25,000 000	103 412	25,000 00	25,853 00
Prude 6 00% 12-01-17	75,000 000	111 943	74,550 00	83,957 25
Railsplitter 4 125%	50,000 000	104 700	49,938 50	52,350 00
Teva PHA 3 65% 111021	20,000 000	102 472	19,933 00	20,494 40
Verizon 2 45% 110122	25,000 000	93 826	23,419 20	23,456 50
Wachovia 5 75% 2-1-18	50,000 000	111 978	50,000 00	55,989 00
Walgreen Co 3 10%	20,000 000	98 790	19,990 00	19,758 00
Wells Fargo PFD 5 25	800 000	23 530	20,000 00	18,824 00
Western Union 2 875%	25,000 000	102 086	25,000 00	25,521 50
			$ 1,607,747.44	**$ 1,638,927.64**