



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



EXTENDED TO MAY 15, 2017
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

2015

Open to Public Inspection

Form 990-PF

Department of the Treasury
Internal Revenue Service

For calendar year 2015 or tax year beginning

OCT 1, 2015

, and ending

SEP 30, 2016

Name of foundation

GEORGE T. WELCH TESTAMENTARY TRUST

A Employer identification number

91-6024318

Number and street (or P.O. box number if mail is not delivered to street address)

P.O. BOX 1796

Room/suite

B Telephone number

509-525-2000

City or town, state or province, country, and ZIP or foreign postal code

WALLA WALLA, WA 99362

G Check all that apply:

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation

☐ Section 4947(a)(1) nonexempt charitable trust

☐ Other taxable private foundation

I Fair market value of all assets at end of year

(from Part II, col. (c), line 16)

J Accounting method:

☐ Cash

☒ Accrual

☐ Other (specify)

\$ 3,719,254. (Part I, column (d) must be on cash basis)

D 1. Foreign organizations, check here ☐

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

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

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

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	48.	48.		STATEMENT 1
	4 Dividends and interest from securities	95,770.	95,770.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	122,979.			
	b Gross sales price for all assets on line 6a	2,151,039.			
	7 Capital gain net income (from Part IV, line 2)		122,979.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	2,225.	0.		STATEMENT 3
	12 Total. Add lines 1 through 11	221,022.	218,797.		
	13 Compensation of officers, directors, trustees, etc	39,533.	34,033.		5,500.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 4	3,000.	2,400.		600.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 5	3,647.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 6	25.	0.		25.
	24 Total operating and administrative expenses. Add lines 13 through 23	46,205.	36,433.		6,125.
	25 Contributions, gifts, grants paid	97,526.			97,526.
	26 Total expenses and disbursements. Add lines 24 and 25	143,731.	36,433.		103,651.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	77,291.			
	b Net investment income (if negative, enter -0-)		182,364.		
	c Adjusted net income (if negative, enter -0-)			N/A	

523501
11-24-15

LHA For Paperwork Reduction Act Notice, see instructions.

Form 990-PF (2015)

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				4,620.	4,620.
	2 Savings and temporary cash investments			29,145.	60,351.	60,351.
	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					
	b Investments - corporate stock STMT 7			2,711,873.	2,233,330.	2,305,170.
	c Investments - corporate bonds STMT 8			821,477.	1,345,132.	1,348,916.
Liabilities	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 ▶ PREPAID TAXES)			3,844.	197.	197.
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)			3,566,339.	3,643,630.	3,719,254.
	17 Accounts payable and accrued expenses					
	18 Grants payable					
Net Assets or Fund Balances	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.	
	Foundations that follow SFAS 117, check here ▶ ☐					
	and complete lines 24 through 26 and lines 30 and 31					
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ ☒					
	and complete lines 27 through 31.					
	27 Capital stock, trust principal, or current funds			1,961,566.	1,961,566.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds			1,604,773.	1,682,064.	
	30 Total net assets or fund balances			3,566,339.	3,643,630.	
	31 Total liabilities and net assets/fund balances			3,566,339.	3,643,630.	

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	3,566,339.
2 Enter amount from Part I, line 27a	2	77,291.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	3,643,630.
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	3,643,630.

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 STATEMENT			
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 2,151,039.		2,028,060.	122,979.

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			122,979.

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 } 2 122,979.

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))
2014	191,293.	3,865,309.	.049490
2013	161,689.	3,895,550.	.041506
2012	169,938.	3,721,193.	.045668
2011	181,541.	3,579,193.	.050721
2010	191,288.	3,646,050.	.052464

2 Total of line 1, column (d)	2 .239849
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 .047970
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4 3,551,343.
5 Multiply line 4 by line 3	5 170,358.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6 1,824.
7 Add lines 5 and 6	7 172,182.
8 Enter qualifying distributions from Part XII, line 4	8 103,651.

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	3,647.
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	3,647.
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	3,647.
6	Credits/Payments:		
a	2015 estimated tax payments and 2014 overpayment credited to 2015	6a	3,844.
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	3,844.
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	197.
11	Enter the amount of line 10 to be Credited to 2016 estimated tax 197. Refunded 0.	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) WA		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

Form 990-PF (2015)

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? Website address ► <u>N/A</u>	13	X
14 The books are in care of ► <u>BAKER BOYER BANK</u> Telephone no. ► <u>509-525-2000</u> Located at ► <u>P.O. BOX 1796, WALLA WALLA, WA</u> ZIP+4 ► <u>99362</u>		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 <u>N/A</u>		
16 At any time during calendar year 2015, 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? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►	16	X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly): (1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ 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)? Organizations relying on a current notice regarding disaster assistance check here ► ☐	1b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2015?	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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? ☐ 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) <u>N/A</u> c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____	2b	
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 2015 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 2015.) <u>N/A</u>	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 2015?	4b	X

Form 990-PF (2015)

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

6b

X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If "Yes" to 6b, file Form 8870.

☐ Yes ☒ No

7b

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

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

N/A

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
BAKER BOYER BANK	TRUSTEE			
P.O. BOX 1796				
WALLA WALLA, WA 99362	7.00	39,533.	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

Form 990-PF (2015)

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.

Form 990-PF (2015)

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	3,549,050.
b	Average of monthly cash balances	1b	56,374.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	3,605,424.
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	3,605,424.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	54,081.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,551,343.
6	Minimum investment return. Enter 5% of line 5	6	177,567.

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	177,567.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	3,647.
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	3,647.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	173,920.
4	Recoveries of amounts treated as qualifying distributions	4	2,225.
5	Add lines 3 and 4	5	176,145.
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	176,145.

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	103,651.
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	103,651.
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	103,651.

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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				176,145.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2015:				
a From 2010	10,860.			
b From 2011	181,541.			
c From 2012	169,938.			
d From 2013				
e From 2014	1,904.			
f Total of lines 3a through e	364,243.			
4 Qualifying distributions for 2015 from Part XII, line 4: ▶ \$	103,651.			
a Applied to 2014, 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 2015 distributable amount				103,651.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a))	72,494.			72,494.
6 Enter the net total of each column as indicated below:	291,749.			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				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 2010 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	291,749.			
10 Analysis of line 9:				
a Excess from 2011	119,907.			
b Excess from 2012	169,938.			
c Excess from 2013				
d Excess from 2014	1,904.			
e Excess from 2015				

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				
TOTAL COMMUNITY GRANTS WALLA WALLA COUNTY WALLA WALLA, WA 99362	SEE STATEMENT	SEE STATEMENT	SEE STATEMENT	9,250.
TOTAL EDUCATIONAL GRANTS WALLA WALLA COUNTY WALLA WALLA, WA 99362	SEE STATEMENT	SEE STATEMENT	SEE STATEMENT	43,287.
TOTAL MEDICAL GRANTS WALLA WALLA COUNTY WALLA WALLA, WA 99362	SEE STATEMENT	SEE STATEMENT	SEE STATEMENT	44,989.
Total			3a	97,526.
b Approved for future payment				
NONE				
Total			3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		
1 Program service revenue:						
a _____						
b _____						
c _____						
d _____						
e _____						
f _____						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments			14	48.		
4 Dividends and interest from securities			14	95,770.		
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property						
7 Other investment income						
8 Gain or (loss) from sales of assets other than inventory			18	122,979.		
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue:						
a REFUND OF PRIOR YEAR						
b GRANTS			01	2,225.		
c _____						
d _____						
e _____						
12 Subtotal. Add columns (b), (d), and (e)		0.		221,022.		0.
13 Total. Add line 12, columns (b), (d), and (e)					13	221,022.

(See worksheet in line 13 instructions to verify calculations.)

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

[illegible]

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

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?		Yes
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash	1a(1)	
	(2) Other assets	1a(2)	
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	
	(3) Rental of facilities, equipment, or other assets	1b(3)	
	(4) Reimbursement arrangements	1b(4)	
	(5) Loans or loan guarantees	1b(5)	
	(6) Performance of services or membership or fundraising solicitations	1b(6)	
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	
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.		

[illegible]

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

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

May the IRS discuss this return with the preparer shown below (see instr.)?

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name _____

THOMAS M O'BRIEN,
CPA

Preparer's signature

THOMAS M O'BRIEN,

Date _____

02/13/17

Check ☐ self-employed

PTIN

P00072704

Firm's name ► CLIFTONLARSONALLEN LLP

Firm's EIN ▶ 41-0746749

Firm's address ► 1110 NORTH CENTER PARKWAY
KENNEWICK, WA 99336

Phone no. 509-735-1561

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 PUBLICALLY TRADED SECURITIES

09/30/16

b PUBLICALLY TRADED SECURITIES

09/30/16

c LONG TERM CAPITAL GAIN DISTRIBUTION

09/30/16

d COMMON TRUST FUND F

09/30/16

e COMMON TRUST FUND E

09/30/16

f COMMON TRUST FUND F

09/30/16

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 92,728.

97,537.

-4,809.

b 1,937,515.

1,919,121.

18,394.

c 73,213.

73,213.

d

2,846.

-2,846.

e 47,583.

47,583.

f

8,556.

-8,556.

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

-4,809.

b

18,394.

c

73,213.

d

-2,846.

e

47,583.

f

-8,556.

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

122,979.

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
BB MONEY MARKET PRINCIPAL	48.	48.	
TOTAL TO PART I, LINE 3	48.	48.	

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
BAKER BOYER BANK COMMON TRUST FUND DIVIDENDS	6,725.	0.	6,725.	6,725.	
BAKER BOYER BANK COMMON TRUST FUNDS INTEREST	21,360.	0.	21,360.	21,360.	
VARIOUS SECURITIES DIVIDENDS	67,685.	0.	67,685.	67,685.	
TO PART I, LINE 4	95,770.	0.	95,770.	95,770.	

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
REFUND OF PRIOR YEAR GRANTS	2,225.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	2,225.	0.	

FORM 990-PF	ACCOUNTING FEES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ACCTG & TAX PREP	3,000.	2,400.		600.	
TO FORM 990-PF, PG 1, LN 16B	3,000.	2,400.		600.	

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
EXCISE TAX ON NET INVESTMENT INCOME	3,647.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	3,647.	0.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
WA STATE FILING FEES	25.	0.		25.	
TO FORM 990-PF, PG 1, LN 23	25.	0.		25.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	7
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
DODGE & COX INTERNATIONAL STOCK FUND	386,085.	369,597.		
BLACK ROCK EQUITY DIVIDEND FUND CL A	147,637.	147,902.		
COLUMBIA CONTRARIAN CORE FUND CL Z	209,928.	260,896.		
MATTHEWS ASIA DIVIDEND FUND	97,257.	112,976.		
IVY MID CAP GROWTH FD	154,236.	147,204.		
DFA US VECTOR EQ	271,876.	260,503.		
DFA GLOBAL REAL ESTATE	58,736.	73,617.		

GEORGE T. WELCH TESTAMENTARY TRUST

91-6024318

DFA INTERNATIONAL CORE EQUITY	410,570.	409,772.
DFA EMERGING MARKETS CORE EQUITY	64,334.	74,984.
DFA US LARGE CAP VALUE INSTITUTIONAL	432,671.	447,719.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,233,330.	2,305,170.

FORM 990-PF CORPORATE BONDS STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
DFA SHORT DUR INSTL	112,620.	112,981.
DODGE & COX INCOME FUND	357,570.	354,754.
FEDERATED TOTAL RETURN BOND FUND	357,570.	356,291.
DFA FIVE YEAR GLOBAL FIXED INSTITUTIONAL	517,372.	524,890.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,345,132.	1,348,916.

FORM 990-PF	GRANT APPLICATION SUBMISSION INFORMATION	STATEMENT	9
	PART XV, LINES 2A THROUGH 2D		

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

J T LIEUALLEN, BAKER BOYER BANK
P.O. BOX 1796
WALLA WALLA, WA 99362

TELEPHONE NUMBER	NAME OF GRANT PROGRAM
509-525-2000	GEORGE T. WELCH GRANTS/SCHOLARSHIPS

FORM AND CONTENT OF APPLICATIONS

APPLICATION LETTER STATING ACADEMIC PLANS OR OTHER NEED, AND STATEMENT OF RESOURCES AND EXPENSES.

ANY SUBMISSION DEADLINES

FEB 15, MAY 15, AUG 15 AND NOV 15 MEDICAL REQUESTS; MAY 1 FOR ACADEMIC REQUESTS AND JULY 31 COMM REQ

RESTRICTIONS AND LIMITATIONS ON AWARDS

RESIDENT OF WALLA WALLA COUNTY, WASHINGTON

George T. Welch Testamentary Trust
Schedule to support Form 990-PF, Part XV, Line 3
Grants and Contributions paid during the year

91-6024318
FYE 9-30-2016

<u>Recipient</u>	<u>Relationship</u>	<u>Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
<u>Community Grants</u>				
PROVIDENCE ST MARY FOUNDATION	N/A	PC	SIDS PREVENTION	2,500.00
HELPLINE	N/A	PC	UTILITY ASSISTANCE PROGRAM	2,500.00
CARNEGIE PICTURE LAB	N/A	PC	SUPPORT OF PICTURE LAB	2,500.00
WHITMAN COLLEGE	N/A	PC	MENS BASKETBALL CAMP	1,750.00
Total Community Grants				<u>9,250.00</u>
<u>Educational Grants</u>				
CARLA KITTS	N/A	I	EDUCATONAL EXPENSES	1,333.00
DESTINY ARMS	N/A	I	EDUCATONAL EXPENSES	4,000.00
LYRIC ARMS	N/A	I	EDUCATONAL EXPENSES	4,000.00
JOLISE ELSINGHORST	N/A	I	EDUCATONAL EXPENSES	4,000.00
AMANDA MELIAH	N/A	I	EDUCATONAL EXPENSES	4,000.00
MCKENZIE PALMER	N/A	I	EDUCATONAL EXPENSES	4,000.00
JASON SCHAFER-ENTRENA	N/A	I	EDUCATONAL EXPENSES	4,000.00
CLARISSA VANCE	N/A	I	EDUCATONAL EXPENSES	4,000.00
MARISSA ELSINGHORST	N/A	I	EDUCATONAL EXPENSES	1,954.00
MIA GARCIA	N/A	I	EDUCATONAL EXPENSES	4,000.00
CODY KELLER	N/A	I	EDUCATONAL EXPENSES	4,000.00
CHRISTIAN MORENO	N/A	I	EDUCATONAL EXPENSES	4,000.00
Total Educational Grants				<u>43,267.00</u>

George T. Welch Testamentary Trust
Schedule to support Form 990-PF, Part XV, Line 3
Grants and Contributions paid during the year

91-6024318
FYE 9-30-2016

<u>Recipient</u>	<u>Relationship</u>	<u>Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Medical Grants				
AARON BURKE	N/A	I	MEDICAL EXPENSES	1,000.00
ADELMIRA SILLER	N/A	I	MEDICAL EXPENSES	500.00
ALEX BEZU	N/A	I	MEDICAL EXPENSES	95.00
ALEXEY KHRAPOV	N/A	I	MEDICAL EXPENSES	1,000.00
ANGELA DETAR	N/A	I	MEDICAL EXPENSES	290.00
ARTHUR BURCH	N/A	I	MEDICAL EXPENSES	500.00
BARBARA TOLLEY	N/A	I	MEDICAL EXPENSES	300.00
BIBIANO VASQUEZ-ARELLANO	N/A	I	MEDICAL EXPENSES	261.00
BRADFORD JOHNSON	N/A	I	MEDICAL EXPENSES	1,500.00
BRIE DANNON	N/A	I	MEDICAL EXPENSES	95.00
CANDACE COBB	N/A	I	MEDICAL EXPENSES	1,160.00
CARLOS DELGADO	N/A	I	MEDICAL EXPENSES	650.00
CARRON LAUGHERY	N/A	I	MEDICAL EXPENSES	800.00
CHERENE KRIEGER	N/A	I	MEDICAL EXPENSES	1,855.00
CHERYL WALKER BENSON	N/A	I	MEDICAL EXPENSES	940.00
CORRINE MCCOY	N/A	I	MEDICAL EXPENSES	750.00
CRYSTAL ADAMSON	N/A	I	MEDICAL EXPENSES	1,250.00
DANA JORDAN	N/A	I	MEDICAL EXPENSES	500.00
DANIELLE MCMAHAN	N/A	I	MEDICAL EXPENSES	550.00
DEISY WILLIAMS	N/A	I	MEDICAL EXPENSES	507.00
DONALD BISSONETTE	N/A	I	MEDICAL EXPENSES	1,000.00
DONALD WHEELER	N/A	I	MEDICAL EXPENSES	314.00
DORA NEUMAN	N/A	I	MEDICAL EXPENSES	800.00
DOUGLAS GOOD	N/A	I	MEDICAL EXPENSES	1,231.00
FAYE KIRKWOOD	N/A	I	MEDICAL EXPENSES	500.00
GEORGE BURVILLE	N/A	I	MEDICAL EXPENSES	975.00
GORDON BARNETT	N/A	I	MEDICAL EXPENSES	488.00
JACYNTHIE SONNE	N/A	I	MEDICAL EXPENSES	750.00
JERIMEE MONIZ	N/A	I	MEDICAL EXPENSES	850.00
JOE GOINS	N/A	I	MEDICAL EXPENSES	260.00
JOHN TEWEY	N/A	I	MEDICAL EXPENSES	422.00
JOHNNY STEGALL	N/A	I	MEDICAL EXPENSES	323.00
JOSE M VILLALOBOS	N/A	I	MEDICAL EXPENSES	650.00
JUDITH DYKSTRA	N/A	I	MEDICAL EXPENSES	350.00
KATHLEEN HILL	N/A	I	MEDICAL EXPENSES	500.00

George T. Welch Testamentary Trust
Schedule to support Form 990-PF, Part XV, Line 3
Grants and Contributions paid during the year

91-6024318
FYE 9-30-2016

<u>Recipient</u>	<u>Relationship</u>	<u>Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
KATHY GOLAY	N/A	I	MEDICAL EXPENSES	650.00
KAYLA BARNETT	N/A	I	MEDICAL EXPENSES	650.00
KENNETH NANTZ	N/A	I	MEDICAL EXPENSES	500.00
LAUREN HANEY	N/A	I	MEDICAL EXPENSES	488.00
LILLIAN ALDRIDGE	N/A	I	MEDICAL EXPENSES	349.00
LORAN GODDEN	N/A	I	MEDICAL EXPENSES	500.00
LUCIA NUNEZ	N/A	I	MEDICAL EXPENSES	1,150.00
MARIYA BEZU	N/A	I	MEDICAL EXPENSES	1,200.00
MARTIN MILES	N/A	I	MEDICAL EXPENSES	800.00
MARY DANIELS	N/A	I	MEDICAL EXPENSES	1,250.00
MATTHEW BAKER	N/A	I	MEDICAL EXPENSES	400.00
MICHAEL DONNELLY	N/A	I	MEDICAL EXPENSES	335.00
MICHAEL SENNING	N/A	I	MEDICAL EXPENSES	277.00
MICHELE WEBB	N/A	I	MEDICAL EXPENSES	278.00
NELLIE MESSINGER	N/A	I	MEDICAL EXPENSES	364.00
NORMA COOPER	N/A	I	MEDICAL EXPENSES	500.00
PATICIA O'NEIL	N/A	I	MEDICAL EXPENSES	300.00
PATRICIA MARCH	N/A	I	MEDICAL EXPENSES	210.00
PHILOMENA SHIELL	N/A	I	MEDICAL EXPENSES	500.00
RAMON MONTERO	N/A	I	MEDICAL EXPENSES	1,500.00
REBECCA MEEKS	N/A	I	MEDICAL EXPENSES	500.00
RENDIE BURKS	N/A	I	MEDICAL EXPENSES	650.00
RICHARDO TORRES	N/A	I	MEDICAL EXPENSES	650.00
ROBERT STACEY	N/A	I	MEDICAL EXPENSES	300.00
ROSHAWN DETAMORE	N/A	I	MEDICAL EXPENSES	500.00
RUBY BRADSHAW	N/A	I	MEDICAL EXPENSES	650.00
SALLYANNE EGGERS	N/A	I	MEDICAL EXPENSES	350.00
SHARON MCMULLEN	N/A	I	MEDICAL EXPENSES	1,250.00
SHEILA KERN	N/A	I	MEDICAL EXPENSES	900.00
SHIRLEY SNOWARDT	N/A	I	MEDICAL EXPENSES	600.00
TODD DAMS	N/A	I	MEDICAL EXPENSES	613.00
TROY OSTBOE	N/A	I	MEDICAL EXPENSES	1,382.00
WENDY FORSYTH	N/A	I	MEDICAL EXPENSES	527.00
Total Medical Grants				44,989.00