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

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning , 2016, and ending , 20

Name of foundation: JOHN & VELMA HALEY CHARITABLE TRUST 438586018

A Employer identification number: 26-6919906

Number and street (or P O. box number if mail is not delivered to street address): 717 WEST SPRAGUE

Room/suite:

B Telephone number (see instructions): 509-353-3898

City or town, state or province, country, and ZIP or foreign postal code: SPOKANE, WA 99201

C If exemption application is pending, check here ▶ [ ]

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 ▶ [ ]

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: [X] 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) ▶ $ 683,802.

J Accounting method: [X] Cash [ ] Accrual [ ] Other (specify) (Part I, column (d) must be on cash basis)

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue					
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ▶ [X] if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	30,836.	29,243.		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	4,009.			
b	Gross sales price for all assets on line 6a 133,765.				
7	Capital gain net income (from Part IV, line 2)		4,009.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)	269.			
12	**Total.** Add lines 1 through 11	35,114.	33,252.		
Operating and Administrative Expenses					
13	Compensation of officers, directors, trustees, etc	7,350.	5,512.		1,837.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) STMT 1	600.	NONE	NONE	600.
c	Other professional fees (attach schedule) STMT 2	25.			25.
17	Interest				
18	Taxes (attach schedule) (see instructions) STMT 3	155.	155.		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule)				
24	**Total operating and administrative expenses.** Add lines 13 through 23	8,130.	5,667.	NONE	2,462.
25	Contributions, gifts, grants paid	34,263.			34,263.
26	**Total expenses and disbursements** Add lines 24 and 25	42,393.	5,667.	NONE	36,725.
27	Subtract line 26 from line 12.				
a	**Excess of revenue over expenses and disbursements**	-7,279.			
b	**Net investment income** (if negative, enter -0-)		27,585.		
c	**Adjusted net income** (if negative, enter -0-)				

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Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions)	Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets 1	Cash - non-interest-bearing			
2	Savings and temporary cash investments	13,047.	12,577.	12,577.
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 (attach schedule) (see instructions)			
7	Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments - U S and state government obligations (attach schedule)			
b	Investments - corporate stock (attach schedule)			
c	Investments - corporate bonds (attach schedule)			
11	Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
12	Investments - mortgage loans			
13	Investments - other (attach schedule)	619,254.	612,444.	671,225.
14	Land, buildings, and equipment basis ▶			
	Less. accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	632,301.	625,021.	683,802.
Liabilities 17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)		NONE	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ ☒			
27	Capital stock, trust principal, or current funds	632,301.	625,021.	
28	Paid-in or capital surplus, or land, bldg , and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds			
30	**Total net assets or fund balances** (see instructions)	632,301.	625,021.	
31	**Total liabilities and net assets/fund balances** (see instructions)	632,301.	625,021.	

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	632,301.
2	Enter amount from Part I, line 27a	2	-7,279.
3	Other increases not included in line 2 (itemize) ▶ ROUNDING ADJUSTMENT	3	1.
4	Add lines 1, 2, and 3	4	625,023.
5	Decreases not included in line 2 (itemize) ▶ RETURN OF CAPITAL ON SALES	5	2.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	625,021.

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)
1 a	PUBLICLY TRADED SECURITIES			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	133,765.		129,756.	4,009.
b				
c				
d				
e				

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				4,009.
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } **2** 4,009.

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

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))
2015	39,571.	692,346.	0.057155
2014	35,355.	731,401.	0.048339
2013	34,816.	730,360.	0.047670
2012	41,533.	722,101.	0.057517
2011	34,316.	727,370.	0.047178

2	**Total** of line 1, column (d)	2	0.257859
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years.	3	0.051572
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	660,030.
5	Multiply line 4 by line 3.	5	34,039.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	276.
7	Add lines 5 and 6	7	34,315.
8	Enter qualifying distributions from Part XII, line 4	8	36,725.

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 ▶ [X] and enter 1% of Part I, line 27b	1	276.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2	3	276.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	NONE
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	276.
6	Credits/Payments.		
a	2016 estimated tax payments and 2015 overpayment credited to 2016 . . . . 6a: 208.		
b	Exempt foreign organizations - tax withheld at source . . . 6b: NONE		
c	Tax paid with application for extension of time to file (Form 8868) . . . 6c: NONE		
d	Backup withholding erroneously withheld . . . 6d:		
7	Total credits and payments Add lines 6a through 6d	7	208.
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	68.
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 2017 estimated tax** ▶ NONE **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 ▶ $ ______ (2) On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
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?	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) ▶ 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*	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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

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

			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 ▶ WASHINGTON TR. BANK Telephone no ▶ (509)353-3898			
	Located at ▶ PO BOX 2127, SPOKANE, WA ZIP+4 ▶ 99210-2127			
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			
16	At any time during calendar year 2016, 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 If "Yes," enter the name of the foreign country ▶			

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

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

			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? **(Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016?	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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? ☐ 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)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2016 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 2016)*	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 2016?	4b		X

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

			Yes	No
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**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53 4945-5(d)			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		X
	If "Yes" to 6b, file Form 8870			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No			
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
WASHINGTON TRUST BANK PRIVATE BANKING - PO BOX 2127, SPOKANE, WA 99210	TRUSTEE 1	7,350.	-0-	-0-

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

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

Total number of other employees paid over $50,000 ▶ NONE

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		NONE
Total number of others receiving over $50,000 for professional services . . . . ▶		NONE

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 NONE	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See instructions 3 NONE	
Total. Add lines 1 through 3 . . . . ▶	

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	661,208.
b	Average of monthly cash balances	1b	8,873.
c	Fair market value of all other assets (see instructions)	1c	NONE
d	**Total** (add lines 1a, b, and c)	1d	670,081.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	670,081.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	10,051.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	660,030.
6	**Minimum investment return.** Enter 5% of line 5	6	33,002.

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	33,002.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	276.		
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	276.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	32,726.
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	32,726.
6	Deduction from distributable amount (see instructions)			6	NONE
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	32,726.

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	36,725.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	36,725.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	276.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	36,449.

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				32,726.
2 Undistributed income, if any, as of the end of 2016:				
a Enter amount for 2015 only			30,699.	
b Total for prior years 20 14 ,20 ,20		NONE		
3 Excess distributions carryover, if any, to 2016.				
a From 2011 NONE				
b From 2012 NONE				
c From 2013 NONE				
d From 2014 NONE				
e From 2015 NONE				
f **Total** of lines 3a through e	NONE			
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ $ 36,725.				
a Applied to 2015, but not more than line 2a			30,699.	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2016 distributable amount				6,026.
e Remaining amount distributed out of corpus	NONE			
5 Excess distributions carryover applied to 2016 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	NONE			NONE
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	NONE			
b Prior years' undistributed income Subtract line 4b from line 2b		NONE		
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		NONE		
d Subtract line 6c from line 6b Taxable amount - see instructions		NONE		
e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017				26,700.
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)	NONE			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)	NONE			
9 **Excess distributions carryover to 2017.** Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9.				
a Excess from 2012 NONE				
b Excess from 2013 NONE				
c Excess from 2014 NONE				
d Excess from 2015 NONE				
e Excess from 2016 NONE				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, 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) 2016	(b) 2015	(c) 2014	(d) 2013	(e) Total
2a 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).)

N/A

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

N/A

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

Check here ▶ [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*				
Lilac Services for the Blind 1212 N HOWARD ST Spokane WA 99201	NONE	PUBLIC CHA	PROGRAM SUPPORT	4,263.
Moody Bible Institute 820 N LASALLE BLVD Chicago IL 60610	NONE	PUBLIC CHA	SUPPORT OF CHARITABLE ACTIVITIES	10,000.
The Moody Church 1635 N LA SALLE BLVD Chicago IL 60614	NONE	PUBLIC CHA	PROGRAM SUPPORT	10,000.
Open Bible Church of the Valley Gary Hebden 905 N MCDONALD RD Spokane Valley WA 99216	NONE	PUBLIC CHA	SUPPORT OF CHARITABLE ACTIVITIES	10,000.
Total ▶ 3a				34,263.
b *Approved for future payment*				
NONE				
Total ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income (See instructions.)
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	30,836.	
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	4,009.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b OTHER REVENUE			1	269.	
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				35,114.	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 35,114.

(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). (See instructions.)
	NOT APPLICABLE

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Signature of officer or trustee | Date 04/19/2017 | Title

AUTHORIZED OFFICER

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
KELLY KOWALCZYK		04/19/2017		P01387686
Firm's name ▶ ERNST & YOUNG U.S. LLP			Firm's EIN ▶ 34-6565596	
Firm's address ▶ 155 N WACKER DRIVE CHICAGO, IL 60606			Phone no 312-879-2000	

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX PREPARATION FEE	600.			600.
TOTALS	600.	NONE	NONE	600.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	CHARITABLE PURPOSES
WASHINGTON STATE RENEWAL FEE	25.	25.
TOTALS	25.	25.

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
FOREIGN TAXES ON QUALIFIED FOR	98.	98.
FOREIGN TAXES ON NONQUALIFIED	57.	57.
TOTALS	155.	155.

Washington Trust Bank
WEALTH MANAGEMENT & ADVISORY SERVICES

P.O. Box 2127 | Spokane, WA 99210

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Portfolio Statement

December 1, 2016 - December 31, 2016

Washington Trust is pleased to provide your **December Monthly Statement**. You may also receive what appears to be a duplicate statement in this reporting period, as a separate Annual Statement may also be provided to you that reflects the entire year's activity in one statement.

At the back of this statement under the **Disclosures** page, several disclosures may affect your account with us. Please review this area for commentary and disclosure information. For your convenience, the contact information for your Relationship Team is listed below should you require additional account information or clarification of any item in your statement.

Would you like to reduce your paper statements? We can assist you in setting up electronic statements.

We greatly appreciate the opportunity to serve you in 2016 by allowing us to provide you the best solutions to your financial objectives.

Thank you for being a valued client of Washington Trust Bank!

Relationship Management
Jan Shelby +1 509.358.8124 jshelby@watrust.com
Terri Schneider +1 509.353.3820 tschneider@watrust.com

Accounts included in this statement
438586018 John & Velma Haley Charitable Trust

Sharon Trigg
Ernst and Young LLP
1120 NW Couch St, Ste 425
Portland, OR 97209
United States

Overview of Account - 438586018 John & Velma Haley Charitable Trust

Investment objective: Balanced Growth

Activity Summary

	This period ($)	Year to date ($)
Beginning market value	676,894.04	685,253.79
Cash and security transfers	0.00	-20,757.60
Contributions	0.00	21,026.60
Income & Capital Gain Distributions	5,728.17	16,716.93
Withdrawals and fees	-618.01	-42,237.81
Change in account value	1,797.53	23,799.82
Market value on Dec 31, 2016	**$683,801.73**	**$683,801.73**

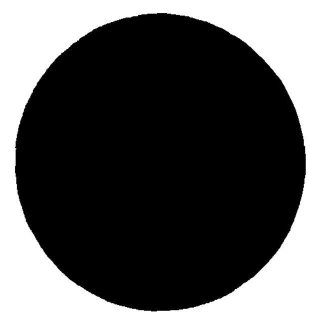
Earnings

	This period ($)	Year to date ($)
Taxable income	0.00	0.00
Tax-exempt income	4,326.20	14,754.09
Tax-deferred income	0.00	0.00
Total earnings	**$4,326.20**	**$14,754.09**
Total short term realized capital gain/loss	**$0.00**	**-$2,365.50**
Total long term realized capital gain/loss	**$1,888.22**	**$6,041.97**
Total realized capital gain/loss	**$1,888.22**	**$3,676.47**

This summary is for your reference. It is not intended for tax-reporting purposes Taxable income is taxable at the federal level and may be taxable at the state level

Asset Allocation on December 31, 2016

	Market value ($)	% of account
Fixed Income	270,287.55	40%
Equities	248,179 28	36%
Alternatives	152,757.89	22%
Cash and Equivalents	12,577.01	2%
Total Market Value	**$683,801.73**	**100%**



Change in account value under Activity Summary above is a summary of your overall market value change since your last statement This change encompasses several components: changes in your holdings' value due to price fluctuations, as well as cash and asset management activity during the statement period.

Asset Summary on December 31, 2016

	Market value ($)	Cost basis ($)	Unrealized gain or loss ($)	Estimated annual income ($)	Yield at market	% of account
438586018 John & Velma Haley Charitable Trust						
Equities	248,179.28	201,829.88	46,349 40	3,784.49	1.52%	36.29%
Fixed Income	270,287.55	258,630.55	11,657.00	6,702.15	2.48%	39.53%
Alternatives	152,757.89	151,983.09	774.80	2,972.80	1.95%	22.34%
Cash and Equivalents	12,577.01	12,577.01	0.00	38.48	0.31%	1.84%
Total for 438586018 John & Velma Haley Charitable Trust	**$683,801.73**	**$625,020.53**	**$58,781.20**	**$13,497.92**	**1.97%**	**100.00%**

Portfolio Holdings on December 31, 2016

	Number of Shares/Unit	Share/Unit Price ($)	Market value ($)	Cost basis ($)	Unrealized gain or loss ($)	Est. ann. inc. / yield at market	% of account
438586018 John & Velma Haley Charitable Trust							
Equities							
AbbVie Inc CUSIP: 00287Y109	67.00	62.62	4,195.54	2,682.61	1,512.93	152.76 3.64%	0.61%
Alphabet Inc Cap Stk Cl A CUSIP: 02079K305	4.00	792.45	3,169.80	2,281.29	888.51	0.00	0.46%
American Tower Corp Com CUSIP: 03027X100	16.00	105.68	1,690.88	593.94	1,096.94	33.28 1.97%	0.25%
Apple Inc CUSIP: 037833100	28.00	115.82	3,242.96	1,241.59	2,001.37	62.44 1.93%	0.47%
Applied Materials Inc CUSIP: 038222105	147 00	32.27	4,743.69	2,346.81	2,396.88	58.80 1.24%	0.69%
Artisan International Value Fund CUSIP: 04314H857	276.34	32 53	8,989.34	7,184.54	1,804.80	91.19 1.01%	1.31%
Cisco Systems Inc CUSIP: 17275R102	125.00	30.22	3,777.50	2,468.35	1,309.15	123.75 3.28%	0.55%
Constellation Brands Inc CUSIP· 21036P108	28.00	153.31	4,292.68	2,457.59	1,835.09	33.60 0.78%	0.63%
Costco Wholesale Corp CUSIP: 22160K105	23.00	160.11	3,682.53	1,697.97	1,984.56	40.25 1.09%	0.54%
Digital Realty Trust Inc CUSIP: 253868103	21.00	98.26	2,063.46	2,070 90	-7.44	73.92 3.58%	0.30%
Eastman Chemical Co CUSIP: 277432100	26.00	75.21	1,955.46	2,051.91	-96.45	49.14 2.51%	0.29%
Express Scripts Holding Co CUSIP: 30219G108	51.00	68.79	3,508 29	2,974.48	533.81	0.00	0.51%
Facebook Inc CUSIP. 30303M102	28.00	115.05	3,221.40	2,167.57	1,053.83	0.00	0.47%
FedEx Corp CUSIP: 31428X106	18 00	186.20	3,351.60	2,972.76	378 84	26.10 0 78%	0 49%
General Electric Co CUSIP: 369604103	108.00	31.60	3,412.80	3,148.31	264.49	100.44 2.94%	0.50%

continued on next page

Portfolio Holdings on December 31, 2016 (continued)

	Number of Shares/Unit	Share/Unit Price ($)	Market value ($)	Cost basis ($)	Unrealized gain or loss ($)	Est. ann. inc. / yield at market	% of account
438586018 John & Velma Haley Charitable Trust (continued)							
Equities (continued)							
Goldman Sachs Group Inc/The CUSIP: 38141G104	19.00	239.45	4,549.55	2,849.55	1,700.00	49.40 1.09%	0.67%
Halliburton Co CUSIP: 406216101	50.00	54.09	2,704.50	2,808.89	-104.39	36.00 1.33%	0.40%
Health Care Select Sector SPDR Fund CUSIP: 81369Y209	21.00	68.94	1,447.74	1,461.38	-13.64	23.23 1.60%	0.21%
Hennessy Focus Fund CUSIP: 42588P809	249.374	75.76	18,892.57	16,503.75	2,388.82	0.00	2.76%
Home Depot Inc/The CUSIP: 437076102	30.00	134.08	4,022.40	1,274.65	2,747.75	82.80 2.06%	0.59%
Invesco Ltd CUSIP: G491BT108	144.00	30.34	4,368.96	3,523.53	845.43	159.84 3.66%	0.64%
JPMorgan Chase & Co CUSIP: 46625H100	61.00	86.29	5,263.69	2,645.65	2,618.04	112.24 2.13%	0.77%
Kinder Morgan Inc/DE CUSIP: 49456B101	115.00	20.71	2,381.65	2,417.53	-35.88	57.50 2.41%	0.35%
Mead Johnson Nutrition Co CUSIP: 582839106	44.00	70 76	3,113.44	3,537.83	-424.39	72.60 2.33%	0.46%
Medtronic PLC CUSIP: G5960L103	51.00	71.23	3,632.73	3,857.15	-224.42	85.17 2.34%	0.53%
Microsoft Corp CUSIP: 594918104	60.00	62.14	3,728 40	1,600.23	2,128.17	88.20 2.37%	0.55%
Mylan NV CUSIP: N59465109	72.00	38.15	2,746.80	3,954 52	-1,207.72	0.00	0.40%
NextEra Energy Inc CUSIP: 65339F101	17.00	119.46	2,030.82	1,094.71	936.11	59.16 2.91%	0.30%
NRG Energy Inc CUSIP: 629377508	169.00	12.26	2,071.94	3,769.70	-1,697.76	39.72 1.92%	0.30%
Oppenheimer International Growth Fund CUSIP: 68380L605	257.429	34.68	8,927.64	9,349.82	-422.18	138.50 1.55%	1.31%

continued on next page

Portfolio Holdings on December 31, 2016 (continued)

	Number of Shares/Unit	Share/Unit Price ($)	Market value ($)	Cost basis ($)	Unrealized gain or loss ($)	Est. ann. inc. / yield at market	% of account
438586018 John & Velma Haley Charitable Trust (continued)							
Equities (continued)							
Oracle Corp CUSIP: 68389X105	97 00	38.45	3,729.65	2,681.54	1,048.11	58.20 1.56%	0.55%
Pioneer Natural Resources Co CUSIP: 723787107	14.00	180.07	2,520 98	2,006.01	514.97	1.12 0.04%	0.37%
PNC Financial Services Group Inc/The CUSIP: 693475105	41.00	116.96	4,795.36	2,513.47	2,281.89	86.92 1.81%	0.70%
Praxair Inc CUSIP: 74005P104	18.00	117.19	2,109 42	1,545.83	563.59	54.00 2.56%	0.31%
Priceline Group Inc/The CUSIP: 741503403	3.00	1,466.06	4,398.18	3,662.70	735.48	0.00	0.64%
Procter & Gamble Co/The CUSIP: 742718109	56.00	84.08	4,708.48	3,677.53	1,030.95	149.58 3.18%	0.69%
Prologis Inc CUSIP: 74340W103	38.00	52 79	2,006.02	2,021.99	-15.97	63.84 3.18%	0.29%
Prudential Financial Inc CUSIP: 744320102	48.00	104 06	4,994.88	3,223.24	1,771.64	134.40 2.69%	0.73%
Qualcomm Inc CUSIP: 747525103	64.00	65 20	4,172.80	3,098.32	1,074.48	132.48 3.17%	0.61%
Raytheon Co CUSIP: 755111507	29.00	142.00	4,118.00	3,275.34	842.66	84.97 2.06%	0.60%
Republic Services Inc CUSIP: 760759100	59.00	57.05	3,365.95	3,008.59	357.36	73.16 2.17%	0.49%
Starbucks Corp CUSIP: 855244109	52.00	55.52	2,887.04	883.63	2,003.41	44.20 1.53%	0.42%
Templeton Institutional Funds Inc - Foreign Smaller Companies Series CUSIP: 880210877	1,279.209	19.93	25,494.64	22,436.22	3,058.42	527.03 2.07%	3.72%
UnitedHealth Group Inc CUSIP: 91324P102	28.00	160.04	4,481.12	1,309.81	3,171.31	66.50 1.48%	0.66%

continued on next page

Portfolio Holdings on December 31, 2016 (continued)

	Number of Shares/Unit	Share/Unit Price ($)	Market value ($)	Cost basis ($)	Unrealized gain or loss ($)	Est. ann. inc. / yield at market	% of account
438586018 John & Velma Haley Charitable Trust (continued)							
Equities (continued)							
Valero Energy Corp CUSIP: 91913Y100	42.00	68.32	2,869.44	1,792.16	1,077.28	100.80 3.51%	0.42%
Verizon Communications Inc CUSIP· 92343V104	29.00	53.38	1,548.02	1,476.78	71.24	65.92 4.26%	0.23%
Victory Sycamore Established Value Fund CUSIP: 92646A831	497.785	36.16	17,999.91	17,666.40	333.51	137.89 0.77%	2.63%
Virtus Opportunities Trust Emerging MKTS OPPTYS FD CL CUSIP: 92828W361	2,569.63	9.05	23,255.15	25,453.76	-2,198.61	102.79 0.44%	3.40%
Walt Disney Co/The CUSIP: 254687106	34.00	104.22	3,543.48	1,107.05	2,436.43	50.66 1.43%	0.52%
Total Equities			**$248,179.28**	**$201,829.88**	**$46,349.40**	**$3,784.49 1.52%**	**36.29%**
Fixed Income							
American Century Short Duration Inflation Protection Bond Fund CUSIP: 024932766	782.971	10.29	8,056.77	8,078.61	-21.84	49.95 0.62%	1.18%
Artisan High Income Fund CUSIP: 04314H717	2,711.787	9 86	26,738.22	27,355.67	-617.45	1,735.54 6.49%	3.91%
Baird Short Term Bond Fund CUSIP: 057071409	5,283.001	9.66	51,033.79	51,077.34	-43.55	813.58 1.59%	7.48%
Berkshire Hathaway Finance Corp 2% 15 Aug 2018 CUSIP: 084664BY6	10,000 00	100.712	10,071.20	10,019.70	51.50	200.00 1.99%	1.47%
Eaton Vance Floating-Rate Fund CUSIP: 277911491	2,088.867	8.95	18,695.36	19,259.35	-563.99	772.88 4.13%	2.73%
eBay Inc 2.2% 01 Aug 2019 CUSIP· 278642AH6	15,000 00	99.954	14,993.10	14,968.20	24.90	330.00 2.20%	2.19%

continued on next page

Portfolio Holdings on December 31, 2016 (continued)

	Number of Shares/Unit	Share/Unit Price ($)	Market value ($)	Cost basis ($)	Unrealized gain or loss ($)	Est. ann. inc. / yield at market	% of account
438586018 John & Velma Haley Charitable Trust (continued)							
Fixed Income (continued)							
Federal Home Loan Mortgage Corp 1% 28 Jul 2017 CUSIP. 3137EADJ5	10,000.00	100.118	10,011.80	9,974.80	37.00	100.00 1.00%	1.46%
Federal National Mortgage Association 1.625% 27 Nov 2018 CUSIP: 3135G0YT4	10,000.00	100.754	10,075.40	9,929.30	146.10	162.50 1.61%	1.47%
Oracle Corp 1.2% 15 Oct 2017 CUSIP: 68389XAN5	15,000.00	100.024	15,003.60	14,974.05	29.55	180.00 1.20%	2.19%
Payden Emerging Markets Bond Fund CUSIP: 704329531	1,196.794	13 43	16,072.94	16,372.14	-299.20	899.99 5.60%	2.35%
Payden Emerging Markets Local Bond Fund CUSIP: 704329275	3,603.132	6.54	23,564.48	35,421.16	-11,856.68	1,282.71 5.44%	3.45%
UNITED STATES SVGS BD SER EE DTD 01 Apr 1991 01 Apr 2003 CUSIP: 912540FR7	20,000.00	173.52	34,704.00	10,000.00	24,704.00	0.00	5.08%
United States Treasury Inflation Indexed Bonds 125% 15 Apr 2017 CUSIP: 912828SQ4	10,000.00	100.2188	10,665.59	10,722.87	-57.28	12.50 0.12%	1.56%
United States Treasury Inflation Indexed Bonds .125% 15 Apr 2018 CUSIP. 912828UX6	10,000.00	100.9336	10,554.42	10,595.33	-40.91	12.50 0.12%	1.54%
United States Treasury Note/Bond 1.5% 31 May 2019 CUSIP: 912828WL0	10,000.00	100.4688	10,046.88	9,882.03	164.85	150.00 1.49%	1.47%
Total Fixed Income			**$270,287.55**	**$258,630.55**	**$11,657.00**	**$6,702.15 2.48%**	**39.53%**

continued on next page

Portfolio Holdings on December 31, 2016 (continued)

	Number of Shares/Unit	Share/Unit Price ($)	Market value ($)	Cost basis ($)	Unrealized gain or loss ($)	Est. ann. inc. / yield at market	% of account
438586018 John & Velma Haley Charitable Trust (continued)							
Alternatives							
AQR Equity Market Neutral Fund CUSIP: 00191K799	3,320.941	11.97	39,751.66	38,496.18	1,255.48	594.45 1.50%	5.81%
AQR Managed Futures Strategy Fund CUSIP: 00203H859	1,791.836	9.32	16,699.91	18,570.03	-1,870.12	2.93 0.02%	2.44%
Credit Suisse Commodity Return Strategy Fund CUSIP. 22544R305	3,368 571	5.07	17,078.65	19,690.25	-2,611.60	0.00	2.50%
Eaton Vance Global Macro Absolute Return Fund CUSIP: 277923728	1,941.001	9.04	17,546.65	18,833.36	-1,286.71	706.52 4.03%	2.57%
Gateway Fund CUSIP: 367829884	856 161	30.83	26,395.44	21,363.43	5,032.01	422.09 1.60%	3.86%
Nuveen Funds Rltest Sec I CUSIP: 670678507	798.707	22.07	17,627.46	17,403.57	223.89	607.02 3.44%	2.58%
Nuveen Invt Fds Inc Glob Infrast I CUSIP: 670690510	1,827.963	9.66	17,658.12	17,626.27	31.85	639.79 3.62%	2.58%
Total Alternatives			**$152,757.89**	**$151,983.09**	**$774.80**	**$2,972.80 1.95%**	**22.34%**
Cash and Equivalents							
Federated Government Obligations Fund CUSIP. 608919718	12,577.01	1.00	12,577.01	12,577.01	0.00	38.48 0.31%	1.84%
Total Cash and Equivalents			**$12,577.01**	**$12,577.01**	**$0.00**	**$38.48 0.31%**	**1.84%**
Total for 438586018 John & Velma Haley Charitable Trust			**$683,801.73**	**$625,020.53**	**$58,781.20**	**$13,497.92 1.97%**	**100.00%**

Washington Trust Bank relies on industry pricing services to provide the market value of assets traded on security exchanges, such as stocks, bonds and mutual funds Such information is deemed reliable based on the closing bid price for the last business day, but it is not guaranteed and should not be interpreted as the price at which an entire position could be sold. Assets that are not traded on securities exchanges are valued infrequently and the market values reflected on this statement are not reliable as a price at which these assets may be bought or sold.

Note the term bid price is used by the investment industry to indicate the price where a security could be sold

Cash Flow Summary

	Amount ($)	Balance ($)
438586018 John & Velma Haley Charitable Trust		
Opening balance on December 1, 2016 - US Dollar		$0.00
Receipts		
Cash Transfers	3,535.51	
Total Receipts	**$3,535.51**	
Disbursements		
Cash Transfers	-3,535.51	
Fees	-618.01	
Total Disbursements	**-$4,153.52**	
Corporate Actions/Income		
Dividends	4,323.40	
Capital Gains Distributions	1,401.97	
Total Corporate Actions/Income	**$5,725.37**	
Purchases	-2,417.53	
Sales	2,379.26	
Cash Sweep Activity	-5,069.09	
Closing balance on December 31, 2016 - US Dollar	**$0.00**	**$0.00**

Transaction Detail

Date	Transaction Description	Amount ($)	Accrued income ($)	Realized G/L ($)
438586018 John & Velma Haley Charitable Trust				
Receipts				
Cash Transfers				
December 1, 2016	Cash Transfer - Portfolio Transfer To Investments (Capital)	278.51		
December 2, 2016	Cash Transfer - Portfolio Transfer To Investments (Capital)	70.17		
December 5, 2016	Cash Transfer - Portfolio Transfer To Investments (Capital)	183.63		
December 9, 2016	Cash Transfer - Portfolio Transfer To Investments (Capital)	23.40		
December 14, 2016	Cash Transfer - Portfolio Transfer To Investments (Capital)	17.50		
December 15, 2016	Cash Transfer - Portfolio Transfer To Investments (Capital)	87.09		
December 16, 2016	Cash Transfer - Portfolio Transfer To Investments (Capital)	207.79		
December 20, 2016	Cash Transfer - Portfolio Transfer To Investments (Capital)	1,083.22		
December 23, 2016	Cash Transfer - Portfolio Transfer To Investments (Capital)	801.20		
December 27, 2016	Cash Transfer - Portfolio Transfer To Investments (Capital)	533.83		
December 28, 2016	Cash Transfer - Portfolio Transfer To Investments (Capital)	9.00		
December 29, 2016	Cash Transfer - Portfolio Transfer To Investments (Capital)	170.32		
December 30, 2016	Cash Transfer - Portfolio Transfer To Investments (Capital)	69.85		
Total Cash Transfers		**$3,535.51**	**$0.00**	**$0.00**
Total Receipts		**$3,535.51**	**$0.00**	**$0.00**
Disbursements				
Cash Transfers				
December 1, 2016	Cash Transfer - Portfolio Transfer From Investments (Income)	-278.51		
December 2, 2016	Cash Transfer - Portfolio Transfer From Investments (Income)	-70.17		
December 5, 2016	Cash Transfer - Portfolio Transfer From Investments (Income)	-183.63		
December 9, 2016	Cash Transfer - Portfolio Transfer From Investments (Income)	-23.40		
December 14, 2016	Cash Transfer - Portfolio Transfer From Investments (Income)	-17.50		
December 15, 2016	Cash Transfer - Portfolio Transfer From Investments (Income)	-87.09		
December 16, 2016	Cash Transfer - Portfolio Transfer From Investments (Income)	-207.79		
December 20, 2016	Cash Transfer - Portfolio Transfer From Investments (Income)	-1,083.22		
December 23, 2016	Cash Transfer - Portfolio Transfer From Investments (Income)	-801.20		

continued on next page

Transaction Detail (continued)

Date	Transaction Description	Amount ($)	Accrued income ($)	Realized G/L ($)
438586018 John & Velma Haley Charitable Trust (continued)				
Disbursements (continued)				
Cash Transfers (continued)				
December 27, 2016	Cash Transfer - Portfolio Transfer From Investments (Income)	-533.83		
December 28, 2016	Cash Transfer - Portfolio Transfer From Investments (Income)	-9.00		
December 29, 2016	Cash Transfer - Portfolio Transfer From Investments (Income)	-170.32		
December 30, 2016	Cash Transfer - Portfolio Transfer From Investments (Income)	-69.85		
Total Cash Transfers		**-$3,535.51**	**$0.00**	**$0.00**
Fees				
December 1, 2016	Periodic Fee : Taken Monthly $618.01 Investment Management Fee: $618 01 Account John & Velma Haley Charitable Trust: Based on Average Daily Market Value of $674,193.01 @ at tiered annual rates = $618.01. Fee of $0.00 Adjusted for annualized minimum of $5,500.00. Charged now .	-618.01		
Total Fees		**-$618.01**	**$0.00**	**$0.00**
Total Disbursements		**-$4,153.52**	**$0.00**	**$0.00**
Corporate Actions/Income				
Dividends				
December 1, 2016	Daily Rate Income on Eaton Vance Floating-Rate Fund For Period of 11/01/16 to 11/30/16 Due on 12/01/16	57.17		
December 1, 2016	Daily Rate Income on Artisan High Income Fund For Period of 11/01/16 to 11/30/16 Due on 12/01/16	143.31		
December 2, 2016	Cash Dividend 0.25 USD Starbucks Corp For 52.00 Shares Due on 12/02/16 With Ex Date 11/18/16	13.00		
December 5, 2016	Cash Dividend 0.28 USD Invesco Ltd For 144.00 Shares Due on 12/05/16 With Ex Date 11/10/16	40.32		
December 8, 2016	Cash Dividend 0.39 USD Microsoft Corp For 60.00 Shares Due on 12/08/16 With Ex Date 11/18/16	23.40		
December 13, 2016	Cash Dividend 0.625 USD UnitedHealth Group Inc For 28.00 Shares Due on 12/13/16 With Ex Date 12/05/16	17.50		
December 14, 2016	Cash Dividend 0.53789 USD Oppenheimer International Growth Fund For 257.429 Units Due on 12/14/16 With Ex Date 12/14/16	138.47		

continued on next page

Transaction Detail (continued)

Date	Transaction Description	Amount ($)	Accrued income ($)	Realized G/L ($)
438586018 John & Velma Haley Charitable Trust (continued)				
Corporate Actions/Income (continued)				
Dividends (continued)				
December 15, 2016	Cash Dividend 0.6 USD Valero Energy Corp For 42.00 Shares Due on 12/15/16 With Ex Date 11/23/16	25.20		
December 15, 2016	Cash Dividend 0.87 USD NextEra Energy Inc For 17 00 Shares Due on 12/15/16 With Ex Date 11/22/16	14.79		
December 15, 2016	Cash Dividend 0.7 USD Prudential Financial Inc For 48.00 Shares Due on 12/15/16 With Ex Date 11/23/16	33.60		
December 15, 2016	Cash Dividend 0.75 USD Praxair Inc For 18.00 Shares Due on 12/15/16 With Ex Date 12/05/16	13.50		
December 15, 2016	Cash Dividend 0 1 USD Applied Materials Inc For 147.00 Shares Due on 12/15/16 With Ex Date 11/28/16	14.70		
December 15, 2016	Cash Dividend 0.69 USD Home Depot Inc/The For 30.00 Shares Due on 12/15/16 With Ex Date 12/02/16	20.70		
December 16, 2016	Cash Dividend 0 53 USD Qualcomm Inc For 64.00 Shares Due on 12/16/16 With Ex Date 11/28/16	33.92		
December 16, 2016	Short Term Capital Gains Distribution 0.3905 USD Nuveen Invt Fds Inc Glob Infrast I For 1,827.963 Units Due on 12/16/16 With Ex Date 12/15/16	713.82		
December 16, 2016	Short Term Capital Gains Distribution 0.4625 USD Nuveen Funds Rltest Sec I For 798.707 Units Due on 12/16/16 With Ex Date 12/15/16	369.40		
December 21, 2016	Cash Dividend 0.17949 USD AQR Equity Market Neutral Fund For 3,320.941 Units Due on 12/21/16 With Ex Date 12/20/16	596.08		
December 21, 2016	Cash Dividend 0.001633 USD AQR Managed Futures Strategy Fund For 1,791.836 Units Due on 12/21/16 With Ex Date 12/20/16	2.93		
December 21, 2016	Cash Dividend 0.04 USD Virtus Opportunities Trust Emerging MKTS OPPTYS FD CL For 2,569.63 Units Due on 12/21/16 With Ex Date 12/21/16	102.79		
December 21, 2016	Cash Dividend 0.1161 USD Gateway Fund For 856.161 Units Due on 12/21/16 With Ex Date 12/20/16	99.40		
December 27, 2016	Cash Dividend 0.305416 USD Health Care Select Sector SPDR Fund For 21.00 Shares Due on 12/27/16 With Ex Date 12/16/16	6.41		
December 27, 2016	Cash Dividend 0.4123 USD Templeton Institutional Funds Inc - Foreign Smaller Companies Series For 1,279.209 Units Due on 12/27/16 With Ex Date 12/22/16	527.42		

continued on next page

Transaction Detail (continued)

Date	Transaction Description	Amount ($)	Accrued income ($)	Realized G/L ($)
438586018 John & Velma Haley Charitable Trust (continued)				
Corporate Actions/Income (continued)				
Dividends (continued)				
December 27, 2016	Cash Dividend 0.0638 USD American Century Short Duration Inflation Protection Bond Fund For 782.971 Units Due on 12/27/16 With Ex Date 12/24/16	49.95		
December 28, 2016	Cash Dividend 0.18 USD Halliburton Co For 50.00 Shares Due on 12/28/16 With Ex Date 12/08/16	9.00		
December 28, 2016	Cash Dividend 0.019707 USD Baird Short Term Bond Fund For 5,283.001 Units Due on 12/28/16 With Ex Date 12/24/16	104.11		
December 28, 2016	Short Term Capital Gains Distribution 0.00074 USD Baird Short Term Bond Fund For 5,283.001 Units Due on 12/28/16 With Ex Date 12/24/16	3.91		
December 29, 2016	Cash Dividend 0.65 USD Goldman Sachs Group Inc/The For 19.00 Shares Due on 12/29/16 With Ex Date 11/29/16	12.35		
December 29, 2016	Cash Dividend 0.08917 USD Victory Sycamore Established Value Fund For 497.785 Units Due on 12/29/16 With Ex Date 12/28/16	44.39		
December 29, 2016	Cash Dividend 0.037 USD Payden Emerging Markets Local Bond Fund For 3,603.132 Units Due on 12/29/16 With Ex Date 12/29/16	133.32		
December 29, 2016	Cash Dividend 0.0832 USD Payden Emerging Markets Bond Fund For 1,196.794 Units Due on 12/29/16 With Ex Date 12/29/16	99.57		
December 30, 2016	Cash Dividend 0.42 USD Prologis Inc For 38.00 Shares Due on 12/30/16 With Ex Date 12/15/16	15.96		
December 30, 2016	Cash Dividend 0.25 USD Hess Corp For 38.00 Shares Due on 12/30/16 With Ex Date 12/15/16	9.50		
December 30, 2016	Cash Dividend 0.026 USD Eaton Vance Global Macro Absolute Return Fund For 1,941.001 Units Due on 12/30/16 With Ex Date 12/29/16	50.47		
December 30, 2016	Cash Dividend 0.2066 USD Nuveen Funds Rltest Sec I For 798.707 Units Due on 12/30/16 With Ex Date 12/29/16	165.01		
December 30, 2016	Cash Dividend 0.3381 USD Nuveen Invt Fds Inc Glob Infrast I For 1,827.963 Units Due on 12/30/16 With Ex Date 12/29/16	618.03		
December 30, 2016	Daily Rate Income on Federated Government Obligations Fund For Period of 12/01/16 to 12/31/16 Due on 12/30/16 Reinvested $0.05 at $1.00 For 0.05 Units	0.05		
December 30, 2016	Daily Rate Income on Federated Government Obligations Fund For Period of	2.75		

continued on next page

Transaction Detail (continued)

Date	Transaction Description	Amount ($)	Accrued income ($)	Realized G/L ($)
438586018 John & Velma Haley Charitable Trust (continued)				
Corporate Actions/Income (continued)				
Dividends (continued)				
	12/01/16 to 12/31/16 Due on 12/30/16 Reinvested $2.75 at $1.00 For 2.75 Units			
Total Dividends		**$4,326.20**	**$0.00**	**$0.00**
Capital Gains Distributions				
December 16, 2016	Long Term Capital Gains Distribution 0.8952 USD Nuveen Funds Rltest Sec I For 798.707 Units Due on 12/16/16 With Ex Date 12/15/16	715.00		715.00
December 16, 2016	Long Term Capital Gains Distribution 0.0945 USD Nuveen Invt Fds Inc Glob Infrast I For 1,827.963 Units Due on 12/16/16 With Ex Date 12/15/16	172.74		172.74
December 21, 2016	Long Term Capital Gains Distribution 0.00096 USD AQR Equity Market Neutral Fund For 3,320.941 Units Due on 12/21/16 With Ex Date 12/20/16	3.19		3.19
December 27, 2016	Long Term Capital Gains Distribution 0.264 USD Templeton Institutional Funds Inc - Foreign Smaller Companies Series For 1,279.209 Units Due on 12/27/16 With Ex Date 12/22/16	337.71		337.71
December 29, 2016	Long Term Capital Gains Distribution 0.348201 USD Victory Sycamore Established Value Fund For 497.785 Units Due on 12/29/16 With Ex Date 12/28/16	173.33		173.33
Total Capital Gains Distributions		**$1,401.97**	**$0.00**	**$1,401.97**
Total Corporate Actions/Income		**$5,728.17**	**$0.00**	**$1,401.97**
Purchases				
December 15, 2016	Purchase 115.00 Shares of Kinder Morgan Inc/DE @ $21.012	-2,417.53		
Total Purchases		**-$2,417.53**	**$0.00**	**$0.00**
Sales				
December 15, 2016	Sale 38.00 Shares of Hess Corp @ $62 6236	2,379.26		486.25
Total Sales		**$2,379.26**	**$0.00**	**$486.25**
December 31, 2016	Cash Sweep Activity	-5,069.09	0.00	0.00
Total 438586018 John & Velma Haley Charitable Trust		**$2.80**	**$0.00**	**$1,888.22**

Washington Trust Bank attempts to provide accurate cost basis information for assets reflected on this statement. However, there are many factors that can affect cost basis, including depreciation, and Washington Trust Bank may be relying on individual clients or third parties, such as the prior custodian, prior trustee or accountant for assets transferred to the Bank after purchase The accuracy of cost basis information should be verified with the original source if applicable

Disclosures

WA Situs Legal Disclosure

Washington Trust Bank relies on industry pricing services to provide the market value of assets traded on security exchanges, such as stocks, bonds and mutual funds. Such information is deemed reliable based on the closing bid price for the last business day, but it is not guaranteed and should not be interpreted as the price at which an entire position could be sold. Assets that are not traded on securities exchanges are valued infrequently and the market values reflected on this statement are not reliable as a price at which these assets may be bought or sold.

Note: the term "bid price" is used by the investment industry to indicate the price where a security could be sold.

This statement's beginning market value corresponds with the ending market value of the prior period's statement. For a more detailed beginning market value of each asset, please refer to the prior period's statement. If you do not have the prior period's statement, please contact your Relationship Manager for a copy. If you find any inaccuracy or discrepancy with your account, please report the issue promptly to your Relationship Manager. Any oral communications between you and your Relationship Manager should be re-confirmed in writing to further protect your rights.

You may petition a Superior Court in Washington State under RCW 11.96A to obtain review of this statement and of the acts of the Trustee disclosed in this statement. According to the law of the State of Washington, any claims against the Trustee for breach of trust may not be commenced after the expiration of three (3) years from the date you receive this statement. RCW 11.96A.070(1). Additionally, any claim against a personal representative for alleged breach of fiduciary duty must be brought before discharge of the personal representative. RCW 11.96A.070(2). Please see Washington statute RCW 11.96A.070 for the complete text.

OR Situs Legal Disclosure

Washington Trust Bank relies on industry pricing services to provide the market value of assets traded on security exchanges, such as stocks, bonds and mutual funds. Such information is deemed reliable based on the closing bid price for the last business day, but it is not guaranteed and should not be interpreted as the price at which an entire position could be sold. Assets that are not traded on securities exchanges are valued infrequently and the market values reflected on this statement are not reliable as a price at which these assets may be bought or sold.

Note: the term "bid price" is used by the investment industry to indicate the price where a security could be sold.

This statement's beginning market value corresponds with the ending market value of the prior period's statement. For a more detailed beginning market value of each asset, please refer to the prior period's statement. If you do not have the prior period's statement, please contact your Relationship Manager for a copy. If you find any inaccuracy or discrepancy with your account, please report the issue promptly to your Relationship Manager. Any oral communications between you and your Relationship Manager should be re-confirmed in writing to further protect your rights.

According to the law of the State of Oregon, a civil action against the Trustee based on any act or omission of the trustee, whether based in tort, contract or other theory of recovery, must be commenced within six (6) years after the date the act or omission is discovered, or six (6) years after the date the act or omission should have been discovered, whichever is earlier. ORS §130.820(1).

Disclosures (continued)

A beneficiary may not commence a proceeding against a trustee more than one year after the date the beneficiary is sent a report that adequately discloses the existence of a potential claim and that informs the beneficiary of the time allowed for commencing a proceeding. ORS §130.820(2).

If neither of the above sections applies, a judicial proceeding against a trustee must be commenced within 10 years from the date of the act or omission complained of, or two years from the termination of any fiduciary account established under the trust, whichever is later. ORS §130.820(3). Please see Oregon statute ORS §130.820 for the complete text.

ID Situs Legal Disclosure

Washington Trust Bank relies on industry pricing services to provide the market value of assets traded on security exchanges, such as stocks, bonds and mutual funds. Such information is deemed reliable based on the closing bid price for the last business day, but it is not guaranteed and should not be interpreted as the price at which an entire position could be sold. Assets that are not traded on securities exchanges are valued infrequently and the market values reflected on this statement are not reliable as a price at which these assets may be bought or sold.

Note: the term "bid price" is used by the investment industry to indicate the price where a security could be sold.

This statement's beginning market value corresponds with the ending market value of the prior period's statement. For a more detailed beginning market value of each asset, please refer to the prior period's statement. If you do not have the prior period's statement, please contact your Relationship Manager for a copy. If you find any inaccuracy or discrepancy with your account, please report the issue promptly to your Relationship Manager. Any oral communications between you and your Relationship Manager should be re-confirmed in writing to further protect your rights.

You may petition a District Court in the State of Idaho under I.C. §15-8-102 to obtain review of this statement and of the acts of the Trustee disclosed in this statement. According to the law of the State of Idaho, a claim against a custodial trustee for accounting or breach of duty is barred as to a beneficiary, who: (1) has received a final account or statement fully disclosing the matter, unless an action is commenced within two (2) years after receipt of final account or statement; or (2) has not received a final account or statement fully disclosing the matter, unless an action is commenced within three (3) years after the termination of the custodial trust. I.C. §68-1316(1) (a)-(b).

A claim for relief to recover from a custodial trustee for fraud, misrepresentation, or concealment related to the final settlement of the custodial trust or concealment of the existence of the custodial trust, is barred unless an action is commenced within five (5) years after the termination of the custodial trust. I.C. §68-1316(2).

A claim is not barred if the claimant: (1) is a minor, until the earlier of two(2) years after the claimant becomes an adult or dies; (2) is an incapacitated adult, until the earliest of two(2) years after the appointment of a conservator, the removal of the incapacity, or the death of the claimant; or (3) was an adult, now deceased, who was not incapacitated, until two(2) years after the claimant's death. I.C. §68-1316(3).

Unless previously barred by adjudication, consent or limitation, any claim against a trustee for breach of trust is barred as to any beneficiary who has received a final account or other statement fully disclosing the matter unless a proceeding to assert the claim is commenced within six (6) months after receipt of the final account or statement. In any event, and notwithstanding lack of full disclosure, a trustee who has issued a final account or statement received by the beneficiary and has informed the beneficiary of the location and availability of records for his examination is protected after three (3) years. A beneficiary is deemed to have received a final account or statement if, being an adult, it is received by him personally or if, being a minor or disabled person, it is received

Disclosures (continued)

by his representative. I.C. §15-7-307. Please see Idaho statutes I.C. §68-1316 and I.C. §15-7-307 for the complete texts.

WTB Money Market Account

This account is invested in Washington Trust Bank's Money Market Account. Although funds on deposit impact the asset base of Washington Trust Bank as a lender, Washington Trust Bank does not receive direct compensation for the investment of trust assets in a Washington Trust Bank Money Market Account.

WTB Financial Corporation Stock

This account holds WTB Financial Corporation stock, which stock is privately- held. The valuation of such stock, as carried on the Trust's books and records, is established monthly by a method approved by the Board of Directors and Trust Committee.

WTB Certificate of Deposit

This account holds a Washington Trust Bank Certificate of Deposit. Although funds on deposit impact the asset base of Washington Trust Bank as a lender, Washington Trust Bank does not receive direct compensation for the investment of trust assets in a Washington Trust Bank Certificate of Deposit.

Privacy Notice

Federal law requires us to tell you how we collect, share, and protect your personal information. You may review our policy and practices with respect to your personal information at watrust.com/support/privacy-policy, or we will mail you a free copy upon request if you call us at 800.788.4578.

Audit Notice

We appreciate your business and wish to give you the highest quality service possible. Please review your monthly statement and, if you detect any discrepancies, please report them directly to your Relationship Manager. If the statement is correct, no response is necessary. Thank you in advance for your assistance in this matter.

Return of Capital Reclassification (ROCR)

If your portfolio is a trust, you may have been affected by a **Return of Capital Reclassification (ROCR)** included in this annual statement.

What is a Return of Capital Reclassification?

* Return of capital is the portion of a distribution that does not consist of dividends, interest or realized capital gains. For example, if a mutual fund pays $1 in distributions but only makes 90 cents in interest, dividends and

Disclosures (continued)

capital gains on investments it sold during the year, the remaining 10 cents will be classified as Return on

Capital Reclassification (ROCR).

Annually, mutual fund companies review their previous year's activity to determine if a reclassification of income is required. This type of adjustment can occur with most any mutual fund - and may be processed any time during the following year. These adjustments may cause a portion of the income previously posted to the income portfolio of your trust account to be "reclassified," and that specific amount will be transferred from the income portfolio to the principal portfolio.

As for adjusting your tax records, ROCR is not *immediately* taxable. Instead, it is deducted from the Adjusted Cost Basis, which gives rise to a larger capital gain - or smaller capital loss - when the investment is ultimately sold. So, ROCR has potential tax effect only when the asset is sold.

Please contact your Relationship Manager to assist you further.