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 , and ending

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

A Employer identification number
55-6138362

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
CITY NAT'L BANK, 3601 MACCORKLE AVE, SE

B Telephone number
304-345-9400

City or town, state or province, country, and ZIP or foreign postal code
CHARLESTON, WV 25304

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶$ 3,156,760.

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

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

SCANNED MAY 2 5 2017

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	54,385.	52,329.		
4 Dividends and interest from securities	38,191.	38,191.		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	3,381.			
b Gross sales price for all assets on line 6a 627,323.				
7 Capital gain net income (from Part IV, line 2)		3,381.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income	150.	150.		
12 **Total.** Add lines 1 through 11	96,107.	94,051.		
Operating and Administrative Expenses 13 Compensation of officers, directors, trustees, etc	0.	0.		0.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees	3,312.	3,312.		0.
c Other professional fees	24,365.	24,365.		0.
17 Interest				
18 Taxes				
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses				
24 **Total operating and administrative expenses** Add lines 13 through 23	27,677.	27,677.		0.
25 Contributions, gifts, grants paid	156,202.			156,202.
26 **Total expenses and disbursements.** Add lines 24 and 25	183,879.	27,677.		156,202.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-87,772.			
b **Net investment income** (if negative, enter -0-)		66,374.		
c **Adjusted net income** (if negative, enter -0-)			N/A	

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623501 11-23-16 LHA **For Paperwork Reduction Act Notice, see instructions.**

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

		Beginning of year	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	47,784.	45,822.	70,668.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 6	313,140.	220,047.	224,998.
	b Investments - corporate stock STMT 7	649,708.	658,859.	1,167,132.
	c Investments - corporate bonds STMT 8	1,683,315.	1,681,447.	1,693,962.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers - see the instructions. Also, see page 1, item I)	2,693,947.	2,606,175.	3,156,760.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	2,693,947.	2,606,175.	
	30 **Total net assets or fund balances**	2,693,947.	2,606,175.	
	31 **Total liabilities and net assets/fund balances**	2,693,947.	2,606,175.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,693,947.
2 Enter amount from Part I, line 27a	2	-87,772.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	2,606,175.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,606,175.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b	SEE ATTACHED STATEMENTS			
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e	627,323.		623,942.	3,381.

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				3,381.

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 } **2** 3,381.

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))
2015	162,222.	3,144,082.	.051596
2014	159,486.	3,176,438.	.050209
2013	158,471.	3,132,362.	.050592
2012	155,548.	3,093,258.	.050286
2011	159,173.	3,100,090.	.051345

2	**Total** of line 1, column (d)	2	.254028
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	.050806
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	3,081,053.
5	Multiply line 4 by line 3	5	156,536.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	664.
7	Add lines 5 and 6	7	157,200.
8	Enter qualifying distributions from Part XII, line 4	8	156,202.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	1,327.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	1,327.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	1,327.
6	Credits/Payments:		
a	2016 estimated tax payments and 2015 overpayment credited to 2016 — 6a: 948.		
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	948.
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	379.
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** ▶ **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ WV			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 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 ▶ GRAY, GRIFFITH & MAYS, A.C. Telephone no. ▶ 304-345-9400
Located at ▶ 707 VIRGINIA ST. E., SUITE 400, CHARLESTON, WV ZIP+4 ▶ 25301

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ [X]
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 2,056.

			Yes	No
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 [X] No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? [ ] Yes [X] No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? [ ] Yes [X] No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? [ ] Yes [X] No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? [ ] Yes [X] No			
	(6) Agree to pay money or property to a government official? (**Exception** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) [ ] Yes [X] No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? N/A	1b		
	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 [X] No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? [ ] Yes [X] No			
b	If "Yes," did it have excess business holdings in 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.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 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		X
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐				
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A	☐ Yes ☐ No			
If "Yes," attach the statement required by Regulations section 53.4945-5(d).				
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No			
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b		X
If "Yes" to 6b, file Form 8870.				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No			
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A		7b		

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
CITY NATIONAL BANK, WV 3601 MACCORKLE AVENUE, SE CHARLESTON, WV 25304	TRUSTEE 0.00	0.	0.	0.

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

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

Total number of other employees paid over $50,000 ▶ 0

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities		1a	3,081,170.
b	Average of monthly cash balances		1b	46,803.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	3,127,973.
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	3,127,973.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	46,920.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	3,081,053.
6	**Minimum investment return.** Enter 5% of line 5		6	154,053.

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	154,053.
2a	Tax on investment income for 2016 from Part VI, line 5	2a 1,327.		
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	1,327.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	152,726.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	152,726.
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	152,726.

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	156,202.
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	156,202.
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	156,202.

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				152,726.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			0.	
b Total for prior years: ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011 — 6,056.				
b From 2012 — 2,655.				
c From 2013 — 3,479.				
d From 2014 — 2,351.				
e From 2015 — 6,562.				
f **Total** of lines 3a through e	21,103.			
4 Qualifying distributions for 2016 from Part XII, line 4: ▶ $ 156,202.				
a Applied to 2015, 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 2016 distributable amount				152,726.
e Remaining amount distributed out of corpus	3,476.			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	24,579.			
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 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				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 2011 not applied on line 5 or line 7	6,056.			
9 **Excess distributions carryover to 2017.** Subtract lines 7 and 8 from line 6a	18,523.			
10 Analysis of line 9:				
a Excess from 2012 — 2,655.				
b Excess from 2013 — 3,479.				
c Excess from 2014 — 2,351.				
d Excess from 2015 — 6,562.				
e Excess from 2016 — 3,476.				

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

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

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

1 **Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient: Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
SALVATION ARMY PO BOX 6130 CHARLESTON, WV 25362			INCOME DISTRIBUTION	156,202.
Total ▶ 3a				156,202.
b Approved for future payment				
NONE				
Total ▶ 3b				0.

623611 11-23-16

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
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					54,385.
4 Dividends and interest from securities					38,191.
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					150.
8 Gain or (loss) from sales of assets other than inventory					3,381.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		0.	96,107.

13 Total. Add line 12, columns (b), (d), and (e) 13 96,107.

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

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

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

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

[signature] 05/15/17 ▶ Vice President

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
K. SCOTT PHILLIPS	K. Scott Phillips CPA	5/12/17		P01323272

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

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

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	JPMORGAN CHASE & CO NT @ 2.6% DUE 01-15-16	P	09/21/15	01/15/16
b	WISE CNTY VA INDL DEV PUB 1.7% 2-1-17	P	05/04/15	04/22/16
c	ANCHORAGE ALASKA ELEC UTL 3.00% DUE 12-01-16	P	07/19/16	12/01/16
d	GABS CWHEQ 01-15-37	P	10/18/16	12/15/16
e	CONOCOPHILLIPS CDA FDG CO I 5.625% DUE 10-15-16	P	08/23/16	10/15/16
f	PORTLAND ORE WTR SYS REV 4.5% DUE 10-01-27	P	07/19/16	10/03/16
g	UNIVERSITY HAWAII REV BD @ 5% DUE 7-15-19	P	05/09/16	07/15/16
h	LAMB WESTON HLDGS INC	P	10/10/13	12/21/16
i	JPMORGAN STANLEY SENIOR NT @ 3.8% 04-29-16	P	01/29/14	04/29/16
j	AVON 4.2% 07-15-18	P	12/15/11	11/30/16
k	BK AMER 3.625% 3-17-16	P	05/11/12	03/17/16
l	BERKSHIR 2.20% 08-15-16	P	10/04/11	08/15/16
m	COMMONWEALTH EDISON MTG BD 1.95% DUE 09-01-16	P	10/14/11	08/01/16
n	FHLB 2.10% 09-27-21	P	03/19/13	03/04/16
o	FHLB BD 1.5% 12/28/22	P	01/20/15	06/28/16

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	25,000.		25,000.	0.
b	40,000.		40,000.	0.
c	25,000.		25,000.	0.
d	1,220.		1,117.	103.
e	25,000.		25,000.	0.
f	25,000.		25,000.	0.
g	25,000.		25,198.	-198.
h	2,918.		1,698.	1,220.
i	20,000.		19,725.	275.
j	52,363.		50,395.	1,968.
k	25,000.		25,052.	-52.
l	25,000.		25,066.	-66.
m	25,000.		24,850.	150.
n	35,000.		34,965.	35.
o	20,000.		19,795.	205.

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				0.
b				0.
c				0.
d				103.
e				0.
f				0.
g				-198.
h				1,220.
i				275.
j				1,968.
k				-52.
l				-66.
m				150.
n				35.
o				205.

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

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	FHLB 2.13% 12-13-22	P	12/21/12	06/17/16
b	FHLB 1.55% 01-17-20	P	01/10/13	07/07/16
c	FFCB 1.29% 06-14-19	P	12/27/12	07/13/16
d	FHLMC 2.5% 01-15-43	P	05/03/13	11/15/16
e	GOLDMAN SACHS 2% 4-30-20	P	04/27/15	10/31/16
f	GNMA 3.5% 09-20-41	P	09/15/11	01/20/16
g	GNMA 2.50% 09-20-42	P	09/13/12	01/20/16
h	HP INC COM	P	12/09/08	04/05/16
i	LOCKHEED 2.125% 9/16	P	10/14/11	09/15/16
j	MORGAN STANELY PFG CAP TRUST 6.45% DUE 04-15-67	P	04/20/07	08/03/16
k	PHILLADELPHIA PA AUTH INDL DEV	P	05/22/14	04/15/16
l	PITNEY BOWES 4.75% 1-15-16	P	04/02/09	01/15/16
m	RAILSPLITTER 4.125% 6-1-16	P	12/01/10	06/01/16
n	TORTOISE ENGY INFRA CP PFD 4.375% 12-31-27	P	12/03/12	03/15/16
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	14,815.		14,785.	30.
b	20,000.		20,000.	0.
c	25,000.		24,963.	37.
d	1,654.		1,640.	14.
e	25,000.		25,000.	0.
f	721.		721.	0.
g	6,194.		6,224.	-30.
h	4,788.		5,175.	-387.
i	25,000.		25,073.	-73.
j	27,500.		27,500.	0.
k	15,000.		15,000.	0.
l	25,000.		25,000.	0.
m	50,000.		50,000.	0.
n	15,150.		15,000.	150.
o				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a				30.
b				0.
c				37.
d				14.
e				0.
f				0.
g				-30.
h				-387.
i				-73.
j				0.
k				0.
l				0.
m				0.
n				150.
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	3,381.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

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

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
CITY NATIONAL BANK	54,385.	52,329.	
TOTAL TO PART I, LINE 3	54,385.	52,329.	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
CITY NATIONAL BANK	38,191.	0.	38,191.	38,191.	
TO PART I, LINE 4	38,191.	0.	38,191.	38,191.	

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
MISCELLANEOUS INCOME	150.	150.	
TOTAL TO FORM 990-PF, PART I, LINE 11	150.	150.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	3,312.	3,312.		0.
TO FORM 990-PF, PG 1, LN 16B	3,312.	3,312.		0.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TRUST FEES	24,365.	24,365.		0.
TO FORM 990-PF, PG 1, LN 16C	24,365.	24,365.		0.

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

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
US GOVT. OBLIG SEE STMT 9	X		220,047.	224,998.
TOTAL U.S. GOVERNMENT OBLIGATIONS			220,047.	224,998.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			220,047.	224,998.

FORM 990-PF CORPORATE STOCK STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS SEE STMT 10	658,859.	1,167,132.
TOTAL TO FORM 990-PF, PART II, LINE 10B	658,859.	1,167,132.

FORM 990-PF CORPORATE BONDS STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS SEE STMT 11	1,681,447.	1,693,962.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,681,447.	1,693,962.

John C. & Ada K. Arter Memorial Fund FBO Salvation Army
FEIN 55-6138362
990-PF Balance Sheet
Part II Line 10 A
12/31/2016

Statement 9

Description	Shares	Market Cost Per Share	Cost Basis	12/31/16 Market Value
GNMA 3.0% 05-16-42	25,000.000	94 297	25,000 00	23,574 25
GNMA 2.50% 09-20-42	7,953.950	100 237	7,993 71	7,972 80
FHLB BD 3.0% 3-27-20	150,000 000	104 203	148,989 00	156,304 50
FHLB 2.13% 12-13-22	5,185.190	98 816	5,174 82	5,123 80
FFCB 1.66% Due 08-16-21	30,000 000	96 869	30,000 00	29,060.70
FHLMC 2.5% 01-15-43	2,914 580	101 626	2,889 08	2,961.97
			$ 220,046.61	$ 224,998.02

John C. & Ada K. Arter Memorial Fund FBO Salvation Army
FEIN 55-6138362
990-PF Balance Sheet
Part II Line 10 B
12/31/2016 **Statement 10**

Description	Shares	Market Cost Per Share	Cost Basis	12/31/16 Market Value
AT&T	300 000	42 5300	7,523 99	12,759 00
Abbott Labs	200 000	38 4100	4,617 11	7,682 00
Abbvie Inc	200 000	62 6200	5,006 88	12,524 00
Amgen Inc	300 000	146 2100	22,364.00	43,863 00
Automatic Data Proce	200 000	102 7800	6,555.30	20,556 00
BB&T Corp	500 000	47.0200	11,307 50	23,510 00
Becton Dickinson & Co	150 000	165 5500	11,279 47	24,832 50
Berkshire Hathaway	100 000	162 9800	7,068 56	16,298.00
Centurylink Inc	200 000	23 7800	5,670 00	4,756 00
Chevron Corporation	100 000	117 7000	7,637 40	11,770 00
Cisco Sys Inc	300 000	30 2200	5,355 74	9,066 00
Coca-Cola Company	1,000 000	41 4600	24,496 24	41,460 00
Congra Foods Inc	250 000	39 5500	5,933 14	9,887 50
Conocophillips	200 000	50 1400	6,974 73	10,028 00
Walt Disney Company	200 000	104 2200	5,832 93	20,844 00
Dollar Gen Corp New	250 000	74 0700	5,831 05	18,517 50
Dupont E I De Nemours	625.000	73 4000	29,599 75	45,875 00
Europacific Growth F	749 254	45 1100	35,003 36	33,798 85
Exxon Mobil Corp	300 000	90.2600	11,331 62	27,078 00
Facebook Inc	300 000	115 0500	11,400 00	34,515 00
First Rep Bank 5 5% PFD No	500 000	22 7500	12,500 00	11,375 00
General Electric Co	1,300 000	31 6000	32,248 88	41,080.00
General Mills Inc	200 000	61 7700	5,820.79	12,354 00
Glaxo Smithlike ADR	300 000	38 5100	13,129 47	11,553 00
Hewlett Packard Enterprise	600 000	23 1400	9,325 15	13,884 00
Home Depot Inc	200 000	134 0800	6,470 00	26,816 00
Intel Corporation	300 000	36 2700	4,542 00	10,881.00
Ishares Iboxx $ Inve	350 000	117 1800	39,700 75	41,013 00
ETF I-Shares TR EAFE	50 000	57 7300	3,097 75	2,886 50
EFT Ishares Trust	100 000	80 4300	6,031 85	8,043 00
I Shs Russell Midcap	40.000	178 8600	5,497 07	7,154.40
Ishares Russell Valu	60 000	118 9400	5,380 44	7,136.40
I Shs Russell 2000 I	50 000	134 8500	5,197 00	6,742 50
Ishares Trust	650 000	37 2100	24,123 45	24,186 50
Johnson & Johnson	500 000	115.2100	29,300 65	57,605 00
Kellogg Co	250 000	73 7100	12,662 32	18,427 50
Lilly Eli	300 000	73 5500	11,864 98	22,065 00
Marathon Oil Corp	200 000	17 3100	3,522 70	3,462 00
McDonalds Corp	200 000	121 7200	11,714 00	24,344 00
Microsoft Corp	500 000	62 1400	11,155 73	31,070 00
Nextera Energy Inc	300 000	119 4600	10,051 00	35,838 00
Oracle Sys Corp	200 000	38 4500	3,420 00	7,690 00
Phillips 66 Com	100 000	86.4100	2,199 25	8,641 00
Pinnacle West Capita	500 000	78.0300	19,013 00	39,015 00
Proctor & Gamble Co	500 000	84 0800	29,096 99	42,040 00
Sector SPDR Tr Utili	300 000	48.5700	10,457.85	14,571 00
Southern Co	200 000	49 1900	8,862 50	9,838 00
Stanley Blck Dck PFD	800 000	24 3300	20,000 00	19,464 00
Sysco Corp	200 000	55 3700	4,604 96	11,074 00
Texas Instruments	200 000	72 9700	3,155 70	14,594 00
3M Co Com	200 000	178 5700	11,431 87	35,714 00
United Parcel Servic	200.000	114.6400	9,634 00	22,928 00
United Technologies	300 000	109 6200	10,555 09	32,886 00
Verizon Comm Inc	200 000	53 3800	5,547 25	10,676 00
Walmart Stores Inc	200 000	69.1200	10,663 98	13,824 00
Walgreen Boots Alliance	100 000	82.7600	2,669 70	8,276.00
Waste Management Inc	400 000	70.9100	13,422 59	28,364.00
			$ 658,859.48	**$ 1,167,132.15**

John C. & Ada K. Arter Memorial Fund FBO Salvation Army
FEIN 55-6138362
990-PF Balance Sheet
Part II Line C
12/31/2016 **Statement 11**

Description	Shares	Market Cost Per Share	Cost Basis	12/31/16 Market Value
Abbvie Inc 2% 11-06-18	20,000 000	100.061	19,980 00	20,012 20
Abbvie Inc 3 2% 11-6-22	20,000 000	100 066	19,860 00	20,013 20
Airgas Inc Note 3 275% 02-15-20	45,000 000	100 049	45,047 77	45,022 05
Amazon com Inc 2 5% 11-29-22	20,000 000	98 959	19,827 00	19,791 80
Amgen Inc 2 7% Due 05-01-22	30,000 000	99 018	29,887 50	29,705 40
BB&T Corp PFD 5 625%	1,000 000	23 7500	25,000.00	23,750 00
CD-Bk America 2 0% 01-11-18	35,000 000	100 230	34,868 75	35,080 50
Berkshre 4 25% 1-15-21	25,000 000	107 774	25,000 00	26,943 50
GABS CWHEQ 01-15-37	26,492 120	88 834	24,240 29	23,534 01
Celgene 1 9% 08-15-17	40,000 000	100 320	40,155 65	40,128 00
Citigroup Inc Sub Note 3 50% Due 05-15-23	25,000.000	99 677	24,750 00	24,919 25
Citigroup Inc 2 40% 02-18-20	20,000 000	99 797	19,971 20	19,959 40
Corning Inc 1 5% 05-08-18	20,000 000	99 705	19,752 00	19,941 00
Credit Suisse 1 5% 4-30-21	25,000 000	96 907	25,000 00	24,226 75
Deutsche Bank AG 1 35% Due 05-30-17	20,000 000	99 783	19,972 00	19,956 60
Devon Energy 3 25% 5-15-22	25,000 000	99 366	25,050 63	24,841 50
Dollar Gen Corp SR Note 1.875% 4-15-18	20,000 000	100 128	19,924 80	20,025 60
Dominion Res Inc VA 2.75% 9-15-22	25,000 000	98 407	24,950.00	24,601 75
Dow Chemical 3 05% 2-15-19	50,000 000	100 002	50,000 00	50,001 00
EMC Corp 2 65% 06-1-20	20,000 000	97.598	19,957 40	19,519 60
Entergy LA 4 875% PFD COLL TR Mtg Mty 09-01-66	500 000	21 130	12,500 00	10,565 00
Ford Motor Credit Co LLC 2 24% 06-15-18	20,000 000	100 136	19,924 00	20,027 20
GE Cap 3 15% 09-07-22	50,000 000	102.130	49,794 00	51,065 00
Georgia Power 4 25% 12-1-19	25,000 000	106 159	24,973 75	26,539 75
Georgia PWR CO SR Note 2 85% 5-15-22	30,000 000	99 850	29,733 90	29,955 00
Goldman Sachs 6 20%	800 000	25 430	20,000 00	20,344 00
Howard Co Md 2 375% 2-15-24	35,000 000	101 156	34,760 15	35,404 60
IBM 1 25% 02-06-17	40,000 000	100 023	39,624 40	40,009 20
JPMorgan Chase 1 625% Due 05-15-18	20,000 000	99 872	19,975 00	19,974 40
JPMorgan Chase Float Rate 2 625% 10-29-20	25,000 000	99 530	24,812 50	24,882 50
Kellogg 1.75% 05-17-17	50,000 000	100.235	50,000 00	50,117 50
Kellogg Co Sr Note 2 65% Due 12-01-23	20,000 000	96.739	19,520 00	19,347 80
Kimco Realty 6%	500 000	24 3500	12,500 00	12,175 00
Kinder Morgan 3 5% 3-1-21	20,000 000	101 524	20,057 66	20,304 80
Kohls Corp 3 25% 2-1-23	35,000 000	98.857	33,851.14	34,599 95
Laboratory Corp 2 5% 11-1-18	20,000 000	100 881	20,000 00	20,176 20
Maryland St 2 20% 6-15-20	35,000 000	99 736	35,000 00	34,907 60
Microsoft Corp 4 2% 6-1-19	25,000 000	106 262	25,000 00	26,565 50
Monsanto Co New SR Note 1 15% Due 06-30-17	20,000 000	99 925	19,990 00	19,985 00
Montgomery VA 3 643% 6-1-23	50,000 000	103 681	50,000 00	51,840 50
Montgomery VA 3 35% 6-1-21	25,000 000	103 440	25,000 00	25,860 00
Motorola Solutions 3 75% Due 05-15-22	20,000 000	101 077	19,790 00	20,215 40
NY NY 3 947% 10-01-19	25,000 000	105 914	25,000 00	26,478 50
NY NY city HSB Dev 3 05% 11-1-22	25,000 000	100 096	25,067.85	25,024 00
NY ST Dorm Rev @ 3% Due 3/15/17	25,000.000	100 420	25,116 75	25,105 00
Ohio Cnty WV Commn Tax Incre Rev 5 625% 06-01-22	25,000 000	101 870	25,600 28	25,467 50
Pasco Cnty FL 2 44% 12-15-25	25,000 000	90 331	23,381 01	**22,582.75**
Prudential Fincl Irr Med Ter 6 % Due 12/01/17	75,000 000	103 895	74,550 00	**77,921.25**
Roper Techs Inc SR Note 2 8% Due 12/15/21	25,000 000	99 952	24,827 25	24,988 00
Southern Co Note 2 15% Due 09-01-19	30,000 000	100 012	29,847 60	30,003 60
Stifel Finl Corp SR Note 3.5% Due 12-01-20	20,000 000	100 278	19,930 00	20,055 60
Teva PHA 3 65% 11-10-21	20,000 000	101 285	19,933 00	20,257 00
Total Sys Svcs In 2 375% 6-1-18	25,000 000	100 414	24,952 50	25,103 50
Verizon 2 45% 11-01-22	25,000 000	96 591	23,419 20	24,147 75
Virginia St HSG Dev Auth Com 1 45% Due 10-01-18	15,000 000	100 265	15,163 15	15,039 75
Virginia St HSG Dev Auth 1 05% Due 5-01-19	20,000 000	98 582	20,000 00	19,716 40
Vodafone Group PLC 2 95% Due 02-19-23	15,000 000	96 962	14,925 45	14,544 30
Wachovia Corp @ 5 75% Due 02-01-2018	50,000 000	104 260	50,000 00	52,130 00
Walgreen Co 3 10% 9-15-22	30,000 000	99 985	29,731 10	29,995 50
Wells Fargo PFD 5 25	800 000	22 890	20,000 00	18,312 00
Wells Fargo Bk Sioux Falls CD 60% 01-06-17	25,000 000	100 000	25,000 00	25,000 00
Western Union 2 875% 12-10-17	25,000 000	101 020	25,000 00	25,255 00
			$ 1,681,446.63	**$ 1,693,962.41**