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Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

2009

Department of the Treasury Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2009, or tax year beginning 2009, and ending

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

Use the IRS label. Otherwise, print or type. See Specific Instructions. THE RAY CHARLES FOUNDATION 2107 WEST WASHINGTON BLVD. LOS ANGELES, CA 90018. A Employer identification number 95-4047622. B Telephone number (323) 737-8000. H Check type of organization: Section 501(c)(3) exempt private foundation. I Fair market value of all assets at end of year \$61,312,802. J Accounting method Cash.

Part I Analysis of Revenue and Expenses. Table with columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12) and Administrative Expenses (13-27).

SCANNED NOV 30 2010

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	122,143.	245,072.	245,072.
	2 Savings and temporary cash investments	43,518,815.	42,992,405.	42,419,876.
	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 the instructions)			
	7 Other notes and loans receivable (attach sch)	351,000.		
	Less: allowance for doubtful accounts		351,000.	351,000.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	36,927.	29,510.	29,510.
	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	5,931,462.		
Less: accumulated depreciation (attach schedule) SEE STMT 8	291,902.	5,723,841.	5,639,560.	
12 Investments — mortgage loans				
13 Investments — other (attach schedule)				
14 Land, buildings, and equipment basis	3,746,657.			
Less: accumulated depreciation (attach schedule) SEE STMT 9	59,791.	3,680,828.	3,686,866.	
15 Other assets (describe SEE STATEMENT 10)	10,715,000.	9,192,344.	9,192,344.	
16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	63,797,554.	62,136,757.	61,312,802.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe SEE STATEMENT 11)	577,627.	953,250.	
	23 Total liabilities (add lines 17 through 22)	577,627.	953,250.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	63,219,927.	61,183,507.	
30 Total net assets or fund balances (see the instructions)	63,219,927.	61,183,507.		
31 Total liabilities and net assets/fund balances (see the instructions)	63,797,554.	62,136,757.		

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	63,219,927.
2 Enter amount from Part I, line 27a	2	-2,725,838.
3 Other increases not included in line 2 (itemize) SEE STATEMENT 12	3	689,418.
4 Add lines 1, 2, and 3	4	61,183,507.
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	61,183,507.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a N/A			
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			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			
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	
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 the 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 (column (b) divided by column (c))
	2008	641,087.	76,132,759.	0.008421
	2007	1,077,472.	49,915,940.	0.021586
	2006	1,051,202.	49,179,450.	0.021375
	2005	497,926.	8,950,015.	0.055634
	2004	240,010.	10,276,971.	0.023354

2 Total of line 1, column (d)	2	0.130370
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	0.026074
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	68,590,489.
5 Multiply line 4 by line 3	5	1,788,428.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	1,788,428.
8 Enter qualifying distributions from Part XII, line 4	8	2,228,335.

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 the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here. <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter. _____ (attach copy of letter if necessary - see instr.)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b.	1	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	0.
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	0.
6 Credits/Payments		
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6 a	
b Exempt foreign organizations – tax withheld at source	6 b	
c Tax paid with application for extension of time to file (Form 8868)	6 c	
d Backup withholding erroneously withheld	6 d	
7 Total credits and payments. Add lines 6a through 6d	7	0.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	0.
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 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>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</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ <u>0.</u> (2) On foundation managers <input type="checkbox"/> \$ <u>0.</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ <u>0.</u>		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities.</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) <u>CA</u>		
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 <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address	X		
14 The books are in care of ▶ <u>VALERIE ERVIN</u> Telephone no. ▶ <u>(323) 737-8000</u> Located at ▶ <u>2107 W. WASHINGTON BLVD. LOS ANGELES CA</u> ZIP + 4 ▶ <u>90018</u> 15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ <u>15</u>				

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
1 a 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	N/A
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 2009?	1 c	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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 20__ , 20__ , 20__ , 20__ .		
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 the instructions)	2 b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20__ , 20__ , 20__ , 20__ .		
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If 'Yes,' did it have excess business holdings in 2009 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 2009)	3 b	N/A
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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 2009?	4 b	X

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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)? Yes No

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) N/A

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? Yes No

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? Yes No

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
SEE STATEMENT 13		139,731.	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				

Total number of other employees paid over \$50,000 Yes No 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 – (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
ROBINS, KAPLAN, MILLER & CERESI, LLP 2049 CENTURY PARK EAST, #3400 LOS ANGELES, CA 90067	LEGAL	131,377.
HUTCHINSON & BLOODGOOD, LLP 101 N. BRAND BLVD., #1600 GLENDALE, CA 91203	ACCOUNTING	116,820.
ROTHMAN, ALPERT, A LAW CORPORATTION 16633 VENTURA BLVD., #1400 ENCINO, CA 91436	LEGAL	94,341.
IVAN HOFFMAN, ATTY AT LAW 10736 JEFFERSONBLVD., #436 CULVER CITY, CA 90230	LEGAL	90,653.
24/7 APARTMENT MANAGEMENT, LLC 1646 GREENFIELD AVE, #105 LOS ANGELES, CA 90025	MANAGEMENT	45,260.
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 (see instructions)

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.

BAA

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	
b	Average of monthly cash balances	1b	40,760,014.
c	Fair market value of all other assets (see instructions)	1c	28,875,000.
d	Total (add lines 1a, b, and c)	1d	69,635,014.
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	69,635,014.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	1,044,525.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	68,590,489.
6	Minimum investment return. Enter 5% of line 5	6	3,429,524.

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	3,429,524.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	3,429,524.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	3,429,524.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	3,429,524.

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	2,228,335.
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	
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	2,228,335.
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,228,335.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				3,429,524.
2 Undistributed income, if any, as of the end of 2009.				
a Enter amount for 2008 only			1,220,480.	
b Total for prior years. 20 <u>04</u> , 20 <u>05</u> , 20 <u>06</u>		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006.				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ <u>2,228,335.</u>				
a Applied to 2008, but not more than line 2a			1,220,480.	
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 2009 distributable amount				1,007,855.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (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	0.			
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 2008. Subtract line 4a from line 2a Taxable amount – see instructions			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				2,421,669.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

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 2009, 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			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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 organization 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 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 SEE STATEMENT 14				
Total			▶ 3a	1,640,000.
b Approved for future payment				
Total			▶ 3b	

**Depreciation and Amortization
(Including Information on Listed Property)**

2009

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Attachment
Sequence No **67**

Name(s) shown on return

THE RAY CHARLES FOUNDATION

Identifying number

95-4047622

Business or activity to which this form relates

FORM 990/990-PF

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount See the instructions for a higher limit for certain businesses	1	\$250,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	\$800,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	212,707.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B – Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only – see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		18,500.	5	HY	S/L	1,850.
c 7-year property		8,671.	7	HY	S/L	619.
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C – Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions)

21	Listed property. Enter amount from line 28	21	
22	Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations – see instructions	22	215,176.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed?					<input type="checkbox"/> Yes	<input type="checkbox"/> No	24b If 'Yes,' is the evidence written?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost		
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)								25		
26 Property used more than 50% in a qualified business use										
27 Property used 50% or less in a qualified business use										
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29		

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners	<input type="checkbox"/> Yes	<input type="checkbox"/> No
39 Do you treat all use of vehicles by employees as personal use?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
42 Amortization of costs that begins during your 2009 tax year (see instructions)						
43 Amortization of costs that began before your 2009 tax year					43	1,533,333.
44 Total. Add amounts in column (f). See the instructions for where to report					44	1,533,333.

**Depreciation and Amortization
(Including Information on Listed Property)**

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Attachment
Sequence No **67**

Name(s) shown on return

THE RAY CHARLES FOUNDATION

Identifying number

95-4047622

Business or activity to which this form relates

RENTAL ACTIVITY - RESIDENTIAL APT BLDG, LOS ANGELES, CA

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount See the instructions for a higher limit for certain businesses	1	\$250,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	\$800,000.
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010 Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	84,250.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions)

21	Listed property. Enter amount from line 28	21	
22	Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return Partnerships and S corporations - see instructions	22	84,250.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

THE RAY CHARLES FOUNDATION

95-4047622

STATEMENT 1
FORM 990-PF, PART I, LINE 6A
NET GAIN (LOSS) FROM NONINVENTORY SALES PER BOOKS
ASSETS NOT INCLUDED IN PART IV

DESCRIPTION:	OFFICE EQUIPMENT		
DATE ACQUIRED:	VARIOUS		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	6/30/2009		
TO WHOM SOLD:			
GROSS SALES PRICE:		160.	
COST OR OTHER BASIS:		0.	
BASIS METHOD:	COST		
DEPRECIATION:		0.	
			GAIN (LOSS) 160.
			TOTAL \$ <u>160.</u>

STATEMENT 2
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
LEGAL SETTLEMENT	\$ 4,355.		
MASTER LICENSE REVENUE	5,952.	5,952.	
MISCELLANEOUS INCOME	5,547.	5,547.	
OIL & GAS LEASE	2,233.	2,233.	
PUBLISHING INCOME	65,231.	65,231.	
ROYALTY RECEIPTS	666,165.	666,165.	
SAG PENSION RECEIPTS	110,418.		
TOTAL	\$ <u>859,901.</u>	\$ <u>745,128.</u>	<u>0.</u>

STATEMENT 3
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	\$ 346,368.	\$ 173,184.		\$ 173,184.
TOTAL	\$ <u>346,368.</u>	\$ <u>173,184.</u>	\$ <u>0.</u>	\$ <u>173,184.</u>

THE RAY CHARLES FOUNDATION

95-4047622

STATEMENT 4
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	\$ 116,820.	\$ 58,410.		\$ 58,410.
TOTAL	\$ 116,820.	\$ 58,410.	\$ 0.	\$ 58,410.

STATEMENT 5
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CONSULTANTS	\$ 13,000.	\$ 6,500.		\$ 6,500.
MANAGEMENT	34,360.	17,180.		17,180.
OTHER	2,231.	1,115.		1,116.
TOTAL	\$ 49,591.	\$ 24,795.	\$ 0.	\$ 24,796.

STATEMENT 6
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OTHER	\$ 190.	\$ 95.		\$ 95.
PAYROLL TAXES	27,639.	13,819.		13,820.
PROPERTY TAX	27,936.	13,968.		13,968.
SALES TAX	12.	6.		6.
STATE FILING FEE	10.	5.		5.
STATE TAX	839.	419.		420.
TOTAL	\$ 56,626.	\$ 28,312.	\$ 0.	\$ 28,314.

STATEMENT 7
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADVERTISING	\$ 14,057.	\$ 7,028.		\$ 7,029.
AMORTIZATION	1,533,333.	1,533,333.		N/A
COMPUTER EXPENSE	10,823.	5,411.		5,412.
DUES	904.	452.		452.
GARDENING	2,550.	1,275.		1,275.
INSURANCE	75,486.	37,743.		37,743.
INTERNET	11,248.	5,624.		5,624.
LICENSES AND FEES	1,659.	829.		830.

THE RAY CHARLES FOUNDATION

95-4047622

STATEMENT 7 (CONTINUED)
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS	\$ 2,089.	\$ 1,044.		\$ 1,045.
OFFICE EXPENSE	3,728.	1,864.		1,864.
PEST CONTROL	510.	255.		255.
POSTAGE & FREIGHT	2,208.	1,104.		1,104.
RENTAL EXPENSES	234,586.	234,586.		
REPAIRS & MAINTENANCE	22,622.	11,311.		11,311.
SECURITY	5,649.	2,825.		2,825.
SERVICE CHARGES	146.	73.		73.
SUPPLIES	9,661.	4,830.		4,831.
TELEPHONE	9,296.	4,648.		4,648.
TRASH SERVICE	990.	495.		495.
UTILITIES	16,359.	8,179.		8,180.
TOTAL	\$ 1,957,904.	\$ 1,862,909.	\$ 0.	\$ 94,996.

STATEMENT 8
FORM 990-PF, PART II, LINE 11
INVESTMENTS - LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
BUILDINGS	\$ 2,276,600.	\$ 291,902.	\$ 1,984,698.	\$ 2,261,250.
IMPROVEMENTS	41,112.	0.	41,112.	0.
LAND	3,613,750.		3,613,750.	3,613,750.
TOTAL	\$ 5,931,462.	\$ 291,902.	\$ 5,639,560.	\$ 5,875,000.

STATEMENT 9
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
FURNITURE AND FIXTURES	\$ 21,337.	\$ 4,857.	\$ 16,480.	\$ 0.
MACHINERY AND EQUIPMENT	2,025,820.	16,984.	2,008,836.	2,000,000.
BUILDINGS	919,500.	37,950.	881,550.	1,200,000.
LAND	780,000.		780,000.	0.
TOTAL	\$ 3,746,657.	\$ 59,791.	\$ 3,686,866.	\$ 3,200,000.

THE RAY CHARLES FOUNDATION

95-4047622

STATEMENT 10
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
NET INTANGIBLE ASSETS	\$ 9,192,344.	\$ 9,192,344.
TOTAL	<u>\$ 9,192,344.</u>	<u>\$ 9,192,344.</u>

STATEMENT 11
FORM 990-PF, PART II, LINE 22
OTHER LIABILITIES

SECURITY DEPOSITS .	\$ 46,615.
ADVANCE DEPOSITS	906,635.
TOTAL	<u>\$ 953,250.</u>

STATEMENT 12
FORM 990-PF, PART III, LINE 3
OTHER INCREASES

OTHER INCREASES	\$ 572,529.
PRIOR PERIOD ADJUSTMENT .	116,889.
TOTAL	<u>\$ 689,418.</u>

STATEMENT 13
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED</u>	<u>COMPEN- SATION</u>	<u>CONTRI- BUTION TO EBP & DC</u>	<u>EXPENSE ACCOUNT/ OTHER</u>
VALERIE ERVIN 2107 W. WASHINGTON BLVD. LOS ANGELES, CA 90018	PRESIDENT 40.00	\$ 139,731.	\$ 0.	\$ 0.
JOSEPH ADAMS 4244 MOUNT VERNON LOS ANGELES, CA 90008	CHAIRMAN 0	0.	0.	0.
RONAL J. BOYD P.O. BOX 1616 REDONDO BEACH, CA 90278	SECRETARY 0	0.	0.	0.
REV. CECIL L. MURRAY 4821 PARKLEN AVENUE LOS ANGELES, CA 90043	TREASURER 0	0.	0.	0.

THE RAY CHARLES FOUNDATION

95-4047622

STATEMENT 13 (CONTINUED)
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED</u>	<u>COMPEN- SATION</u>	<u>CONTRI- BUTION TO EBP & DC</u>	<u>EXPENSE ACCOUNT/ OTHER</u>
MAURI REESE 28632 ROADSIDE DRIVE, #245 AGOURA HILLS, CA 91301	DIRECTOR 0	\$ 0.	\$ 0.	\$ 0.
DON FISCHER 23741 KILLION STREET WOODLAND HILLS, CA 91367	DIRECTOR 0	0.	0.	0.
DIANE TREISTER 349 S. LINDEN DRIVE, B BEVERLY HILLS, CA 90212	DIRECTOR 0	0.	0.	0.
		TOTAL \$ 139,731.	\$ 0.	\$ 0.

STATEMENT 14
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
DILLARD UNIVERSITY 2601 GENTILLY BLVD. NEW ORLEANS, LA 70122	NONE	NOT A FDN	EDUCATION	\$ 1,000,000.
SOKA UNIVERSITY OF AMERICA 1 UNIVERSITY DR. ALISO VIEJO, CA 92656	NONE	NOT A FDN	EDUCATION	25,000.
SPIRITT FAMILY SERVICES 13135 BARTON ROAD SANTA FE SPRNGS, CA 90605	NONE	NOT A FDN	CHARITABLE	50,000.
UNITED NEGRO COLLEGE FUND 3699 WILSHIRE BLVD., STE. 675 LOS ANGELES, CA 90010	NONE	NOT A FDN	EDUCATION	400,000.
ORALINGUA SCHOOL 7056 SOUTH WASHINGTON AVENUE WHITTIER, CA 90602	NONE	NOT A FDN	EDUCATION	10,000.
FNC COMMUNITY DEVELOPMENT 1540 W. 107TH ST LOS ANGELES, CA 90047	NONE	NOT A FDN	CHARITABLE	50,000.

THE RAY CHARLES FOUNDATION

95-4047622

STATEMENT 14 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
HOLLYWOOD EDUCATION AND LITERACY PROJECT 6336 HOLLYWOOD BLVD LOS ANGELES, CA 90028	NONE	NOT A FDN	EDUCATION	\$ 5,000.
SIMON WIESENTHAL CENTER 1399 ROXBURY DRIVE, #100 LOS ANGELES, CA 90035	NONE	NOT A FDN	CHARITABLE	50,000.
SCHOOL ON WHEELS 83 S. PALM VENTURA, CA 93001	NONE	NOT A FDN	EDUCATION	20,000.
CALIFORNIA AFRICAN AMERICAN MUSEUM 600 STATE DRIVE EXPOSITION PARK, CA 90037	NONE	NOT A FDN	CHARITABLE	5,000.
THE LITERACY TRUST, INC. 3324 W. UNIVERSITY AVENUE, #116 GAINESVILLE, FL 32607	NONE	NOT A FDN	EDUCATION	25,000.
TOTAL				<u>\$ 1,640,000.</u>

STATEMENT 15
FORM 990-PF, PART XVI-A, LINE 11
OTHER REVENUE

OTHER REVENUE	(A) BUSI- NESS CODE	(B) UNRELATED BUSINESS AMOUNT	(C) EXCLU- SION CODE	(D) EXCLUDED AMOUNT	(E) RELATED OR EXEMPT FUNCTION
LEGAL SETTLEMENT			1	\$ 4,355.	
MASTER LICENSE REVENUE			15	5,952.	
MISCELLANEOUS INCOME			1	5,547.	
OIL & GAS LEASE			1	2,233.	
PUBLISHING INCOME			15	65,231.	
ROYALTY RECEIPTS			15	666,165.	
SAG PENSION RECEIPTS			14	110,418.	
TOTAL		<u>\$ 0.</u>		<u>\$ 859,901.</u>	<u>\$ 0.</u>

THE RAY CHARLES FOUNDATION

95-4047622

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS PCT.	CUR 179 BONUS	SPECIAL DEPR ALLOW	PRIOR 179/ BONUS/ SP DEPR	PRIOR DEC. BAL DEPR	SALVAG /BASIS REDUCT.	DEPR BASIS	PRIOR DEPR	METHOD	LIFE	RATE	CURRENT DEPR	
FORM 990/990-PF																	
AMORTIZATION																	
1	MASTER RECORDING	1/01/08		23,000,000				0	0	0	23,000,000	1,533,333	S/L	15		1,533,333	
	TOTAL AMORTIZATION			23,000,000				0	0	0	23,000,000	1,533,333				1,533,333	
MACHINERY AND EQUIPMENT																	
10	STUDIO EQUIP FRM ESTATE	6/10/04		35,000							35,000	7,000	S/L	HY	5	10000	3,500
11	STUDIO EQUIP FRM ESTATE	6/10/04		465,000							465,000	93,000	S/L	HY	5	.10000	46,500
12	STUDIO EQUIP FRM ESTATE	6/10/04		1,500,000							1,500,000	300,000	S/L	HY	5	.10000	150,000
13	COMPUTER SOFTWARE	6/10/04		7,320							7,320		S/L		3		0
15	WASHINGTON BLVD - EQUIP	6/30/09		18,500							18,500		S/L	HY	5	10000	1,850
	TOTAL MACHINERY AND EQUIPME			2,025,820		0	0	0	0	0	2,025,820	400,000					201,850
WASHINGTON BLVD																	
7	WASHINGTON BLVD BLDG	6/10/04		425,033							425,033	10,898	S/L	MM	39	02564	10,898
8	WASHINGTON BLVD LAND	6/10/04		780,000							780,000						0
9	WASHINGTON BLVD - F&F	6/10/04		12,665							12,665	1,810	S/L	HY	7	14280	1,809
14	WASHINGTON BLVD - F&F	6/30/09		8,671							8,671		S/L	HY	7	07140	619
	TOTAL WASHINGTON BLVD			1,226,369		0	0	0	0	0	1,226,369	12,708					13,326
	TOTAL DEPRECIATION			3,252,189		0	0	0	0	0	3,252,189	412,708					215,176

THE RAY CHARLES FOUNDATION

95-4047622

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
RENTAL ACTIVITY - RESIDENTIAL APT BLDG, LOS ANGELES, CA																
LINDEN 85																
2	LINDEN 85 LAND	6/10/04		1,153,750							1,153,750		S/L	MM	27.5	0
3	LINDEN 85 BLDG	6/10/04		636,000							636,000	23,125	S/L	MM	27.5	23,125
	TOTAL LINDEN 85			1,789,750		0	0	0	0	0	1,789,750	23,125				23,125
LINDEN 91																
4	LINDEN 91 LAND	6/10/04		2,460,000							2,460,000		S/L	MM	27.5	0
5	LINDEN 91 BLDG	6/10/04		1,640,000							1,640,000	59,630	S/L	MM	27.5	59,630
6	LINDEN 91 IMPROVEMENTS	6/30/08		41,112							41,112	810	S/L	MM	27.5	1,495
	TOTAL LINDEN 91			4,141,112		0	0	0	0	0	4,141,112	60,440				61,125
	TOTAL DEPRECIATION			5,930,862		0	0	0	0	0	5,930,862	83,565				84,250
	GRAND TOTAL AMORTIZATION			23,000,000		0	0	0	0	0	23,000,000	1,533,333				1,533,333
	GRAND TOTAL DEPRECIATION			9,183,051		0	0	0	0	0	9,183,051	496,273				299,426