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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2011

For calendar year 2011, or tax year beginning 01-01-2011 , and ending 12-31-2011

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

Name of foundation
The MacRae Foundation

A Employer identification number
91-2001720

Number and street (or P O box number if mail is not delivered to street address) Room/suite
8030 SE 20th Street

B Telephone number (see page 10 of the instructions)
(206) 232-6040

City or town, state, and ZIP code
Mercer Island, WA 98040

C If exemption application is pending, check here ☐
D 1. Foreign organizations, check here ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ☐
E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 2,530,610

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

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	12,968	12,968		
	4	Dividends and interest from securities	62,272	62,272		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	973,661			
	b	Gross sales price for all assets on line 6a 3,388,035				
	7	Capital gain net income (from Part IV, line 2)		973,661		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	1,048,901	1,048,901		
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 (attach schedule)				
	b	Accounting fees (attach schedule)	1,500	0		1,500
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	351	351		0
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	8,710	8,710		0
	24	**Total operating and administrative expenses.** Add lines 13 through 23	10,561	9,061		1,500
	25	Contributions, gifts, grants paid	133,000			133,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	143,561	9,061		134,500
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	905,340			
	b	**Net investment income** (if negative, enter -0-)		1,039,840		
	c	**Adjusted net income** (if negative, enter -0-)				

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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets 1	Cash—non-interest-bearing			
2	Savings and temporary cash investments	431,409	255,061	255,061
3	Accounts receivable ▶ 5,190 Less allowance for doubtful accounts ▶	2,935	5,190	
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 page 15 of the instructions)			
7	Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments—U S and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)	802,905	1,058,617	1,199,259
c	Investments—corporate bonds (attach schedule)	271,782	841,325	850,850
11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)	0	220,178	225,440
14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	1,509,031	2,380,371	2,530,610
Liabilities 17	Accounts payable and accrued expenses			
18	Grants payable	34,000		
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)	34,000	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	1,475,031	2,380,371	
28	Paid-in or capital surplus, or land, bldg , and equipment fund	0	0	
29	Retained earnings, accumulated income, endowment, or other funds	0	0	
30	**Total net assets or fund balances** (see page 17 of the instructions)	1,475,031	2,380,371	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	1,509,031	2,380,371	

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	1,475,031
2	Enter amount from Part I, line 27a	2	905,340
3	Other increases not included in line 2 (itemize) ▶	3	0
4	Add lines 1, 2, and 3	4	2,380,371
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	2,380,371

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	See Additional Data Table			
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	See Additional Data Table			
b				
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
	(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	See Additional Data Table			
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	973,661
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 pages 13 and 17 of 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 page 18 of 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))
2010	127,669	2,488,579	0 051302
2009	114,782	2,274,271	0 050470
2008	161,408	2,725,826	0 059214
2007	160,940	3,107,521	0 051790
2006	155,815	3,020,169	0 051591

2	**Total** of line 1, column (d).	2	0 264367
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 052873
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5.	4	2,612,711
5	Multiply line 4 by line 3.	5	138,142
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	10,398
7	Add lines 5 and 6.	7	148,540
8	Enter qualifying distributions from Part XII, line 4.	8	134,500

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 on page 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the 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	20,797
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	20,797
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	20,797
6	Credits/Payments				
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	9,376		
b	Exempt foreign organizations—tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c	6,400		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	15,776
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	5,021
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 2012 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		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		No
	*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		No
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		No
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		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
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	Yes	
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	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ WA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*	8b	Yes	
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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

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 page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶Caroline Jill Davis Telephone no ▶(425) 454-1317

Located at ▶3072 80th Avenue NE Hunts Point WA ZIP +4 ▶98004

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 | |

			Yes	No
16	At any time during calendar year 2011, 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		No

See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes", enter the name of the foreign country ▶

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	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 2011?	1c		No
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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☑ 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 page 20 of the instructions).	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2011 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 2011.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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 2011?	4b		No

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 page 22 of the 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 page 22 of the instructions)?	**5b**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		**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?	**7b**		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the 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
Caroline Jill Davis 8030 SE 20th Street Mercer Island, WA 98040	Director, President 0 00	0	0	0
Lesley A Poole 4711 89th Avenue SE Mercer Island, WA 98040	Director, VP, Secretary 0 00	0	0	0
Lissa M Tripp 19202 N Leslie Lane Colbert, WA 99005	Director, Treasurer 0 00	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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 ▶				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 page 23 of the instructions). 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	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See page 24 of the instructions 3	
Total. Add lines 1 through 3. . . . . ▶	0

Part X **Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	2,270,590
b	Average of monthly cash balances	1b	381,908
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	2,652,498
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	2,652,498
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	39,787
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,612,711
6	**Minimum investment return.** Enter 5% of line 5	6	130,636

Part XI **Distributable Amount** (see page 25 of the 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	130,636
2a	Tax on investment income for 2011 from Part VI, line 5	2a	20,797		
b	Income tax for 2011 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	20,797
3	Distributable amount before adjustments Subtract line 2c from line 1			3	109,839
4	Recoveries of amounts treated as qualifying distributions			4	0
5	Add lines 3 and 4			5	109,839
6	Deduction from distributable amount (see page 25 of the instructions)			6	0
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	109,839

Part XII **Qualifying Distributions** (see page 25 of the 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	134,500
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	134,500
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 page 26 of the instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	134,500

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				109,839
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only.			0	
b Total for prior years 20___, 20___, 20___		0		
3 Excess distributions carryover, if any, to 2011				
a From 2006. 12,833				
b From 2007. 10,984				
c From 2008. 25,988				
d From 2009. 2,410				
e From 2010. 4,335				
f **Total** of lines 3a through e.	56,550			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 134,500				
a Applied to 2010, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .	0			
d Applied to 2011 distributable amount.				109,839
e Remaining amount distributed out of corpus	24,661			
5 Excess distributions carryover applied to 2011 *(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	81,211			
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 page 27 of the instructions . . .		0		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	0			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see page 27 of the instructions)	12,833			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	68,378			
10 Analysis of line 9				
a Excess from 2007. . . . 10,984				
b Excess from 2008. . . . 25,988				
c Excess from 2009. . . . 2,410				
d Excess from 2010. . . . 4,335				
e Excess from 2011. . . . 24,661				

Part XIV **Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling. . . . . . . ▶

b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2011	**(b)** 2010	**(c)** 2009	**(d)** 2008	**(e) Total**
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV **Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year—see page 27 of the 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))

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

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 page 28 of the 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 Additional Data Table				
Total . . . . ▶ **3a**				133,000
b *Approved for future payment*				
Total . . . . ▶ **3b**				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments			14	12,968	
4 Dividends and interest from securities. . . .			14	62,272	
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory			18	973,661	
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		1,048,901	0

13 Total. Add line 12, columns (b), (d), and (e). **13** 1,048,901

(See worksheet in line 13 instructions on page 28 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 organization's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)

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)		No
(2) Other assets	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		No
(3) Rental of facilities, equipment, or other assets	1b(3)		No
(4) Reimbursement arrangements	1b(4)		No
(5) Loans or loan guarantees	1b(5)		No
(6) Performance of services or membership or fundraising solicitations	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		No

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

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

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

b If "Yes," complete the following schedule

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

Sign Here

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

******	2012-05-15	******
Signature of officer or trustee	Date	Title

Paid Preparer's Use Only

Preparer's Signature Donald W Stetson	Date	Check if self-employed ☐	PTIN P00742848
Firm's name Stetson Koenes PLLC		Firm's EIN 91-1693046	
Firm's address 155 108th Avenue NE Suite 320 Bellevue, WA 980045901		Phone no (425)635-1196	

May the IRS discuss this return with the preparer shown above? See instructions ☐ Yes ☐ No

Additional Data

Software ID:
Software Version:
EIN: 91-2001720
Name: The MacRae Foundation

Form 990PF - Special Condition Description:

Special Condition Description

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
Suntrust Bk Atlanta GA - 100,000 Shs		2009-05-15	2011-08-31
ALTRIA GROUP INC		2011-09-09	2011-11-23
AMERICAN EXPRESS COMPANY		2011-09-07	2011-11-21
AMGEN INC			2011-09-07
APPLE INC		2011-10-06	2011-11-21
BANK OF AMERICA CORP		2000-02-16	2011-09-07
BCE INC NEW		2011-09-07	2011-11-21
BRISTOL MYERS SQUIBB CO		2006-07-31	2011-09-07
CATERPILLAR INC		2011-09-07	2011-11-21
CATERPILLAR INC		2011-09-07	2011-12-21
CHEVRON CORPORATION		2005-10-14	2011-09-07
CHEVRON CORPORATION		2005-10-14	2011-11-21
CME GROUP INC		2011-10-06	2011-11-17
CONOCOPHILLIPS		2011-09-14	2011-11-21
CUMMINS INC		2011-10-25	2011-11-21
DARDEN RESTAURANTS INC		2011-09-07	2011-09-07
E I DU PONT DE NEMOURS & CO		2006-01-24	2011-09-07
EATON VANCE TAX ADVANTAGED DIVIDEND INCOME FUND		2003-09-25	2011-09-07
EATON VANCE TAX MANAGED DIVERSIFIED EQUITY INCOME FD			2011-09-07
EATON VANCE TAX MANAGED DIVERSIFIED EQUITY INCOME FD		2009-12-03	2011-09-07
EATON VANCE TAX-MANAGED GLOBAL BUY-WRITE OPPORTUNITIES FD			2011-09-07
EQT CORPORATION			2011-09-07
EQT CORPORATION		2008-12-01	2011-09-07
FRONTIER COMMUNICATIONS CORP		2009-11-12	2011-09-07
GAP INC		2011-10-06	2011-11-21
GENERAL ELECTRIC CAPITAL CORP		2011-09-09	2011-11-23
GENERAL ELECTRIC CO			2011-09-07
GLOBAL X FDS CHINA CONS ETF		2011-09-07	2011-11-21
GLOBAL X FDS CHINA CONS ETF		2011-09-07	2011-11-23
INTERNATIONAL BUSINESS MACHINES CORP		2011-09-07	2011-11-21

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
INTERNATIONAL BUSINESS MACHINES CORP		2011-09-07	2011-12-21
IRON MOUNTAIN INC		2011-09-07	2011-11-21
IRON MOUNTAIN INC		2011-09-07	2011-12-01
IRON MOUNTAIN INC		2011-09-07	2011-12-02
ISHARES TR JPMORGAN USD EMERGING MKTS BD FD ETF		2011-09-07	2011-11-21
ISHARES TRUST BARCLAYS 20+YEAR TREASURY BD FD		2011-09-08	2011-09-29
ISHARES TRUST BARCLAYS 20+YEAR TREASURY BD FD			2011-11-07
ISHARES TRUST BARCLAYS 20+YEAR TREASURY BD FD		2011-09-13	2011-11-21
ISHARES TRUST BARCLAYS 20+YEAR TREASURY BD FD			2011-12-20
ISHARES TRUST MSCI EAFE INDEX FUND		2011-09-07	2011-11-21
ISHARES TRUST MSCI EAFE INDEX FUND		2011-09-07	2011-11-23
JOHNSON & JOHNSON		2006-07-31	2011-09-07
JPMORGAN CHASE CAP XIV 6 20% TR PFD SECS DUE 10/15/34		2007-12-26	2011-09-07
JPMORGAN CHASE & CO ALERIAN MLP INDEX ETN BASED ON WAP LEVEL OF INDEX		2011-09-07	2011-11-21
JPMORGAN CHASE & CO NT		2011-09-09	2011-11-23
KLA-TENCOR CORP		2011-09-07	2011-11-21
KONINKLIJKE PHILIPS ELECTRS N V SPONSORED ADR NEW 2000			2011-09-07
KONINKLIJKE PHILIPS ELECTRS N V SPONSORED ADR NEW 2000		2011-05-11	2011-09-07
KONINKLIJKE PHILIPS ELECTRS N V SPONSORED ADR NEW 2000		2011-05-11	2011-09-07
MCDONALDS CORP		2011-09-07	2011-11-21
MEADWESTVACO CORP		2011-09-07	2011-11-21
MEDTRONIC INC			2011-09-07
MICROSOFT CORP		1991-01-02	2011-09-07
MICROSOFT CORP		1991-01-02	2011-11-21
MOODYS CORP		2011-09-07	2011-11-21
NEWMONT MINING CORP HOLDING CO		1991-01-02	2011-09-07
NORDSTROM INC		2011-10-06	2011-11-21
OMNICOM GROUP INC		2011-09-07	2011-09-29
ONEOK INC NEW		2011-09-07	2011-11-21
PACCAR INC			2011-09-07

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
PEOPLES UTD FINL INC		2011-09-07	2011-11-21
PFIZER INC		2011-09-07	2011-11-21
PNC FINANCIAL SVCS GROUP INC		2011-11-17	2011-11-21
POWERSHARES DB U S DLR INDEX TR PS DB US$ INDEX BULLISH FD COM UNIT		2011-09-13	2011-10-18
POWERSHARES EXCHANGE TRADED FUND TRUST DIVIDEND ACHIEVERS PORTFOLIO		2011-11-07	2011-11-21
POWERSHARES EXCHANGE TRADED FUND TRUST DIVIDEND ACHIEVERS PORTFOLIO		2011-11-07	2011-12-09
POWERSHARES EXCHANGE TRADED FD TR II S&P 500 LOW VOLATILITY PORT		2011-09-07	2011-11-21
POWERSHARES EXCHANGE TRADED FD TR INTERNATIONAL DIVIDEND ACHIEVERS PORTFOLIO		2011-10-18	2011-11-21
POWERSHARES EXCHANGE TRADED FD TR INTERNATIONAL DIVIDEND ACHIEVERS PORTFOLIO		2011-10-18	2011-11-23
POWERSHARES GLOBAL EXCHANGE TRADED FUNDAMENTAL HIGH YIELD USD BD PORTFOLIO		2011-09-07	2011-11-21
PUTNAM PREMIER INCOME TRUST SH BEN INT			2011-09-07
QUALCOMM INC		1996-11-13	2011-09-07
QUALCOMM INC		1996-11-13	2011-11-21
SELECT SECTOR SPDR FUND SHS BEN INT HEALTH CARE		2011-09-07	2011-11-21
SHELL INTL FIN B V SENIOR UNSECURED NOTES		2011-09-09	2011-11-23
SPDR GOLD TR GOLD SHS		2011-09-07	2011-11-21
SPDR S&P 500 ETF TR UNIT SER I S&P DEPOSITARY RECEIPT		2011-09-07	2011-10-11
SPDR SERIES TRUST BARCLAYS HIGH YIELD BOND ETF		2011-09-07	2011-11-21
STARBUCKS CORP			2011-09-07
TIFFANY & CO NEW		2011-09-07	2011-11-21
TIFFANY & CO NEW		2011-09-07	2011-12-21
TIME WARNER CABLE INC		2011-09-07	2011-11-21
TIME WARNER CABLE INC		2011-09-07	2011-11-29
U S BANCORP MEDIUM TERM NTS		2011-09-09	2011-11-23
USB CAPITAL X 6 50% TRUST PFD SECS		2007-12-26	2011-09-07
VANGUARD INTERNATIONAL EQUITY INDEX FUNDS MSCI EMERGING MKTS ETF		2011-09-07	2011-11-18
VANGUARD INTERNATIONAL EQUITY INDEX FUNDS MSCI EMERGING MKTS ETF		2011-09-07	2011-11-21
VANGUARD INTERNATIONAL EQUITY INDEX FUNDS MSCI EMERGING MKTS ETF			2011-11-23
VANGUARD INTL EQUITY INDEX FD MSCI EUROPE ETF		2011-10-11	2011-11-11
VANGUARD INTL EQUITY INDEX FD MSCI EUROPE ETF		2011-10-11	2011-11-18

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
VANGUARD SCOTTSDALE FUNDS VANGUARD SHORT-TERM CORPORATE BOND ETF		2011-09-07	2011-10-18
VANGUARD SECTOR INDEX FDS VANGUARD CONSUMER STAPLES ETF		2011-09-07	2011-11-21
VERIZON COMMUNICATIONS		2009-11-12	2011-09-07
VERIZON COMMUNICATIONS		2009-11-12	2011-11-21
WAL-MART STORES INC		2011-09-14	2011-11-21
WELLS FARGO & CO		1995-07-24	2011-09-07
WISDOMTREE TR CHINESE YUAN FD		2011-09-07	2011-11-21
WISDOMTREE TR CHINESE YUAN FD		2011-09-07	2011-12-07
WISDOMTREE TR DREYFUS EMERGING CURRENCY FD		2011-09-07	2011-09-12
WISDOMTREE TR ASIA LOCAL DEBT FD		2011-09-07	2011-11-21
WISDOMTREE TR ASIA LOCAL DEBT FD		2011-09-07	2011-12-07
WISDOMTREE TRUST EMERGING MKTS SMALLCAP DM ETF		2011-09-07	2011-11-21
Capital Gains Dividends	P		

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
99,994		100,000	-6
3,400		3,413	-13
462		495	-33
54,811		27,080	27,731
736		762	-26
14,922		46,152	-31,230
1,593		1,651	-58
59,819		48,593	11,226
363		353	10
22,746		22,133	613
52,338		31,516	20,822
668		416	252
23,052		25,494	-2,442
1,442		1,377	65
728		743	-15
1,088		1,066	22
70,877		58,786	12,091
14,900		20,000	-5,100
42,095		68,346	-26,251
2		2	0
42,440		58,034	-15,594
134,667		16,203	118,464
42		22	20
1,688		1,913	-225
458		426	32
2,983		3,045	-62
31,499		66,247	-34,748
26		33	-7
9,216		11,456	-2,240
2,175		1,997	178

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
27,786		25,634	2,152
903		1,004	-101
13,728		14,839	-1,111
14,620		15,843	-1,223
5,319		5,451	-132
24,166		23,096	1,070
48,382		46,457	1,925
10,703		10,050	653
67,437		63,716	3,721
1,493		1,586	-93
49,771		54,238	-4,467
65,279		63,357	1,922
63,019		53,115	9,904
3,354		3,187	167
5,285		5,364	-79
1,018		820	198
19,023		26,683	-7,660
729		971	-242
1		1	0
2,844		2,759	85
256		245	11
43,989		31,458	12,531
427,432		6,294	421,138
1,327		21	1,306
1,080		995	85
119,620		3,374	116,246
507		527	-20
26,118		27,313	-1,195
786		694	92
82,396		76,932	5,464

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
565		552	13
1,505		1,496	9
925		925	0
75,738		75,988	-250
1,103		1,139	-36
25,734		25,433	301
7,539		7,430	109
4,963		5,097	-134
116,821		123,587	-6,766
9,310		9,383	-73
58,933		64,554	-5,621
271,035		14,263	256,772
814		40	774
1,645		1,694	-49
4,294		4,294	0
2,611		2,829	-218
130,384		130,985	-601
17,922		18,345	-423
78,099		52,548	25,551
144		140	4
13,460		14,960	-1,500
1,017		1,084	-67
19,635		21,747	-2,112
3,203		3,226	-23
63,277		54,113	9,164
75,296		82,483	-7,187
2,517		2,853	-336
27,039		29,815	-2,776
80,891		78,137	2,754
50,088		50,891	-803

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
98,406		99,508	-1,102
858		863	-5
10,679		8,743	1,936
1,587		1,274	313
1,529		1,410	119
99,038		25,952	73,086
3,872		3,890	-18
49,561		49,871	-310
117,506		120,295	-2,789
2,460		2,611	-151
33,763		35,538	-1,775
528		610	-82
2,140			2,140

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(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	
			-6
			-13
			-33
			27,731
			-26
			-31,230
			-58
			11,226
			10
			613
			20,822
			252
			-2,442
			65
			-15
			22
			12,091
			-5,100
			-26,251
			0
			-15,594
			118,464
			20
			-225
			32
			-62
			-34,748
			-7
			-2,240
			178

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			**(l)** Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(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	
			2,152
			-101
			-1,111
			-1,223
			-132
			1,070
			1,925
			653
			3,721
			-93
			-4,467
			1,922
			9,904
			167
			-79
			198
			-7,660
			-242
			0
			85
			11
			12,531
			421,138
			1,306
			85
			116,246
			-20
			-1,195
			92
			5,464

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			**(l)** Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(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	
			13
			9
			0
			-250
			-36
			301
			109
			-134
			-6,766
			-73
			-5,621
			256,772
			774
			-49
			0
			-218
			-601
			-423
			25,551
			4
			-1,500
			-67
			-2,112
			-23
			9,164
			-7,187
			-336
			-2,776
			2,754
			-803

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			**(l)** Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(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	
			-1,102
			-5
			1,936
			313
			119
			73,086
			-18
			-310
			-2,789
			-151
			-1,775
			-82
			2,140

Form 990PF Part XV Line 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*				
Camp Fire USA - Spokane Office524 N Mullan Road Spokane, WA 99206	None	Non-Private Foundati	Not Specified	4,000
Friends of Fircrest15230 15th NE Shoreline, WA 98155	None	Non-Private Foundati	Not Specified	13,000
Pacific Northwest Ballet301 Mercer Street Seattle, WA 98109	None	Non-Private Foundati	Not Specified	20,000
Port Townsend Marine Science Society532 Battery Way Port Townsend, WA 983683636	None	Non-Private Foundati	Not Specified	2,500
Seattle Art Museum100 University Street Seattle, WA 98101	None	Non-Private Foundati	Not Specified	53,000
Seattle Repertory Theatre155 Mercer Street PO Box 900923 Seattle, WA 98109	None	Non-Private Foundati	Not Specified	10,000
See Your Impact1416 112th Ave NE Bellevue, WA 98004	None	Non-Private Foundati	Not Specified	2,500
Three Ring RanchBig Island KailuaKona, HI 967408815	None	Non-Private Foundati	Not Specified	15,000
Wanahaulua Congregational ChurchPO Box 188 Hana Mui, HI 96713	None	Non-Private Foundati	Not Specified	13,000
Total . . . . ▶ **3a**				133,000

TY 2011 Accounting Fees Schedule

Name: The MacRae Foundation

EIN: 91-2001720

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Accounting & Tax Services	1,500	0		1,500

TY 2011 Investments Corporate Bonds Schedule

Name: The MacRae Foundation

EIN: 91-2001720

Name of Bond	End of Year Book Value	End of Year Fair Market Value
ISHARES TR JPMORGAN USD EM MK BD FD ETF - 689 SHS	76,644	75,618
ISHARES IBOXX $ HIGH YIELD CORP BD FD - 572 SHS	49,722	51,154
SPDR SERIES TR BARCLAYS HG YLD BD ETF - 8,097 SHS	308,113	311,330
POWERSHARES GLOBAL EXC - 7,823 SHS	140,970	144,491
ISHARES TR BARCLAYS 20+YR TREASY BD FD - 594 SHS	69,840	72,022
ALTRIA CROUP INC 8.5% - 37,000 SHS	41,813	41,771
SHELL INTL FIN BV SR UNSEC NOTES 4% - 49,000 SHS	52,437	52,695
U S BANCORP MED TERM NTS 4.2% - 21,000 SHS	22,514	22,496
JPMORGAN CHASE & CO 4.65% - 39,000 Shares	41,724	41,180
GENERAL ELECTRIC CAP CORP - 2.95% - 37,000 SHS	37,548	38,093

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TY 2011 Investments Corporate Stock Schedule

Name: The MacRae Foundation

EIN: 91-2001720

Name of Stock	End of Year Book Value	End of Year Fair Market Value
American Express Co - 343 Shares	16,995	16,179
Amgen Inc	0	0
Apple Inc - 64 Shares	24,382	25,920
Chevron Corp - 463 Shares	27,546	49,263
CONOCOPHILLIPS - 373 Shares	24,459	27,181
CUMMINS INC - 260 Shares	24,162	22,885
DARDEN RESTAURANTS INC - 268 Shares	11,904	12,215
GAP INC - 710 Shares	12,092	13,171
General Electric Company - 1,440 Shares	25,225	25,790
INTERNATIONAL BUSINESS MACHINES CORP - 588 Shares	22,139	24,456
KLA-TENCOR CORP - 588 Shares	20,956	28,371
MCDONALDS CORP - 474 Shares	42,185	47,556
MEADWESTVACO CORP - 827 Shares	22,468	24,769
MERCK & CO INC NEW - 671 Shares	25,014	25,297
Microsoft Corp - 965 Shares	368	25,051
MOODYS CORP - 777 Shares	23,425	26,169
NORDSTROM INC - 247 Shares	11,826	12,278
ONEOK INC NEW - 265 Shares	18,394	22,973
PEOPLES UTD FINL INC - 1,896 Shares	22,276	24,364
PFIZER INC - 1,905 Shares	36,081	41,224
PNC FINANCIAL SVCS CROUP INC - 665 Shares	35,853	38,351
POWERSHARES EXCHANGE TRADED FD - 6,215 Shares	149,098	161,155
Qualcomm Inc - 674 Shares	1,810	36,868
SELECT SCTOR SPDR TR SBI UTILS SLCT IDX - 711 Shares	25,244	25,582
SELECT SCTOR SPDR FD SHS BEN INT HLTH CARE - 1,223 Shares	40,616	42,426
SELECT SCTOR SPDR FD SHS BEN INT ENERGY - 398 Shares	28,123	27,514
TIFFANY & CO NEW - 197 Shares	13,836	13,053
VANGUARD SECTOR INDEX FDS CONSUMER STAPLES - 217 SHS	17,018	17,679
VANGUARD SPECIALIZED FDS DIV APP ETF - 1,371 SHS	74,941	74,925
Verizon Communications - 654 Shares	18,932	26,238

Name of Stock	End of Year Book Value	End of Year Fair Market Value
WAL-MART STORES INC - 467 SHS	24,391	27,908
WELLPOINT INC - 367 SHS	24,637	24,314
BCE INC NEW - 830 SHS	32,634	34,586
ISHARES INC - 4,534 SHS	74,875	73,269
VANGUARD INT EQ IDX FDS MSCI EMER MKT - 1,586 SHS	62,373	60,601
WISDOMTREE TR EMER MKT SMCAP DIV ETF - 476 SHS	22,339	19,678

TY 2011 Investments - Other Schedule

Name: The MacRae Foundation

EIN: 91-2001720

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
JPMORGAN CHASE & CO ALERIAN MLP IDX - 1,733 SHS	AT COST	60,690	67,535
SPDR DOW JONES REIT ETF - 1,547 SHS	AT COST	98,114	99,627
SPDR GOLD TR - 187 SHS	AT COST	33,060	28,422
UBS AC JERS BRH ETRACS LKD ALERIAN MLP - 902 SHS	AT COST	28,314	29,856

TY 2011 Other Expenses Schedule

Name: The MacRae Foundation

EIN: 91-2001720

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
SPDR Gold Tr Investment Expenses	33	33		0
RBC Fees	8,677	8,677		0

TY 2011 Taxes Schedule

Name: The MacRae Foundation

EIN: 91-2001720

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Foreign Tax Withheld	351	351		0