25760T

Form 990-PF

Department of the Treasury
Internal Revenue Service

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

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

OMB No 1545-0052
2014
Open to Public Inspection

For calendar year 2014 or tax year beginning , and ending

Name of foundation HORACE G. FRALIN CHARITABLE TRUST	A Employer identification number 54-1509505
Number and street (or P O box number if mail is not delivered to street address) P.O. BOX 29600 — Room/suite	B Telephone number (see instructions) 540-776-7444
City or town, state or province, country, and ZIP or foreign postal code ROANOKE VA 24018	C If exemption application is pending, check here ▶ ☐
G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change	D 1. Foreign organizations, check here ▶ ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐
H Check type of organization: ☐ Section 501(c)(3) exempt private foundation ☒ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation	E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 49,850,843 J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

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

	Line	Description	(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	222,490	221,183	222,490	
	4	Dividends and interest from securities	644,135	644,049	644,135	
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10 STMT 1	3,456,825			
	b	Gross sales price for all assets on line 6a 7,146,475				
	7	Capital gain net income (from Part IV, line 2)		65,874		
	8	Net short-term capital gain			764	
	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) STMT 2	965,822	950,472	965,822	
	12	**Total.** Add lines 1 through 11	5,289,272	1,881,578	1,833,211	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	0			
	14	Other employee salaries and wages	8,250			
	15	Pension plans, employee benefits	630			
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule) STMT 3	52,000			
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions)				
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att sch) STMT 4	1,214,530	447,368		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	1,275,410	447,368	0	0
	25	Contributions, gifts, grants paid	2,350,048			2,350,048
	26	**Total expenses and disbursements.** Add lines 24 and 25	3,625,458	447,368	0	2,350,048
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	1,663,814			
	b	**Net investment income** (if negative, enter -0-)		1,434,210		
	c	**Adjusted net income** (if negative, enter -0-)			1,833,211	

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For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2014)

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash – non-interest-bearing			
	2	Savings and temporary cash investments	908,415	432,491	432,491
	3	Accounts receivable ▶			
		Less. allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (att. schedule) ▶ SEE WRK 269,496			
		Less. allowance for doubtful accounts ▶ 0	269,496	269,496	269,496
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U.S. and state government obligations (attach schedule) STMT 5	3,867,576	2,040,104	2,100,391
	b	Investments – corporate stock (attach schedule) SEE STMT 6	470,106	513,918	691,886
	c	Investments – corporate bonds (attach schedule) SEE STMT 7	2,230,788	1,785,214	1,755,801
	11	Investments – land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule) SEE STATEMENT 8	31,340,802	35,563,436	43,847,576
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	15	Other assets (describe ▶ SEE STATEMENT 9)	606,612	753,202	753,202
	16	**Total assets** (to be completed by all filers – see the instructions. Also, see page 1, item I)	39,693,795	41,357,861	49,850,843
Liabilities	17	Accounts payable and accrued expenses	445	697	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	445	697	
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	39,693,350	41,357,164	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see instructions)	39,693,350	41,357,164	
	31	**Total liabilities and net assets/fund balances** (see instructions)	39,693,795	41,357,861	

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	39,693,350
2	Enter amount from Part I, line 27a	2	1,663,814
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	41,357,164
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	41,357,164

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 WORKSHEET			
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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				

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	65,874
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	764

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2013	2,150,056	45,290,027	0.047473
2012	1,942,540	43,939,273	0.044210
2011	1,819,672	38,258,417	0.047563
2010	1,808,980	39,603,332	0.045677
2009	1,986,942	33,666,820	0.059018

2	Total of line 1, column (d)	2	0.243941
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	0.048788
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	51,833,181
5	Multiply line 4 by line 3	5	2,528,837
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	14,342
7	Add lines 5 and 6	7	2,543,179
8	Enter qualifying distributions from Part XII, line 4	8	2,350,048

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: (attach copy of letter if necessary—see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	28,684
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	28,684
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	28,684
6	Credits/Payments:				
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a	19,294		
b	Exempt foreign organizations – tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c	6,250		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments. Add lines 6a through 6d			7	25,544
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	3,140
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 2015 estimated tax** ▶ Refunded ▶			11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?	1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ ______ (2) On foundation managers. ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a	X	
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		X
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ VA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ THE TRUST Telephone no. ▶ 540-776-7444
PO BOX 29600
Located at ▶ ROANOKE VA ZIP+4 ▶ 24018

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here ▶ [X]
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 1,393

			Yes	No
16	At any time during calendar year 2014, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly 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

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

				Yes	No
1a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	[ ] Yes [X] No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	[ ] Yes [X] No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	[ ] Yes [X] No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	[ ] Yes [X] No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	[ ] Yes [X] No			
	(6) Agree to pay money or property to a government official? **(Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	[ ] Yes [X] No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ [ ]			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2014?	N/A	1c		
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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014?	[ ] Yes [X] 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 instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 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?	[X] Yes [ ] No			
b	If "Yes," did it have excess business holdings in 2014 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 2014.)		3b		X
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2014?		4b		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 4945(d)(4)(A)? (see instructions) ☐ Yes ☒ No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A	**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? N/A ☐ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53 4945–5(d).		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870.	**6b**	X (No)
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A	**7b**	

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

1 List all officers, directors, trustees, foundation managers and their compensation (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
W. HEYWOOD FRALIN ROANOKE P.O. BOX 29600 VA 24018	CO-TRUSTEE 0.00	0	0	0
WILLIAM H. FRALIN ROANOKE P.O. BOX 29600 VA 24018	CO-TRUSTEE 0.00	0	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 ▶ 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
NONE		

Total number of others receiving over $50,000 for professional services ▶

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 ▶	

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	6,355,250
b	Average of monthly cash balances		1b	877,153
c	Fair market value of all other assets (see instructions)		1c	44,600,778
d	**Total** (add lines 1a, b, and c)		1d	51,833,181
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	51,833,181
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)		4	0
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	51,833,181
6	**Minimum investment return.** Enter 5% of line 5		6	2,591,659

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	2,591,659
2a	Tax on investment income for 2014 from Part VI, line 5	2a 28,684		
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	28,684
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	2,562,975
4	Recoveries of amounts treated as qualifying distributions		4	
5	Add lines 3 and 4		5	2,562,975
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	2,562,975

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	2,350,048
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	2,350,048
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	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	2,350,048

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				2,562,975
2 Undistributed income, if any, as of the end of 2014:				
a Enter amount for 2013 only			2,229,181	
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2014:				
a From 2009				
b From 2010				
c From 2011				
d From 2012				
e From 2013				
f Total of lines 3a through e				
4 Qualifying distributions for 2014 from Part XII, line 4: ▶ $ 2,350,048				
a Applied to 2013, but not more than line 2a			2,229,181	
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2014 distributable amount				120,867
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2014 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b. Taxable amount – see instructions				
e Undistributed income for 2013 Subtract line 4a from line 2a Taxable amount – see instructions				
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				2,442,108
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)				
9 **Excess distributions carryover to 2015.** Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012				
d Excess from 2013				
e Excess from 2014				

DAA

Part XIV Private Operating Foundations (see 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 2014, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test – enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test – enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

N/A

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

N/A

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

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

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

W. HEYWOOD FRALIN 540-776-7444
PO BOX 29600 ROANOKE VA 24018

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

N/A

c Any submission deadlines:

N/A

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

N/A

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 ATTACHED SCHED				2,350,048
Total			▶ **3a**	2,350,048
b Approved for future payment N/A				
Total			▶ **3b**	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions.)
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					
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					
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)					

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

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)
N/A	

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

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

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

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

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

b If "Yes," complete the following schedule

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

Sign Here

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

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

X W. H. Fralin Trustee 11/5/15

X [signature] Trustee 11/5/15

Signature of officer or trustee | Date | Title: Co-Trustees

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed
WILLIAM E. SPENCER, JR	W E Spencer Jr	11/3/15	

Firm's name ▶ SPENCER HAGER & MOSDELL, P.C. — PTIN P01306135

Firm's address ▶ P.O. BOX 1165, ROANOKE, VA 24006-1165 — Firm's EIN ▶ 54-1467814 — Phone no 540-985-0308

25760T

Form 990-PF Capital Gains and Losses for Tax on Investment Income 2014

For calendar year 2014, or tax year beginning , and ending

Name	Employer Identification Number
HORACE G. FRALIN CHARITABLE TRUST	54-1509505

	(a) List and describe the kind(s) of property sold, e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
(1)	DOUBLELINE TOTAL RETURN	P	02/27/13	11/10/14
(2)	PIMCO TOTAL RETURN	P	VARIOUS	09/26/14
(3)	SCHWAB #9510 CGD	P	VARIOUS	VARIOUS
(4)	JEA	P	10/29/13	03/14/14
(5)	KY	P	11/14/12	05/01/14
(6)	STAFFORD	P	VARIOUS	10/16/14
(7)	BARTOW	P	09/01/10	10/22/14
(8)	MIAMI	P	04/18/07	10/22/14
(9)	RICHLAND	P	05/13/10	10/22/14
(10)	SUFFOLK	P	10/29/09	10/22/14
(11)	VA ST HSG	P	11/17/11	10/22/14
(12)	WISE CO	P	12/05/12	10/22/14
(13)	SUNTRUST	P	10/27/11	10/23/14
(14)	AMERICAN EXPRESS	P	03/14/14	10/24/14
(15)	ISLE OF WIGHT	P	04/09/10	10/24/14

	(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)
(1)	249,950		259,597	-9,647
(2)	1,005,797		1,041,951	-36,154
(3)	795			795
(4)	74,527		74,217	310
(5)	5,000		5,000	
(6)	181,218		180,849	369
(7)	157,006		155,439	1,567
(8)	152,738		150,008	2,730
(9)	165,249		152,220	13,029
(10)	127,899		120,008	7,891
(11)	210,290		200,010	10,280
(12)	250,255		248,722	1,533
(13)	157,334		149,823	7,511
(14)	100,383		99,929	454
(15)	167,072		149,634	17,438

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(1)				-9,647
(2)				-36,154
(3)				795
(4)				310
(5)				
(6)				369
(7)				1,567
(8)				2,730
(9)				13,029
(10)				7,891
(11)				10,280
(12)				1,533
(13)				7,511
(14)				454
(15)				17,438

Form 990-PF — Capital Gains and Losses for Tax on Investment Income — 2014

For calendar year 2014, or tax year beginning , and ending

Name	Employer Identification Number
HORACE G. FRALIN CHARITABLE TRUST	54-1509505

	(a) List and describe the kind(s) of property sold, e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
(1)	LAKE ETC	P	06/18/10	10/24/14
(2)	MONTGOMERY AL	P	11/15/12	10/24/14
(3)	MONTGOMERY CO	P	10/04/11	10/24/14
(4)	MUNI ELEC	P	04/03/07	10/24/14
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

	(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)
(1)	283,573		255,015	28,558
(2)	148,040		150,006	-1,966
(3)	156,212		150,009	6,203
(4)	162,186		147,213	14,973
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(1)				28,558
(2)				-1,966
(3)				6,203
(4)				14,973
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

THE HORACE G. FRALIN CHARITABLE TRUST
54-1509505
12/31/2014

FORM 990-PF, PAGE 2, PART II, LINE 7 -
NOTES RECEIVABLE

F&W OFFICE PARK III (1) & (2)	$ 269,496

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description / Whom Sold	Date Acquired	Date Sold	How Received / Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
LONG-TERM OTHER PASSTHROUGH	VARIOUS	VARIOUS	PURCHASE $ 2,587,143	$	$	$	$ 2,587,143
SHORT-TERM PASSTHROUGH OTHER	VARIOUS	VARIOUS	PURCHASE 358,310				358,310
SHORT-TERM GAIN/LOSS FROM PASS-THROUGH ENTITY			19,602				19,602
LONG-TERM GAIN/LOSS FROM PASS-THROUGH ENTITY			425,896				425,896
TOTAL			$ 3,390,951	$ 0	$ 0	$ 0	$ 3,390,951

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
OTHER INVESTMENT INCOME	$ 216,483	$ 216,483	$ 216,483
OTHER P/S INCOME	597,430	597,430	597,430
OTHER SFM LP'S INCOME	136,559	136,559	136,559
UNRELATED BUS. INC. ON 990	15,350		15,350
TOTAL	$ 965,822	$ 950,472	$ 965,822

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT ACCOUNTING FEES	$ 52,000	$	$	$
TOTAL	$ 52,000	$ 0	$ 0	$ 0

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
EXPENSES				
BANK CHARGES	35	35		
FIDUCIARY FEES	124,088	124,088		
INVESTMENT DEDUCTIONS	908,197	177,514		
ROYALTY DEDUCTIONS	46,852	46,852		
DEPLETION	98,820	98,820		
MISCELLANEOUS				
NONDEDUCTIBLE	3,533			
FOREIGN TAXES	32,946			
POSTAGE	59	59		
TOTAL	$ 1,214,530	$ 447,368	$ 0	$ 0

Statement 5 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
See attached	$ 3,867,576	$ 2,040,104	COST	$ 2,100,391
TOTAL	$ 3,867,576	$ 2,040,104		$ 2,100,391

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
See attached	$ 470,106	$ 513,918	COST	$ 691,886
TOTAL	$ 470,106	$ 513,918		$ 691,886

HORACE G. FRALIN CHARITABLE TRUST
54-1509505
12/31/2014

FORM 990-PF, PAGE 2, PART II, LINE 10a -
INVESTMENTS - U.S. & STATE GOVT. OB

	Book Value	Market Value
50,000 EOG RESOURCES 2.625% DUE 12/15/22	$ 48,540	$ 48,045
100,000 BARTOW-CARTRSVIL 5.91% DUE 11/1/26	103,626	102,900
175,000 HOPEWELL VA SWR 3.75% DUE 7/15/22	175,015	176,143
100,000 ISLE OF WIGHT VA 5% DUE 3/1/21	99,756	112,458
100,000 JOHNSON CNTY KS, 4.6% DUE 9/1/20	99,765	108,150
145,000 KENTUCKY ST PPT 1.875% DUE 5/1/18	145,009	144,198
150,000 MACON BIBB CO 3.5% DUE 6/1/20	152,748	157,683
150,000 MCHENRY CNTY IL 3.64% DUE 2/1/16	154,169	154,704
100,000 MIAMI-DADE COUNTY 5.46% DUE 4/1/15	100,005	101,163
100,000 MONTGOMERY ALA 2.15% DUE 4/1/20	100,004	100,259
100,000 MONTGOMERY CNTY 3.443% DUE 6/1/22	100,006	104,841
100,000 MUNICIPAL ELEC 5.07% DUE 1/1/19	98,142	105,928
45,000 PRINCE GRGS CN MD 4% DUE 9/15/24	47,328	48,626
100,000 RICHLAND CNTY, 4.4% DUE 5/1/19	101,480	109,060
215,000 SC ST PUB SVC, 3.056% DUE 12/1/23	215,010	215,458
100,000 SUFFOLK, VA 4.36% DUE 2/1/17	100,007	106,359

HORACE G. FRALIN CHARITABLE TRUST
54-1509505
12/31/2014

FORM 990-PF, PAGE 2, PART II, LINE 10a -
INVESTMENTS - U.S. & STATE GOVT. OB

	Book Value	Market Value
100,000 VIRGINIA ST HSG, 3.579% DUE 1/1/21	100,005	104,669
100,000 WISE COUNTY VA 1.7% DUE 2/1/17	99,489	99,747
	$ 2,040,104	$ 2,100,391

THE HORACE G. FRALIN CHARITABLE TRUST
54-1509505
12/31/2014

FORM 990-PF, PAGE 2, PART II, LINE 10b -
INVESTMENTS - CORPORATE STOCK

	Book Value	Market Value
18,122 KAYNE ANDERSON MLP INVT	$ 513,918	691,886
	$ 513,918	$ 691,886

Federal Statements

Statement 7 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
See attached	$ 2,230,788	$ 1,785,214	COST	$ 1,755,801
TOTAL	$ 2,230,788	$ 1,785,214		$ 1,755,801

Statement 8 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
See attached	$ 31,340,802	$ 35,563,436	COST	$ 43,847,576
TOTAL	$ 31,340,802	$ 35,563,436		$ 43,847,576

THE HORACE G. FRALIN CHARITABLE TRUST
54-1509505
12/31/2014

FORM 990-PF, PAGE 2, PART II, LINE 10c -
INVESTMENTS - CORPORATE BONDS

	Book Value	Market Value
68,541 DOUBLELINE TOTAL RETURN DUE 12/31/15	$ 779,417	$ 751,896
92,101 METROPOLITAN WEST DUE 12/31/15	1,005,797	1,003,905
	$ 1,785,214	$ 1,755,801

THE HORACE G. FRALIN CHARITABLE TRUST
54-1509505
12/31/2014

FORM 990-PF, PAGE 2, PART II, LINE 13 -
OTHER INVESTMENTS

		Book Value		Market Value
Fralin and Waldron Office Park Limited Partnership	$	236,951	$	171,353
F&W Office Park II Limited Partnership		26,725		19,246
Fralin & Waldron Commercial Rental II Limited Partnership		211,476		161,962
MFW Associates, L.L.C.		1,921		2,407
MFW Associates Limited Partnership		12,011		17,326
Central Investors Limited Partnership		5,144		12,503
F&W Development, L.L.C.		4,883		0
Falcon Pointe		87		0
F&W Management Corporation		191,208		106,286
Region Properties, Inc.		45,287		50,707
Falcun Corporation		5,035		9,121
Medical Facilities of America LXVIII (68) Limited Partnership		4,937		4,328
F&W Office Park III, L.C.		126,784		50,494
FW Properties, L.L.C.		90,771		125,502
FW Properties II, L.L.C.		212,657		162,527
FW Properties VI, L.L.C.		33,218		33,659
FW Properties VII, L.L.C.		142,113		125,498
Horace Fralin, L.L.C.	$	16,150		52,420
MAP 2004		361,503		750,000
MAP 2006		632,412		1,000,000
MAP 2009		385,618		500,000
MAP 2012		352,044		385,000
SFM Global Strategies, LP		13,690,097		15,060,157
SFM Capital Markets, LP		16,243,962		20,009,732
SFM PE, LP		1,137,688		3,097,177
SFM Opportunities III, LP		297,573		482,229
SFM Opportunities IV, LP		974,641		1,332,942
SFM Opportunities V, LP		120,540		125,000
Total	$	35,563,436	$	43,847,576

Federal Statements

Statement 9 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
INCOME/EXCISE TAXES RECEIVABLE	$ 599,008	$ 697,481	$ 697,481
DISTRIBUTIONS RECEIVABLE	7,604	15,110	15,110
OGDEN PARK COSTS		40,611	40,611
TOTAL	$ 606,612	$ 753,202	$ 753,202

HORACE G. FRALIN CHARITABLE TRUST
54-1509505
12/31/2014

FORM 990-PF, PAGE 11, PART XV, LINE 3 -
GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

Name and Address	Purpose	Amount
Taubman Museum of Art Roanoke, Virginia	Various	$ 500,000
Jefferson Center Roanoke, Virginia	Various	300,000
The Rescue Mission Roanoke, Virginia	Various	50,000
Virginia Western - Educational Foundation Roanoke, Virginia	Various	1,500,000
From K-1's	Various	48
TOTAL		$ 2,350,048