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Form 990-PF

Return of Private Foundation

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

2014

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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For calendar year 2014, or tax year beginning 01-01-2014, and ending 12-31-2014

Name of foundation THE RAY CHARLES FOUNDATION
A Employer identification number 95-4047622
B Telephone number (see instructions) (323) 737-8000
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

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12) and Operating and Administrative Expenses (13-26), ending with Excess of revenue over expenses and disbursements (-3,741,519).

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

Part II Balance Sheets		Beginning of year			End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	292,831	568,391	568,391		
	2	Savings and temporary cash investments	34,767,238	32,479,125	32,479,125		
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____					
	4	Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____					
	5	Grants receivable					
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)					
	7	Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____					
	8	Inventories for sale or use					
	9	Prepaid expenses and deferred charges	35,334	23,438	23,438		
	10a	Investments—U S and state government obligations (attach schedule)					
	b	Investments—corporate stock (attach schedule)					
	c	Investments—corporate bonds (attach schedule)					
	11	Investments—land, buildings, and equipment basis ▶ _____ 6,018,020 Less accumulated depreciation (attach schedule) ▶ _____ 597,972	5,394,280	5,420,048	7,525,000		
	12	Investments—mortgage loans					
	13	Investments—other (attach schedule)					
	14	Land, buildings, and equipment basis ▶ _____ 5,748,487 Less accumulated depreciation (attach schedule) ▶ _____ 2,694,878	3,866,266	3,053,609	3,200,000		
15	Other assets (describe ▶ _____)	5,486,088	5,486,088	5,621,000			
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	49,842,037	47,030,699	49,416,954			
Liabilities	17	Accounts payable and accrued expenses					
	18	Grants payable					
	19	Deferred revenue					
	20	Loans from officers, directors, trustees, and other disqualified persons					
	21	Mortgages and other notes payable (attach schedule)					
	22	Other liabilities (describe ▶ _____)	45,215	48,765			
23	Total liabilities (add lines 17 through 22)	45,215	48,765				
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>						
	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 ▶ <input checked="" type="checkbox"/>						
	and complete lines 27 through 31.						
	27	Capital stock, trust principal, or current funds					
28	Paid-in or capital surplus, or land, bldg, and equipment fund						
29	Retained earnings, accumulated income, endowment, or other funds	49,796,822	46,981,934				
30	Total net assets or fund balances (see instructions)	49,796,822	46,981,934				
31	Total liabilities and net assets/fund balances (see instructions)	49,842,037	47,030,699				

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	49,796,822
2	Enter amount from Part I, line 27a	2	-3,741,519
3	Other increases not included in line 2 (itemize) ▶ _____	3	926,631
4	Add lines 1, 2, and 3	4	46,981,934
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	46,981,934

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				
(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) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a				
b				
c				
d				
e				
2	Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	{ If gain, also enter in Part I, line 8, column (c) (see 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 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	5,832,660	48,398,139	0.12051
2012	2,272,740	50,301,264	0.04518
2011	2,093,758	51,433,551	0.04071
2010	4,012,068	52,143,521	0.07694
2009	2,228,335	68,590,489	0.03249
2	Total of line 1, column (d).		2 0.31584
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 0.06317
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5.		4 46,818,467
5	Multiply line 4 by line 3.		5 2,957,382
6	Enter 1% of net investment income (1% of Part I, line 27b).		6
7	Add lines 5 and 6.		7 2,957,382
8	Enter qualifying distributions from Part XII, line 4.		8 2,984,784

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 page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	0
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2.	3	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	
6	Credits/Payments		
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a	
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d.	7	
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
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 <input type="checkbox"/> Refunded <input type="checkbox"/>	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 Instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>	1b	No
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 <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	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? <i>If "Yes," attach a conformed copy of the changes</i>	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	No
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	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? <i>If "Yes," complete Part II, col. (c), and Part XV.</i>	7	Yes
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> CA _____		
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? <i>If "No," attach explanation.</i>	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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9	No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>	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 instructions).	11		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address www.theraycharlesfoundation.org	13	Yes	
14	The books are in care of VALERIE ERVIN PRESIDENT Telephone no (323) 737-8000 Located at 2107 W WASHINGTON BLVD LOS ANGELES CA ZIP+4 90018			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year 15			
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? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) If "Yes", enter the name of the foreign country	16	Yes	No

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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
1b	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)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/>	1b		No
1c	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?	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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years 20__ , 20__ , 20__ , 20__			
2b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions).	2b		No
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
3b	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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2014.</i>)	3b		No
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
4b	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		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 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)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here.

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945–5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Additional Data Table				

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
SUZANNE ALPERT 2107 WEST WASHINGTON BLVD LOS ANGELES, CA 90018	ATTORNEY 40 00	182,596	5,477	
THU TRAN 2107 WEST WASHINGTON BLVD LOS ANGELES, CA 90018	SR ACCOUNTANT 40 00	69,301		
GWENDOLYN GREEN 2107 WEST WASHINGTON BLVD LOS ANGELES, CA 90018	BOOKKEEPER 40 00	75,388	2,261	
DEBBIE BOWEN 2107 WEST WASHINGTON BLVD LOS ANGELES, CA 90018	EXEC ASSISTANT 40 00	63,850		
RAYMOND SHIVERS 2107 WEST WASHINGTON BLVD LOS ANGELES, CA 90018	FACILITIES MGR 40 00	66,504	1,995	

Total number of other employees paid over \$50,000.

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
ROBINS KAPLAN MILLER & CERESI LLP 2049 CENTURY PARK EAST SUITE 3400 LOS ANGELES, CA 90067	LEGAL	83,562
HUTCHINSON & BLOODGOOD LLP 550 N BRAND BLVD 14TH FL GLENDALE, CA 91203	ACCOUNTING	100,400
STEVEN WILLIAMS PHOTOGRAPHY 917 1/2 IVY AVE MONROVIA, CA 91016	RESTORATION - IMAGES	126,000
THE KITCHEN WAREHOUSE 3716 W WASHINGTON BLVD LOS ANGELES, CA 90018	RENOVATIONS	79,935
IVAN HOFFMAN ATTY AT LAW 10736 JEFFERSON BLVD SUITE 436 CULVER CITY, CA 90230	LEGAL	110,000
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	
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	
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	0
b	Average of monthly cash balances.	1b	34,385,439
c	Fair market value of all other assets (see instructions).	1c	13,146,000
d	Total (add lines 1a, b, and c).	1d	47,531,439
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	
3	Subtract line 2 from line 1d.	3	47,531,439
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	712,972
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	46,818,467
6	Minimum investment return. Enter 5% of line 5.	6	2,340,923

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	2,340,923
2a	Tax on investment income for 2014 from Part VI, line 5.	2a	
b	Income tax for 2014 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	2,340,923
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	2,340,923
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	2,340,923

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	2,984,784
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	2,984,784
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions).	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	2,984,784

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				2,340,923
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only.				
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. 1,677,421				
f Total of lines 3a through e.	1,677,421			
4 Qualifying distributions for 2014 from Part XII, line 4 ▶ \$ 2,984,784				
a Applied to 2013, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions).				
c Treated as distributions out of corpus (Election required—see instructions).	0			
d Applied to 2014 distributable amount.				2,340,923
e Remaining amount distributed out of corpus	643,861			
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	2,321,282			
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.				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions).				
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.	2,321,282			
10 Analysis of line 9				
a Excess from 2010.				
b Excess from 2011.				
c Excess from 2012.				
d Excess from 2013. 1,677,421				
e Excess from 2014. 643,861				

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 organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	
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 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 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

GRANT DEPARTMENT
 2107 West Washington Boulevard
 LOS ANGELES, CA 90018
 (323) 737-8000
 info@theraycharlesfoundation.org

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

The Ray Charles Foundation requests that the applicant print and follow the Grant Check List. Upon completing the instructions, mail the GRANT APPLICATION PACKAGE (Cover Letter, completed and signed Online Grant Application, Letter of Inquiry, Proof of IRS federal tax-exempt status, Annual Report [if available], and signed Grant Check List TO THE FOLLOWING ADDRESS GRANT DEPARTMENT The Ray Charles Foundation 2107 West Washington Boulevard Los Angeles, CA 90018

c Any submission deadlines

NO SUBMISSION DEADLINES - APPLICATIONS REVIEWED ALL YEAR

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

Obligations and Responsibilities of Grant Recipients 1) Since an award is made only for the purposes set forth in the Grantees submitted proposal and the Grantees grant application, any modifications to the project, as originally proposed, may be made only with prior written approval by The Ray Charles Foundation 2) The Grantee may not grant any portion of the award to a secondary Grantee without prior written permission of The Ray Charles Foundation 3) The Grant must be spent in full within the time set forth in the Grant proposal and if no such time is set forth, then within twelve (12) months following the Grant. In the event that the Grant is expressly made for multiple years, any funds not used in the current year may be applied to the purposes of the Grant in following years but only for the years covered by the Grant proposal 4) The Grantee must maintain complete records of receipts and expenditures sufficient to identify grant funds and expenditures made in the furtherance of t

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 <i>Paid during the year</i> See Additional Data Table				
Total				▶ 3a 2,130,000
b <i>Approved for future payment</i>				
Total				▶ 3b

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
VALERIE ERVIN 2107 W WASHINGTON BLVD LOS ANGELES, CA 90018	President 40 00	294,936	8,848	
JOSEPH ADAMS 4244 MOUNT VERNON DRIVE LOS ANGELES, CA 90008	Chairman 1 00	0		
REV CECIL L MURRAY 4821 PARKGLEN AVENUE LOS ANGELES, CA 90043	Treasurer 1 00	0		
RAMSEY JAY JR 2548 TOLTEC COURT VENTURA, CA 93001	Director 1 00	0		
DIANA TREISTER 349 S LINDEN DRIVE B BEVERLY HILLS, CA 90212	Director 1 00	0		
STEWART IAN ALPERT 605 TASMAN DRIVE 1417 SUNNYVALE, CA 94089	Director 1 00	0		

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	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
Name and address (home or business)				
a <i>Paid during the year</i>				
SOUTH CENTRAL SCHOLARS FUND 29000 S WESTERN AVENUE SUITE 401 RANCHO PALOS VERDES, CA 90275	NONE	NOT A FDN	EDUCATION	10,000
LAPD COMMUNITY YOUTH WELFARE EDUCAT 100 W 1ST STREET LOS ANGELES, CA 90012	NONE	NOT A FDN	HEALTHCARE	170,000
UNITED NEGRO COLLEGE FUND 3699 WILSHIRE BLVD LOS ANGELES, CA 90010	NONE	NOT A FDN	EDUCATION	500,000
EDUCATING YOUNG MINDS 3325 WILSHIRE BLVD SUITE 400 LOS ANGELES, CA 90010	NONE	NOT A FDN	FOSTER AN ENRICHED ENVIRONMENT FOR YOUNG CHILDREN TO LEARN AND GROW	25,000
GRAMMY MUSEUM FOUNDATION 800 W OLYMPIC BLVD LOS ANGELES, CA 90015	NONE	NOT A FDN	EDUCATION	50,000
UCLA FOUNDATION 10920 WILSHIRE BLVD SUITE 900 LOS ANGELES, CA 90024	NONE	NOT A FDN	EDUCATION	15,000
BLIND CHILDRENS CENTER 4120 MARATHON STREET LOS ANGELES, CA 90029	NONE	NOT A FDN	SUPPORT THE DEVELOPMENT AND EDUCATION OF BLIND CHILDREN	75,000
DILLARD UNIVERSITY 2601 GENTILLY BLVD NEW ORLEANS, LA 70122	NONE	NOT A FDN	EDUCATION	1,000,000
NETWORK FOR TEACHING ENTREPRENEURSH 350 S BIXEL ST SUITE 280 LOS ANGELES, CA 90017	NONE	NOT A FDN	YOUTH DEVELOPMENT	10,000
CHILDREN YOUTH FAMILY COLLABORATIVE 1200 W 37TH PL LOS ANGELES, CA 90007	NONE	NOT A FDN	YOUTH DEVELOPMENT	25,000
COR COMMUNITY DEVELOPMENT 45 TESLA ST IRVINE, CA 92618	NONE	NOT A FDN	HELPING IMPOVERISHED COMMUNITIES BY FORMING PARTNERSHIPS WITH PUBLIC AND PRIVATE SECTORS	250,000
Total	▶ 3a			2,130,000

Form 990PF Part XVI-A Line 11 - Other revenue:

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See the instructions)
11 Other revenue	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
a ALBUM INCOME			15	46,317	
b FED/CA TAX REFUNDS			1		
c LEGAL SETTLEMENT			1	1,266	
d LICENSING/MERCHANDISE			15	185,783	
e MASTER LICENSE REVENUE			15	178,034	
f MISCELLANEOUS INCOME			1	-5,468	
g OIL & GAS LEASE			1	3,954	
h PUBLISHING INCOME			15	384,193	
i ROYALTY RECEIPTS			15	833,088	
j SAG PENSION RECEIPTS			14		

TY 2014 Accounting Fees Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 14000265

Software Version: 2014v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	100,400	50,200	0	50,200

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2014 Amortization Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 14000265

Software Version: 2014v5.0

Description of Amortized Expenses	Date Acquired, Completed, or Expended	Amount Amortized	Deduction for Prior Years	Amortization Method	Current Year Amortization	Net Investment Income	Adjusted Net Income	Total Amount of Amortization
MASTER RECORDING- DOD VAL	2008-01-01	23,000,000	9,199,998	15 0000	1,533,333			10,733,331

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2014 Depreciation Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 14000265

Software Version: 2014v5.0

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
LINDEN 85 BLDG - DOD VAL	2004-06-10	636,600	138,800	SL	3 64 %	23,147	23,147		
LINDEN 91 BLDG - DOD VAL	2004-06-10	1,640,000	357,797	SL	3 64 %	59,630	59,630		
LINDEN 91 IMPROVEMENTS	2008-06-30	41,112	8,285	SL	3 64 %	1,495	1,495		
WASHINGTON BLDG - DOD VAL	2004-06-10	425,033	65,388	SL	2 56 %	10,898			
WASHINGTON BLVD - F&F	2009-06-30	8,671	5,574	SL	14 28 %	1,238			
WASHINGTON BLVD - F&F	2010-03-31	58,093	31,121	SL	7 0000	8,299			
OFFICE EQUIPMENT - WASHIN	2010-04-30	11,521	8,448	SL	5 0000	2,304			
STUDIO EQUIPMENT	2010-02-15	32,883	25,404	SL	5 0000	6,577			
NEW ROOF-LINDEN 85	2011-12-01	27,390	3,804	SL	15 0000	1,826	1,826		
PARKING LOT-IMP WASH BL	2011-04-05	19,040	7,480	SL	7 0000	2,720			
WASHINGTON BL-IMPROV	2011-07-01	245,569	40,928	SL	15 0000	16,371			
WASHINGTON BL-F&F	2011-04-11	21,499	8,445	SL	7 0000	3,071			
WASHINGTON BL-F&F	2012-11-08	32,811	5,468	SL	7 0000	4,687			
WASHINGTON BL-IMPROV	2012-03-05	32,544	3,978	SL	15 0000	2,170			
WASHINGTON BL-F&F	2013-03-04	17,756	2,114	SL	7 0000	2,537			
WASHINGTON BL-IMPROV	2013-07-23	25,510	709	SL	15 0000	1,701			
LINDEN 85 IMPROVEMENTS	2013-12-12	2,924	16	SL	15 0000	195	195		
LINDEN 91 IMPROVEMENTS	2013-12-17	33,043		SL	15 0000	2,203	2,203		
RAY CHARLES MUSEUM	2009-01-01	1,913,341	255,112	SL	15 0000	127,556			
OFFICE EQUIPMENT	2013-11-18	3,686	61	SL	5 0000	737			

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
WASHINGTON BL - F&F	2014-07-16	8,317		SL	7 0000	495			
WASHINGTON BL - IMPROV	2014-07-01	49,920		SL	15 0000	1,664			
LINDEN 91 IMPROVEMENTS	2014-07-01	23,202		SL	15 0000	773	773		
COMPUTER EQUIPMENT	2014-07-01	12,475		SL	5 0000	1,248			
SOFTWARE	2014-07-01	11,331		SL	3 0000	1,889			

TY 2014 Investments - Land Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 14000265

Software Version: 2014v5.0

Category/ Item	Cost/Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
Buildings	2,261,250	597,972	1,663,278	2,761,250
Improvements	143,020		143,020	
Land	3,613,750		3,613,750	4,763,750

TY 2014 Land, Etc. Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 14000265

Software Version: 2014v5.0

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
Furniture and Fixtures	151,142	78,902	72,240	
Machinery and Equipment	2,106,388	2,079,301	27,087	2,000,000
Buildings	2,338,374	458,954	1,879,420	1,200,000
Improvements	372,583	77,721	294,862	
Land	780,000		780,000	

TY 2014 Legal Fees Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 14000265

Software Version: 2014v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL	202,052	101,026	0	101,026

TY 2014 Other Assets Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 14000265

Software Version: 2014v5.0

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
Net Intangible Assets	5,486,088	5,486,088	5,621,000

TY 2014 Other Expenses Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 14000265

Software Version: 2014v5.0

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ADVERTISING	52,832	26,416		26,416
Amortization	1,533,333	1,533,333		
BANK CHARGES	261	131		130
COMPUTER EXPENSE	1,920	960		960
DUES & SUBSCRIPTIONS	1,072	536		536
GARDENING	3,475	1,738		1,737
IMAGES	128,944	64,472		64,472
INSURANCE	146,984	73,492		73,492
INTERNET	9,438	4,719		4,719
LICENSES AND FEES	1,674	837		837
MEETINGS	4,877	2,439		2,438
OFFICE EXPENSE	3,575	1,788		1,787
OTHER EXPENSES	20	10		10
PEST CONTROL	645	323		322
PLUMBING & ELECTRICAL	10,030	5,015		5,015
POSTAGE & FREIGHT	2,703	1,352		1,351
PROMOTION	3,138	1,569		1,569
Rental Expenses	417,969	417,969		
REPAIRS & MAINTENANCE	14,172	7,086		7,086
SECURITY	6,535	3,268		3,267
SUPPLIES	14,054	7,027		7,027
TELEPHONE	13,754	6,877		6,877
TRASH SERVICE	1,478	739		739
UTILITIES	23,288	11,644		11,644

TY 2014 Other Income Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 14000265

Software Version: 2014v5.0

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
ALBUM INCOME	46,317	46,317	
LEGAL SETTLEMENT	1,266		
LICENSING/MERCHANDISE	185,783	185,783	
MASTER LICENSE REVENUE	178,034	178,034	
MISCELLANEOUS INCOME	-5,468	-5,468	
OIL & GAS LEASE	3,954	3,954	
PUBLISHING INCOME	384,193	384,193	
ROYALTY RECEIPTS	833,088	833,088	

TY 2014 Other Increases Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 14000265

Software Version: 2014v5.0

Description	Amount
CASH BASIS ADJUSTMENT	926,631

TY 2014 Other Liabilities Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 14000265

Software Version: 2014v5.0

Description	Beginning of Year - Book Value	End of Year - Book Value
SECURITY DEPOSITS	45,215	48,765

TY 2014 Other Professional Fees Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 14000265

Software Version: 2014v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ARCHIVE	4,295	2,148	0	2,147
MANAGEMENT	37,200	18,600	0	18,600
OTHER	7,830	3,915	0	3,915

TY 2014 Taxes Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 14000265**Software Version:** 2014v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
OTHER	2,041	1,021		1,020
PAYROLL TAXES	46,939	23,470		23,469
PROPERTY TAX	33,407	16,704		16,703