Form **990-PF** | lation
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

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0052
2014
Open to Public Inspection

For calendar year 2014 or tax year beginning 12/01, 2014, and ending 11/30, 2015

Name of foundation: THE NORMAN R RALES AND RUTH RALES FOUNDATION

A Employer identification number: 59-6874589

Number and street (or P O box number if mail is not delivered to street address): 2200 PENNSYLVANIA AVENUE, NW, SUITE 800W

Room/suite

B Telephone number (see instructions): (202) 828-0060

City or town, state or province, country, and ZIP or foreign postal code: WASHINGTON, DC 20037

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) ▶ $ 105,312,260.

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 ▶ ☐

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).)*

		(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	5,609	5,609		ATCH 1
	4 Dividends and interest from securities	419,757	419,757		ATCH 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	95.			
	b Gross sales price for all assets on line 6a 95				
	7 Capital gain net income (from Part IV, line 2)		95.		
	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	425,461	425,461		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	8,333	4,167		4,166
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	2,247.			2,247
	16a Legal fees (attach schedule) ATCH 3	17,138	8,569		8,569.
	b Accounting fees (attach schedule) ATCH 4	2,625	1,313		1,312
	c Other professional fees (attach schedule) [5]	295,000.	50,000		245,000
	17 Interest				
	18 Taxes (attach schedule) (see instructions) [6]	10,000.			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	22,467.			22,467
	22 Printing and publications	836			836
	23 Other expenses (attach schedule) ATCH 7	17,964.	4,744		13,132
	24 **Total operating and administrative expenses.** Add lines 13 through 23	376,610	68,793		297,729.
	25 Contributions, gifts, grants paid	3,800,000			3,800,000.
	26 **Total expenses and disbursements.** Add lines 24 and 25	4,176,610	68,793.	0	4,097,729.
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-3,751,149			
	b **Net investment income** (if negative, enter -0-)		356,668		
	c **Adjusted net income** (if negative, enter -0-)				

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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	76,908		
	2	Savings and temporary cash investments	25,123,463	18,588,002	18,588,002
	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			
	10a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule) ATCH 8	78,331,856	86,724,258	86,724,258.
	c	Investments - corporate bonds (attach schedule)			
	11	Investments - land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	12	Investments - mortgage loans			
	13	Investments - other (attach schedule)			
	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)	103,532,227	105,312,260	105,312,260
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 ▶)			
	23	Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31 ▶ ☒			
	27	Capital stock, trust principal or current funds	522,853	522,853	
	28	Paid-in or capital surplus or land bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	103,009,374	104,789,407.	
	30	Total net assets or fund balances (see instructions)	103,532,227	105,312,260.	
	31	Total liabilities and net assets/fund balances (see instructions)	103,532,227	105,312,260	

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	103,532,227.
2	Enter amount from Part I, line 27a	2	-3,751,149.
3	Other increases not included in line 2 (itemize) ▶ ATCH 9	3	5,531,182
4	Add lines 1, 2, and 3	4	105,312,260.
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	105,312,260

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 PART IV SCHEDULE			
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	95.
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	0

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	2,541,266.	99,939,474	0 025428
2012	830,539.	39,677,235	0 020932
2011	909,930.	13,726,927.	0 066288
2010	586,419.	14,358,695	0.040841
2009	1,164,791	13,769,906	0 084590

2	Total of line 1, column (d)	2	0 238079
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 047616
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	101,372,021
5	Multiply line 4 by line 3	5	4,826,930
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	3,567
7	Add lines 5 and 6	7	4,830,497
8	Enter qualifying distributions from Part XII, line 4	8	4,097,729

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	7,133.
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	7,133.
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	7,133.
6	Credits/Payments		
a	2014 estimated tax payments and 2013 overpayment credited to 2014 — 6a: 8,311		
b	Exempt foreign organizations tax withheld at source — 6b:		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 10,000		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments Add lines 6a through 6d	7	18,311.
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	
10	**Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	11,178
11	Enter the amount of line 10 to be **Credited to 2015 estimated tax** ▶ 11,178 **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)? *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*	1b		X
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ 0 (2) On foundation managers ▶ $ 0			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes" attach a detailed description of the activities*	2		X
3	Has the foundation made any changes not previously reported to the IRS in its governing instrument articles of incorporation, or bylaws or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes" has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5 000 in assets at any time during the year? *If "Yes," complete Part II col (c) and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ FL,			
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? Website address ▶ N/A	13	X	

14 The books are in care of ▶ MICHAEL G RYAN Telephone no ▶ 202-828-0060
Located at ▶ 2200 PENNSYLVANIA AVE, NW, SUITE 800W WASHINGTON, DC ZIP+4 ▶ 20037-1731

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 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 ☒ 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 instructions)?	1b		X
	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?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? ☐ Yes ☒ No If "Yes," list the years ▶			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed answer "No" and attach statement - see instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ 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		
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 [X] 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 [X] No

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) ... Yes [X] 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 [X] No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ... 5b

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 [X] No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ... 6b X

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ... Yes [X] 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 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
ATCH 10		8,333	1,124	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 ... ▶

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
ATCH 11		295,000
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 THE FOUNDATION MADE CASH CONTRIBUTIONS TO PRE-SELECTED CHARITABLE ORGANIZATIONS OF $3,800,000	
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 NONE	
2	
All other program-related investments See instructions.	
3 NONE	
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	80,534,320
b	Average of monthly cash balances	1b	22,381,437
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	102,915,757
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	102,915,757
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	1,543,736
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V line 4	5	101,372,021
6	**Minimum investment return** Enter 5% of line 5	6	5,068,601.

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	5,068,601.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	7,133		
b	Income tax for 2014 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	7,133
3	Distributable amount before adjustments Subtract line 2c from line 1			3	5,061,468
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	5,061,468
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	5,061,468.

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	4,097,729.
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	4,097,729
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	4,097,729

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				5,061,468
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			1,869,355	
b Total for prior years 20 12 ,20 11 ,20 10				
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 ▶ $ 4,097,729				
a Applied to 2013, but not more than line 2a			1,869,355	
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				2,228,374.
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				2,833,094.
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	0			
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				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

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).)

NONE

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

NONE

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
ATCH 12				
Total ▶ 3a				3,800,000
b Approved for future payment				
ATCH 13				
Total ▶ 3b				8,955,000

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			14	5,609.	
4 Dividends and interest from securities			14	419,757.	
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	95.	
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)				425,461.	

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 425,461

(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	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		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

cis image do not correspond for signature

Under penalties ... wledge 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.

Sign Here ▶ Fiona H. Ryant 10/14/16 ▶ Treasurer
Signature of officer or trustee Date Title

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

Paid Preparer Use Only	Print/Type preparer's name: TRAVIS L PATTON	Preparer's signature	Date: 10/13/2016	Check ☐ if self-employed	PTIN: P00369623
	Firm's name ▶ PRICEWATERHOUSECOOPERS LLP			Firm's EIN ▶ 13-4008324	
	Firm's address ▶ 600 13TH STREET NW, STE 1000 WASHINGTON, DC 20005			Phone no. 202-414-1000	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		SECURITIES LITIGATION-BROADCOM CORP PROPERTY TYPE SECURITIES				P	VARIOUS	12/05/2014
48							48	
		SECURITIES LITIGATION-CITIGROUP INC PROPERTY TYPE SECURITIES				P	VARIOUS	12/19/2014
47							47	
TOTAL GAIN(LOSS)							95	

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
BANK OF AMERICA	33.	33.
BERNSTEIN	5,576.	5,576.
TOTAL	5,609.	5,609.

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
DANAHER CORPORATION - MCH	418,904.	418,904.
MONNESS CRESPI HARDT & CO.	853.	853.
TOTAL	419,757.	419,757.

ATTACHMENT 3

FORM 990PF, PART I - LEGAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
DOCUMENT PREPARATION & REVIEW	17,138.	8,569.		8,569.
TOTALS	17,138.	8,569.		8,569.

ATTACHMENT 4

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX PREPARATION FEES	2,625.	1,313.		1,312.
TOTALS	2,625.	1,313.		1,312.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
CONSULTING FEES	295,000.	50,000.	245,000.
TOTALS	295,000.	50,000.	245,000.

ATTACHMENT 6

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS
FEDERAL TAXES	10,000.
TOTALS	10,000.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
BANK FEES	184.	48.	48.
OFFICE EXPENSES	8,628.	120.	8,508
INSURANCE EXPENSE	9,152.	4,576.	4,576.
TOTALS	17,964.	4,744.	13,132.

ATTACHMENT 8

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
829,513 SHARES OF DANAHER CORP	79,956,758	79,956,758.
250,000 SHARES OF COLFAX CORP	6,767,500	6,767,500.
TOTALS	86,724,258.	86,724,258.

ATTACHMENT 9

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION	AMOUNT
CHANGE IN MARKET VALUE OF DANAHER CORP	10,642,652.
CHANGE IN MARKET VALUE OF COLFAX CORP	-5,111,470.
TOTAL	5,531,182.

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
MORRIS E. SAMPSON 7335 BROOKVIEW ROAD ELKRIDGE, MD 21075	TRUSTEE 10 00	8,333	0	0
STEVEN M. RALES 2200 PENNSYLVANIA AVENUE, NW SUITE 800W WASHINGTON, DC 20037	TRUSTEE 1 00	0	0	0
MITCHELL P RALES 2200 PENNSYLVANIA AVENUE, NW SUITE 800W WASHINGTON, DC 20037	TRUSTEE 1 00	0	0	0
JOSHUA B RALES 7910 WOODMONT AVE SUITE 850 BETHESDA, MD 20814	TRUSTEE & PRESIDENT 40 00	0	1,124	0
MICHAEL G RYAN 2200 PENNSYLVANIA AVE NW SUITE 800W WASHINGTON, DC 20037	VICE PRESIDENT & TREASURER 1 00	0	0	0

04B009

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 10 (CONT'D)

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
MARY W DUNN 2200 PENNSYLVANIA AVE NW SUITE 800W WASHINGTON, DC 20037	SECRETARY 5 00	0	0	0
TERESA L C. BALDWIN 2200 PENNSYLVANIA AVE NW SUITE 800W WASHINGTON, DC 20037	ASSISTANT TREASURER/SECRETARY 1 00	0	0	0
	GRAND TOTALS	8,333	1,124	0

990PF, PART VIII- COMPENSATION OF THE FIVE HIGHEST PAID PROFESSIONALS

ATTACHMENT 11

NAME AND ADDRESS	TYPE OF SERVICE	COMPENSATION
MORRIS E SAMPSON 7335 BROOKVIEW ROAD ELKRIDGE, MD 21075	CONSULTANT	100,000.
CHURCHILL PARTNERS 9613 REACH ROAD POTOMAC, MD 20854	CONSULTANT	195,000
TOTAL COMPENSATION		295,000.

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
RUTH & NORMAN RALES JEWISH FAMILY SERVICES 21300 RUTH & BARON COLEMAN BOULEVARD BOCA RATON FL 33428	PC	COUNSELING AND EDUCATIONAL SUPPORT	1 700,000
JEWISH ASSOCIATION FOR RESIDENTIAL CARE 21160 95TH AVENUE BOCA RATON, FL 33428	PC	EDUCATIONAL SUPPORT	250,000
JOHNS HOPKINS CHILDREN'S CENTER 1800 ORLEANS STREET BALTIMORE, MD 21287	PC	CHILDREN'S CENTER	900 000
BELL-BUILDING EDUCATED LEADERS FOR LIFE 60 CLAYTON STREET DORCHESTER, MA 02122	PC	EDUCATIONAL SUPPORT	250,000
COLLEGETRACKS, INC 5126 MANNING DRIVE BETHESDA, MD 20814	PC	EDUCATIONAL SUPPORT	150 000
REACH EDUCATION, INC 218 D STREET SE WASHINGTON, DC 20003	PC	EDUCATIONAL SUPPORT	125 000

THE NORMAN R RALES AND RUTH RALES FOUNDATION 59-6874589

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 12 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
UNIVERSITY OF MARYLAND - SCHOOL OF DENTISTRY 650 WEST BALTIMORE STREET BALTIMORE, MD 21201	PC	EDUCATIONAL SUPPORT	100,000
JEWISH FEDERATION OF SOUTH PALM BEACH COUNTY INC 9901 DONNA KLEIN BLVD BOCA RATON, FL 33428	PC	GENERAL SUPPORT	25,000
HIGHER ACHIEVEMENT 1750 COLUMBIA RD NW, 2ND FLOOR WASHINGTON, DC 20009	PC	EDUCATIONAL SUPPORT	250,000
JEWISH COALITION AGAINST DOMESTIC ABUSE PO BOX 2266 ROCKVILLE, MD 20847	PC	COUNSELING AND GENERAL SUPPORT	50,000
		TOTAL CONTRIBUTIONS PAID	1,800,000

948009

THE NORMAN R RALES AND RUTH RALES FOUNDATION 59-6874589

FORM 990PF, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENT

ATTACHMENT 13

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
RUTH & NORMAN RALES JEWISH FAMILY SERVICES 21300 RUTH & BARON COLEMAN BOULEVARD BOCA RATON, FL 33428	PC	COUNSELING AND EDUCATIONAL SUPPORT	1,000,000
RUTH & NORMAN RALES JEWISH FAMILY SERVICES 21300 RUTH & BARON COLEMAN BOULEVARD BOCA RATON, FL 33428	PC	COUNSELING AND EDUCATIONAL SUPPORT	2,400,000
JEWISH ASSOCIATION FOR RESIDENTIAL CARE 21160 95TH AVENUE BOCA RATON, FL 33428	PC	EDUCATIONAL SUPPORT	750,000
JOHNS HOPKINS CHILDREN S CENTER 1800 ORLEANS STREET BALTIMORE, MD 21287	PC	CHILDREN S CENTER	3,600 000
COLLEGETRACKS, INC 5126 MANNING DRIVE BETHESDA MD 20814	PC	EDUCATIONAL SUPPORT	150,000
REACH EDUCATION, INC 218 D STREET SE WASHINGTON, DC 20003	PC	EDUCATIONAL SUPPORT	175 000

THE NORMAN R RALES AND RUTH RALES FOUNDATION 59-6874389

FORM 990PF, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENT

ATTACHMENT 13 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
UNIVERSITY OF MARYLAND - SCHOOL OF DENTISTRY 650 WEST BALTIMORE STREET BALTIMORE, MD 21201	PC	EDUCATIONAL SUPPORT	30,000
HIGHER ACHIEVEMENT 1750 COLUMBIA RD NW, 2ND FLOOR WASHINGTON DC 20009	PC	EDUCATIONAL SUPPORT	750,000
JEWISH COALITION AGAINST DOMESTIC ABUSE PO BOX 2266 ROCKVILLE MD 20847	PC	COUNSELING AND GENERAL SUPPORT	50 000
JEWISH COALITION AGAINST DOMESTIC ABUSE PO BOX 2766 ROCKVILLE, MD 20847	PC	COUNSELING AND GENERAL SUPPORT	50 000
		TOTAL CONTRIBUTIONS APPROVED	8,955,000

FORM 990-PF, PAGE 5, PART VII-A, QUESTION 11

SCHEDULE OF CONTROLLED ENTITIES

NAME	BLUE DOT FOUNDATION
EIN	54-1739160
ADDRESS	2200 PENNSYLVANIA AVENUE, NW, SUITE 800W WASHINGTON, DC 20037

THE CONTROLLED ENTITY IS NOT AN EXCESS BUSINESS HOLDING

NAME	MITCHELL P RALES FAMILY FOUNDATION
EIN	54-1739159
ADDRESS	2200 PENNSYLVANIA AVENUE, NW, SUITE 800W WASHINGTON, DC 20037

THE CONTROLLED ENTITY IS NOT AN EXCESS BUSINESS HOLDING

NAME	SMR FOUNDATION
EIN	41-1957680
ADDRESS	2200 PENNSYLVANIA AVENUE, NW, SUITE 800W WASHINGTON, DC 20037

THE CONTROLLED ENTITY IS NOT AN EXCESS BUSINESS HOLDING