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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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▶ Information about Form 990-PF and its instructions is at www.irs.gov/form990pf.

OMB No 1545-0052

2015
Open to Public Inspection

For calendar year 2015, or tax year beginning 01-01-2015, and ending 12-31-2015

Name of foundation JAMES ARTHUR RAE CHARITABLE TRUST		A Employer identification number 86-0937247	
Number and street (or P O box number if mail is not delivered to street address) 14602 N TATUM BLVD		Room/suite	B Telephone number (see instructions) (480) 425-1111
City or town, state or province, country, and ZIP or foreign postal code PHOENIX, AZ 85032			
G Check all that apply ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ Name change		C If exemption application is pending, check here ☐	
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		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 ☐	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 8,321,952		J Accounting method ☐ Cash ☒ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis.)	

Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</i>		Revenue and expenses per books (a)	Net investment income (b)	Adjusted net income (c)	Disbursements for charitable purposes (d) (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	18,397	18,397		
	4 Dividends and interest from securities	146,310	146,310		
	5a Gross rents	288,495	288,495		
	b Net rental income or (loss) _____ 198,567				
	6a Net gain or (loss) from sale of assets not on line 10	173,358			
	b Gross sales price for all assets on line 6a _____ 2,730,144				
	7 Capital gain net income (from Part IV, line 2) . . .		173,358		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	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	626,560	626,560		
	13 Compensation of officers, directors, trustees, etc	68,968	34,484		34,484
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule).				
	b Accounting fees (attach schedule).	6,700	3,350		3,350
	c Other professional fees (attach schedule)	65,026	65,026		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) . . .	24,486	19,841		
	19 Depreciation (attach schedule) and depletion . . .	39,315	39,315		
	20 Occupancy				
	21 Travel, conferences, and meetings.				
	22 Printing and publications				
	23 Other expenses (attach schedule).	22,122	22,122		
	24 Total operating and administrative expenses. Add lines 13 through 23	226,617	184,138		37,834
	25 Contributions, gifts, grants paid	296,036			324,176
	26 Total expenses and disbursements. Add lines 24 and 25	522,653	184,138		362,010
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	103,907			
	b Net investment income (if negative, enter -0-)		442,422		
	c Adjusted net income (if negative, enter -0-) . . .				

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	388,028	451,502	451,502
	2	Savings and temporary cash investments			
	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) ▶ _____ 306,200 Less allowance for doubtful accounts ▶ _____	306,200	306,200	306,200
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	2,154	2,262	2,262
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	4,688,753	4,353,076	4,353,076
	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)	617,758	616,880	616,880
	14	Land, buildings, and equipment basis ▶ _____ 1,802,124 Less accumulated depreciation (attach schedule) ▶ _____ 602,045	1,234,731	1,200,079	2,440,000
15	Other assets (describe ▶ _____)	164,905	152,032	152,032	
16	Total assets(to be completed by all filers—see the instructions Also, see page 1, item I)	7,402,529	7,082,031	8,321,952	
Liabilities	17	Accounts payable and accrued expenses	33,174	36,942	
	18	Grants payable	324,176	296,036	
	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)	357,350	332,978	
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	7,045,179	6,749,053	
	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			
	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)	7,045,179	6,749,053	
	31	Total liabilities and net assets/fund balances(see instructions)	7,402,529	7,082,031	

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	7,045,179
2	Enter amount from Part I, line 27a	2	103,907
3	Other increases not included in line 2 (itemize) ▶ _____	3	
4	Add lines 1, 2, and 3	4	7,149,086
5	Decreases not included in line 2 (itemize) ▶ _____	5	400,033
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	6,749,053

Part IV

Capital Gains and Losses for Tax on Investment Income

List and describe the kind(s) of property sold (e g , real estate, (a) 2-story brick warehouse, or common stock, 200 shs MLC Co)		How acquired P—Purchase (b) D—Donation	Date acquired (c) (mo , day, yr)	Date sold (d) (mo , day, yr)
1 a	MORGAN STANLEY-ST COVERED	P		
b	MORGAN STANLEY-LT COVERED	P		
c	MORGAN STANLEY-LT NONCOVERED	P		
d	NORTHERN TRUST-ST COVERED	P		
e	NORTHERN TRUST-LT COVERED	P		

(e) Gross sales price	Depreciation allowed (f) (or allowable)	Cost or other basis (g) plus expense of sale	Gain or (loss) (h) (e) plus (f) minus (g)
a 1,002,561		1,023,587	-21,026
b 1,083,233		964,802	118,431
c 255,963		196,854	59,109
d 56,535		60,339	-3,804
e 331,852		311,204	20,648

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			Gains (Col (h) gain minus col (k), but not less than -0-) or (l) Losses (from col (h))
(i) F M V as of 12/31/69	Adjusted basis (j) as of 12/31/69	Excess of col (i) (k) over col (j), if any	
a			-21,026
b			118,431
c			59,109
d			-3,804
e			20,648

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	173,358
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))
2014	323,632	8,326,029	000 038870
2013	286,616	8,043,096	000 035635
2012	311,213	7,708,509	000 040373
2011	288,394	7,980,373	000 036138
2010	273,522	7,618,696	000 035901

2	Total of line 1, column (d).	2	000 186917
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	000 037383
4	Enter the net value of noncharitable-use assets for 2015 from Part X, line 5.	4	7,140,700
5	Multiply line 4 by line 3.	5	266,941
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	4,424
7	Add lines 5 and 6.	7	271,365
8	Enter qualifying distributions from Part XII, line 4.	8	362,010

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 VIExcise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a

Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1
Date of ruling or determination letter _____
(attach copy of letter if necessary—see instructions)

b

Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b

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

4,424

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

4,424

6

Credits/Payments

a

2015 estimated tax payments and 2014 overpayment credited to 2015

6a

8,786

b

Exempt foreign organizations—tax withheld at source

6b

c

Tax paid with application for extension of time to file (Form 8868).

6c

2,000

d

Backup withholding erroneously withheld

6d

7

Total credits and payments. Add lines 6a through 6d.

7

10,786

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

6,362

11

Enter the amount of line 10 to be Credited to 2015 estimated tax ☒ 6,362 Refunded ☒

11

Part VII-AStatements Regarding Activities

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

b

Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for 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

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 ☒ \$ _____ (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

No

3

Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes

3

No

4a

Did the foundation have unrelated business gross income of \$1,000 or more during the year?

4a

No

b

If "Yes," has it filed a tax return on Form 990-T for this year?

4b

5

Was there a liquidation, termination, dissolution, or substantial contraction during the year?
If "Yes," attach the statement required by General Instruction T.

5

No

6

Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:
• By language in the governing instrument, or
• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

6

Yes

7

Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.

7

Yes

8a

Enter the states to which the foundation reports or with which it is registered (see instructions):
☒ AZ _____

b

If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation

8b

Yes

9

Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)?
If "Yes," complete Part XIV

9

No

10

Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses.

10

No

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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  n/a	13	Yes	
14	The books are in care of  MARYLAND LLC Telephone no  (480) 425-1111 Located at  14602 N TATUM BLVD PHOENIX AZ ZIP+4  85032			
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			
16	At any time during calendar year 2015, 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?  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)?  ☐ Organizations relying on a current notice regarding disaster assistance check here. 	1b		No
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 2015?. 	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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015?.  Yes  No If "Yes," list the years  20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions). 	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here  20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?.  Yes  No			
b	If "Yes," did it have excess business holdings in 2015 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 2015.</i>) 	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2015?	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	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
MARYLAND LLC	TRUSTEE	68,718		
14602 N TATUM BLVD	040 00			
PHOENIX, AZ 85032				
JOEL KRAMER	TRUSTEE	250		
3101 N CENTRAL AVE STE 300	000 10			
PHOENIX, AZ 85012				

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	Title, and average hours per week (b) devoted to position	(c) Compensation	Contributions to employee benefit plans and deferred compensation (d)	Expense account, (e) other allowances

Total

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

☐

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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

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	0
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	4,715,743
b	Average of monthly cash balances.	1b	285,378
c	Fair market value of all other assets (see instructions).	1c	2,248,321
d	Total (add lines 1a, b, and c).	1d	7,249,442
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	7,249,442
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	108,742
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	7,140,700
6	Minimum investment return. Enter 5% of line 5.	6	357,035

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	357,035
2a	Tax on investment income for 2015 from Part VI, line 5.	2a	4,424
b	Income tax for 2015 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	4,424
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	352,611
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	352,611
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	352,611

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	362,010
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	362,010
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	4,424
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	357,586

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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				352,611
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only.			175,075	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2015				
a From 2010.				
b From 2011.				
c From 2012.				
d From 2013.				
e From 2014.				
f Total of lines 3a through e.				
4 Qualifying distributions for 2015 from Part XII, line 4 ▶ \$ _____ 362,010				
a Applied to 2014, but not more than line 2a			175,075	
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 2015 distributable amount.				186,935
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2015 (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 2014 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015.				165,676
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 2010 not applied on line 5 or line 7 (see instructions). . .				
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a.				
10 Analysis of line 9				
a Excess from 2011.				
b Excess from 2012.				
c Excess from 2013.				
d Excess from 2014.				
e Excess from 2015.				

Part XIV

b Check box to indicate whether the organization is a private operating foundation described in section 170(c)(2)(B)(i) or 170(c)(2)(B)(ii): ☐ 170(c)(2)(B)(i) or ☐ 170(c)(2)(B)(ii)

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

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

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 email 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	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> ARIZONA BAPTIST CHILDREN'S SERVICES 1779 N ALVERNON WAY TUCSON,AZ 85712	NONE	PC	PROGRAM SUPPORT	5,000
INTEREST MINISTRIES 2060 STONINGTON AVE STE 101 HOFFMAN ESTATES,IL 60169	NONE	PC	PROGRAM SUPPORT	319,176
Total  3a				324,176
b <i>Approved for future payment</i> ARIZONA BAPTIST CHILDREN'S SERVICES 1779 N ALVERNON WAY TUCSON,AZ 85712	NONE	PC	PROGRAM SUPPORT	5,000
INTEREST MINISTRIES 2060 STONINGTON AVE STE 101 HOFFMAN ESTATES,IL 60169	NONE	PC	PROGRAM SUPPORT	291,036
Total  3b				296,036

Enter gross amounts unless otherwise indicated

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

Form **990-PF** (2015)

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?

(1) Cash.

(2) Other assets.

(1) Sales of assets to a noncharitable exempt organization.

(2) Purchases of assets from a noncharitable exempt organization.

(3) Rental of facilities, equipment, or other assets. . . .

(4) Reimbursement arrangements.

(5) Loans or loan guarantees. . . .

(6) Performance of services or membership or fundraising solicitations.

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

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.

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

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.

***** _____ Signature of officer or trustee	2016-05-04 _____ Date	***** _____ Title
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May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No

Form **990-PF** (2015)

TY 2015 Accounting Fees Schedule

Name: JAMES ARTHUR RAE CHARITABLE TRUST

EIN: 86-0937247

Software ID: 15000290

Software Version: 15.3.0.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	6,700	3,350		3,350

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

TY 2015 Depreciation Schedule

Name: JAMES ARTHUR RAE CHARITABLE TRUST

EIN: 86-0937247

Software ID: 15000290

Software Version: 15.3.0.0

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
BUILDING	2000-10-16	1,064,996	382,959	SL	0000000040 000000000000	26,625	26,625		
BUILDING	1997-12-31	397,500	173,274	SL	0000000039 000000000000	10,192	10,192		
HVAC	2003-06-01	16,550	2,754	SL	0000000039 000000000000	424	424		
TI PROJECT	2003-12-01	80,330	3,946	SL	0000000039 000000000000	2,060	2,060		
BUILDING FENCING	2015-11-15	1,050		SL	0000000039 000000000000	3	3		
BUILDING ELECTRICAL	2015-11-23	3,410		SL	0000000039 000000000000	11	11		

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

TY 2015 Gain/Loss from Sale of Other Assets Schedule

Name: JAMES ARTHUR RAE CHARITABLE TRUST

EIN: 86-0937247

Software ID: 15000290

Software Version: 15.3.0.0

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Basis Method	Sales Expenses	Total (net)	Accumulated Depreciation
MORGAN STANLEY-ST COVERED		P			1,002,561	1,023,587			-21,026	
MORGAN STANLEY-LT COVERED		P			1,083,233	964,802			118,431	
MORGAN STANLEY-LT NONCOVERED		P			255,963	196,854			59,109	
NORTHERN TRUST-ST COVERED		P			56,535	60,339			-3,804	
NORTHERN TRUST-LT COVERED		P			331,852	311,204			20,648	

TY 2015 General Explanation Attachment

Name: JAMES ARTHUR RAE CHARITABLE TRUST

EIN: 86-0937247

Software ID: 15000290

Software Version: 15.3.0.0

TY 2015 Investments Corporate Stock Schedule

Name: JAMES ARTHUR RAE CHARITABLE TRUST

EIN: 86-0937247

Software ID: 15000290

Software Version: 15.3.0.0

Name of Stock	End of Year Book Value	End of Year Fair Market Value
MANAGED INVESTMENT ACCOUNTS	4,353,076	4,353,076

TY 2015 Investments - Other Schedule**Name:** JAMES ARTHUR RAE CHARITABLE TRUST**EIN:** 86-0937247**Software ID:** 15000290**Software Version:** 15.3.0.0

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
ARTWORK	FMV	6,800	6,800
MP122009 LLC	FMV	15,747	15,747
MP062011 LLC	FMV	18,618	18,618
BJM POOL VII INVESTMENTS LLC	FMV	140,160	140,160
ANTELOPE 120, LLC	FMV	427,984	427,984
IMH SECURED LOAN FUND	FMV	7,571	7,571

TY 2015 Land, Etc. Schedule

Name: JAMES ARTHUR RAE CHARITABLE TRUST

EIN: 86-0937247

Software ID: 15000290

Software Version: 15.3.0.0

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
BUILDINGS IMPROVEMENTS	1,563,836	602,045	961,791	2,040,000
LAND	238,288		238,288	400,000

TY 2015 Other Assets Schedule

Name: JAMES ARTHUR RAE CHARITABLE TRUST

EIN: 86-0937247

Software ID: 15000290

Software Version: 15.3.0.0

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
DEFERRED LEASE COMMISSION	164,139	151,266	151,266
INTEREST RECEIVABLE	766	766	766

TY 2015 Other Decreases Schedule**Name:** JAMES ARTHUR RAE CHARITABLE TRUST**EIN:** 86-0937247**Software ID:** 15000290**Software Version:** 15.3.0.0

Description	Amount
UNREALIZED GAINS/LOSSES FROM INVESTMENTS	390,636
PARTNERSHIP IMPAIRMENT LOSS	1,040
OTHER BOOK/TAX DIFFERENCES	8,357

TY 2015 Other Expenses Schedule**Name:** JAMES ARTHUR RAE CHARITABLE TRUST**EIN:** 86-0937247**Software ID:** 15000290**Software Version:** 15.3.0.0

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
RENTAL INSURANCE	4,417	4,417		
RENTAL UTILITIES	571	571		
RENTAL RM	300	300		
RENTAL DEFERRED COMMISSIONS	16,834	16,834		

TY 2015 Other Notes/Loans Receivable Short Schedule

Name: JAMES ARTHUR RAE CHARITABLE TRUST

EIN: 86-0937247

Software ID: 15000290

Software Version: 15.3.0.0

Name of 501(c)(3) Organization	Balance Due
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TY 2015 Other Professional Fees Schedule**Name:** JAMES ARTHUR RAE CHARITABLE TRUST**EIN:** 86-0937247**Software ID:** 15000290**Software Version:** 15.3.0.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
RENTAL MANAGEMENT FEES	15,905	15,905		
INVESTMENT ADVISORY FEES	48,959	48,959		
INVESTMENT INTEREST	162	162		

TY 2015 Taxes Schedule**Name:** JAMES ARTHUR RAE CHARITABLE TRUST**EIN:** 86-0937247**Software ID:** 15000290**Software Version:** 15.3.0.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
RENTAL REAL ESTATE TAXES	12,597	12,597		
FOREIGN TAX	4,491	4,491		
FLOW-THROUGH INVESTMENT TAXES	2,753	2,753		
EXCISE TAXES	4,645			