

Return of Private Foundation

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

OMB No. 1545-0052

2016

Department of the Treasury
Internal Revenue Service

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.

Open to Public Inspection

For calendar year 2016 or tax year beginning

, and ending

Name of foundation THE CAREFREE FOUNDATION		A Employer identification number 25-6741662
Number and street (or P.O. box number if mail is not delivered to street address) 9921 E STERLING RIDGE RD	Room/suite	B Telephone number 484-919-9230
City or town, state or province, country, and ZIP or foreign postal code SCOTTSDALE, AZ 85262		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) \$ 1,274,977.	J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) _____	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))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received		378,292.		N/A	
2 Check ☐ if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		18,904.	18,904.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		1.			
b Gross sales price for all assets on line 6a		9.			
7 Capital gain net income (from Part IV, line 2)			1.		
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)					
11 Other income					
12 Total. Add lines 1 through 11		397,197.	18,905.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees		4,000.	2,000.		2,000.
c Other professional fees					
17 Interest					
18 Taxes		8,381.	45.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses					
24 Total operating and administrative expenses. Add lines 13 through 23		12,381.	2,045.		2,000.
25 Contributions, gifts, grants paid		19,200.			19,200.
26 Total expenses and disbursements. Add lines 24 and 25		31,581.	2,045.		21,200.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		365,616.			
b Net investment income (if negative, enter -0-)			16,860.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	66,610.	11,737.	11,737.
	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			
	7 Other notes and loans receivable ▶			
	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			
	b Investments - corporate stock STMT 5	462,458.	1,262,006.	1,262,006.
	c Investments - corporate bonds			
	11 Investments - land buildings and equipment basis ▶			
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶ INCOME RECEIVABLE)	1,095.	1,234.	1,234.	
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	530,163.	1,274,977.	1,274,977.	
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			
	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 ▶ ☐			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	530,163.	1,274,977.	
	30 Total net assets or fund balances	530,163.	1,274,977.	
31 Total liabilities and net assets/fund balances	530,163.	1,274,977.		

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	530,163.
2 Enter amount from Part I, line 27a	2	365,616.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 4	3	379,198.
4 Add lines 1, 2, and 3	4	1,274,977.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,274,977.

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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 ADVANSIX INC			
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 9.		8.	1.
b			
c			
d			
e			

(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			1.
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	1.
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). If (loss), enter -0- in Part I, line 8	{ }	3	N/A

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))
2015	38,818.	637,421.	.060899
2014	29,500.	86,422.	.341348
2013	25,584.	47,459.	.539076
2012	91,790.	74,750.	1.227960
2011	76,325.	182,253.	.418786

2 Total of line 1, column (d)	2	2.588069
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	.517614
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	874,449.
5 Multiply line 4 by line 3	5	452,627.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	169.
7 Add lines 5 and 6	7	452,796.
8 Enter qualifying distributions from Part XII, line 4	8	21,200.

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)		1	337.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	337.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	337.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2016 estimated tax payments and 2015 overpayment credited to 2016	6a 4,400.	7	4,400.
b Exempt foreign organizations - tax withheld at source	6b	8	
c Tax paid with application for extension of time to file (Form 8868)	6c	9	
d Backup withholding erroneously withheld	6d	10	4,063.
7 Total credits and payments. Add lines 6a through 6d		11	0.
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2017 estimated tax	4,063. Refunded		

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?		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		X
c Did the foundation file Form 1120-POL for this year?		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		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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?	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	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>AZ</u>		
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	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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	X	

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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)		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)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>NA</u>	X	
14 The books are in care of ► <u>E. SCOTT URDANG</u> Telephone no. ► <u>484-919-9230</u> Located at ► <u>9921 E. STERLING RIDGE RD, SCOTTSDALE, AZ</u> ZIP+4 ► <u>85262</u>		
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 N/A		
16 At any time during calendar year 2016, 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 the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►		X

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 ► ☐ N/A		
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 2016?		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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? If "Yes," list the years ►	☐ Yes ☒ No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	
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 2016 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 2016)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2016?		X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

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

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

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

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 ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(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 STATEMENT 7		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

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

0

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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 832,927.
b	Average of monthly cash balances	1b 54,838.
c	Fair market value of all other assets	1c
d	Total (add lines 1a, b, and c)	1d 887,765.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.
2	Acquisition indebtedness applicable to line 1 assets	2 0.
3	Subtract line 2 from line 1d	3 887,765.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4 13,316.
5	Net value of noncharitable-use assets Subtract line 4 from line 3. Enter here and on Part V, line 4	5 874,449.
6	Minimum investment return Enter 5% of line 5	6 43,722.

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 43,722.
2a	Tax on investment income for 2016 from Part VI, line 5	2a 337.
2b	Income tax for 2016. (This does not include the tax from Part VI.)	2b
c	Add lines 2a and 2b	2c 337.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3 43,385.
4	Recoveries of amounts treated as qualifying distributions	4 0.
5	Add lines 3 and 4	5 43,385.
6	Deduction from distributable amount (see instructions)	6 0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7 43,385.

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 21,200.
b	Program-related investments - total from Part IX-B	1b 0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2
3	Amounts set aside for specific charitable projects that satisfy the:	
a	Suitability test (prior IRS approval required)	3a
b	Cash distribution test (attach the required schedule)	3b
4	Qualifying distributions Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4 21,200.
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	5 0.
6	Adjusted qualifying distributions Subtract line 5 from line 4	6 21,200.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				43,385.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011	67,442.			
b From 2012	88,118.			
c From 2013	23,243.			
d From 2014	25,399.			
e From 2015	11,103.			
f Total of lines 3a through e	215,305.			
4 Qualifying distributions for 2016 from Part XII, line 4: \$	21,200.			
a Applied to 2015, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2016 distributable amount				21,200.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))	22,185.			22,185.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	193,120.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				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)	0.			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7	45,257.			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	147,863.			
10 Analysis of line 9:				
a Excess from 2012	88,118.			
b Excess from 2013	23,243.			
c Excess from 2014	25,399.			
d Excess from 2015	11,103.			
e Excess from 2016				

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

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 Paid during the year				
CEASEFIREPA PO BOX 60095 PHILADELPHIA, PA 19102	NONE	501(C)(3)	EDUCATION FUND	250.
COMMUNITY CANCER FUND 510 N RIVERSIDE AVE, #207 SPOKANE, WA 99201	NONE	501(C)(3)	GENERAL FUND	5,000.
DAMON RUNYON CANCER RESEARCH FOUNDATION 55 BROADWAY, STE 302 NEW YORK, NY 10006	NONE	501(C)(3)	GENERAL FUND	3,000.
ISRAEL CANCER RESEARCH FOUNDATION 295 MADISON AVENUE, #1030 NEW YORK, NY 10017	NONE	501(C)(3)	GENERAL FUND	10,000.
PHOENIX ART MUSEUM 1625 N. CENTRAL AVE PHOENIX, AZ 85004	NONE	501(C)(3)	GENERAL FUND	250.
Total			SEE CONTINUATION SHEET(S)	19,200.
b Approved for future payment				
NONE				
Total				0.

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. | | |

[illegible]

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

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

**Sign
Here**

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


Signature of officer or trustee

5/14/17
Date

MANAGER
Title

May the IRS discuss this return with the preparer shown below (see instr)?

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name PAMELA D. WHEELER, EA	Preparer's signature PAMELA D. WHEELER	Date 05/11/17	Check ☐ if self-employed	PTIN P00038191
Firm's name ► HENRY & HORNE, LLP			Firm's EIN ► 86-0133881	
Firm's address ► 7098 E. COCHISE SUITE 100 SCOTTSDALE, AZ 85253-4517			Phone no. (480)483-1170	

25-6741662

3 Grants and Contributions Paid During the Year (Continuation)

623631
04-01-18

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and
its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Name of the organization

Employer identification number

THE CAREFREE FOUNDATION

25-6741662

Organization type (check one).

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year. ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2016)

Name of organization

Employer identification number

THE CAREFREE FOUNDATION**25-6741662****Part I Contributors** (See instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	SCOTT AND MARILYN URDANG 9921 E STERLING RIDGE ROAD SCOTTSDALE, AZ 85262	\$ 365,956.	Person ☒ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions)
2	SCOTT AND MARILYN URDANG 9921 E STERLING RIDGE ROAD SCOTTSDALE, AZ 85262	\$ 12,336.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

Name of organization

Employer identification number

THE CAREFREE FOUNDATION**25-6741662****Part II Noncash Property** (See instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
1	1744 SHARES OF JPMORGAN CHASE CORP STOCK @ 86.53 PER SHARE	\$ 150,909.	12/20/16
1	1200 SHARES OF AUTO DATA PROCESSING (ADP) @ \$102.33 PRICE PER SHARE	\$ 122,796.	12/20/16
1	1218 SHARES OF DARDEN RESTAURANTS @ \$75.74 PRICE PER SHARE	\$ 92,251.	12/20/16
		\$	
		\$	
		\$	

Name of organization

Employer identification number

THE CAREFREE FOUNDATION**25-6741662**

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this info once) ▶ \$ _____

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee



Schwab One® Trust Account
Account Number: [REDACTED]

Statement Period: December 1, 2016 to December 31, 2016
Page 3 of 4

Income Summary

Description	This Period	Year to Date
Federally Taxable		
Money Funds Dividends		3.76
Cash Dividends	3,075.70	17,620.56
Total Income	3,075.70	17,624.32

Investment Detail

Description	Symbol	Quantity	Price	Market Value
Cash, Money Market Fund (Sweep)				
CASH				1,182.24
SCHWAB US TREAS MONEY FD (M)	SWUXX	10,554.7600	1.0000	10,554.76
Investments				
ABBVIE INC (M)	ABBV	500.0000	62.6200	31,310.00
ADVANSIX INC (M)	ASIX	16.0000	22.1400	354.24
AUTO DATA PROCESSING (M)	ADP	1,200.0000	102.7800	123,336.00
BLACKROCK INC (M)	BLK	100.0000	380.5400	38,054.00
BRISTOL-MYERS SQUIBB (M)	BMJ	1,868.0000	58.4400	109,165.92
DARDEN RESTAURANTS (M)	DRI	1,218.0000	72.7200	88,572.96
HOME DEPOT INC (M)	HD	300.0000	134.0800	40,224.00
HONEYWELL INTL INC (M),0	HON	417.4454	115.8500	48,361.05
JPMORGAN CHASE & CO (M)	JPM	1,744.0000	86.2900	150,489.76
LOCKHEED MARTIN CORP (M)	LMT	300.0000	249.9400	74,982.00
MICROSOFT CORP (M)	MSFT	2,400.0000	62.1400	149,136.00
TE CONNECTIVITY LTD F (M)	TEL	600.0000	69.2800	41,568.00
TRAVELERS COMPANIES (M)	TRV	400.0000	122.4200	48,968.00
ENERGY SELECT SECTOR (M),0 SPDR ETF	XLE	58.5573	75.3200	4,410.54
SPDR GOLD SHARES ETF (M)	GLD	321.0000	109.6100	35,184.81
SPDR S&P MIDCAP 400 ETF (M)	MDY	185.0000	301.7300	55,820.05
SPDR S&P 500 ETF (M),0	SPY	766.7794	223.5300	171,398.20
WISDOMTREE EMRG MRKT HG (M) DIV ETF	DEM	1,357.0000	37.3400	50,670.38
Total Account Value				1,273,742.91

Transaction Detail

Settle Date	Trade Date	Transaction	Description	Quantity	Price	Total
Cash & Money Market Fund(s) Activity						
12/08	12/08	Qualified Dividend	MICROSOFT CORP MSFT			936.00
12/09	12/09	Qual Div Reinvest	HONEYWELL INTL INC HON			276.02
12/09	12/09	Qualified Dividend	TE CONNECTIVITY LTD F TEL			222.00
12/15	12/15	Qualified Dividend	HOME DEPOT INC HD			207.00
12/23	12/23	Qualified Dividend	BLACKROCK INC BLK			229.00
12/27	12/27	Div For Reinvest	ENERGY SELECT SECTOR SPDR ETF XLE			23.44
12/29	12/29	Funds Paid	SCHWAB ONE CHECK 000362			(100.00)
12/30	12/30	Qualified Dividend	LOCKHEED MARTIN CORP LMT			546.00

Please see "Endnotes For Your Account" section for an explanation of the endnote codes and symbols on this statement.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
CHARLES SCHWAB	18,904.	0.	18,904.	18,904.	
TO PART I, LINE 4	18,904.	0.	18,904.	18,904.	

FORM 990-PF ACCOUNTING FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
HENRY+HORNE	4,000.	2,000.		2,000.
TO FORM 990-PF, PG 1, LN 16B	4,000.	2,000.		2,000.

FORM 990-PF TAXES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	45.	45.		0.
2015 TAX	3,936.	0.		0.
2016 ESTIMATED TAX PAYMENTS	4,400.	0.		0.
TO FORM 990-PF, PG 1, LN 18	8,381.	45.		0.

FORM 990-PF OTHER INCREASES IN NET ASSETS OR FUND BALANCES STATEMENT 4

DESCRIPTION	AMOUNT
INCREASE / DECREASE IN INVESTMENT FMV	379,198.
TOTAL TO FORM 990-PF, PART III, LINE 3	379,198.

FORM 990-PF	CORPORATE STOCK	STATEMENT	5
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
ABBVIE INC, 500 SHARES	0.	0.
BLACKROCK INC, 100 SHARES	0.	0.
BRISTOL MYERS SQUIB, 1,868 SHARES	0.	0.
HOME DEPOT INC, 300 SHARES	0.	0.
HONEYWELL INTERNATIONALS, 408.571 SHARES	0.	0.
LOCKHEED MARTIN CORP, 300 SHARES	0.	0.
TE CONNECTIVITY LTD, 600 SHARES	0.	0.
TRAVELER COMPANIES INC, 400 SHARES	0.	0.
SPDR S&P 500 EFT TR, 637.8953 SHARES	0.	0.
SPDR S&P 500 EFT SPY, 112.6603 SHARES	0.	0.
SECTOR SPDR ENERGY SELECT, 57.1001 SHARES	0.	0.
SPDR GOLD TRUST, 321 SHARES	0.	0.
SPDR S&P MIDCAP 400 ETF, 185 SHARES	0.	0.
MICROSOFT CORP, 2,400 SHARES	0.	0.
CHARLES SCHWAB - CORPORATE STOCK INVESTMENTS	1,262,006.	1,262,006.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,262,006.	1,262,006.

FORM 990-PF	LIST OF SUBSTANTIAL CONTRIBUTORS PART VII-A, LINE 10	STATEMENT	6
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NAME OF CONTRIBUTOR	ADDRESS
SCOTT AND MARILYN URDANG	9921 E STERLING RIDGE ROAD SCOTTSDALE, AZ 85262

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS STATEMENT 7
 TRUSTEES AND FOUNDATION MANAGERS

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
E. SCOTT URDANG 9921 E. STERLING RIDGE ROAD SCOTTSDALE, AZ 85262	MANAGER 1.00	0.	0.	0.
MARILYN URDANG 9921 E. STERLING RIDGE ROAD SCOTTSDALE, AZ 85262	MANAGER 1.00	0.	0.	0.
JENNIFER STERN 200 WEST WASHINGTON SQUARE APT. 2508 PHILADELPHIA, PA 19106	TRUSTEE 1.00	0.	0.	0.
MELISSA BODIE 37 RANDOLPH CRESCENT LONDON, UNITED KINGDOM, UNITED KINGDOM	TRUSTEE 1.00	0.	0.	0.
JAMIE SUNENSHINE 5237 E. VIA LOS CABALLOS PARADISE VALLEY, AZ 85253	TRUSTEE 1.00	0.	0.	0.
EMILY NITIDO 5761 N. CHEIFTAN TRAIL TUCSON, AZ 85750	TRUSTEE 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.