

Form **990-PF**
 Department of the Treasury
 Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Trust Treated as Private Foundation
 ▶ Do not enter social security numbers on this form as it may be made public.
 ▶ Information about Form 990-PF and its instructions is at www.irs.gov/form990pf.

OMB No 1545-0052
2017
Open to Public Inspection

For calendar year 2017, or tax year beginning 01-01-2017, and ending 12-31-2017

Name of foundation THE RAY CHARLES FOUNDATION		A Employer identification number 95-4047622
Number and street (or P O box number if mail is not delivered to street address) 2107 WEST WASHINGTON BLVD	Room/suite	B Telephone number (see instructions) (323) 737-8000
City or town, state or province, country, and ZIP or foreign postal code LOS ANGELES, CA 90018		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 43,544,809	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</small>		(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 <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	216,334	216,334		
	4 Dividends and interest from securities				
	5a Gross rents	641,357	641,357		
	b Net rental income or (loss) 210,398				
	6a Net gain or (loss) from sale of assets not on line 10	-926,908			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)				
	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)	1,804,676	1,804,676			
12 Total. Add lines 1 through 11	1,735,459	2,662,367			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	276,096	138,048		138,048
	14 Other employee salaries and wages	673,784	336,892		336,892
	15 Pension plans, employee benefits	22,455	11,227		11,228
	16a Legal fees (attach schedule)	223,680	111,840		111,840
	b Accounting fees (attach schedule)	90,000	45,000		45,000
	c Other professional fees (attach schedule)	13,758	6,879		6,879
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	86,842	43,421		43,421
	19 Depreciation (attach schedule) and depletion	312,176	105,138		
	20 Occupancy				
	21 Travel, conferences, and meetings	50,618	25,309		25,309
	22 Printing and publications				
	23 Other expenses (attach schedule)	5,205,333	4,577,288		628,045
	24 Total operating and administrative expenses. Add lines 13 through 23	6,954,742	5,401,042		1,346,662
	25 Contributions, gifts, grants paid	2,100,000			2,100,000
26 Total expenses and disbursements. Add lines 24 and 25	9,054,742	5,401,042		3,446,662	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	-7,319,283				
b Net investment income (if negative, enter -0-)		0			
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	677,391	1,247,423	1,247,423
	2 Savings and temporary cash investments	31,131,768	27,638,496	27,638,496
	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	29,688	50,761	37,890
	10a Investments—U S and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)			
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment basis ▶ _____ 6,267,297 Less accumulated depreciation (attach schedule) ▶ _____ 896,351	5,429,675	5,370,946	7,525,000
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment basis ▶ _____ 5,269,585 Less accumulated depreciation (attach schedule) ▶ _____ 2,706,882	3,294,769	2,562,703	3,700,000
15 Other assets (describe ▶ _____)	5,486,088	3,396,000	3,396,000	
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	46,049,379	40,266,329	43,544,809	
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 ▶ _____)	52,640	55,540	
	23 Total liabilities (add lines 17 through 22)	52,640	55,540	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds	45,996,739	40,210,789		
30 Total net assets or fund balances (see instructions)	45,996,739	40,210,789		
31 Total liabilities and net assets/fund balances (see instructions) .	46,049,379	40,266,329		

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	45,996,739
2 Enter amount from Part I, line 27a	2	-7,319,283
3 Other increases not included in line 2 (itemize) ▶ _____	3	1,533,333
4 Add lines 1, 2, and 3	4	40,210,789
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	40,210,789

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)
1 a RAY CHARLES MUSEUM	P	2009-01-01	2017-12-14
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	603,765	1,530,673	-926,908
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(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	
a			-926,908
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	2	-926,908
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?
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part Yes No

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))
2016	1,029,022	45,158,481	0 02279
2015	2,116,821	46,002,543	0 04602
2014	2,984,784	46,818,467	0 06375
2013	5,832,660	48,398,139	0 12051
2012	2,272,740	50,301,264	0 04518

2 Total of line 1, column (d)	2	0 298251
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 059650
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4	41,668,241
5 Multiply line 4 by line 3	5	2,485,511
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	2,485,511
8 Enter qualifying distributions from Part XII, line 4	8	3,446,662

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)

Table with 11 rows for excise tax calculation. Includes fields for exempt foundations, tax under section 511, subtitle A tax, and total credits. Total amount owed is 12,871, with 12,871 overpaid and 12,871 credited to 2018 estimated tax.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Columns include question number, 'Yes', and 'No' responses. Questions cover political campaign influence, political expenditures, and foundation requirements.

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions). 11 No
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions) 12 No
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address www.theraycharlesfoundation.org 13 Yes
14 The books are in care of VALERIE ERVIN PRESIDENT Telephone no (323) 737-8000

Located at 2107 W WASHINGTON BLVD LOS ANGELES CA ZIP+4 90018

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here 15

16 At any time during calendar year 2017, 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.

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? (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? (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)? (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). 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. 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 2017? 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 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? 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) 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? b If "Yes," did it have excess business holdings in 2017 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 2017). 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 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 2017?

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))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions).	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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	No	
	Organizations relying on a current notice regarding disaster assistance check here.	<input type="checkbox"/>		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	<i>If "Yes," attach the statement required by Regulations section 53.4945–5(d)</i>			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870</i>	6b	No	
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	7b	No	

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

Table 1: List all officers, directors, trustees, foundation managers and their compensation (see instructions). Columns: (a) Name and address, (b) Title and average hours per week, (c) Compensation, (d) Contributions to employee benefit plans, (e) Expense account.

Table 2: Compensation of five highest-paid employees (other than those included on line 1—see instructions). Columns: (a) Name and address, (b) Title and average hours per week, (c) Compensation, (d) Contributions to employee benefit plans, (e) Expense account.

Total number of other employees paid over \$50,000. 1

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

Table 3: Five highest-paid independent contractors for professional services. Columns: (a) Name and address, (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

Table 4: Summary of Direct Charitable Activities. Columns: Description of activity, Expenses.

Part IX-B Summary of Program-Related Investments (see instructions)

Table 5: Summary of Program-Related Investments. Columns: Description of investment, Amount.

Total. Add lines 1 through 3.

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities.	1a	0
b	Average of monthly cash balances.	1b	31,381,783
c	Fair market value of all other assets (see instructions).	1c	10,921,000
d	Total (add lines 1a, b, and c).	1d	42,302,783
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	0
2	Acquisition indebtedness applicable to line 1 assets.	2	
3	Subtract line 2 from line 1d.	3	42,302,783
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	634,542
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	41,668,241
6	Minimum investment return. Enter 5% of line 5.	6	2,083,412

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1	Minimum investment return from Part X, line 6.	1	2,083,412
2a	Tax on investment income for 2017 from Part VI, line 5.	2a	
b	Income tax for 2017 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	2,083,412
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	2,083,412
6	Deduction from distributable amount (see instructions).	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	7	2,083,412

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	3,446,662
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	3,446,662
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions).	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	3,446,662

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 2016	(c) 2016	(d) 2017
1 Distributable amount for 2017 from Part XI, line 7				2,083,412
2 Undistributed income, if any, as of the end of 2017				
a Enter amount for 2016 only.				
b Total for prior years 20___, 20___, 20___				
3 Excess distributions carryover, if any, to 2017				
a From 2012.				
b From 2013.		271,535		
c From 2014.		643,861		
d From 2015.				
e From 2016.				
f Total of lines 3a through e.	915,396			
4 Qualifying distributions for 2017 from Part XII, line 4 ▶ \$ _____ 3,446,662				
a Applied to 2016, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions).				
c Treated as distributions out of corpus (Election required—see instructions).	0			
d Applied to 2017 distributable amount.				2,083,412
e Remaining amount distributed out of corpus	1,363,250			
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	2,278,646			
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 2016 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2017 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2018				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions).				
8 Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions).				
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	2,278,646			
10 Analysis of line 9				
a Excess from 2013.		271,535		
b Excess from 2014.		643,861		
c Excess from 2015.				
d Excess from 2016.				
e Excess from 2017.		1,363,250		

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2017, enter the date of the ruling. ▶

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

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year	Prior 3 years			(e) Total
	(a) 2017	(b) 2016	(c) 2015	(d) 2014	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					

3 Complete 3a, b, or c for the alternative test relied upon

a "Assets" alternative test—enter

(1) Value of all assets

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)

b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.

c "Support" alternative test—enter

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).

(3) Largest amount of support from an exempt organization

(4) Gross investment income

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

1 Information Regarding Foundation Managers:

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

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

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

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

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

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

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

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

c Any submission deadlines

NO SUBMISSION DEADLINES - APPLICATIONS REVIEWED ALL YEAR

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

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

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

Recipient	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> LAPD COMMUNITY YOUTH WELFARE EDUCAT 100 W 1ST STREET LOS ANGELES, CA 90012	NONE	NOT A FDN	HEALTHCARE	1,000,000
MOREHOUSE COLLEGE 830 WESTVIEW DRIVE SW ATLANTA, GA 30314	NONE	NOT A FDN	EDUCATION	1,000,000
BLIND CHILDRENS CENTER 4120 MARATHON STREET LOS ANGELES, CA 90029	NONE	NOT A FDN	SUPPORT THE DEVELOPMENT AND EDUCATION OF BLIND CHILDREN	100,000
Total			▶ 3a	2,100,000
b <i>Approved for future payment</i>				
Total			▶ 3b	

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

(a) Name and address	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
VALERIE ERVIN 2107 W WASHINGTON BLVD LOS ANGELES, CA 90018	President 40 00	276,096	8,000	
JOSEPH ADAMS 4244 MOUNT VERNON DRIVE LOS ANGELES, CA 90008	Director 1 00	0		
NORIYOSHI TACHIBANA 2102 LINNINGTON AVENUE LOS ANGELES, CA 90025	Secretary 1 00	0		
REV CECIL L MURRAY 4821 PARKGLEN AVENUE LOS ANGELES, CA 90043	Co-Treasurer 1 00	0		
RAMSEY JAY JR 2548 TOLTEC COURT VENTURA, CA 93001	Director 1 00	0		
DIANA TREISTER 349 S LINDEN DRIVE B BEVERLY HILLS, CA 90212	Co-Treasurer 1 00	0		
STEWART IAN ALPERT 605 TASMAN DRIVE 1417 SUNNYVALE, CA 94089	Chairman 1 00	0		

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

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See the instructions)
11 Other revenue	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
a ALBUM INCOME			15	30,265	
b FED/CA TAX REFUNDS			1		
c LEGAL SETTLEMENT			1		
d LICENSING/MERCHANDISE			15	113,615	
e MASTER LICENSE REVENUE			15	377,179	
f MISCELLANEOUS INCOME			1	11,233	
g OIL & GAS LEASE			1	2,130	
h PUBLISHING INCOME			15	294,171	
i ROYALTY RECEIPTS			15	976,083	
j SAG PENSION RECEIPTS			14		

TY 2017 Accounting Fees Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 17005038**Software Version:** 2017v2.2**Accounting Fees Schedule**

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	90,000	45,000	0	45,000

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

TY 2017 Amortization Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 17005038

Software Version: 2017v2.2

Description of Amortized Expenses	Date Acquired, Completed, or Expended	Amount Amortized	Deduction for Prior Years	Amortization Method	Current Year Amortization	Net Investment Income	Adjusted Net Income	Total Amount of Amortization
MASTER RECORDING- DOD VAL	2008-01-01	23,000,000	13,799,997	15 0000	1,533,333			15,333,330

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

TY 2017 Depreciation Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 17005038

Software Version: 2017v2.2

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
LINDEN 85 BLDG - DOD VAL	2004-06-10	636,600	208,247	SL	3 64 %	23,153	23,153		
LINDEN 91 BLDG - DOD VAL	2004-06-10	1,640,000	536,704	SL	3 64 %	59,647	59,647		
LINDEN 91 IMPROVEMENTS	2008-06-30	35,012	10,875	SL	3 64 %	1,273	1,273		
WASHINGTON BLDG - DOD VAL	2004-06-10	425,033	98,082	SL	2 56 %	10,898			
WASHINGTON BLVD - F&F	2010-03-31	57,198	54,867	SL	7 0000	2,043			
NEW ROOF-LINDEN 85	2011-12-01	27,390	9,282	SL	15 0000	1,826	1,826		
PARKING LOT-IMP WASH BL	2011-04-05	19,040	15,640	SL	7 0000	2,720			
WASHINGTON BL-IMPROV	2011-07-01	245,569	90,041	SL	15 0000	16,371			
WASHINGTON BL-F&F	2011-04-11	21,499	17,658	SL	7 0000	3,071			
WASHINGTON BL-F&F	2012-11-08	32,811	19,529	SL	7 0000	4,687			
WASHINGTON BL-IMPROV	2012-03-05	32,544	10,488	SL	15 0000	2,170			
WASHINGTON BL-F&F	2013-03-04	17,756	9,725	SL	7 0000	2,537			
WASHINGTON BL-IMPROV	2013-07-23	25,510	5,812	SL	15 0000	1,701			
LINDEN 85 IMPROVEMENTS	2013-12-12	2,924	601	SL	15 0000	195	195		
LINDEN 91 IMPROVEMENTS	2013-12-17	33,043	6,609	SL	15 0000	2,203	2,203		
RAY CHARLES MUSEUM	2009-01-01	382,668	127,556	SL	15 0000	25,511			
OFFICE EQUIPMENT	2013-11-18	3,686	2,272	SL	5 0000	737			
WASHINGTON BL - F&F	2014-07-16	8,317	2,871	SL	7 0000	1,188			
WASHINGTON BL - IMPROV	2014-07-01	49,920	8,320	SL	15 0000	3,328			
LINDEN 91 IMPROVEMENTS	2014-07-01	23,202	3,867	SL	15 0000	1,547	1,547		

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
COMPUTER EQUIPMENT	2014-07-01	12,475	6,238	SL	5 0000	2,495			
SOFTWARE	2014-07-01	11,331	9,443	SL	3 0000	1,888			
WASHINGTON BL - IMPROV	2015-07-23	35,462	3,349	SL	15 0000	2,364			
LINDEN 85 IMPROVEMENTS	2015-07-01	16,600	1,660	SL	15 0000	1,107	1,107		
LINDEN 91 IMPROVEMENTS	2015-07-01	82,637	8,264	SL	15 0000	5,509	5,509		
COMPUTER EQUIPMENT	2015-07-01	13,558	4,068	SL	5 0000	2,712			
SOFTWARE	2015-07-01	11,641	5,820	SL	3 0000	3,880			
LINDEN 85 IMPROVEMENTS	2016-10-03	14,800	247	SL	15 0000	987	987		
LINDEN 91 IMPROVEMENTS	2016-07-01	88,831	2,961	SL	15 0000	5,922	5,922		
LINDEN 85 IMPROVEMENTS	2008-06-30	6,100	1,895	SL	3 64 %	222	222		
OFFICE EQUIPMENT	2016-07-01	8,026	803	SL	5 0000	1,605			
RAY CHARLES MUSEUM IMPROV	2017-12-14	510,130		SL	15 0000	2,834			
AUTO	2016-04-28	71,969	9,596	SL	5 0000	14,394			
COMPUTER EQUIPMENT	2017-01-30	2,944		SL	5 0000	540			
LINDEN 85 - ROOF	2017-06-22	24,000		SL	15 0000	800	800		
LINDEN 91 IMPROVEMENTS	2017-07-01	22,408		SL	15 0000	747	747		
WASHINGTON BL - IMPROV	2017-07-01	57,840		SL	15 0000	1,928			
RAY CHARLES MUSEUM IMPROV	2017-12-14	341,096		SL	15 0000	1,895			
RAY CHARLES MUSEUM	2009-01-01	1,530,673	510,224	SL	15 0000	93,541			

TY 2017 Investments - Land Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 17005038**Software Version:** 2017v2.2

Category/ Item	Cost/Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
Buildings	2,261,250	896,351	1,364,899	2,761,250
Improvements	392,297		392,297	
Land	3,613,750		3,613,750	4,763,750

**TY 2017 Land, Etc.
Schedule****Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 17005038**Software Version:** 2017v2.2

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
Furniture and Fixtures	142,582	130,841	11,741	
Machinery and Equipment	2,233,876	2,145,033	88,843	
Buildings	802,668	262,047	540,621	2,100,000
Improvements	1,310,459	168,961	1,141,498	1,600,000
Land	780,000		780,000	

TY 2017 Legal Fees Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 17005038**Software Version:** 2017v2.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	223,680	111,840	0	111,840

TY 2017 Other Assets Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 17005038**Software Version:** 2017v2.2**Other Assets Schedule**

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
Net Intangible Assets	5,486,088	3,396,000	3,396,000

TY 2017 Other Expenses Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 17005038**Software Version:** 2017v2.2**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ADVERTISING	38,397	19,199		19,198
Amortization	1,533,333	1,533,333		
BANK CHARGES	352	176		176
COMPUTER EXPENSE	556	278		278
DUES & SUBSCRIPTIONS	2,692	1,346		1,346
GARDENING	4,475	2,237		2,238
IMPAIRMENT OF INTANGIBLE ASSET	2,090,088	2,090,088		
INSURANCE	195,126	97,563		97,563
INTERNET	45,306	22,653		22,653
LEGAL SETTLEMENT EXPENSE	600,000	300,000		300,000

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LICENSES AND FEES	42,158	21,079		21,079
MEETINGS	2,887	1,443		1,444
OFFICE EXPENSE	772	386		386
PEST CONTROL	618	309		309
PLUMBING & ELECTRICAL	13,632	6,816		6,816
POSTAGE & FREIGHT	1,375	688		687
PROMOTION	4,355	2,177		2,178
Rental Expenses	325,821	325,821		
REPAIRS & MAINTENANCE	18,349	9,174		9,175
SECURITY	33,421	16,711		16,710

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
SPECIAL EVENTS	201,805	100,903		100,902
SUPPLIES	11,534	5,767		5,767
TELEPHONE	14,292	7,146		7,146
TRASH SERVICE	2,478	1,239		1,239
UTILITIES	21,511	10,756		10,755

TY 2017 Other Income Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 17005038**Software Version:** 2017v2.2**Other Income Schedule**

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
ALBUM INCOME	30,265	30,265	
LICENSING/MERCHANDISE	113,615	113,615	
MASTER LICENSE REVENUE	377,179	377,179	
MISCELLANEOUS INCOME	11,233	11,233	
OIL & GAS LEASE	2,130	2,130	
PUBLISHING INCOME	294,171	294,171	
ROYALTY RECEIPTS	976,083	976,083	

TY 2017 Other Increases Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 17005038**Software Version:** 2017v2.2

Description	Amount
AMORTIZATION ON RETURN NOT ON BOOKS	1,533,333

TY 2017 Other Liabilities Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 17005038**Software Version:** 2017v2.2

Description	Beginning of Year - Book Value	End of Year - Book Value
SECURITY DEPOSITS	52,640	55,540

TY 2017 Other Professional Fees Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 17005038**Software Version:** 2017v2.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ARCHIVE	5,390	2,695	0	2,695
CONSULTANTS	4,363	2,182	0	2,181
OTHER	4,005	2,002	0	2,003

TY 2017 Taxes Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 17005038**Software Version:** 2017v2.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
OTHER	240	120		120
PAYROLL TAXES	59,040	29,520		29,520
PROPERTY TAX	27,552	13,776		13,776
STATE TAXES	10	5		5