

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.**
 ▶ **Go to www.irs.gov/Form990PF for instructions and the latest information.**

OMB No 1545-0052
2018
Open to Public Inspection

For calendar year 2018, or tax year beginning 01-01-2018 , and ending 12-31-2018

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) ▶ \$ <u>44,267,505</u>	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ <i>(Part I, column (d) must be on cash basis)</i>	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 <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</i>		(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 (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	258,038	258,038		
4	Dividends and interest from securities				
5a	Gross rents	664,460	664,460		
b	Net rental income or (loss) 285,873				
6a	Net gain or (loss) from sale of assets not on line 10				
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)	2,585,136	2,585,136		
12	Total. Add lines 1 through 11	3,507,634	3,507,634		
13	Compensation of officers, directors, trustees, etc	270,205	135,103		135,102
14	Other employee salaries and wages	359,827	179,913		179,914
15	Pension plans, employee benefits	16,676	8,338		8,338
16a	Legal fees (attach schedule)	452,804	226,402		226,402
b	Accounting fees (attach schedule)	141,000	70,500		70,500
c	Other professional fees (attach schedule)	18,959	9,480		9,479
17	Interest				
18	Taxes (attach schedule) (see instructions)	78,753	39,376		39,377
19	Depreciation (attach schedule) and depletion	267,156	109,512		
20	Occupancy				
21	Travel, conferences, and meetings	57,270	28,635		28,635
22	Printing and publications				
23	Other expenses (attach schedule)	2,222,709	2,012,559		210,150
24	Total operating and administrative expenses. Add lines 13 through 23	3,885,359	2,819,818		907,897
25	Contributions, gifts, grants paid	37,500			37,500
26	Total expenses and disbursements. Add lines 24 and 25	3,922,859	2,819,818		945,397
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-415,225			
b	Net investment income (if negative, enter -0-)		687,816		
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	1,247,423	891,034	891,034
	2 Savings and temporary cash investments	27,638,496	28,713,104	28,713,104
	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	50,761	42,367	42,367
	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 ▶ _____ 6,350,511 Less accumulated depreciation (attach schedule) ▶ _____ 1,005,863	5,370,946	5,344,648	7,525,000
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment basis ▶ _____ 5,276,475 Less accumulated depreciation (attach schedule) ▶ _____ 2,864,526	2,562,703	2,411,949	3,700,000
15 Other assets (describe ▶ _____)	3,396,000	3,985,975	3,396,000	
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	40,266,329	41,389,077	44,267,505	
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 ▶ _____)	55,540	60,180	
	23 Total liabilities (add lines 17 through 22)	55,540	60,180	
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	40,210,789	41,328,897		
30 Total net assets or fund balances (see instructions)	40,210,789	41,328,897		
31 Total liabilities and net assets/fund balances (see instructions) .	40,266,329	41,389,077		

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	40,210,789
2 Enter amount from Part I, line 27a	2	-415,225
3 Other increases not included in line 2 (itemize) ▶ _____	3	1,533,333
4 Add lines 1, 2, and 3	4	41,328,897
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	41,328,897

Part IV Capital Gains and Losses for Tax on Investment Income

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

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(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			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	2	
{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	3	
{ If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 }		

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))
2017	3,446,662	41,668,241	0.08272
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
2 Total of line 1, column (d)			0.335785
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years			0.067157
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5			40,653,294
5 Multiply line 4 by line 3			2,730,153
6 Enter 1% of net investment income (1% of Part I, line 27b)			6,878
7 Add lines 5 and 6			2,737,031
8 Enter qualifying distributions from Part XII, line 4			945,397

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 calculations. Includes fields for exempt foundations, tax under section 511, subtitle A tax, and total tax due. Total tax due is 907.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Includes questions about political campaigns, political expenditures, and state reporting. Includes Yes/No columns.

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.
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
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address www.theraycharlesfoundation.org
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 and enter the amount of tax-exempt interest received or accrued during the year 15

16 At any time during calendar year 2018, 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

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 2018?
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 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018? 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 2018 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 2018).
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 2018?

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			Yes	No
(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.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5b	No
Organizations relying on a current notice regarding disaster assistance check here.	<input type="checkbox"/>	<input checked="" 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? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d)</i>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
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	6b	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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
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	7b	No
b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
8 Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		

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

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

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

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ANDREW KEATHLEY 2107 WEST WASHINGTON BLVD LOS ANGELES, CA 90018	OPERATIONS MGR 40 00	64,540	1,552	
THU TRAN 2107 WEST WASHINGTON BLVD LOS ANGELES, CA 90018	SR ACCOUNTANT 40 00	50,384		
DENISE THIEL 2107 WEST WASHINGTON BLVD LOS ANGELES, CA 90018	PROPERTY MGR 40 00	81,330	2,440	
GWENDOLYN GREEN 2107 WEST WASHINGTON BLVD LOS ANGELES, CA 90018	BOOKKEEPER 40 00	79,557	2,387	
JOHNETTA WILLIAMS 2107 WEST WASHINGTON BLVD LOS ANGELES, CA 90018	ADMIN ASSISTANT 40 00	56,362		
Total number of other employees paid over \$50,000.			<input type="checkbox"/>	

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
BLACK & WHITE TV INC 8756 DORRINGTON AVE LOS ANGELES, CA 90048	SHOW PRODUCTION	606,975
HUTCHINSON & BLOODGOOD LLP 550 N BRAND BLVD 14TH FL GLENDALE, CA 91203	ACCOUNTING	146,135
MITCHELL SILBERBERG & KNUPP LLP 2049 CENTURY PARK EAST 18TH FL LOS ANGELES, CA 90067	LEGAL	98,414
SEYFARTH SHAW LLP 601 S FIGUEROA ST SUITE 3300 LOS ANGELES, CA 90017	LEGAL	217,546
IVAN HOFFMAN ATTY AT LAW 20929 VENTURA BLVD 467 WOODLAND HILLS, CA 91364	LEGAL	93,569
Total number of others receiving over \$50,000 for professional services. ▶		1

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 _____ _____	
2 _____ _____	
3 _____ _____	
4 _____ _____	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 _____ _____	
2 _____ _____	
All other program-related investments. See instructions	
3 _____ _____	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities.	1a	0
b	Average of monthly cash balances.	1b	30,351,380
c	Fair market value of all other assets (see instructions).	1c	10,921,000
d	Total (add lines 1a, b, and c).	1d	41,272,380
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	41,272,380
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	619,086
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	40,653,294
6	Minimum investment return. Enter 5% of line 5.	6	2,032,665

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	2,032,665
2a	Tax on investment income for 2018 from Part VI, line 5.	2a	13,756
b	Income tax for 2018 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	13,756
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	2,018,909
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	2,018,909
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	2,018,909

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	945,397
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	945,397
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	945,397

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 2017	(c) 2017	(d) 2018
1 Distributable amount for 2018 from Part XI, line 7				2,018,909
2 Undistributed income, if any, as of the end of 2018				
a Enter amount for 2017 only.				
b Total for prior years 20___, 20___, 20___				
3 Excess distributions carryover, if any, to 2018				
a From 2013.	271,535			
b From 2014.	643,861			
c From 2015.				
d From 2016.				
e From 2017.	1,363,250			
f Total of lines 3a through e.	2,278,646			
4 Qualifying distributions for 2018 from Part XII, line 4 ▶ \$ _____ 945,397				
a Applied to 2017, 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 2018 distributable amount.				945,397
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2018 (If an amount appears in column (d), the same amount must be shown in column (a))	1,073,512			1,073,512
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,205,134			
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 2017 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2018 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2019				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 2013 not applied on line 5 or line 7 (see instructions).				
9 Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a	1,205,134			
10 Analysis of line 9				
a Excess from 2014.				
b Excess from 2015.				
c Excess from 2016.				
d Excess from 2017.	1,205,134			
e Excess from 2018.				

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 2018, 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) 2018	(b) 2017	(c) 2016	(d) 2015	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					

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

a "Assets" alternative test—enter

(1) Value of all assets

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

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

c "Support" alternative test—enter

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

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

(3) Largest amount of support from an exempt organization

(4) Gross investment income

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

1 Information Regarding Foundation Managers:

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

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 to individuals or organizations under other conditions, complete items 2a, b, c, and d See instructions

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 DEPARTMENTThe Ray Charles Foundation2107 West Washington BoulevardLos Angeles, CA 90018

c Any submission deadlines

NO SUBMISSION DEADLINES - APPLICATIONS REVIEWED ALL YEAR

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

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

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> SCHOOL ON WHEELS 83 S PALM STREET VENTURA, CA 93001	NONE	NOT A FDN	EDUCATION	12,500
ART CENTER COLLEGE OF DESIGN 1700 LIDA ST PASADENA, CA 91103	NONE	NOT A FDN	EDUCATION	25,000
Total				3a
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	270,205	8,106	
ROBERT C DAVIDSON JR 2107 W WASHINGTON BLVD LOS ANGELES, CA 90018	Secretary 1 00	0		
REV CECIL L MURRAY 2107 W WASHINGTON BLVD LOS ANGELES, CA 90018	Co-Treasurer 1 00	0		
DAVID BROKAW 2107 W WASHINGTON BLVD LOS ANGELES, CA 90018	Director 1 00	0		
RAMSEY JAY JR 2107 W WASHINGTON BLVD LOS ANGELES, CA 90018	Director 1 00	0		
DIANA TREISTER 2107 W WASHINGTON BLVD LOS ANGELES, CA 90018	Director 1 00	0		
KATHLEEN L JOHNSON 2107 W WASHINGTON BLVD LOS ANGELES, CA 90018	Director 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	39,722	
b FED/CA TAX REFUNDS			1		
c LEGAL SETTLEMENT			1		
d LICENSING/MERCHANDISE			15	342,897	
e MASTER LICENSE REVENUE			15	129,397	
f MISCELLANEOUS INCOME			1	165,155	
g OIL & GAS LEASE			1	2,906	
h PUBLISHING INCOME			15	255,574	
i ROYALTY RECEIPTS			15	1,649,485	
j SAG PENSION RECEIPTS			14		

TY 2018 Accounting Fees Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 18007218**Software Version:** 2018v3.1

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	141,000	70,500	0	70,500

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

TY 2018 Amortization Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 18007218

Software Version: 2018v3.1

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	15,333,330	15 0000	1,533,333			16,866,663

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

TY 2018 Depreciation Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 18007218

Software Version: 2018v3.1

Depreciation Schedule

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	231,400	SL	3 64 %	23,147	23,147		
LINDEN 91 BLDG - DOD VAL	2004-06-10	1,640,000	596,351	SL	3 64 %	59,630	59,630		
LINDEN 91 IMPROVEMENTS	2008-06-30	35,012	12,148	SL	3 64 %	1,273	1,273		
WASHINGTON BLDG - DOD VAL	2004-06-10	425,033	108,980	SL	2 56 %	10,898			
NEW ROOF-LINDEN 85	2011-12-01	27,390	11,108	SL	15 0000	1,826	1,826		
PARKING LOT-IMP WASH BL	2011-04-05	19,040	18,360	SL	7 0000	680			
WASHINGTON BL-IMPROV	2011-07-01	245,569	106,412	SL	15 0000	16,371			
WASHINGTON BL-F&F	2011-04-11	21,499	20,729	SL	7 0000	770			
WASHINGTON BL-F&F	2012-11-08	32,811	24,216	SL	7 0000	4,687			
WASHINGTON BL-IMPROV	2012-03-05	32,544	12,658	SL	15 0000	2,170			
WASHINGTON BL-F&F	2013-03-04	17,756	12,262	SL	7 0000	2,537			
WASHINGTON BL-IMPROV	2013-07-23	25,510	7,513	SL	15 0000	1,701			
LINDEN 85 IMPROVEMENTS	2013-12-12	2,924	796	SL	15 0000	195	195		
LINDEN 91 IMPROVEMENTS	2013-12-17	33,043	8,812	SL	15 0000	2,203	2,203		
RAY CHARLES MUSEUM	2009-01-01	382,668	153,067	SL	15 0000	25,511			
OFFICE EQUIPMENT	2013-11-18	3,686	3,009	SL	5 0000	677			
WASHINGTON BL - F&F	2014-07-16	8,317	4,059	SL	7 0000	1,188			
WASHINGTON BL - IMPROV	2014-07-01	49,920	11,648	SL	15 0000	3,328			
LINDEN 91 IMPROVEMENTS	2014-07-01	23,202	5,414	SL	15 0000	1,547	1,547		
COMPUTER EQUIPMENT	2014-07-01	12,475	8,733	SL	5 0000	2,495			

Depreciation Schedule

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
WASHINGTON BL - IMPROV	2015-07-23	35,462	5,713	SL	15 0000	2,364			
LINDEN 85 IMPROVEMENTS	2015-07-01	16,600	2,767	SL	15 0000	1,107	1,107		
LINDEN 91 IMPROVEMENTS	2015-07-01	82,637	13,773	SL	15 0000	5,509	5,509		
COMPUTER EQUIPMENT	2015-07-01	13,558	6,780	SL	5 0000	2,712			
SOFTWARE	2015-07-01	11,641	9,700	SL	3 0000	1,941			
LINDEN 85 IMPROVEMENTS	2016-10-03	14,800	1,234	SL	15 0000	987	987		
LINDEN 91 IMPROVEMENTS	2016-07-01	88,831	8,883	SL	15 0000	5,922	5,922		
LINDEN 85 IMPROVEMENTS	2008-06-30	6,100	2,117	SL	3 64 %	222	222		
OFFICE EQUIPMENT	2016-07-01	8,026	2,408	SL	5 0000	1,605			
RAY CHARLES MUSEUM IMPROV	2017-12-14	510,130	2,834	SL	15 0000	34,009			
AUTO	2016-04-28	71,969	23,990	SL	5 0000	14,394			
COMPUTER EQUIPMENT	2017-01-30	2,944	540	SL	5 0000	589			
LINDEN 85 - ROOF	2017-06-22	24,000	800	SL	15 0000	1,600	1,600		
LINDEN 91 IMPROVEMENTS	2017-07-01	22,408	747	SL	15 0000	1,494	1,494		
WASHINGTON BL - IMPROV	2017-07-01	57,840	1,928	SL	15 0000	3,856			
RAY CHARLES MUSEUM IMPROV	2017-12-14	341,096	1,895	SL	15 0000	22,740			
WASHINGTON BL - IMPROV	2018-01-16	6,890		SL	15 0000	421			
LINDEN 85 IMPROVEMENTS	2018-07-01	69,455		SL	15 0000	2,315	2,315		
LINDEN 91 IMPROVEMENTS	2018-06-01	13,760		SL	15 0000	535	535		

TY 2018 Investments - Land Schedule

Name: THE RAY CHARLES FOUNDATION

EIN: 95-4047622

Software ID: 18007218

Software Version: 2018v3.1

Category/ Item	Cost/Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
Buildings	2,261,250	1,005,863	1,255,387	2,761,250
Improvements	475,511		475,511	
Land	3,613,750		3,613,750	4,763,750

**TY 2018 Land, Etc.
Schedule****Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 18007218**Software Version:** 2018v3.1

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
Furniture and Fixtures	142,582	140,023	2,559	
Machinery and Equipment	2,233,876	2,169,446	64,430	
Buildings	802,668	555,057	247,611	2,100,000
Improvements	1,317,349		1,317,349	1,600,000
Land	780,000		780,000	

TY 2018 Legal Fees Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 18007218**Software Version:** 2018v3.1

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	452,804	226,402	0	226,402

TY 2018 Other Assets Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 18007218**Software Version:** 2018v3.1**Other Assets Schedule**

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
Net Intangible Assets	3,396,000	3,396,000	3,396,000
PRODUCTION COSTS		589,975	

TY 2018 Other Expenses Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 18007218**Software Version:** 2018v3.1**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ADVERTISING	48,138	24,069		24,069
Amortization	1,533,333	1,533,333		
BANK CHARGES	253	127		126
COMPUTER EXPENSE	2,757	1,378		1,379
DUES & SUBSCRIPTIONS	995	498		497
GARDENING	5,125	2,563		2,562
INSURANCE	173,108	86,554		86,554
INTERNET	33,347	16,673		16,674
LICENSES AND FEES	3,119	1,560		1,559
MEETINGS	1,225	613		612

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
OFFICE EXPENSE	5,476	2,738		2,738
PEST CONTROL	644	322		322
PLUMBING & ELECTRICAL	9,690	4,845		4,845
POSTAGE & FREIGHT	2,412	1,206		1,206
PROMOTION	11,149	5,574		5,575
Rental Expenses	269,075	269,075		
REPAIRS & MAINTENANCE	12,784	6,392		6,392
SECURITY	46,628	23,314		23,314
SPECIAL EVENTS	5,700	2,850		2,850
SUPPLIES	19,687	9,843		9,844

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TELEPHONE	14,584	7,292		7,292
TRASH SERVICE	3,393	1,696		1,697
UTILITIES	20,087	10,044		10,043

TY 2018 Other Income Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 18007218**Software Version:** 2018v3.1**Other Income Schedule**

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
ALBUM INCOME	39,722	39,722	
LICENSING/MERCHANDISE	342,897	342,897	
MASTER LICENSE REVENUE	129,397	129,397	
MISCELLANEOUS INCOME	165,155	165,155	
OIL & GAS LEASE	2,906	2,906	
PUBLISHING INCOME	255,574	255,574	
ROYALTY RECEIPTS	1,649,485	1,649,485	

TY 2018 Other Increases Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 18007218**Software Version:** 2018v3.1

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

TY 2018 Other Liabilities Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 18007218**Software Version:** 2018v3.1

Description	Beginning of Year - Book Value	End of Year - Book Value
SECURITY DEPOSITS	55,540	60,180

TY 2018 Other Professional Fees Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 18007218**Software Version:** 2018v3.1

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ARCHIVE	7,000	3,500	0	3,500
CONSULTANTS	7,860	3,930	0	3,930
OTHER	4,099	2,050	0	2,049

TY 2018 Taxes Schedule**Name:** THE RAY CHARLES FOUNDATION**EIN:** 95-4047622**Software ID:** 18007218**Software Version:** 2018v3.1

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
OTHER	105	53		52
PAYROLL TAXES	45,643	22,821		22,822
PROPERTY TAX	32,995	16,497		16,498
STATE TAXES	10	5		5