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

2010

Department of the Treasury  
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2010, or tax year beginning

, 2010, and ending

G Check all that apply.  Initial return  Initial Return of a former public charity  Final return  
 Amended return  Address change  Name change

THE KERR CENTER FOR SUSTAINABLE AGRICULT  
c/o ASC, 5100 N. Classen Blvd. #600  
Oklahoma City, OK 73118

H Check type of organization  Section 501(c)(3) exempt private foundation  
 Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16)  J Accounting method  Cash  Accrual  
 Other (specify)   
 ► \$ 8,380,207. (Part I, column (d) must be on cash basis)

**A** Employer identification number  
 73-1256120  
**B** Telephone number (see the instructions)  
 405-843-7046  
**C** If exemption application is pending, check here ►   
**D** 1 Foreign organizations, check here ►   
 2 Foreign organizations meeting the 85% test, check here and attach computation ►   
**E** If private foundation status was terminated under section 507(b)(1)(A), check here ►   
**F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ►

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)	192,383.			
	2 Ck ► <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	28,942.	28,942.	28,942.	
	4 Dividends and interest from securities	139,822.	139,822.	139,822.	
	5a Gross rents	63,900.	63,900.	63,900.	
	b Net rental income or (loss)	63,900.			
	6a Net gain/(loss) from sale of assets not on line 10	686,291.			
	b Gross sales price for all assets on line 6a	4,457,581.			
	7 Capital gain net income (from Part IV, line 2)		686,290.		
	8 Net short-term capital gain			0.	
	9 Income modifications				
	10a Gross sales less returns and allowances	39,253.			
	b Less Cost of goods sold				
	c Gross profit/(loss) (att sch) See St 2	39,253.		39,253.	
	11 Other income (attach schedule)				
	RECEIVED See Statement 3	111,529.	111,529.	111,529.	
	RF 12 Total. Add lines 1 through 11	1,262,120.	1,030,483.	383,446.	
	13 Compensation of officers, directors, trustees, etc	169,789.	30,000.	30,000.	139,789.
	14 Other employee salaries and wages	423,564.			423,564.
	15 Pension plans, employee benefits	185,598.			185,598.
	16a Legal fees (attach schedule) See St 4	143.	143.	143.	143.
	b Accounting fees (attach sch) See St 4	2,500.	1,250.	1,250.	2,500.
	c Other prof fees (attach sch) See St 4	31,886.	31,886.	31,886.	31,886.
	17 Interest				
	18 Taxes (attach schedule) See Stmt 5	42,398.		42,398.	42,398.
	19 Depreciation (attach Stmt 6 sch) and depletion	69,160.			
	20 Occupancy	3,534.			3,534.
	21 Travel, conferences, and meetings	34,338.			34,338.
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 7	336,361.	18,000.	18,000.	318,361.
	24 Total operating and administrative expenses. Add lines 13 through 23	1,299,271.	81,279.	123,677.	1,182,111.
	25 Contributions, gifts, grants paid Part XV	11,269.			11,269.
	26 Total expenses and disbursements. Add lines 24 and 25	1,310,540.	81,279.	123,677.	1,193,380.
	27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements	-48,420.			
	b Net investment income (if negative, enter -0)		949,204.		
	c Adjusted net income (if negative, enter -0)			259,769.	

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	213,334.	196,424.	196,424.
	2	Savings and temporary cash investments	431,639.	310,633.	310,633.
	3	Accounts receivable ►	500.		
		Less allowance for doubtful accounts ►		500.	500.
	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 the instructions)			
	7	Other notes and loans receivable (attach sch) ►			
		Less allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U.S. and state government obligations (attach schedule)	209,242.	458,054.	458,054.
	b	Investments – corporate stock (attach schedule)	6,104,798.	6,530,532.	6,530,532.
	c	Investments – corporate bonds (attach schedule)	230,221.	247,815.	247,815.
	11	Investments – land, buildings, and equipment basis ►			
LIABILITIES		Less: accumulated depreciation (attach schedule) ►			
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule)			
	14	Land, buildings, and equipment basis ► 2,341,739.			
		Less: accumulated depreciation (attach schedule) See Stmt 6 ► 1,741,482.	736,198.	600,257.	600,257.
	15	Other assets (describe ► See Stmt 9 )			
	16	Total assets (to be completed by all filers – see instructions Also, see page 1, item I )	7,925,432.	8,344,215.	8,380,207.
NET FUND	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons	22,607.		
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ► )			
	23	Total liabilities (add lines 17 through 22)	22,607.	0.	
		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ►			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ► X			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, building, and equipment fund	2,893,011.	2,893,011.	
	29	Retained earnings, accumulated income, endowment, or other funds	5,009,814.	5,451,204.	
	30	Total net assets or fund balances (see the instructions)	7,902,825.	8,344,215.	
	31	Total liabilities and net assets/fund balances (see the instructions)	7,925,432.	8,344,215.	

## Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	7,902,825.
2	Enter amount from Part I, line 27a	2	-48,420.
3	Other increases not included in line 2 (itemize) ►	3	489,809.
4	Add lines 1, 2, and 3	4	8,344,214.
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	8,344,214.

**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 shares MLC Company)			(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
<b>1a See Statement 10</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>(e) Gross sales price</b>		<b>(f) Depreciation allowed (or allowable)</b>	<b>(g) Cost or other basis plus expense of sale</b>	<b>(h) Gain or (loss) (e) plus (f) minus (g)</b>	
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
<b>(i) Fair Market Value as of 12/31/69</b>		<b>(j) Adjusted basis as of 12/31/69</b>	<b>(k) Excess of column (i) over column (j), if any</b>	<b>(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))</b>	
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>2 Capital gain net income or (net capital loss)</b>		If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		<b>2</b>	<b>686,290.</b>
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)</b>		If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8		<b>3</b>	<b>-38,562.</b>

**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 (column (b) divided by column (c))
2009	1,405,901.	6,946,232.	0.202398
2008	1,599,965.	7,779,610.	0.205661
2007	1,681,565.	9,585,359.	0.175431
2006	1,363,354.	8,762,366.	0.155592
2005	1,449,273.	8,245,725.	0.175761

<b>2 Total of line 1, column (d)</b>	<b>2</b>	<b>0.914843</b>
<b>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</b>	<b>3</b>	<b>0.182969</b>
<b>4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5</b>	<b>4</b>	<b>7,840,343.</b>
<b>5 Multiply line 4 by line 3</b>	<b>5</b>	<b>1,434,540.</b>
<b>6 Enter 1% of net investment income (1% of Part I, line 27b)</b>	<b>6</b>	<b>9,492.</b>
<b>7 Add lines 5 and 6</b>	<b>7</b>	<b>1,444,032.</b>
<b>8 Enter qualifying distributions from Part XII, line 4</b>	<b>8</b>	<b>1,248,672.</b>

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 the instructions)**

1a Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter 'N/A' on line 1.	
Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instr.)	
1b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b	1 18,984.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)	
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	
3 Add lines 1 and 2	2 0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	3 18,984.
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	4 0.
6 Credits/Payments.	5 18,984.
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a 6,161.
b Exempt foreign organizations – tax withheld at source	6b
c Tax paid with application for extension of time to file (Form 8868)	6c 3,500.
d Backup withholding erroneously withheld	6d
7 Total credits and payments. Add lines 6a through 6d	7 9,661.
8 Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8 231.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9 9,554.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax ►	11 Refunded

**Part VII-A Statements Regarding Activities**

1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	Yes	No
1a	X	
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b	X
<i>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</i>		
1c Did the foundation file Form 1120-POL for this year?	1c	X
1d 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.		
1e 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?	2	X
<i>If 'Yes,' attach a detailed description of the activities</i>		
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? <i>If 'Yes,' attach a conformed copy of the changes</i>	3	X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	4b	N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>	5	X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XIV</i>	7	X
8a Enter the states to which the foundation reports or with which it is registered (see the instructions) OK	8a	
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? <i>If 'No,' attach explanation</i>	8b	X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>	9	X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>	10	X

**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	X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address	13	X
14	The books are in care of ► <u>KERR CENTER FOR SUSTAINABLE AG</u> Telephone no. ► <u>918-647-1123</u> Located at ► <u>P. O. BOX 588 POTEAU OK</u> ZIP + 4 ► <u>74593-0588</u>		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of <b>Form 1041</b> – Check here and enter the amount of tax-exempt interest received or accrued during the year	N/A	► 15 N/A
16	At any time during calendar year 2010, 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 Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country ►	16	Yes No 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is 'Yes' to 1a(1)-(6), did <b>any</b> 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here ►	1b	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 2010?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the foundation is <b>not</b> 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 <b>all</b> years listed, answer 'No' and attach statement – see the instructions)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to <b>any</b> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If 'Yes,' did it have excess business holdings in 2010 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 2010)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  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 509(a)(1), (2), or (3), or section 4940(d)(2)? (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)?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  Nob Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?  Yes  No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A

5b N/A

6b X

7b

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE SCHEDULE 11	0	169,789.	16,979.	0.
-----				
-----				
-----				
-----				
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2 Compensation of five highest-paid employees (other than those included on line 1 – see instructions). If none, enter 'NONE.'

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

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

►

0

**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
None		

**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.

Organizations and other beneficiaries served, conferences convened, research papers produced, etc.	
1	<u>SEE SCHEDULE 12</u>
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.

1	N/A	
2		

All other program-related investments. See instructions

3

**Total.** Add lines 1 through 3

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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	7,595,846.
1b	327,901.
1c	35,992.
1d	7,959,739.

**Part XIII Undistributed Income (see instructions)**

N/A

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e				
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ _____				
a Applied to 2009, 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)				
d Applied to 2010 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount – see instructions				
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount – see instructions				
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

BAA

Form 990-PF (2010)

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



**Part XVI** **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) )

None

- b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest  
None

None

## 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 of the person to whom applications should be addressed:

See Sch 12A

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

**c Any submission deadlines.**

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

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i> SEE SCHEDULE 13		501c3		11,269.
<b>Total</b>			► 3a	11,269.
<i>b Approved for future payment</i>				
<b>Total</b>			► 3b	

## Part XVI-A Analysis of Income-Producing Activities

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
<b>1 Program service revenue</b>					
a					
b					
c					
d					
e					
f					
<b>g Fees and contracts from government agencies</b>					
<b>2 Membership dues and assessments</b>					
<b>3 Interest on savings and temporary cash investments</b>			14	28,942.	
<b>4 Dividends and interest from securities</b>			14	139,822.	
<b>5 Net rental income or (loss) from real estate</b>					
a Debt-financed property					
b Not debt-financed property			16	63,900.	
<b>6 Net rental income or (loss) from personal property</b>					
<b>7 Other investment income</b>			15	111,529.	
<b>8 Gain or (loss) from sales of assets other than inventory</b>			18	294,600.	391,691.
<b>9 Net income or (loss) from special events</b>					
<b>10 Gross profit or (loss) from sales of inventory</b>			22	39,253.	
<b>11 Other revenue:</b>					
a					
b					
c					
d					
e					
<b>12 Subtotal Add columns (b), (d), and (e)</b>				678,046.	391,691.
<b>13 Total Add line 12, columns (b), (d), and (e)</b>				13	1,069,737.

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See the instructions.)
N/A	

**Part XVII** Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

	Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a Transfers from the reporting foundation to a noncharitable exempt organization of		
(1) Cash	1a (1)	X
(2) Other assets	1a (2)	X
b Other transactions		
(1) Sales of assets to a noncharitable exempt organization	1b (1)	X
(2) Purchases of assets from a noncharitable exempt organization	1b (2)	X
(3) Rental of facilities, equipment, or other assets	1b (3)	X
(4) Reimbursement arrangements	1b (4)	X
(5) Loans or loan guarantees	1b (5)	X
(6) Performance of services or membership or fundraising solicitations	1b (6)	X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X

**d** If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

**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		

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 or fiduciary) is based on all information of which preparer has any knowledge.

**Sign  
Here**

and complete Declaration of preparer (other than taxpayer)  
  
James G. Horne  
Signature of officer or trustee

111

100

knowledge  
President

Signature of officer or trustee		Date	Title	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check if <input type="checkbox"/> if self-employed
	Cathy A. Friday, CPA	Cathy A. Friday, CPA	1/11	PTIN
	Firm's name	► Asset Services Company LLC	Firm's EIN ► 73-1547246	
Firm's address	► 5100 N. Classen Blvd Suite 600 Oklahoma City, OK 73118	Phone no (405) 843-7046		

**BAA**

**Form 990-PF (2010)**

THE KERR CENTER FOR SUSTAINABLE AGRICULTURE, INC.  
I.D. #73-1256120

A SCHEDULE ATTACHED TO AND MADE A PART OF THE  
FORM 990PF FOR THE YEAR ENDED DECEMBER 31,2010

SCHEDULE 1, PART I, LINE 1, - CONTRIBUTIONS, GIFTS, GRANTS, ETC RECEIVED

Total contribution amounts under \$5,000 per entity	\$11,513.92
University of Georgia-SSARE Athens, GA 30602-4214	\$135,323.57
Oklahoma Sustainable Network 904 S Oswego Ave Tulsa, OK 74112	\$11,428.41
USDA-CSP U.S. Department of Agriculture 1400 Independence Ave., S.W. Washington, DC 20250	\$34,117.00
Total	<u><u>\$192,382.90</u></u>

THE KERR CENTER FOR SUSTAINABLE AGRICULTURE, INC.

I.D. #73-1256120

A SCHEDULE ATTACHED TO AND MADE A PART OF THE  
FORM 990PF FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE 2, PART 1, LINE 10A - C - GROSS SALES, C O G.S. & GROSS PROFITS

Livestock, Farm Products

Gross Sales Less Returns	\$39,253.50
Cost of Goods Sold	\$0.00
Gross profit	<u><u>\$39,253.50</u></u>

SCHEDULE 3, PART 1, LINE 11 - OTHER INCOME

Royalty	\$101,894.23
Farm Patronage, electric easements, Misc Other	\$9,634.68
Total - Other Income	<u><u>\$111,528.91</u></u>

SCHEDULE 4, PART 1, LINE 16A - C

Legal fees - general	<u><u>\$142.50</u></u>
Accounting - general	\$1,250.00
Accounting - investment	\$1,250.00
Total	<u><u>\$2,500.00</u></u>

OTHER PROFESSIONAL FEES

Investment	\$31,886.26
Total	<u><u>\$31,886.26</u></u>

THE KERR CENTER FOR SUSTAINABLE AGRICULTURE, INC.  
I.D. #73-1256120

A SCHEDULE ATTACHED TO AND MADE A PART OF THE  
FORM 990PF FOR THE YEAR ENDED DECEMBER 31,2010

SCHEDULE 6, PART 1, LINE 19

Description	Serial No	Location	Date	Dept.	Beginning Balance	ASSET Additions	Retire/ Trans	Ending Balance	Depr Rate	Beginning Balance	RESERVE Provision	Retire/ Trans	Ending Balance
													SUMMARY
LAND					394,828.06	0.00	90,566.98	304,261.08					
BUILDING COSTS					1,321,064.62	9,340.30	405,046.37	925,358.55	1,202,992.86	17,561.23	398,698.99		821,855.10
LAND IMPROVEMENTS					452,353.62	24,365.18	81,668.63	395,050.17	0.00	387,294.61	12,761.57	81,137.63	318,918.55
LIVESTOCK					67,475.00	1,500.00	30,250.00	38,725.00	0.00	33,347.03	4,481.04	10,559.84	27,268.23
VEHICLES					144,876.97	0.00	0.00	144,876.97	0.00	127,092.47	13,159.50	0.00	140,251.97
MACHINERY/EQUIPMENT					339,748.35	12,063.49	22,247.23	329,564.61	0.00	247,533.16	15,381.60	17,360.80	245,613.96
OFFICE FURNITURE					149,128.60	1,065.40	75,149.68	75,044.32	0.00	141,532.81	1,263.64	75,097.18	67,699.27
OFFICE FIXTURES					7,177.36	0.00	3,252.60	3,924.76	0.00	7,177.36	0.00	3,252.60	3,924.76
OFFICE EQUIP /COMPUTERS					125,258.22	6,958.08	7,282.91	124,933.39	0.00	118,682.19	4,550.98	7,282.91	115,950.26
TOTAL ASSETS					3,001,910.80	55,292.45	715,464.40	2,341,738.85	0.00	2,265,712.49	69,159.56	593,389.95	1,741,482.10

THE KERR CENTER FOR SUSTAINABLE AGRICULTURE, INC.

I.D. #73-1256120

A SCHEDULE ATTACHED TO AND MADE A PART OF THE  
FORM 990PF FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE 5, PART 1, LINE 18 - TAXES

Excise	\$0.00
Payroll	\$42,398.38
Total	<u><u>\$42,398.38</u></u>

SCHEDULE 7, PART 1, LINE 23 - OTHER EXPENSES

Advertising	\$3,440.60
Fuel and lube	\$10,861.73
Memberships and dues	\$1,975.94
Farm	\$64,921.32
Insurance	\$42,284.20
Miscellaneous	\$25,781.31
Custom Services	\$98,821.49
Repairs and maintenance	\$32,054.97
Telephone	\$18,424.60
Trustee expenses	\$2,664.80
Utilities	\$35,129.66
Total - Other Expenses	<u><u>\$336,360.62</u></u>

The Kerr Center for Sustainable Agriculture

I.D. #73-1256120

Mineral Interest FMV Calculation

IRS Section 4942(c) and Regulation 53.4942(a)-2(c)

Schedule 9, Part II, Line 15-Other Assets

Year	Cumulative			Average Lease Bonus Paid	Per IRS 1986 RAR-Capitalization Factor	FMV Mineral Interests	Rounded
	Lease Bonus Paid	Lease Bonus Paid	/ # Years Paid				
2003	0	\$92,747.92	27	\$3,435.11	6	\$20,610.65	\$20,611.00
2004	0	\$92,747.92	28	\$3,312.43	6	\$19,874.55	\$19,875.00
2005	0	\$92,747.92	29	\$3,198.20	6	\$19,189.22	\$19,189.00
2006	0	\$92,747.92	30	\$3,091.60	6	\$18,549.58	\$18,550.00
2007	\$111,208.33	\$203,956.25	31	\$6,579.23	6	\$39,475.40	\$39,475.00
2008		\$203,956.25	32	\$6,373.63	6	\$38,241.80	\$38,242.00
2009		\$203,956.25	33	\$6,180.49	6	\$37,082.95	\$37,083.00
2010		\$203,956.25	34	\$5,998.71	6	\$35,992.28	\$35,992.00

THE KERR CENTER FOR SUSTAINABLE AGRICULTURE, INC.

#73-1256120

A STATEMENT ATTACHED TO AND MADE A PART OF  
INCOME TAX RETURN FOR THE YEAR ENDED 12-31-2010

**SCHEDULE 10, PART IV - CAPITAL GAINS AND LOSSES**

**Disposal of Assets:**

	<b>Proceeds</b>	<b>Cost</b>	<b>Short Term</b>	<b>Long Term</b>
Schwab#3174-9430	\$979,374	\$967,373	-\$38,562	\$50,563
InvesTrust #52010801	\$224,047	\$110,434	\$0	\$113,613
First National Bank #2510002219	\$100,000	\$98,827	\$0	\$1,173
Bank of OK 61-8902-01-9	\$2,643,160	\$2,475,348	\$0	\$167,813
<b>Sub-Totals</b>	<b>\$3,946,581</b>	<b>\$3,651,981</b>	<b>-\$38,562</b>	<b>\$333,162</b>
<b>Non-Investment Assets</b>	<b>\$511,000</b>	<b>\$119,309</b>		<b>\$391,691</b>
<b>Totals</b>	<b>\$4,457,582</b>	<b>\$3,771,291</b>	<b>-\$38,562</b>	<b>\$724,853</b>

THE KERR CENTER FOR SUSTAINABLE AGRICULTURE, INC.

#73-1256120

A STATEMENT ATTACHED TO AND MADE A PART OF  
INCOME TAX RETURN FOR THE YEAR ENDED 12-31-2010

SCHEDULE 10, PART IV - CAPITAL GAINS AND LOSSES

Disposal of Assets:	Short Term	Long Term	Total
Schwab#3174-9430	-\$38,562	\$50,563	\$12,001
1st National Bank #2510002219		\$1,173	\$1,173
Bank of OK 61-8902-01-9		\$167,813	\$167,813
InvesTrust 52010801	\$0	\$113,613	\$113,613
<hr/>			
Total	-\$38,562	\$333,162	\$294,600
Non-Investment Gains		<hr/>	\$391,691
		<hr/>	\$686,291

THE KERR CENTER FOR SUSTAINABLE AGRICULTURE  
 73-1256120  
 A SCHEDULE ATTACHED TO AND MADE A PART OF THE  
 FORM 990PF FOR THE YEAR ENDED 12-31-10

Schedule 11, Part VIII - List of Officers, Directors, and Trustees

Name and Address	Title	Time devoted to Position	Compensation	Contributions to Employee Benefit Plans	Expense Account
Kay Adair 10409 Timber Valley Dr Oklahoma City, OK 73151	Vice-Pres.	Part Time			
Jim Horne PO Box 588 Poteau, OK 74953	President	Full Time	86,247	8,625	
Barbara Chester PO Box 588 Poteau, OK 74953	Asst Sec.	Part Time			
Elisabeth Speake PO Box 588 Poteau, OK 74953	Treasurer	Full Time	46,500	4,650	
Melanie Zoeller PO Box 588 Poteau, OK 74953	Secretary Asst. Trea	Full Time	37,042	3,704	
Christy Price 10409 Timber Valley Dr. Oklahoma City, OK 73151	Trustee	Part Time			
Bill Heffernan 6267 N RT J Rocheport, MO 65279	Trustee	Part Time			
Chris Kirby ODAFF, 2800 N. Lincoln Blvd Oklahoma City, OK 73105	Trustee	Part Time			
Lynn Walters 3508 Camino Jalisco Santa Fe, NM 87507	Trustee	Part Time			
	Total Compensation		169,789	16,979	

THE KERR CENTER FOR SUSTAINABLE AGRICULTURE, INC  
FEI# 73-1256120

A SCHEDULE ATTACHED TO AND MADE A PART OF THE  
FORM 990 PF FOR THE YEAR ENDED DECEMBER 31, 2010

Schedule 12, Part IX-A, Lines 1-4

Summary of Direct Charitable Activities:

- |  |                        |
|--|------------------------|
| 1. Development and Dissemination of Education Materials-   |                        |
| 256 Subject Areas of material available; 2,311 Total copies requested  |                        |
| 32,264 circulation of Tri-Annual Agriculture Newsletter. 39,528 Website visits.  | \$294,515              |
| 2. Farm and Ranch Demonstration of Agriculture Practices to Tour Groups and Individuals - Approx. attendance 31 Correspondence to 45 Individuals.    | \$252,442              |
| 3. Education Booths, Public Meetings and Events; 56 Public Presentations by trained Agriculturist. Approx. attendance 3,235                          | \$109,391              |
| 4. 19 Conferences, Field Days and Workshops for Public; Staff Serving on 54 Local, State, National, and International Committees or Advisory Boards; | \$185,124              |
|  | <hr/> <u>\$841,472</u> |

THE KERR CENTER FOR SUSTAINABLE AGRICULTURE, INC  
FEI# 73-1256120

A SCHEDULE ATTACHED TO AND MADE A PART OF THE  
FORM 990 PF FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE 12A, PART XV, LINE 2 A-D, SUPPLEMENTARY INFORMATION

Line 2:

- (a)
  - 1. Farmer Grants:  
Alan Ware, Director of Farmer Grants  
PO Box 588  
Poteau, OK 74953  
(918) 647-9123
  - 2. Other Donations/Grants  
James Horne, President and CEO  
PO Box 588  
Poteau, OK 74953  
(918) 647-9123
- (b)
  - 1. Farmer Grants  
Farmer Grant Application Form along with a detailed proposal of what agricultural practices will be demonstrated, budget and letter of support from ag professionals including university specialists. Also the plan must spell out how the results will be disseminated to other farmers and ranchers, i.e., field days or information sheets.
  - 2. Other donations/grants:  
Generally cover letter requesting support for sustainable agriculture programs and organizations. Many donations are to co-sponsor educational events for the general public or the farming and ranching community.
- (c)
  - 1. Farmer Grants:  
February 15, 2008 and November 15, 2008.
  - 2. Other donations/grants:  
As requested by donee organizations prior to need.
- (d)
  - 1. Farmer Grants  
Geographical Areas: Oklahoma  
Other Factors: Grants are chosen by independent technical review committee based upon quality of the sustainable agriculture project. Purpose is to promote farmer to farmer exchange of good production ideas. Monetary support provides reimbursement for expenses for demonstrations and educational field day on the farmers' location. Farmers are to provide partial matching support.
  - 2. Other donations/grants:  
Factors: Support for agriculture programs and organizations that are promoting agriculture issues and projects and as a co-sponsor of events

THE KERR CENTER FOR SUSTAINABLE AGRICULTURE, INC.

I D. #73-1256120

A SCHEDULE ATTACHED TO AND MADE A PART OF THE  
FORM 990PF FOR THE YEAR ENDED DECEMBER 31,2010

SCHEDULE 13, PART XV, SUPPLEMENTARY INFORMATION, 3A  
GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

American Livestock Breeds Conservancy 150.00  
PO Box 477  
Pittsboro, NC 27312

Purpose: Donation to Non-profit organization

Center for Rural Affairs 75.00  
PO box 136  
Lyons, NE 68038

Purpose: Donation to Non-profit organization

Forage Heritage Center 100.00  
c/o ODAFF, Forestry Division  
830 NE 12th Ave  
Goldsby, OK 73093-9017

Purpose: Sponsor Forestry Camp

Eastern Oklahoma State College 2,500.00  
1301 West Main St.  
Wilburton, OK 74578

Purpose: Sponsor Grazing Conference

Hull Show Cattle Clinic 250.00  
23012 Shad Tree Lane  
Poteau, OK 74953

Purpose: Sponsor Cattle Clinic

Kansas Rural Center 175.00  
PO Box 133  
Whiting, KS 66552

Purpose: Donation to Non-Profit

Sch 13 1/4

Keep Oklahoma Beautiful 100.00  
6051 N. Brookline Ave., Stee 125  
Oklahoma City, OK 73112

Purpose: Sponsor Program

Kiamichi Technology Center 150.00  
PO Box 825  
Poteau, OK 74953

Purpose: Sponsor Career Day

Leflore Co. Conservation Distruct 200.00  
PO Box 547  
Poteau, OK 74953

Purpose: Sponsor Forestry Contest

LeFlore Co. Junior Livestock Show 1,020.00  
PO Box 697  
Wister, OK 74966

Purpose: Sponsor Livestock Show

LeFlore County Fair Board 250.00  
PO Box 633  
Poteau, OK 74953

Purpose: Donation to Non-Profit Organization

Ann Midgley 200.00  
27583 Fruit Farm Rd  
Wister, OK 74966

Purpose: Donation for medical expenses

Midwest Organic & Sust. Ed. Service 120.00  
PO Box 339  
Spring Valley, WI 54767

Sch 13 2/4

Purpose: Donation to Non-Profit Organization

Elizabeth McCormick 500.00  
c/o LeFlore Co. 4-H  
OSU Extension  
Poteau, OK 74953

Purpose: Sponsor Scholarship

National Wild Turkey Federation 150.00  
LeFlore County Longbeards  
Poteau, OK 74953

Purpose: Donation to Non-Profit Organization

Oklahoma Sustainability Network 500.00  
PO Box 180  
Oklahoma City, OK 73101-0180

Purpose: Sponsor conference

Organic Materials Review Inst. 35.00  
PO Box 11558  
Eugene, OR 97440-3758

Purpose: Donation to Non-Profit Organization

Oklahoma Ag Leadership Program 1,000.00  
c/o Joe Williams @ OSU  
321 WWC  
Stillwater, OK 74078

Purpose: Donation to Non-Profit Organization

Organic Farming Research Foundation 135.00  
PO Box 440  
Santa Cruz, CA 95061

Sch 13 3/4

Purpose: Donation to Non-Profit Organization

Organization for Competitive Markets 50.00  
PO Box 6486  
Lincoln, NE 68506

Purpose: Donation to Non-Profit Organization

OSU Foundation 150.00  
Wes Watkins Ag Research & Extension Center  
PO Box 128  
Lane OK 74555

Purpose: sponsor Lane Field Day

Dick Ortez 359.10  
4208 N. Beth Rd.  
Glencoe, OK 74032

Purpose: Farmer Grant Recipient

Southern Sustainable Agric. Working Group 135.00  
PO Box 1552  
Fayetteville, AR 72702-1552

Purpose: Donation to Non-Profit Organization

Wister Volunteer Fire Dept. 200.00  
PO Box 370  
Wister, OK 74966

Purpose: Donation to Non-Profit Organization

Arkansas Valley Antique Tractor Club 2,765.00  
c/o Clyde Traylor, Sec./Treas.  
12111 James Fork Road  
Hartford, AR 72938

Purpose: Book Value of Antique Equipment

TOTAL 11,269.10

Sch 13 4/4