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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning 01-01-2010 , and ending 12-31-2010

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

Name of foundation
STERLING-TURNER FOUNDATION

A Employer identification number
74-1460482

Number and street (or P O box number if mail is not delivered to street address)
815 WALKER
ROOM/SUITE 1543

Room/suite

B Telephone number (see page 10 of the instructions)
(713) 237-1117

City or town, state, and ZIP code
HOUSTON, TX 77002

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 ▶ ☐

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

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)*▶**$** 219,747

J Accounting method ☑ Cash ☐ Accrual
☐ 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 ▶ ☐

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 page 11 of 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 (attach schedule)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	31	31		
	4	Dividends and interest from securities	1,362,559	1,362,559		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-80,509			
	b	Gross sales price for all assets on line 6a 165,753				
	7	Capital gain net income (from Part IV, line 2)		14,055		
	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)	-13,184			
	12	**Total.** Add lines 1 through 11	1,268,897	1,376,645		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	1,100			1,100
	14	Other employee salaries and wages	67,250			67,250
	15	Pension plans, employee benefits	22,890			22,890
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	29,233	7,308		21,925
	c	Other professional fees (attach schedule)	35,045	35,045		
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	51,396			
	19	Depreciation (attach schedule) and depletion	907			
	20	Occupancy	30,824			30,824
	21	Travel, conferences, and meetings	2,037			2,037
	22	Printing and publications				
	23	Other expenses (attach schedule)	14,902	7,447		7,448
	24	**Total operating and administrative expenses.** Add lines 13 through 23	255,584	49,800		153,474
	25	Contributions, gifts, grants paid	1,855,000			1,855,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	2,110,584	49,800		2,008,474
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-841,687			
	b	**Net investment income** (if negative, enter -0-)		1,326,845		
	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	1,032,057	164,738	164,738
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶			
		Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ 3,605			
		Less allowance for doubtful accounts ▶	3,605	3,605	3,605
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	48,919	51,404	51,404
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	4,161,487	4,090,228	
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	1,008,877	1,116,524	
	14	Land, buildings, and equipment basis ▶ 126,183			
		Less accumulated depreciation (attach schedule) ▶ 125,389	1,701	794	
	15	Other assets (describe ▶)	24,087	7,137	
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	6,280,733	5,434,430	219,747
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 ▶)			
	23	**Total liabilities** (add lines 17 through 22)		0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☑ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	5,267,658	6,276,478	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	1,013,075	-842,048	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	6,280,733	5,434,430	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	6,280,733	5,434,430	

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	6,280,733
2	Enter amount from Part I, line 27a	2	-841,687
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	5,439,046
5	Decreases not included in line 2 (itemize) ▶	5	4,616
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	5,434,430

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	14,055
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 pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	4,031,907	51,390,127	0 078457
2008	4,199,932	64,515,872	0 065099
2007	1,609,217	67,769,735	0 023745
2006	2,139,902	54,920,007	0 038964
2005	3,683,449	50,995,977	0 072230

2	**Total** of line 1, column (d).	2	0 278495
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 055699
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.	4	45,253,848
5	Multiply line 4 by line 3.	5	2,520,594
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	13,268
7	Add lines 5 and 6.	7	2,533,862
8	Enter qualifying distributions from Part XII, line 4.	8	2,008,474

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 on page 18

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ____________ **(attach copy of letter if necessary–see instructions)**		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	26,537
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2	3	26,537
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	26,537
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a — 51,404		
b	Exempt foreign organizations—tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments Add lines 6a through 6d	7	51,404
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	24,867
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ 24,867 **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		No
	*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.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ TX			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*	8b	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

Part VII-A Statements Regarding Activities *(continued)*

		Line	Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶WWW STERLINGTURNERFOUNDATION ORG

14 The books are in care of ▶PATRICIA STILLEY Telephone no ▶(713) 237-1117

Located at ▶815 WALKER SUITE 1543 HOUSTON TX ZIP+4 ▶77002

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 | |

		Line	Yes	No
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?	16		

See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1 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.	Line	Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☑ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b		No
	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 2010?	1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 20 of the instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____ , 20____ , 20____ , 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 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		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b		No

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ **Yes** ☑ **No**

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ **Yes** ☑ **No**

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ **Yes** ☑ **No**

(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the 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 page 22 of the instructions)? **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ **Yes** ☐ **No**

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ **Yes** ☑ **No**

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** **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? **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 page 22 of the 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 page 23 of the 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 ▶

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 page 23 of the instructions). If none, enter "NONE".

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
NONE		

Total number of others receiving over $50,000 for professional services . . . .

Part IX-A **Summary of Direct Charitable Activities**

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

Part IX-B **Summary of Program-Related Investments** (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See page 24 of the instructions	
3	

Total. Add lines 1 through 3. . . . .

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	45,037,466
b	Average of monthly cash balances	1b	905,527
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	45,942,993
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	45,942,993
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	689,145
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	45,253,848
6	**Minimum investment return.** Enter 5% of line 5	6	2,262,692

Part XI Distributable Amount (see page 25 of the 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	2,262,692
2a	Tax on investment income for 2010 from Part VI, line 5	2a	26,537		
b	Income tax for 2010 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	26,537
3	Distributable amount before adjustments Subtract line 2c from line 1			3	2,236,155
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	2,236,155
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	2,236,155

Part XII Qualifying Distributions (see page 25 of the 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	2,008,474
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	2,008,474
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 page 26 of the instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	2,008,474

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 page 26 of the instructions)

		(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7					2,236,155
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.	379,546				
e From 2009.	1,185,647				
f **Total** of lines 3a through e.		1,565,193			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 2,008,474					
a Applied to 2009, but not more than line 2a					
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)					
c Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .					
d Applied to 2010 distributable amount.					2,008,474
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).)*		227,681			227,681
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		1,337,512			
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 page 27 of the instructions . . .					
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions					
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011					0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)					
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)					
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		1,337,512			
10 Analysis of line 9					
a Excess from 2006. . . .					
b Excess from 2007. . . .					
c Excess from 2008. . . .	151,865				
d Excess from 2009. . . .	1,185,647				
e Excess from 2010. . . .					

Part XIV **Private Operating Foundations** (see page 27 of the 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 2010, 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)

	Tax year	Prior 3 years			(e) Total
	(a) 2010	**(b)** 2009	**(c)** 2008	**(d)** 2007	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
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 page 27 of the 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 page 28 of the 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

PATRICIA STILLEY
815 WALKER SUITE 1543
HOUSTON,TX 77002
(713) 237-1117

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

APPLICATION FORMS AND INSTRUCTIONS ON THE STERLING TURNER WEBSITE DOCUMENTATION MUST BE ACCOMPANIED BY COPY OF IRS 501 (C) (3) EXEMPTION LETTER

c Any submission deadlines

ANY TIME PRIOR TO MARCH 1 OF EACH YEAR

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

AWARDS LIMITED TO TEXAS PUBLIC CHARITIES WHICH ARE EXEMPT UNDER REVENUE CODE 501 (C) (3) THE CHARITIES MUST BE WITHIN CERTAIN GEOGRAPHIC BOUNDARIES

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 *Paid during the year* See Additional Data Table				
Total . . . . ▶ **3a**				1,855,000
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments					31
4 Dividends and interest from securities. . . .					1,362,559
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory					-80,509
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory. .					
11 Other revenue a SALIENT ABSOLUTE RETURN TEI					-5,214
b SALIENT ABSOLUTE RETURN FUND					-7,970
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e). .					1,268,897

13 **Total.** Add line 12, columns (b), (d), and (e). 13 1,268,897

(See worksheet in line 13 instructions on page 28 to verify calculations)

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 organization's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)

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)**		**No**
	(2) Other assets.	**1a(2)**		**No**
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization.	**1b(1)**		**No**
	(2) Purchases of assets from a noncharitable exempt organization.	**1b(2)**		**No**
	(3) Rental of facilities, equipment, or other assets.	**1b(3)**		**No**
	(4) Reimbursement arrangements.	**1b(4)**		**No**
	(5) Loans or loan guarantees.	**1b(5)**		**No**
	(6) Performance of services or membership or fundraising solicitations.	**1b(6)**		**No**
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	**1c**		**No**

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

(a) Line No	**(b)** Amount involved	**(c)** Name of noncharitable exempt organization	**(d)** Description of transfers, transactions, and sharing arrangements

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

Sign Here

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

******	2011-08-13	******
Signature of officer or trustee	Date	Title

Paid Preparer's Use Only

		Date	Check if self-employed ☐	PTIN
Preparer's Signature	DANIEL P MCGUIRE	2011-08-15		
Firm's name	DANIEL P MCGUIRE PC		Firm's EIN	
Firm's address	1001 S DAIRY ASHFORD SUITE 390 HOUSTON, TX 770772333		Phone no (281) 493-1900	

Additional Data

Software ID:
Software Version:
EIN: 74-1460482
Name: STERLING-TURNER FOUNDATION

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

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
TR RECKLING III 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	100	0	0
ISLA C RECKLING 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	0	0	0
CHAILLE W HAWKINS 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	100	0	0
CHRISTIANA R MCCONN 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	0	0	0
THOMAS R RECKLING IV 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	100	0	0
JAMES S RECKLING 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	100	0	0
BLAKE W WINSTON 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	0	0	0
STEPHEN M RECKLING 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	100	0	0
JOHN B RECKLING 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	100	0	0
THOMAS K RECKLING 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	100	0	0
L DAVID WINSTON 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	100	0	0
BERT F WINSTON III 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	100	0	0
ISLA C MCCONN 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	100	0	0
E CARROLL SCHULER 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	0	0	0
CARROLL R GOODMAN 815 WALKER SUITE 1543 HOUSTON, TX 77002	TRUSTEE 1 00	100	0	0

Form 990PF Part XV Line 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 *Paid during the year*				
ALLEY THEATER 615 TEXAS AVE HOUSTON, TX 77002	N/A	501 C 3	OPERATING FUNDS	30,000
ANGELA HOUSE 425 SHANE 18 HOUSTON, TX 77037	N/A	501 C 3	OPERATING FUNDS	25,000
AUSTIN COMMUNITY FOUNDATI 4315 GUADALUPE SUITE 300 AUSTIN, TX 78751	N/A	501 C 3	OPERATING FUNDS	10,000
BAYLOR COLLEGE OF MEDICIN ONE BAYLOR PLAZA HOUSTON, TX 77030	N/A	501 C 3	OPERATING FUNDS	50,000
THE BROOKWOOD COMMUNITY 1752 FM 1489 BROOKSHIRE, TX 77423	N/A	501 C 3	OPERATING FUNDS	5,000
CANCARE OF HOUSTON INC 9575 KATY FREEWAY STE 42 HOUSTON, TX 77024	N/A	501 C 3	OPERATING FUNDS	20,000
CARITAS OF AUSTIN 611 NECHES AUSTIN, TX 78701	N/A	501 C 3	OPERATING FUNDS	35,000
CASA DE ESPERANZA DE LOS 2911 CORDER ST HOUSTON, TX 77054	N/A	501 C 3	OPERATING FUNDS	30,000
CHILDREN'S MEDICAL CENTER 4900 MUELLER BLVD AUSTIN, TX 78723	N/A	501 C 3	OPERATING FUNDS	32,000
COMMUNITIES OF THE STREET 3401 FANNIN STREET HOUSTON, TX 77004	N/A	501 C 3	OPERATING FUNDS	14,000
CROSSROADS SCHOOL INC 5822 DOLORES HOUSTON, TX 77057	N/A	501 C 3	OPERATING FUNDS	10,000
DABNEY FOUNDATION 12335 KINGSRIDE 347 HOUSTON, TX 77024	N/A	501 C 3	BUILDING FUNDS	10,000
DAD'S CLUB SWIM TEAM INC 1006 VOSS ROAD HOUSTON, TX 77055	N/A	501 C 3	OPERATING FUNDS	50,000
DOWN SYNDROME OF CENTRAL 3710 CEDAR STREET BOX 3 AUSTIN, TX 78705	N/A	501 C 3	OPERATING FUNDS	5,000
DUCHESNE ACADEMY OF THE S 10202 MEMORIAL DRIVE HOUSTON, TX 77024	N/A	501 C 3	OPERATING FUNDS	20,000
Total . . . . ▶ **3a**				1,855,000

Form 990PF Part XV Line 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 *Paid during the year*				
EPISCOPAL HIGH SCHOOL 4650 BISSONNET BELLAIRE,TX 77401	N/A	501 C 3	OPERATING FUNDS	150,000
ESCAPE FAMILY RESOURCE CE 3210 EASTSIDE HOUSTON,TX 77098	N/A	501 C 3	OPERATING FUNDS	25,000
HILL COUNTRY ARTS FOUNDAT 120 POINT THEATRE ROAD SO INGRAM,TX 78025	N/A	501 C 3	OPERATING FUNDS	28,000
HILL COUNTRY CASA PO BOX 290965 KERRVILLE,TX 78029	N/A	501 C 3	OPERATING FUNDS	20,000
HILL COUNTRY CONCIL ON AL 102 BUSINESS DRIVE KERRVILLE,TX 78028	N/A	501 C 3	OPERATING FUNDS	8,000
HILL COUNTRY YOUTH RANCH 3522 JUNCTION HIGHWAY INGRAM,TX 78025	N/A	501 C 3	OPERATING FUNDS	50,000
HOUSTON ARBORETUM NATUR 4501 WOODWAY HOUSTON,TX 77024	N/A	501 C 3	OPERATING FUNDS	10,000
HOUSTON BALLET FOUNDATON 601 PRESTON HOUSTON,TX 77002	N/A		OPERATING FUNDS	100,000
HOUSTON FOOD BANK 3811 EASTEX FWY HOUSTON,TX 77026	N/A	501 C 3	OPERATING FUNDS	10,000
HOUSTON GRAND OPERA 510 PRESTON ST STE 50 HOUSTON,TX 77002	N/A	501 C 3	OPERATING FUNDS	30,000
HOUSTON MUSEUM OF NATUAL 5555 HERMANN DRIVE HOUSTON,TX 77030	N/A		OPERATING FUNDS	100,000
HUNT VOLUNTEER FIRE DEPAR PO BOX 362 HUNT,TX 78024	N/A	501 C 3	OPERATING FUNDS	15,000
HUNTINGTON DISEASE SOCIET 350 LAS COLINAS BLVD STE IRVING,TX 75039	N/A		OPERATING FUNDS	25,000
INPRINT INC 1520 W MAIN HOUSTON,TX 77006	N/A	501 C 3	OPERATING FUNDS	10,000
KIDS' MEALS INC 205 WEST CROSSTIMBERS STR HOUSTON,TX 77018	N/A	501 C 3	OPERATING FUNDS	10,000
Total . . . . ▶ **3a**				1,855,000

Form 990PF Part XV Line 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 *Paid during the year*				
THE KINKAID SCHOOL 201 KINKAID SCHOOL DRIVE HOUSTON, TX 77024	N/A		OPERATING FUNDS	17,000
MAGNIFICAT HOUSE INC 3300 CAROLINE STREET HOUSTON, TX 77004	N/A	501 C 3	OPERATING FUNDS	100,000
MOUNT HOREB HOUSE 301 JUNCTION HWY 321 KERRVILLE, TX 78028	N/A	501 C 3	OPERATING FUNDS	20,000
THE MUSEUM OF FINE ARTS 1001 BISSONET HOUSTON, TX 77005	N/A	501 C 3	OPERATING FUNDS	111,000
OPEN DOOR MISSION 5803 HARRISBURG HOUSTON, TX 77011	N/A	501 C 3	OPERATING FUNDS	25,000
OUR LADY OF GUADALUPE SCH 2405 NAVIGATON BLVD HOUSTON, TX 77003	N/A		OPERATING FUNDS	25,000
PINK RIBBONS PROJECT 2449 SOUTH BLVD STE 100 HOUSTON, TX 77098	N/A	501 C 3	OPERATING FUNDS	5,000
ST EDWARDS UNIVERSITY 3001 SOUTH CONGRESS AVENU AUSTIN, TX 78704	N/A		BUILDING FUNDS	100,000
ST LUKE'S CENTER FOR COU 2719 JOANEL STREET HOUSTON, TX 77027	N/A		OPERATING FUNDS	10,000
ST THOMAS HIGH SCHOOL 4500 MEMORIAL DRIVE HOUSTON, TX 77007	N/A		OPERATING FUNDS	250,000
THE SALVATION ARMY OF HOU 1500 AUSTIN STREET HOUSTON, TX 77002	N/A	501 C 3	OPERATING FUNDS	25,000
SAN ANGELO MUSEUM OF FINE ONE LOVE STREET SAN ANGELO, TX 76903	N/A	501 C 3	OPERATING FUNDS	50,000
SCHREINER UNIVERSITY 2100 MEMORIAL BLVD KERRVILLE, TX 78028	N/A	501 C 3	OPERATING FUNDS	20,000
STAR OF HOPE 6897 ARDMORE STREET HOUSTON, TX 77054	N/A	501 C 3	OPERATING FUNDS	25,000
SUNSHINE KIDS FOUNDATION 2814 VIRGINIA STREET HOUSTON, TX 77098	N/A	501 C 3	OPERATING FUNDS	25,000
Total . . . . ▶ **3a**				1,855,000

Form 990PF Part XV Line 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 *Paid during the year*				
TAPING FOR THE BLIND INC 3935 ESSEX LANE HOUSTON, TX 77027	N/A	501 C 3	OPERATING FUNDS	15,000
TEXAS CHILDREN'S HOSPITAL 6621 FANNIN STREET HOUSTON, TX 77030	N/A		OPERATING FUNDS	10,000
TEXGEN RESEARCH 7000 FANNIN SUITE 1200 HOUSTON, TX 77030	N/A		OPERATING FUNDS	15,000
THROUGH GOD COMES JUSTICE PO BOX 3126 SAN ANGELO, TX 76902	N/A		OPERATING FUNDS	5,000
YELLOWSTONE ACADEMY 3000 TRULLEY ST HOUSTON, TX 77004	N/A		OPERATING FUNDS	50,000
YMCA OF GREATER HOUSTON-T 1331 AUGUSTA DR HOUSTON, TX 77057	N/A	501 C 3	SCHOLARSHIP	15,000
Total . . . . ▶ **3a**				1,855,000

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Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2010

Attachment Sequence No **67**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
STERLING-TURNER FOUNDATION	INDIRECT DEPRECIATION	74-1460482

Part I Election To Expense Certain Property Under Section 179
Note: *If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount See the instructions for a higher limit for certain businesses	1	500,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

7 Listed property Enter the amount from line 29	7	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction Enter the **smaller** of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2011 Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property **)** (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.**)** (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2010	17	907
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21 Listed property Enter amount from line 28	21	
22 **Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	907
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? Yes No | **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		

28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1 . **28**

29 Add amounts in column (i), line 26 Enter here and on line 7, page 1 . . . . **29**

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles) . . .												
31 Total commuting miles driven during the year .												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use? .												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year (see instructions)					
43 Amortization of costs that began before your 2010 tax year				43	
44 Total. Add amounts in column (f) See the instructions for where to report . .				44	

TY 2010 Accounting Fees Schedule

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	29,233	7,308		21,925

TY 2010 Compensation Explanation

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

Person Name	Explanation
TR RECKLING III	
ISLA C RECKLING	
CHAILLE W HAWKINS	
CHRISTIANA R MCCONN	
THOMAS R RECKLING IV	
JAMES S RECKLING	
BLAKE W WINSTON	
STEPHEN M RECKLING	
JOHN B RECKLING	
THOMAS K RECKLING	
L DAVID WINSTON	
BERT F WINSTON III	
ISLA C MCCONN	
E CARROLL SCHULER	
CARROLL R GOODMAN	

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

TY 2010 Depreciation Schedule

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

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
FURNITURE & EQUIPMENT	1999-01-01	9,727	9,727	S/L	5 0000				
FURNITURE & EQUIPMENT	2001-06-15	1,495	1,495	S/L	7 0000				
FURNITURE & EQUIPMENT	2002-01-15	35,325	35,325	S/L	7 0000				
COMPUTER EQUIPMENT	2002-02-05	856	856	S/L	5 0000				
FURNITURE & EQUIPMENT	2002-02-05	19,871	19,871	S/L	7 0000				
COMPUTER EQUIPMENT	2002-09-09	5,346	5,346	S/L	5 0000				
OFFICE FURNITURE	2002-05-15	16,091	16,091	S/L	7 0000				
OFFICE FURNITURE	2002-06-18	3,919	3,919	S/L	7 0000				
OFFICE FURNITURE	2002-07-31	596	596	S/L	7 0000				
OFFICE FURNITURE	2002-08-29	1,250	1,250	S/L	7 0000				
COMPUTER EQUIPMENT	2002-10-18	2,100	2,100	S/L	5 0000				
COMPUTER EQUIPMENT	2002-12-13	1,081	1,081	S/L	5 0000				
COMPUTER EQUIPMENT	2001-06-15	1,035	1,035	S/L	5 0000				
TELEPHONE INSTALLATION	2002-03-01	3,285	3,285	S/L	5 0000				
FILING CABINETS	2002-01-28	2,625	2,625	S/L	7 0000				
CABLING & WIRING	2002-02-11	2,159	2,159	S/L	5 0000				
3 PCS SOFTWARE/PRINTER MEMORY UPGRADE	2002-08-26	8,257	8,257	S/L	5 0000				
CONSOLE TABLE & RUG	2002-09-20	1,577	1,577	S/L	7 0000				
SONY 19" FLAT SCREEN MONITOR	2004-03-02	1,034	1,034	S/L	5 0000				
19" SAMSUNG MONITOR	2004-05-28	269	269	S/L	5 0000				
COMPUTER EQUIPMENT - SERVER	2006-12-28	5,490	4,363	200DB	5 0000	601			
2 DESKTOPS COMPUTERS & EQUIPMENT	2006-12-28	2,795	2,221	200DB	5 0000	306			

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

TY 2010 Gain/Loss from Sale of Other Assets Schedule

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Basis Method	Sales Expenses	Total (net)	Accumulated Depreciation
2900 SH HSBC HOLDINGS ADR	2006-01	PURCHASE	2010-12		151,698	246,262			-94,564	

TY 2010 Investments Corporate Stock Schedule

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

Name of Stock	End of Year Book Value	End of Year Fair Market Value
INVESTMENT IN COMMON & PREFERRED STK	4,090,228	

TY 2010 Investments - Other Schedule

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
INVESTMENTS - SALIENT OTHER			
INVESTMENTS - SALENT ABSOLUTE		1,116,524	

TY 2010 Land, Etc. Schedule

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
LAND/BUILDING/EQUIPMENT	126,183	125,389	794	

TY 2010 Other Assets Schedule

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
DUE TO/FROM RELATED PARTIES	24,087	7,137	

TY 2010 Other Decreases Schedule

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

Description	Amount
NONDEDUCTIBLE MEALS & ENTERTAINMENT	127
NONDEDUCTILBE PARTNERSHIP EXPENSES	178
TAX PENALITIES	57
UNREPORTED EXPENSES IN 2009	4,254

TY 2010 Other Expenses Schedule

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXPENSES				
DIRECTOR INSURANCE	1,941	970		970
ENTERTAINMENT & MEALS	127	63		63
LIBRARY & DOCUMENTATION	1,198	599		599
MISCELLANEOUS	223	111		111
OFFICE MAINTENANCE	2,979	1,489		1,489
OFFICE SUPPLIES	1,229	614		614
PARKING	1,621	810		810
POSTAGE	345	172		173
TELEPHONE	3,133	1,566		1,566
WORKERS' COMP INSURANCE	2,106	1,053		1,053

TY 2010 Other Income Schedule

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
SALIENT ABSOLUTE RETURN TEI	-5,214		
SALIENT ABSOLUTE RETURN FUND	-7,970		

TY 2010 Other Notes/Loans Receivable Short Schedule

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

Name of 501(c)(3) Organization	Balance Due
DEPOSITS	3,605

TY 2010 Other Professional Fees Schedule

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT ADVISORY FEES	35,045	35,045		

TY 2010 Taxes Schedule

Name: STERLING-TURNER FOUNDATION

EIN: 74-1460482

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TAXES - FEDERAL EXCISE	51,396			