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 , 2010, and ending , 20

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 THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION	A Employer identification number 74-2177193
Number and street (or P O. box number if mail is not delivered to street address) 1300 POST OAK BOULEVARD — Room/suite 2000	B Telephone number (see page 10 of the instructions) 713.986.7000
City or town, state, and ZIP code HOUSTON, TEXAS 77056	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) ▶ $ 14,499,661.99 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).)*

	Line	Description	(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)	-0-			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments	-0-	-0-	-0-	
	4	Dividends and interest from securities	309,729.32	309,729.32	-0-	
	5a	Gross rents	-0-	-0-	-0-	
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-0-			
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		611,858.12		
	8	Net short-term capital gain			-0-	
	9	Income modifications			-0-	
	10a	Gross sales less returns and allowances				
	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)	-0-		-0-	
	11	Other income (attach schedule)	(1,503.20)	(1,503.20)	-0-	
	12	**Total.** Add lines 1 through 11	308,226.12	920,084.24	-0-	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	94,000.00	37,600.00	-0-	56,400.00
	14	Other employee salaries and wages	-0-	-0-	-0-	-0-
	15	Pension plans, employee benefits	-0-	-0-	-0-	-0-
	16a	Legal fees (attach schedule)	36,992.50	14,797.00	-0-	22,195.50
	b	Accounting fees (attach schedule)	26,800.00	10,720.00	-0-	16,080.00
	c	Other professional fees (attach schedule)	88,123.38	88,123.38	-0-	-0-
	17	Interest	-0-	-0-	-0-	-0-
	18	Taxes (attach schedule) (see page 14 of the instructions)	883.18	883.18	-0-	-0-
	19	Depreciation (attach schedule) and depletion	-0-	-0-	-0-	
	20	Occupancy	-0-	-0-	-0-	-0-
	21	Travel, conferences, and meetings	-0-	-0-	-0-	-0-
	22	Printing and publications	-0-	-0-	-0-	-0-
	23	Other expenses (attach schedule)	4,708.26	4,708.26	-0-	-0-
	24	**Total operating and administrative expenses.** Add lines 13 through 23	251,507.32	156,831.82		94,675.50
	25	Contributions, gifts, grants paid	540,000.00			540,000.00
	26	**Total expenses and disbursements.** Add lines 24 and 25	791,507.32	156,831.82	-0-	634,675.50
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	(483,281.20)			
	b	**Net investment income** (if negative, enter -0-)		763,252.42		
	c	**Adjusted net income** (if negative, enter -0-)			-0-	

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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 (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1	Cash—non-interest-bearing	15,233.77	11,002.37	11,002.37
	2	Savings and temporary cash investments	288,764.67	577,985.78	571,985.78
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶	-0-	-0-	-0-
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶	-0-	-0-	-0-
	5	Grants receivable	-0-	-0-	-0-
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	-0-	-0-	-0-
	7	Other notes and loans receivable (attach schedule) ▶			
		Less: allowance for doubtful accounts ▶	-0-	-0-	-0-
	8	Inventories for sale or use	-0-	-0-	-0-
	9	Prepaid expenses and deferred charges	-0-	-0-	-0-
	10a	Investments—U.S. and state government obligations (attach schedule)	-0-	-0-	-0-
	b	Investments—corporate stock (attach schedule)	7,083,319.35	7,071,566.26	8,148,377.91
	c	Investments—corporate bonds (attach schedule)	4,752,386.86	4,534,931.90	5,234,535.87
	11	Investments—land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶	-0-	-0-	-0-
	12	Investments—mortgage loans	-0-	-0-	-0-
	13	Investments—other (attach schedule)	-0-	-0-	-0-
	14	Land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶	-0-	-0-	-0-
	15	Other assets (describe ▶ SCHEDULE ATTACHED)	573,002.00	649,023.00	533,760.06
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	12,712,706.65	12,844,509.31	14,499,661.99
Liabilities	17	Accounts payable and accrued expenses	-0-	-0-	
	18	Grants payable	-0-	100,000.00	
	19	Deferred revenue	-0-	-0-	
	20	Loans from officers, directors, trustees, and other disqualified persons	-0-	-0-	
	21	Mortgages and other notes payable (attach schedule)	-0-	-0-	
	22	Other liabilities (describe ▶)	-0-	-0-	
	23	**Total liabilities** (add lines 17 through 22)	-0-	100,000.00	
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	12,712,706.65	12,844,509.31	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	-0-	-0-	
	29	Retained earnings, accumulated income, endowment, or other funds	-0-	-0-	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	12,712,706.65	12,844,509.31	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	12,712,706.65	12,744,509.31	

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	12,712,706.65
2	Enter amount from Part I, line 27a	2	(483,281.20)
3	Other increases not included in line 2 (itemize) ▶ SCHEDULE ATTACHED	3	624,253.22
4	Add lines 1, 2, and 3	4	12,853,678.67
5	Decreases not included in line 2 (itemize) ▶ SCHEDULE ATTACHED	5	9,169.36
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	12,844,509.31

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	PUBLICLY TRADED SECURITIES			
b	OTHER CAPITAL GAINS AND LOSSES - SCHEDULE ATTACHED			
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	2,766,291.18		2,261,862.08	504,429.10
b	1,671,204.04		1,563,775.02	107,429.02
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	611,858.12
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	768,683.94	12,507,321.06	.0614587
2008	792,490.00	15,806,304.51	.0501376
2007	763,150.00	17,686,456.62	.0431480
2006	691,024.37	16,343,225.31	.0422820
2005	668,762.11	15,323,933.03	.0436416

2	**Total** of line 1, column (d)	2	.2406679
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	.0481336
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	13,681,171.68
5	Multiply line 4 by line 3	5	658,524.05
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	7,632.52
7	Add lines 5 and 6	7	666,156.57
8	Enter qualifying distributions from Part XII, line 4	8	634,675.50

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	15,265	05
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	-0-	
3	Add lines 1 and 2	3	15,265	05
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	-0-	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	15,265	05
6	Credits/Payments:			
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a — 3,300 00			
b	Exempt foreign organizations—tax withheld at source — 6b — -0-			
c	Tax paid with application for extension of time to file (Form 8868) — 6c — -0-			
d	Backup withholding erroneously withheld — 6d — -0-			
7	Total credits and payments. Add lines 6a through 6d	7	3,300	00
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	-0-	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	11,965	05
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	-0-	
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ -0- **Refunded** ▶	11	-0-	

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		✓
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		✓
	*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		✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ NONE **(2)** On foundation managers. ▶ $ NONE			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ NONE			
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		✓
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		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
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		✓
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	✓	
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	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ TEXAS			
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	✓	
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		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

* - CONCURRENTLY

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

				Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)		11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?		12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?		13	✓	
	Website address ▶ NONE				
14	The books are in care of ▶ JOSEPH W. ROYCE	Telephone no. ▶ 713.986.7212			
	Located at ▶ 1300 POST OAK BLVD., SUITE 2000, HOUSTON, TEXAS	ZIP+4 ▶ 77056-3026			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶	15			
16	At any time during calendar year 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 ▶ N/A				

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

				Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.				
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ 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 22 of the instructions)?		1b		✓
	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		✓
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 22 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	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		✓
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		✓

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**	N/A	
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		✓
	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**	N/A	

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
SCHEDULE ATTACHED				

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	N/A	N/A	N/A	N/A

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 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		NONE
Total number of others receiving over $50,000 for professional services ▶		-0-

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 NONE	NONE
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 NONE	NONE
2	
All other program-related investments. See page 24 of the instructions 3	
Total. Add lines 1 through 3 ▶	-0-

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	13,018,404.57
b	Average of monthly cash balances		1b	413,308.81
c	Fair market value of all other assets (see page 25 of the instructions)		1c	457,801.02
d	**Total** (add lines 1a, b, and c)		1d	13,889,514.40
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e -0-		
2	Acquisition indebtedness applicable to line 1 assets		2	-0-
3	Subtract line 2 from line 1d		3	13,889,514.40
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see page 25 of the instructions)		4	208,342.72
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	13,681,171.68
6	**Minimum investment return.** Enter 5% of line 5		6	684,058.58

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	684,058.58
2a	Tax on investment income for 2010 from Part VI, line 5	2a	15,265.05		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	-0-		
c	Add lines 2a and 2b			2c	15,265.05
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	668,793.53
4	Recoveries of amounts treated as qualifying distributions			4	-0-
5	Add lines 3 and 4			5	668,793.53
6	Deduction from distributable amount (see page 25 of the instructions)			6	-0-
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	668,793.53

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	634,675.50
b	Program-related investments—total from Part IX-B	1b	-0-
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	-0-
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	-0-
b	Cash distribution test (attach the required schedule)	3b	-0-
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	634,675.50
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	-0-
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	634,675.50

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					668,793.53
2 Undistributed income, if any, as of the end of 2010:					
a Enter amount for 2009 only				618,788.87	
b Total for prior years: 20___,20___,20___			-0-		
3 Excess distributions carryover, if any, to 2010:					
a From 2005	-0-				
b From 2006	-0-				
c From 2007	-0-				
d From 2008	-0-				
e From 2009	-0-				
f **Total** of lines 3a through e		-0-			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 634,675.50					
a Applied to 2009, but not more than line 2a				618,788.87	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)			-0-		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)		-0-			
d Applied to 2010 distributable amount					15,886.63
e Remaining amount distributed out of corpus		-0-			
5 Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		-0-			-0-
6 **Enter the net total of each column as indicated below:**					
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5		-0-			
b Prior years' undistributed income. Subtract line 4b from line 2b			-0-		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			-0-		
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions			-0-		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				-0-	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011					652,906.90
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)		-0-			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)		-0-			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		-0-			
10 Analysis of line 9:					
a Excess from 2006	-0-				
b Excess from 2007	-0-				
c Excess from 2008	-0-				
d Excess from 2009	-0-				
e Excess from 2010	-0-				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) N/A

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 foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(e) Total
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 foundation had $5,000 or more in assets at any time during the year—see page 28 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).)

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

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:

N/A

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

N/A

c Any submission deadlines:

N/A

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

N/A

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*				
SCHEDULE ATTACHED				540,000.00
Total ▶ 3a				540,000.00
b *Approved for future payment*				
FOUNDATION FOR THE COUNCIL ON ALCOHOL & DRUGS HOUSTON 303 JACKSON HILL STREET HOUSTON, TEXAS 77007			RESTRICTED GRANT FOR CONSTRUCTION AND RENOVATIONS $50K PAYABLE 2/2011 $50k PAYABLE 2/2012	100,000.00
Total ▶ 3b				100,000.00

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					
4 Dividends and interest from securities					309,729.32
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					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a OIL & GAS ROYALTIES					2,630.37
b PARTNERSHIP INCOME					(4,981.00)
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)					307,378.69

13 Total. Add line 12, columns (b), (d), and (e) 13

(See worksheet in line 13 instructions on page 29 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 foundation's exempt purposes (other than by providing funds for such purposes). (See page 29 of the instructions.)
	SCEDULE ATTACHED

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)		✓
	(2) Other assets	1a(2)		✓
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✓
	(3) Rental of facilities, equipment, or other assets	1b(3)		✓
	(4) Reimbursement arrangements	1b(4)		✓
	(5) Loans or loan guarantees	1b(5)		✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✓

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
		N/A	

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.

Signature of officer or trustee: [signature] | Date: 4-20-11 | Title: SECRETARY & TRUSTEE

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
JAMES T. McCULLOUGH	[signature]	4/20/11	☑	P01390593

Firm's name ▶ JAMES T. McCULLOUGH | Firm's EIN ▶

Firm's address ▶ P. O. BOX 8457, THE WOODLANDS, TEXAS 77387-8457 | Phone no 832.813.7244

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

FORM 990-PF - SCHEDULE OF INFORMATION

PART I, LINE 11 - OTHER INCOME

Gross Oil & Gas Royalties Received:

Operator	Property Description	Amount	
Riceland	Acadia Parish, La - Oil & Gas Royalty Interests	1,127 06	
Meridian Resource & Explor	Iberia Parish, La - Oil & Gas Royalty Interests	1,503 31	2,630 37

Class-action Settlements from Litigation:

Settlement from AOL Time Warner Securities Litigation	389 07	
Settlement from IM Securities Litigation	398 56	
Settlement from International Rectifier Corp Securities Litigation	59 80	847 43

Partnership Income:

Driehaus Small Cap Recovery, L P - TIN 36-4120127	- PTP Ordinary Income/Loss	(550 00)	
	- Ordinary Dividends	662 00	
	- IRC Sec 1296 Incime	2,938 00	
	- Trade or Business Expense	(8,031 00)	(4,981 00)

TOTAL OTHER INCOME (1,503.20)

PART I, LINE 13 - COMPENSATION, ETC.

Part VIII, Line 1c - Compensation Paid - Year 2010 94,000 00

PART I, LINE 16a - LEGAL FEES

Legal fees paid to the firm of Looper, Reed & McGraw, P C are for legal services rendered by Joseph W Royce (also a Trustee and Secretary for the Foundation) a portion of which is for matters relating to the Foundation's chairitable purpose Joe E Coleman (also a Trustee and President for the Foundation) is currently of counsel to the firm of Looper, Reed & McGraw, P C 36,992 50

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

PART I, LINE 16b - ACCOUNTING FEES

Accounting fees paid to James T McCullough (also a Trustee for the Foundation) are for preparation of Form 990-PF for calendar years ended 12/31/2008-2009 and other accounting matters a portiom of which relates to the Foundation's charitable purpose	26,800 00

PART I, LINE 16c - OTHER PROFESSIONAL FEES

Administrative fees paid to JPMorgan Chase Bank, N A for custodial management of the Foundations assets	51,833 58
Fees paid to Lowery Asset Consulting, L L C are for performance evaluation and consulting services regarding management of Foundation's assets and investment income	14,040 00
Fees paid to Golden Capital Manaagement, L L.C are for managing the Foundation's investments in large cap equities	12,952 43
Fees paid to The Mitchell Group, Inc are for managing the Foundation's investments in energy equities	9,297 37
TOTAL OTHER PROFESSIONAL FEES	88,123 38

PART I, LINE 18 - TAXES

Foreign Taxes Paid on Dividend Income	765 07
Oil & Gas Production Taxes - royalty interests	118 11
TOTAL TAXES	883 18

PART I, LINE 23 - OTHER EXPENSES

Copies	103 30
Meals (Board Meetings)	385 86
D & O Liability Insurance	4,006 00
Delivery, Fax, Postage and Long Distance Calls	213 10
TOTAL OTHER EXPENSES	4,708 26

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THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

PART II, LINE 10b - COLUMN (a) - INVESTMENTS - CORPORATE STOCKS (1/1/2010)

EQUITIES - GOLDEN CAPITAL MANAGEMENT - LARGE CAP

Entity	Security Type	No. of Shares	Book Value 1/1/2010
EQUITIES - GOLDEN CAPITAL MANAGEMENT - LARGE CAP			
3M Co	common stock	355	27,881 38
Accenture PLC	common stock	665	21,387 53
ACE Limited	common stock	575	18,492 00
Agilent Technologies Inc	common stock	945	28,876 39
AmGen Inc	common stock	390	22,685 33
Archer Daniels Midland Co	common stock	805	22,059 17
Baxter International Inc	common stock	415	19,359 79
BMC Software Inc	common stock	800	23,517 76
Bristol Myers Squibb Co	common stock	1,055	24,796 93
Bucyrus International Inc	common stock	515	28,180 59
CA Inc	common stock	1,330	22,707 62
CenturyTel Inc	common stock	849	21,972 49
Chevron Corp	common stock	345	29,050 97
Cisco Systems Inc	common stock	1,225	24,058 51
ConocoPhillips	common stock	450	24,642 55
Covidien PLC	common stock	575	30,968 76
Discover Financial Services	common stock	1,670	26,827 21
Exxon Mobil Corp	common stock	315	1,142 51
FlowServe Corp	common stock	290	25,013 34
Gap Inc	common stock	1,550	30,683 80
General Mills Inc	common stock	480	29,771 14
Goldman Sachs Group Inc	common stock	160	26,869 44
Hewitt Associates Inc	common stock	680	28,416 56
Hewlett-Packard Co	common stock	570	15,207 55
Home Depot Inc	common stock	915	21,149 31
Intel Corp	common stock	1,415	36,125 23
International Business Machines Corp	common stock	255	22,400 75
JPMorgan Chase & Co	common stock	670	28,204 72
Johnson & Johnson	common stock	395	4,447 78
Kellogg Co	common stock	555	23,865 23
Kraft Foods Inc A	common stock	880	25,090 65
McDonalds Corp	common stock	455	18,071 01
McKesson Corp	common stock	445	27,619 91
Microsoft Corp	common stock	1,145	13,986 49

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THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

Entity	Security Type	No. of Shares	Book Value 1/1/2010
Nike Inc. B	common stock	475	25,840 52
Noble Corp	common stock	580	34,949 74
Occidental Petroleum Corp	common stock	370	21,069 46
Pfizer Inc	common stock	1,360	24,212 22
Praxair Inc	common stock	350	10,473 75
Proctor & Gamble Co	common stock	400	8,985 45
Ross Stores Inc	common stock	610	21,284 73
Sealed Air Corp	common stock	1,080	22,816 40
State Street Corp	common stock	540	22,839 95
TD Ameritrade Holding Corporation	common stock	1,385	25,207 83
Texas Instruments Inc	common stock	1,115	24,096 93
Tyco International Ltd	common stock	785	26,570 44
United Technologies Corp	common stock	445	15,089 02
Unum Group	common stock	1,200	27,264 40
Viacom Inc	common stock	920	27,606 16
Watson Pharmaceuticals Inc	common stock	785	22,635 32
EQUITIES - MITCHELL ENERGY GROUP - ENERGY			
Anadarko Petroleum Corp	common stock	1,300	40,704 56
Apache Corp	common stock	900	27,747 00
Cabot Oil & Gas Corp	common stock	1,600	59,273 92
Cameron International Corporation	common stock	1,000	41,172 83
Camadian Natural Resources Ltd	common stock	1,200	11,520 00
CenterPoint Energy Inc	common stock	5,000	63,432 17
Chevron Corp	common stock	678	24,672 96
Compagnie Generale des Geophysique	common stock	1,900	85,633 89
Devon Energy Corp	common stock	900	21,402 00
Exxon Mobil Corp	common stock	600	2,176 20
Hess Corporation	common stock	1,100	16,657 67
National Fuel Gas Co	common stock	1,200	41,755 20
National Oilwell Varco Inc.	common stock	982	9,841 76
Noble Energy Inc	common stock	1,000	42,390 10
Occidental Petroleum Corp	common stock	1,100	18,083 07
Petroleo Brasileiro SA Petrobras	common stock	1,400	73,837 24
Questar Corp	common stock	1,100	45,794 87
Spectra Energy Corporation	common stock	2,400	34,685 28
Talisman Energy Inc	common stock	3,600	32,495 16
TransCanada Corp	common stock	1,800	57,241 26
Transocean Inc	common stock	829	50,865 16

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THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

Entity	Security Type	No. of Shares	Book Value 1/1/2010
Weatherford International Ltd	common stock	3,200	53,674 22
Williams Companies, Inc	common stock	2,600	25,012 00
XTO Energy Inc	common stock	1,325	40,485 11
EQUITIES - MUTUAL FUNDS			
Forward Funds (Non US Equity)	mutual fund	17,421 792	450,000 00
Leuthhold Core Institutional Class	mutual fund	203,151 874	3,583,760 00
Manning & Napier (Non US Equity)	mutual fund	63,626 932	892,175 00
TOTALS			
			7,083,319 35

PART II, LINE 10b - COLUMNS (b) & (c) - INVESTMENTS - CORPORATE STOCKS (12/31/2010)

Entity	Security Type	No. of Shares	Book Value 12/31/2010	Fair Market 12/31/10
EQUITIES - MITCHELL ENERGY GROUP - ENERGY				
Apache Corp	common stock	700	21,581 00	83,461 00
Cabot Oil & Gas Corp	common stock	1,600	59,147 80	60,560 00
Cameron International Corp	common stock	1,000	41,172 83	50,730 00
Canadian Natural Resources Ltd	common stock	1,300	6,240 00	57,746 00
CenterPoint Energy Inc	common stock	3,200	40,112 03	50,304 00
Chevron Corp	common stock	678	24,672 96	61,867 50
Devon Energy Corp	common stock	1,100	34,907 20	86,361 00
El Paso Corp	common stock	5,300	71,034 63	72,928 00
EOG Resources Inc	common stock	600	54,729 78	54,846 00
Exxon Mobil Corp	common stock	700	8,634 52	51,184 00
Global Geophysical Services	common stock	3,900	46,819.64	40,482 00
Halliburton Co	common stock	1,200	42,745 92	48,996 00
Hess Corp	common stock	1,000	15,143 34	76,540 00
National Fuel Gas Co	common stock	1,200	41,755 20	78,744 00
National Oilwell Varco Inc	common stock	882	8,839 54	59,314 50
Noble Energy Inc	common stock	1,000	42,390 10	86,080 00
Occidental Petroleum Corp	common stock	800	13,151 32	78,480 00
Petroleo Brasileiro SA Petrobras	common stock	1,200	62,590 84	41,004 00
Pioneer Resources Inc	common stock	800	42,039 59	69,456 00

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THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

Entity	Security Type	No. of Shares	Book Value 12/31/2010	Fair Market 12/31/10
Plains Exploration & Production	common stock	900	29,457 27	28,926 00
QEP Resources	common stock	2,200	65,586 10	79,882 00
Quicksilver Resources Inc	common stock	3,800	48,366 76	56,012 00
Schlumberger Ltd	common stock	700	42,320 88	58,450 00
Seadrill Limited	common stock	1,600	41,491 42	54,272 00
Talisman Energy Inc	common stock	3,600	32,495 16	79,884 00
Transcanada Corp	common stock	1,400	44,520 98	53,256 00
Weatherford International Ltd	common stock	3,200	53,674 22	72,960 00
Williams Companies Inc	common stock	3,300	41,280 42	81,576.00
EQUITIES - MUTUAL FUNDS				
Forward Funds (Non US Equity)	mutual fund	36,586 223	950,000 00	964,778 70
Leuthhold Core Institutional Class	mutual fund	143,252 180	2,723,079 28	2,416,664 28
Manning & Napier (Non US Equity)	mutual fund	64,276 069	907,903 49	1,593,403 75
Vanguard Dividend Growth Fund	mutual fund	97,303 837	1,413,682 04	1,399,229 18
TOTALS			7,071,566.26	8,148,377 91

PART II, LINE 10c - COLUMN (a) - INVESTMENTS - CORPORATE BONDS (1/1/2010)

Entity		No. of Units	Book Value 1/1/2010
Fidelity Advisor Floaring Rate High	fixed income fund	196,024 678	1,559,705 64
Global Opportuniities Bond Fund	fixed income fund	129,611 167	1,300,000 00
Lord Abbet Invt Tr	fixed income fund	25,339 610	115,041 89
Metropolitan West Funds	fixed income fund	130,979 670	1,251,757 31
Vanguard Convertible Sec Fund	fixed income fund	55,519 014	525,882 02
TOTALS			4,752,386 86

W800BS

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

PART II, LINE 10c - COLUMNS (b) & (c) - INVESTMENTS - CORPORATE BONDS (12/31/2010)

Entity		No. of Units	Book Value 12/31/2010	Fair Market Value 12/31/2010
Fidelity Advisor Floaring Rate High	fixed income fund	161,955 237	1,285,020 13	1,585,541 77
Global Opportuniities Bond Fund	fixed income fund	129,611 167	1,300,000 00	1,371,286 15
Metropolitan West Funds	fixed income fund	139,324 771	1,338,515 34	1,446,191 12
Vanguard Convertible Sec Fund	fixed income fund	61,961 016	611,396 43	831,516 83
TOTALS			4,534,931 90	5,234,535 87

PART II, LINE 15 - COLUMNS (a), (b) & (c) - OTHER ASSETS

Oil & Gas Royalty Interessts **Description**	**Book Value 1/1/2010**	**Book Value 12/31/2010**	**Fair Market Value 12/31/10**
Oil & Gas Royalty Interests in Acadia Parish, Louisiana Operator - Riceland	1,747 00	1,747 00	2,666 43
Oil & Gas Royalty Interest in Iberia Parish, Louisiana Operators - Shell & Stone	5,905.00	5,905 00	3,285 63
Partnership Interests			
Driehaus Small Cap Recovery, L P - TIN 36-4120127 3 706% Interest	565,350 00	641,371 00	527,808 00
TOTALS	573,002 00	649,023 00	533,760 06

PART III, LINE 3 - OTHER INCREASES

Capital Gains Net Income	611,858 12
Non Dividend Distribution from Leuthold	12,395 10
Total	624,253 22

PART III, LINE 5 - OTHER DECREASES

Estimated Excise Tax Payments	3,300 00
Checking Account - Checks outstanding as of 12/31/2010	5,869 36
Total	9,169 36

W800CGOTHER

THE RALPH H AND RUTH J McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

PART IV - CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME - OTHER

(a) Description	(b) How Acq	(c) Date Acquired	(d) Date Sold	(e) Sales Price	(g) Cost Basis	(h) Gain or (Loss)
BOND FUNDS & MUTUAL FUNDS - MANAGED BY JPMORGAN CHASE BANK						
Driehaus Small Cap Recovery, L P - TIN 36-4120127 - Fm 1065, Schedule K-1						
Net Short-Term Cap Gains		N/A	Yr 2010	42,114 00	N/A	42,114 00
Net Long-Term Cap Gaims		N/A	Yr 2010	18,485 00	N/A	18,485 00
Fidelity Advisor Floating Rate High Income Fund						
34,316 300 shares	P	12/7/2009	12/13/2010	335,957 11	277,492 38	58,464 73
6,541 610 shares	P	12/1/2010	12/13/2010	64,042 89	62,436 28	1,606 61
Global Opportunities Bond Fund						
LT Capital Gains Dıstnbution		N/A	12/13/2010	14,119 84	N/A	14,119 84
ST Capital Gains Distribution		N/A	12/13/2010	2,467 80	N/A	2,467 80
Leuthold Core Institutional Class						
61,500 615 units	P	5/4/2006	5/13/2010	1,000,000 00	1,108,364 08	(108,364 08)
Lord Abbet Invt Tr						
25,435 778 units	P	2/2/2010	2/24/2010	116,241 51	115,482 28	759 23
Manning & Napier Fund Inc						
ST Capital Gains Distribution		N/A	12/16/2010	50 90	N/A	50 90
Metropolitan West Funds						
LT Capital Gains Distribution		N/A	12/14/2010	8,483 10	N/A	8,483 10
ST Capital Gains Distribution		N/A	12/14/2010	14,575 62	N/A	14,575 62
Vanguard Convertıble Securities Fund						
LT Capital Gains Distribution		N/A	12/29/2010	22,438 93	N/A	22,438 93
ST Capital Gains Distribution		N/A	12/29/2010	32,227 34	N/A	32,227 34
TOTALS				1,671,204 04	1,563,775 02	107,429 02

W800TRUS

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

PART VIII, LINE 1 - INFORMATION ABOUT OFFICERS, TRUSTEES AND FOUNDATION MANAGERS

(a) Names & Address	(b) Title & Hrs/Week Devoted	(c) Compensation	(d) Employment Benefits & Def. Comp.	(e) Expense Account
JOE E COLEMAN 1300 Post Oak Blvd , Suite 2000 Houston, Texas 77056	Trustee, Manager, President & Treasurer Hours vary as needed	16,500 00	-0-	-0-
JACK H HOOPER 6134 Meadow Lake Lane Houston, Texas 77057	Trustee Hours vary as needed Deceased in Year 2010	7,750 00	-0-	-0-
JAMES T McCULLOUGH Post Office Box 8457 The Woodlands, Texas 77387-8457	Trustee & Vice President Hours vary as needed	15,500 00	-0-	-0-
DEE S OSBORNE 4400 Post Oak Pkwy , Suite 2240 Houston, Texas 77027	Trustee Hours vary as needed	15,500 00	-0-	-0-
JOSEPH W ROYCE 1300 Post Oak Blvd , Suite 2000 Houston, Texas 77056	Trustee & Secretary Hours vary as needed Elected to Board in Year 2010	7,750 00	-0-	-0-
ANNE M SHALLENBERGER 7807 Ella Lee Lane Houston, Texas 77063	Trustee Hours vary as needed	15,500 00	-0-	-0-
H MICHAEL TYSON 3701 Kirby Drive, Suite 1196 Houston, Texas 77098	Trustee Hours vary as needed	15,500 00	-0-	-0-
TOTALS		94,000 00	-0-	-0-

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

PART XV - LINE 3a - GRANTS AND CONTRIBUTIONS PAID DURING 2010

Recipient & Address	Date	Status	Purpose	Amount
The New Key School Inc 3947 East Loop 820 South Fort Worth, Texas 76119	2/22/2010	Public	Unrestricted grant	10,000 00
The Woodlands Dog Park Club Attn Laura McConnell, President Post Office Box 130175 The Woodlands, Texas 77393	2/22/2010	Public	Restricted grant for spay/neuter and vaccination clinics jointly sponsored with the Montgomery County Animal Shelter at the four precincts of Montgomery County	25,000 00
Foundation for The Council on Alcohol & Drugs Houston 303 Jackson Hill Street Houston, Texas 77007	2/22/2010	Public	Restricted grant for construction and renovations	50,000 00
Houston Maritime Museum Attn John Kendall, Executive Director 2204 Dorrington Houston, Texas 77030	2/22/2010	Public	Unrestricted grant	5,000 00
The Brenda and John H Duncan Rise School of Houston 8080 North Stadium Drive Houston, Texas 77054	2/22/2010	Public	Unrestricted grant	10,000 00
Kappa Kappa Gamma Charitable Foundation of Houston Attn Mmes Hudson, Meric and Peterson, Chairs P O Box 6770 Houston, Texas 77265-6770	2/22/2010	Public	Restricted grant for the 2010 Kappa Pilgrimage	10,000 00
Memorial Hall High School 3721 Dacoma Houston, Texas 77092	2/22/2010	Public	Unrestricted grant	5,000 00
The University of Texas M D Anderson Cancer Center 1100 Holcombe Boulevard Houston, Texas 77030	5/13/2010	Public	Unrestricted grant given in memory of Cindy Marshall Death	15,000 00

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

PART XV - LINE 3a - GRANTS AND CONTRIBUTIONS PAID DURING 2010

Recipient & Address	Date	Status	Purpose	Amount
Operation Military Embrace, Inc P. O Box 149 Hockley, Texas 77447-0149	5/13/2010	Public	Unrestricted grant	10,000 00
Panhandle Plains Historical Museum 2503 Fourth Avenue Canyon, Texas 79015	5/13/2010	Public	Unrestricted grant given in memory of William J "Bill" Foran	15,000 00
TheTexas Heart Institute 6770 Bertner Avenue Houston, Texas 77030	5/13/2010	Public	Restricted grant for stem cell research	20,000 00
The Leukemia & Lymphoma Society 1200 Summitt Avenue, Suite 440 Fort Worth, Texas 76102	5/13/2010	Public	Unrestricted grant	10,000 00
Children's Cancer Fund of Dallas Inc 12720 Hillcrest Road, Suite 120 Dallas, Texas 75230-2010	5/13/2010	Public	Unrestricted grant	10,000 00
Young Life Attn Denny Ryberg, President P O Box 520 Colorado Springs, CO 80901-0520	5/13/2010	Public	Restricted grant for the Lewisvlle-Flower Mound, Texas Chapter	7,500 00
The Blue Bird Circle 6501 Fannin Houston, Texas 77030	5/13/2010	Public	Unrestricted grant	10,000 00
The Sheepfold Texas P O Box 154137 Lufkin, Texas 75915	5/13/2010	Public	Unrestricted grant	10,000 00
Baylor University B U Box 5582 Waco, Texas 76798	9/9/2010	Public	Restricted grant for the Thad Green Memorial Student Foundation Endowed Schlarship Fund	10,000 00
Houston Victory Ministries, Inc 11255 Eastex Freeway Houwton, Texas 77093-2860	9/9/2010	Public	Unrestricted grant	5,000 00

W800GRANTS

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

PART XV - LINE 3a - GRANTS AND CONTRIBUTIONS PAID DURING 2010

Recipient & Address	Date	Status	Purpose	Amount
The Alley Theatre 615 Texas Avenue Houston, Texas 77002	9/9/2010	Public	Unrestricted grant	10,000 00
The Fellowship of Christian Athletes 8701 Leeds Road Kansas City, Missouri 64129-1626	9/9/2010	Public	Restricted grant for the greater Fort Worth chapter	10,000 00
The Houston Audobon Society 440 Wilchester Blvd Houston, Texas 77079	9/9/2010	Public	Unrestricted grant	10,000 00
The University of Texas Health Science Center at Houston P O Box 20334 Houston, Texas 77225-0334	9/9/2010	Public	Restricted grant for a student stipend at the Graduate School of Biomedical Services	5,000 00
St Martin's Episcopal Church 717 Sage Road Houston, Texas 77056-0449	9/9/2010	Public	Restricted grant for the Building for Life Capital Campaign	10,000 00
Liberty Educational Ministries, Inc 1500 S Bonnie Brae Denton, Texas 76205	9/9/2010	Public	Restricted grant for the Liberty Christian School	2,500 00
The Houston Livestock Show & Rodeo Education Fund P O Box 20070 Houston, Texas 77225-0070	9/9/2010	Public	Restricted grant for a Metropolitan Scholarship	15,000 00
The Rodeo Institute for Teacher Excellence 3535 Briar Park, Suite 110 Houston, Texas 77042	9/9/2010	Public	Unrestricted grant	15,000 00
Boy Scouts of America, Sam Houston Area Concil 2225 North Loop West Houston, Texas 77008	9/9/2010	Public	Restricted grant for the Scoutreach Program	10,000 00

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

PART XV - LINE 3a - GRANTS AND CONTRIBUTIONS PAID DURING 2010

Recipient & Address	Date	Status	Purpose	Amount
The Houston Museum of Natural Science 5800 Caroline Houston, Texas 77030	9/9/2010	Public	Unrestricted grant	5,000 00
Baylor University B U Box 5582 Waco, Texas 76798	9/9/2010	Public	Restricted grant for an addition to the Patricia Ann Hooper Memorial Endowed Nursing Scholarship Fund in memory of Jack Hooper	50,000 00
Harbor Hospice Foundation, Inc P O Box 21463 Beaumont, Texas 77720	12/9/2010	Public	Unrestricted grant given in memory of O W Stanley	10,000 00
The Houston Ballet 1921 West Bell Houston, Texas 77019	12/9/2010	Public	Unrestricted grant	25,000 00
Child Advocates, Inc 2401 Portsmouth, Suite 210 Houston, Texas 77098	12/9/2010	Public	Unrestricted grant	10,000 00
Texas Heart Institute Mail Code 3-117 P O Box 20345 Houston, Texas 77225-9969	12/9/2010	Public	Unrestricted grant	10,000 00
MD Anderson Cancer Center % Ms Julie Melton, Development Office - Unit 705 6900 Fannin, 6th Floor Houston, Texas 77030	12/9/2010	Public	Unrestricted grant	5,000 00
Bayou Bend Collection and Gardens % Ms. Dina Kohleffel, Campaign Manager Museum of Fine Arts, Houston P O Box 6826 Houston, Texas 77265-6826	12/9/2010	Public	Unrestricted grant	10,000 00

W800GRANTS

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

PART XV - LINE 3a - GRANTS AND CONTRIBUTIONS PAID DURING 2010

Recipient & Address	Date	Status	Purpose	Amount
Houston Grand Opera 510 Preston Street Houston, Texas 77002-1504	12/9/2010	Public	Unrestricted grant	10,000 00
The Forge for Families 3435 Dixie Road Houston, Texas 77021	12/9/2010	Public	Unrestricted grant	5,000 00
University of Texas System 210 West 6th Street, Suite 1,200 Austin, Texas 78701	12/9/2010	Public	Restricted grant for The Chancellor's Council	10,000 00
Texas Institute for Education Reform 1209 Nueces Street Austin, Texas 78701	12/9/2010	Public	Unrestricted grant	5,000 00
Bridges to Life 9425 Old Katy Road Houston, Texas 77055	12/9/2010	Public	Unrestricted grant	5,000 00
American Heritage Foundation 214 Massachusetts Avenue NE Washington, D C 20001-4999	12/9/2010	Public	Unrestricted grant	1,500 00
Houston Parks Board Foundation 300 North Post Oak Lane Houston, Texas 77024	12/9/2010	Public	Unrestricted grant	1,500 00
Houston Police Foundation P O Box 346 Houston, Texas 77001-0346	12/9/2010	Public	Unrestricted grant	2,000 00
Houston SPCA 900 Portway Drive Houston, Texas 77024	12/9/2010	Public	Restricted grant given in memory of Jack H Hooper for the "More Than Shelter" capital campaign and option number one per Houston SPCA letter dated 12/1/2010	50,000 00
TOTAL				540,000 00

W800RELA

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2010

PART XVI-B, RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSE

Line No.	Explanation
4	Besides providing funds for charitable purposes, dividend income on stocks and interest income on securities helped to negate inflationary eroding of the Foundation's capital and at the same time be a conservative and responsible investment income source
11(a)	Besides providing funds for charitable purposes, oil and gas royalty interests income is a further diversification of income types and helped to negate inflationary eroding of the Foundation's capital and at the same time be a conservative and responsible investment income source
11(b)	Besides providing funds for charitable purposes, partnership income is a further diversification of income types and helped to negate inflationary eroding of the Foundation's capital and at the same time be a conservative and responsible investment income source