



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning _____, and ending _____

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

MARGUERITE SOURS FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)

PO BOX 1419

Room/suite

City or town, state, and ZIP code

ROCKPORT TX 78381-1419H Check type of organization Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 3,033,598	J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____
--	---

(Part I, column (d) must be on cash basis)

A Employer identification number

74-2425445

B Telephone number (see page 10 of the instructions)

361-729-6003

C If exemption application is pending, check here ►

D 1. Foreign organizations, check here ►
2. Foreign organizations meeting the
85% test, check here and attach computation ►

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

F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ►

Part I Analysis of Revenue and Expenses (The total of
amounts in columns (b), (c), and (d) may not necessarily equal
the amounts in column (a) (see 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)
--	------------------------------	----------------------------	--

1 Contributions, gifts, grants, etc., received (attach schedule)			
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B			
3 Interest on savings and temporary cash investments	5,451	5,451	
4 Dividends and interest from securities	43,048	43,048	
5a Gross rents			
b Net rental income or (loss)			
6a Net gain or (loss) from sale of assets not on line 10	Stmt 1		
b Gross sales price for all assets on line 6a	178,545		
7 Capital gain net income (from Part IV, line 2)		0	
8 Net short-term capital gain			0
9 Income modifications			
10a Gross sales less returns & allowances			
b Less Cost of goods sold			
c Gross profit or (loss) (attach schedule)			
11 Other income (attach schedule)			
12 Total. Add lines 1 through 11	40,850	48,499	0

13 Compensation of officers, directors, trustees, etc			
14 Other employee salaries and wages			
15 Pension plans, employee benefits			
16a Legal fees (attach schedule)			
b Accounting fees (attach schedule)	Stmt 2		
c Other professional fees (attach schedule)			
17 Interest			
18 Taxes (attach schedule) (see page 14 of the instructions)			
19 Depreciation (attach schedule) and depletion			
20 Occupancy	7,778	3,111	4,667
21 Travel, conferences, and meetings			
22 Printing and publications			
23 Other expenses (attach schedule)	Stmt 3		
24 Total operating and administrative expenses.	11,817	11,363	454
Add lines 13 through 23	20,495	14,834	0
25 Contributions, gifts, grants paid	157,712		157,712
26 Total expenses and disbursements. Add lines 24 and 25	178,207	14,834	0
27 Subtract line 26 from line 12	-137,357		
a Excess of revenue over expenses and disbursements			
b Net investment income (if negative, enter -0-)		33,665	
c Adjusted net income (if negative, enter -0-)			0

Assets	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
1	Cash—non-interest-bearing				
2	Savings and temporary cash investments		869,130	668,308	668,308
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 (att schedule) ►	0			
	Less allowance for doubtful accounts ►				
8	Inventories for sale or use				
9	Prepaid expenses and deferred charges				
10a	Investments—U S and state government obligations (attach schedule)	Stmt 4			
b	Investments—corporate stock (attach schedule)	See Stmt 5	53,356	53,356	53,356
c	Investments—corporate bonds (attach schedule)		1,851,661	1,981,934	1,981,934
11	Investments—land, buildings, and equipment basis ►	175,000			
	Less accumulated depreciation (attach sch) ► Stmt 6		175,000	175,000	175,000
12	Investments—mortgage loans				
13	Investments—other (attach schedule)				
14	Land, buildings, and equipment basis ►	180,529			
	Less accumulated depreciation (attach sch) ► Stmt 7	53,387	127,142	127,142	155,000
15	Other assets (describe ►)	.		
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)		3,076,289	3,005,740	3,033,598
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	0	
Net Assets or Fund Balances					
24	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
25	Unrestricted				
26	Temporarily restricted				
27	Permanently restricted				
28	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>				
	and complete lines 27 through 31.				
29	Capital stock, trust principal, or current funds		2,991,399	3,005,740	
30	Paid-in or capital surplus, or land, bldg , and equipment fund		.		
31	Retained earnings, accumulated income, endowment, or other funds		84,890		
32	Total net assets or fund balances (see page 17 of the instructions)		3,076,289	3,005,740	
33	Total liabilities and net assets/fund balances (see page 17 of the instructions)		3,076,289	3,005,740	

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	3,076,289
2	Enter amount from Part I, line 27a	2	-137,357
3	Other increases not included in line 2 (itemize) ► See Statement 8	3	66,808
4	Add lines 1, 2, and 3	4	3,005,740
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	3,005,740

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 N/A				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	
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	206,669	3,192,291	0.064740
2008	219,430	3,646,670	0.060173
2007	210,194	3,830,437	0.054875
2006	195,945	3,775,501	0.051899
2005	233,866	3,648,644	0.064097

2 Total of line 1, column (d)

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

4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5

5 Multiply line 4 by line 3

6 Enter 1% of net investment income (1% of Part I, line 27b)

7 Add lines 5 and 6

8 Enter qualifying distributions from Part XII, line 4

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

2	0.295784
3	0.059157
4	3,022,839
5	178,822
6	337
7	179,159
8	163,373

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 ► <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)	1	673
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b		
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-)		
3	Add lines 1 and 2		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010		
b	Exempt foreign organizations—tax withheld at source		
c	Tax paid with application for extension of time to file (Form 8868)	3	673
d	Backup withholding erroneously withheld		
7	Total credits and payments Add lines 6a through 6d		
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	4	0
11	Enter the amount of line 10 to be Credited to 2011 estimated tax ►		
	1,621		
	Refunded ►		
	11		

Part VII-A Statements Regarding Activities

1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	N/A	Yes	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?			X
	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	N/A		
c	Did the foundation file Form 1120-POL for this year?			
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 ► \$ _____	N/A		
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	N/A	2	X
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?	N/A	4a	X
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	N/A	5	X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		6	X
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	N/A	7	X
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	N/A	8b	X
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		9	X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	N/A	10	

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► JACKIE BAUER 1021 HWY 35 N	Telephone no ► 361-729-6003		
	Located at ► ROCKPORT	TX	ZIP+4 ► 78382	
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? 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 ►	16	Yes	No X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.				
1a	During the year did the foundation (either directly or indirectly)	Yes	No	
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did 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)? Organizations relying on a current notice regarding disaster assistance check here	N/A ►		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	N/A		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the foundation is 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)	N/A		
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?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010)	N/A		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?			
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	N/A		
		3b		
		4a		X
		4b		X

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

5a	During the year did the foundation pay or incur any amount to	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	<input checked="" type="checkbox"/> N/A	5b	
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? If "Yes," attach the statement required by Regulations section 53.4945-5(d)	<input type="checkbox"/> Yes <input type="checkbox"/> No		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6b	X
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	7b	
b	If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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
JACALYN BAUER 210 HWY 35 N	ROCKPORT TX 78382	PRES/SECR 2.00	0	0
CHARLOTTE WALSTON 5443 EVERHART	CORPUS CHRISTI TX 78413	VP 2.00	0	0
RUTH WALSTON 1101 N LIVE OAK	ROCKPORT TX 78382	DIRECTOR 2.00	0	0

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

► 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		

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 N/A

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 ►

Form 990-PF (2010)

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	1,970,153
b	Average of monthly cash balances	1b	768,719
c	Fair market value of all other assets (see page 25 of the instructions)	1c	330,000
d	Total (add lines 1a, b, and c)	1d	3,068,872
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	3,068,872
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	46,033
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	3,022,839
6	Minimum investment return. Enter 5% of line 5	6	151,142

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	151,142
2a	Tax on investment income for 2010 from Part VI, line 5	2a	673
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	673
3	Distributable amount before adjustments Subtract line 2c from line 1	3	150,469
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	150,469
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	150,469

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes	1a	163,373
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1b	
b	Program-related investments—total from Part IX-B	2	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	3a	
3	Amounts set aside for specific charitable projects that satisfy the	3b	
a	Suitability test (prior IRS approval required)	4	163,373
b	Cash distribution test (attach the required schedule)	5	0
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	6	163,373
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)		
6	Adjusted qualifying distributions. Subtract line 5 from line 4		
	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				150,469
2 Undistributed income, if any, as of the end of 2010			7,631	
a Enter amount for 2009 only				
b Total for prior years 20 ____ , 20 ____ , 20 ____				
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e				
4 Qualifying distributions for 2010 from Part XII, line 4 ► \$ 163,373			7,631	
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				150,469
e Remaining amount distributed out of corpus	5,273			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:	5,273			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see 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	5,273	*		
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010	5,273			

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 ► <input type="text"/>			
b	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)			
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed			
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))
N/A

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
N/A

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
FORMAL REQUEST

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	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Statement 9				157,712
Total			► 3a	157,712
b Approved for future payment N/A				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See page 28 of the instructions)
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			14	5,451	
4 Dividends and interest from securities			14	43,048	
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			18	-7,649	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		40,850	0
13 Total. Add line 12, columns (b), (d), and (e)			13		40,850

(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)
N/A	

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

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
- (2) Other assets

b Other transactions

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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
N/A		

**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

11/15/61

▶ Président

Print/Type preparer's name		Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
Paid Preparer	Michael Arnold		11/15/11	
Use Only	Firm's name ► MICHAEL A. ARNOLD, PLLC		PTIN	P00869308
	Firm's address ► 17080 State Highway 46 W Ste 103 Spring Branch, TX 78070		Firm's EIN	74-2936614
			Phone no	830-228-4402

Federal Statements**Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets**

Whom Sold	Description	Date Acquired	Date Sold	How Received		Net Gain / Loss
				Sale Price	Cost	
SEE ATTACHED SCH				Purchase \$ 105,017	\$ 107,177	\$ -2,160
SEE ATTACHED SCH		Various	12/31/10	\$ 73,528	\$ 79,017	\$ -5,489
Total		Various	12/31/10	\$ 178,545	\$ 186,194	\$ -7,649

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment		Adjusted Net	Charitable Purpose
		\$ 900	\$ 360		
Indirect Accounting Fees	\$ 900	\$ 360	\$ 360	\$ 0	\$ 540
Total	\$ 900	\$ 360	\$ 360	\$ 0	\$ 540

Statement 3 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment		Adjusted Net	Charitable Purpose
		\$	\$		
Expenses					
INVESTMENT FEES					
OFFICE EXPENSE					
INVESTMENT EXPENSES					
Total	\$ 11,817	\$ 246	\$ 246	\$ 0	\$ 454

Federal Statements

Statement 4 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
	\$ 53,356	\$ 53,356	Market	\$ 53,356
Total	<u><u>\$ 53,356</u></u>	<u><u>\$ 53,356</u></u>		<u><u>\$ 53,356</u></u>

Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
	\$ 1,851,661	\$ 1,981,934	Market	\$ 1,981,934
Total	<u><u>\$ 1,851,661</u></u>	<u><u>\$ 1,981,934</u></u>		<u><u>\$ 1,981,934</u></u>

Statement 6 - Form 990-PF, Part II, Line 11 - Land, Building, and Equipment Investments

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
REAL ESTATE	\$ 175,000	\$ 175,000	\$ 0	\$ 175,000
Total	<u><u>\$ 175,000</u></u>	<u><u>\$ 175,000</u></u>	<u><u>0</u></u>	<u><u>\$ 175,000</u></u>

Statement 7 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
BUILDING AND EQUIPMENT	\$ 127,142	\$ 180,529	\$ 53,387	\$ 155,000
Total	<u><u>\$ 127,142</u></u>	<u><u>\$ 180,529</u></u>	<u><u>\$ 53,387</u></u>	<u><u>\$ 155,000</u></u>

Federal Statements

Statement 8 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
ASSETS OF THE FOUNDATION ARE CARRIED AT MARKET VALUE. VALUE ADJUSTMENTS ARE BOOKED THROUGH NET ASSETS. VALUE ADJUSTMENTS FYE 12/31/10	\$ 66,808
Total	\$ <u>66,808</u>

Form 990-PF, Part XV, Line 2b - Application Format and Required Contents**Description**

FORMAL REQUEST

Federal Statements

Statement 9 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name	Address	Relationship	Status	Purpose	Amount
ROCKPORT ROTARY				OPERATIONS	240
ROCKPORT TX 78382	NONE		EXEMPT	OPERATIONS	
WOMENS CLUB OF ARANSAS CO	1104 E CONCHO		EXEMPT	OPERATIONS	1,500
ROCKPORT TX 78382	NONE		EXEMPT	OPERATIONS	
HUTCHINSON COMMUNITY COLL	1300 N PLUM		EXEMPT	SCHOLARSHIPS	10,000
HUTCHINSON KS 67501	NONE		EXEMPT	SCHOLARSHIPS	
ST MARY'S SCHOOL OF LAW	ONE CAMION SANTA MARIA		EXEMPT	SCHOLARSHIPS	20,000
SAN ANTONIO TX 78215	NONE		EXEMPT	SCHOLARSHIPS	
INCARNATE WORD	2930 S ALEMDA		EXEMPT	OPERATIONS	5,000
CORPUS CHRISTI TX 78404	NONE		EXEMPT	OPERATIONS	
ST PIUS SCHOOL	5620 GOLLIHAR		EXEMPT	OPERATIONS	10,000
CORPUS CHRISTI TX 78412	NONE		EXEMPT	OPERATIONS	
USO OF SOUTH TEXAS	1408 LEXINGTON BLVD		EXEMPT	OPERATIONS	9,000
CORPUS CHRISTI TX 78362	NONE		EXEMPT	OPERATIONS	
CENTRAL CATHOLIC HIGH SCH	1403 ST MARY'S		EXEMPT	SCHOLARSHIPS	10,000
SAN ANTONIO TX 78228	NONE		EXEMPT	SCHOLARSHIPS	
TEXAS HEARING AND SERVICE	4803 RUTHERGLEN		EXEMPT	OPERATIONS	2,500
AUSTIN TX 78749	NONE		EXEMPT	OPERATIONS	
CAMP ARANZAU	5420 FM 1781		EXEMPT	OPERATIONS	10,000
ROCKPORT TX 78382	NONE		EXEMPT	OPERATIONS	
PEEWEE'S PET ADOPTION INC	1307 SARATOGA		EXEMPT	OPERATIONS	2,500
COPRUS CHRISTI TX 78417	NONE		EXEMPT	OPERATIONS	
KLUX RADIO 89.5 FM	1200 LANTANA		EXEMPT	OPERATIONS	10,000
CORPUS CHRISTI TX 78407	NONE		EXEMPT	OPERATIONS	
JOHN PAUL II HIGH SCHOOL	3036 SARATOGA		EXEMPT	OPERATIONS	5,000
CORPUS CHRISTI TX 78415	NONE		EXEMPT	OPERATIONS	
GUIDE DOGS OF TEXAS	1503 ALLENA DR		EXEMPT	OPERATIONS	10,000
SAN ANTONIO TX 78213	NONE		EXEMPT	OPERATIONS	
HUMANE SOCIETY OF ARAN CT	1308 MYRTLE		EXEMPT	OPERATIONS	2,500
ROCKPORT TX 78382	NONE		EXEMPT	OPERATIONS	
ST COLUMBIA SCHOOL	1801 E 3RD		EXEMPT	OPERATIONS	10,000
DURANGO CO 81301	NONE		EXEMPT	OPERATIONS	
RED RIBBON CORPS	222 CARROLLWOOD DR		EXEMPT	OPERATIONS	2,500
CASTLE HILLS TX 78213	NONE		EXEMPT	OPERATIONS	
ST. MARY'S CHURCH	202 N ST MARY'S		EXEMPT	OPERATIONS	5,000
SAN ANTONIO TX 78205	NONE		EXEMPT	OPERATIONS	
ASSUMPTION ABBEY	RT 5 BOX 106		EXEMPT	OPERATIONS	2,500
AVA MO 65608	NONE		EXEMPT	OPERATIONS	

Federal Statements

Statement 9 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name	Address	Relationship	Status	Purpose	Amount
SACRED HEART CHURCH ROCKPORT TX 78382	114 N CHURCH NONE		EXEMPT	OPERATIONS	10,000
SACRED HEART SCHOOL ROCKPORT TX 78382	114 N CHURCH NONE		EXEMPT	OPERATIONS	5,000
LAST CHANCE RESCUE INGLESIDE TX 78362	2078 TINER LN NONE		EXEMPT	OPERATIONS	5,000
FALCON BOOSTERS OF FALCON ROCKPORT TX 78382	NONE		EXEMPT	OPERATIONS	1,000
CLOUD NINE RESCUE FLIGHTS WILLIAMSPORT PA	NONE		EXEMPT	OPERATIONS	8,222
YOUNG LIFE OF ROCKPORT ROCKPORT TX 78382	1809 HILLCREST DR NONE		EXEMPT	OPERATIONS	250
Total					<u><u>157,712</u></u>

Federal Statements**Taxable Interest on Investments**

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs (\$ or %)
INTEREST INCOME	\$ 5,451		14		
Total	\$ <u>5,451</u>				

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs (\$ or %)
DIVIDENDS AND INTEREST - SEC	\$ 43,048		14		
Total	\$ <u>43,048</u>				

Margaret Sours Foundation
2010 990PF
74 - 2425445

Capital Gains - Last year
1/1/2010 through 12/31/2010

11/15/2011

Page 1

Account	Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/L
SHORT TERM							
Rochdale	southwestern Energy Company	110,000	9/8/2009	1/22/2010	5,281.14	4,006.63	1,274.51
Rochdale	Yum Brands Inc	110,000	9/21/2009	2/22/2010	3,753.39	3,774.96	-21.57
Rochdale	CVS Caremark	120,000	7/16/2009	2/10/2010	3,718.95	3,773.24	-54.29
Rochdale	PEPSICO	70,000	9/29/2009	2/10/2010	4,140.44	4,120.98	19.46
Rochdale	Praxair Inc	50,000	11/2/2009	3/2/2010	3,703.71	4,013.93	-310.22
Rochdale	Apollo Group	60,000	5/12/2009	4/1/2010	3,770.04	3,365.76	404.28
Rochdale	Amphenol Corp	100,000	11/2/2009	4/19/2010	4,422.81	4,054.08	368.73
Rochdale	Genzyme Corp	60,000	5/6/2009	4/19/2010	3,107.20	3,209.29	-102.09
Rochdale	IHS INC CL A COM	80,000	9/29/2009	4/19/2010	4,151.66	4,178.50	-26.84
Rochdale	Abbott Labs	100,000	5/5/2009	5/4/2010	5,043.45	4,177.01	866.44
Rochdale	Stericycle Inc	80,000	5/5/2009	5/4/2010	4,566.67	3,795.46	771.21
Rochdale	Gilead Sciences	90,000	10/15/2009	5/6/2010	3,552.42	4,098.04	-545.62
Rochdale	BAXTER INTERNATIONAL	80,000	6/8/2009	5/11/2010	3,673.31	3,890.06	-216.75
Rochdale	Costco Wholesale Corporation	80,000	6/9/2009	5/11/2010	4,612.14	3,767.66	844.48
Rochdale	Transocean LTD	50,000	11/24/2009	5/12/2010	3,421.26	4,294.59	-873.33
Rochdale	Banco Santander	900,000	8/25/2009	5/12/2010	8,813.96	13,125.10	-4,311.14
Rochdale	Noble Corporation BAAR NA	110,000	11/25/2009	5/28/2010	3,353.07	4,362.53	-1,009.46
Rochdale	Lam Research	130,000	3/19/2010	6/28/2010	5,236.45	4,364.19	872.26
Rochdale	Blue Coat Systems, Inc	140,000	4/12/2010	7/7/2010	2,799.04	4,491.36	-1,692.32
Rochdale	Babcock and Wilcox	80,000	8/5/2010	8/9/2010	1,869.18	0.00	1,869.18
Rochdale	Frontier Communications Corp	141,000	7/8/2010	8/17/2010	1,042.81	0.00	1,042.81
Rochdale	Deere & Company	80,000	1/27/2010	8/27/2010	4,940.58	4,393.78	546.80
Rochdale	Corning Inc Com	220,000	1/27/2010	12/6/2010	3,937.44	4,230.21	-292.77
Rochdale	D R Horton, Inc	370,000	4/21/2010	12/6/2010	3,884.27	4,566.42	-682.15
Rochdale	EOG RES Inc	50,000	2/1/2010	12/6/2010	4,542.02	4,650.43	-108.41
Rochdale	Toll Brothers	200,000	5/10/2010	12/6/2010	3,679.23	4,472.80	-793.57
TOTAL SHORT TERM						105,016.64	107,117.01
LONG TERM							
Rochdale	Chevron Corp Com	70,000	8/7/2007	1/28/2010	5,230.26	5,832.73	-602.47
Rochdale	Consolidated Edison Inc com	120,000	9/25/2007	1/28/2010	5,189.82	5,610.80	-420.98
Rochdale	Microsoft Corp	190,000	8/24/2007	2/10/2010	5,272.40	5,415.10	-142.70
Rochdale	Comcast Corp CL A	260,000	11/18/2002	4/1/2010	4,787.20	0.00	4,787.20
Rochdale	BP PLC Spons Adr	300,000	5/2/2007	5/6/2010	14,472.13	19,863.20	-5,391.07
Rochdale	Duke Energy Field SVCS LL	25,000,000	7/7/2009	8/16/2010	25,000.00	26,902.09	-1,902.09
Rochdale	Bank of America	300,000	6/19/2009	12/6/2010	3,326.78	3,875.35	-548.57

Capital Gains - Last year
1/1/2010 through 12/31/2010

11/15/2011	Account	Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/L
Rochdale	CISCO		180 000	9/29/2009	12/6/2010	3,444.74	4,038.20	-643.46
Rochdale	NUCOR		90,000	10/29/2009	12/6/2010	3,456.25	3,968.88	-512.63
Rochdale	MORGANSTANLEY COM N		130 000	6/26/2009	12/21/2010	3,348.29	3,460.83	-112.54
TOTAL LONG TERM				73,527.87		79,017.18		-5,489.31
OVERALL TOTAL				178,544.51		186,194.19		-7,649.68