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

**2010**

Department of the Treasury  
Internal Revenue Service

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

For calendar year 2010, or tax year beginning

11-01, 2010, and ending

10-31, 2011

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

Name of foundation <b>THE STUART CHARITABLE FOUNDATION aka &amp; DONALD STUART JACKSON</b>		A Employer identification number <b>76-0554432</b>
Number and street (or P O box number if mail is not delivered to street address) <b>117 Well Springs</b>	Room/suite	B Telephone number (see page 10 of the instructions) <b>(713) 416-7818</b>
City or town, state, and ZIP code <b>Boerne, TX 78006</b>		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation, <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust, <input type="checkbox"/> Other taxable private foundation		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) <b>\$ 1,472,966</b>	J Accounting method: <input checked="" type="checkbox"/> Cash, <input type="checkbox"/> Accrual, Other (specify) _____ <small>(Part I, column (d) must be on cash basis)</small>	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(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))</small>	(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	27			
4 Dividends and interest from securities	33,700	33,700		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	(2,088)			
b Gross sales price for all assets on line 6a	337,904			
7 Capital gain net income (from Part IV, line 2)				
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total Add lines 1 through 11	31,639	33,700		
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)	4,115	4,115		
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions)	86	86		
19 Depreciation (attach schedule) and depletion	370			
20 Occupancy				
21 Travel, conferences, and meetings	132	132		
22 Printing and publications				
23 Other expenses (attach schedule)	6,700	6,700		
24 Total operating and administrative expenses. Add lines 13 through 23	11,403	11,033		0
25 Contributions, gifts, grants paid	82,412			82,412
26 Total expenses and disbursements Add lines 24 and 25	93,815	11,033		82,412
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	(62,176)			
b Net investment income (if negative, enter -0-)		22,667		
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	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value			
A s s e t s	1	Cash - non-interest-bearing					
	2	Savings and temporary cash investments	179,104	194,541	194,541		
	3	Accounts receivable					
		Less allowance for doubtful accounts					
	4	Pledges receivable					
		Less allowance for doubtful accounts					
	5	Grants receivable					
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)					
	7	Other notes and loans receivable (attach schedule)					
		Less allowance for doubtful accounts					
	8	Inventories for sale or use					
	9	Prepaid expenses and deferred charges	1,395	1,222	1,222		
	10a	Investments - U S and state government obligations (attach schedule)					
	b	Investments - corporate stock (attach schedule) STM137	1,466,807	1,277,203	1,277,203		
	c	Investments - corporate bonds (attach schedule)					
	11	Investments - land buildings, and equipment basis					
	Less accumulated depreciation (attach schedule)						
12	Investments - mortgage loans						
13	Investments - other (attach schedule)						
14	Land, buildings, and equipment basis		2,390				
	Less accumulated depreciation (attach schedule)		2,390	370			
15	Other assets (describe)						
16	<b>Total assets</b> (to be completed by all filers - see the instructions Also, see page 1, item I)	1,647,676	1,472,966	1,472,966			
L i a b i l i t i e s	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	<b>Total liabilities</b> (add lines 17 through 22)	0	0	0		
N e t F u n d A s s e t s o r B a l a n c e s	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>						
	24	Unrestricted					
	25	Temporarily restricted					
	26	Permanently restricted					
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>						
	27	Capital stock, trust principal, or current funds	2,969,364	2,856,830			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund					
29	Retained earnings, accumulated income, endowment, or other funds	(1,321,688)	(1,383,864)				
30	<b>Total net assets or fund balances</b> (see page 17 of the instructions)	1,647,676	1,472,966				
31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)	1,647,676	1,472,966				

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 1,647,676
2	Enter amount from Part I, line 27a	2 (62,176)
3	Other increases not included in line 2 (itemize)	3
4	Add lines 1, 2, and 3	4 1,585,500
5	Decreases not included in line 2 (itemize) STM116	5 112,534
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6 1,472,966

**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 bnck warehouse, or common stock 200 shs MLC Co)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (yr mo day)	(d) Date sold (yr mo day)
<b>1a Public Traded Securities</b>	P	VARIOUS	VARIOUS
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 337,904		339,992	(2,088)
b			
c			
d			
e			

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

(i) FMV 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			(2,088)
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	(2,088)
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	78,585	1,620,802	0.048485
2008	105,046	1,606,234	0.065399
2007	107,746	2,207,157	0.048817
2006	107,500	2,348,203	0.04578
2005	106,250	2,168,059	0.049007

  

2 Total of line 1, column (d) . . . . .	2	0.257487
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years . . . . .	3	0.051497
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 . . . . .	4	1,605,182
5 Multiply line 4 by line 3 . . . . .	5	82,662
6 Enter 1% of net investment income (1% of Part I, line 27b) . . . . .	6	227
7 Add lines 5 and 6 . . . . .	7	82,889
8 Enter qualifying distributions from Part XII, line 4 . . . . .	8	82,412

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

<b>Part VI</b>		<b>Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)</b>	
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)		
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 . . . . .	1	453
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	453
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . . . .	4	0
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0- . . . . .	5	453
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 . . . . .	6a	1,222
b	Exempt foreign organizations - tax withheld at source . . . . .	6b	
c	Tax paid with application for extension of time to file (Form 8868) . . . . .	6c	
d	Backup withholding erroneously withheld . . . . .	6d	
7	Total credits and payments Add lines 6a through 6d . . . . .	7	1,222
8	Enter any <b>penalty</b> for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached . . . . .	8	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . .	9	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . . . .	10	769
11	Enter the amount of line 10 to be <b>Credited to 2011 estimated tax</b> ▶ 769 <b>Refunded</b> ▶	11	

<b>Part VII-A</b>		<b>Statements Regarding Activities</b>		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			X
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)? . . . . . 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	1b			X
c	Did the foundation file <b>Form 1120-POL</b> for this year? . . . . .	1c			X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ \$ _____ (2) On foundation managers ▶ \$ _____				
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ _____				
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . . If "Yes," attach a detailed description of the activities	2			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			X
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .	4a			X
b	If "Yes," has it filed a tax return on <b>Form 990-T</b> 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			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 . . . . .	7		X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ <b>TX</b>				
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		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 . . . . .	10			X

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
14 The books are in care of DONALD S. JACKSON Telephone no 713-416-7818
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041-Check here
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?

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.
1a During the year did the foundation (either directly or indirectly)
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?
(6) Agree to pay money or property to a government official?
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)?
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?
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?
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?
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
b If "Yes," did it have excess business holdings in 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?
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?

**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)?  Yes  No  
Organizations relying on a current notice regarding disaster assistance check here  Yes  No

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?  Yes  No  
If "Yes," attach the statement required by Regulations section 53.4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No  
If "Yes" to 6b, file Form 8870

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?  Yes  No

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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
DONALD S JACKSON 117 WELL SPRINGS BOERNE, TX 78006	DIRECTOR/PRESID 1	0	0	0
DANA LYNN JACKSON 117 WELLS SPRINGS Boerne, TX 78006	DIRECTOR/VICE P 1	0	0	0
EUGENE PRYOR 10330 LAKE RD, SUITE T, TX 77070	DIRECTOR/TREASU 1	0	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  Yes  No

**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		
<b>Total number of others receiving over \$50,000 for professional services</b> . . . . . ▶		

**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	0
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	0
2	
All other program-related investments. See page 24 of the instructions	
<b>3</b>	
<b>Total. Add lines 1 through 3</b> . . . . . ▶	

**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	1,462,485
b	Average of monthly cash balances	1b	167,141
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	<b>Total</b> (add lines 1a, b, and c)	1d	1,629,626
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	1,629,626
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	24,444
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,605,182
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	80,259

**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	80,259
2a	Tax on investment income for 2010 from Part VI, line 5	2a	453
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	453
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	79,806
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	79,806
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	79,806

**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	82,412
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	82,412
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	82,412

**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
<b>1</b> Distributable amount for 2010 from Part XI, line 7 . . . . .				79,806
<b>2</b> Undistributed income, if any, as of the end of 2010				
<b>a</b> Enter amount for 2009 only . . . . .			80,663	
<b>b</b> Total for prior years _____, _____				
<b>3</b> Excess distributions carryover, if any, to 2010				
<b>a</b> From 2005 . . . . .				
<b>b</b> From 2006 . . . . .				
<b>c</b> From 2007 . . . . .				
<b>d</b> From 2008 . . . . .				
<b>e</b> From 2009 . . . . .				
<b>f</b> Total of lines 3a through e . . . . .				
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ <u>82,412</u>				
<b>a</b> Applied to 2009, but not more than line 2a . . . .			80,663	
<b>b</b> Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required - see page 26 of the instructions) . . . .				
<b>d</b> Applied to 2010 distributable amount . . . . .				1,749
<b>e</b> Remaining amount distributed out of corpus . . . .				
<b>5</b> Excess distributions carryover applied to 2010 . (If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5 .				
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b . . . . .				
<b>c</b> 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 . . . . .				
<b>d</b> Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions . . . . .				
<b>e</b> Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions . . . . .				
<b>f</b> Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011 . . . . .				78,057
<b>7</b> 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) . . . . .				
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .				
<b>9</b> Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a . . . . .				
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2006 . . . . .				
<b>b</b> Excess from 2007 . . . . .				
<b>c</b> Excess from 2008 . . . . .				
<b>d</b> Excess from 2009 . . . . .				
<b>e</b> Excess from 2010 . . . . .				

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

**1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling . . . . .

**b** Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)  4942(j)(3) or  4942(j)(5)

	Tax year				(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
<b>2a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test - enter					
(1) Value of all assets . . . . .					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
<b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
<b>c</b> "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

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

**c** Any submission deadlines

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

**Part XV** Supplementary Information (continued)

**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient 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 ALAMOCITY CHRISTIAN FELLOWSHIP 6500 IH 35 North San Antonio TX 78218		501 (C) (3)	PROGRAM EXPENSES	5,000
American Cancer Society PO BOX 22718 Oklahoma City OK 73116		501 (C) 3	GENERAL EXPENSES	3,262
BANDERA COUNTY JR LIVESTOCK SH PO BOX 187 Bandera TX 78003		501 (C) 3	EXHIBITORS	2,550
BEXAR COUNTY FAMILY JUSTICE 903 W MARTIN ST MAIL BOX 48-2 San Antonio TX 78207		501 (C) 3	GENERAL EXPENSES	1,500
BOERNE EDUCATION FOUNDATION PO BOX 873 Boerne TX 78006		501 (C) 3	EDUCATIONAL FUNDS	4,000
BOERNE SHRINE CLUB PO BOX 2071 Boerne TX 78006		501 (C) 3	GENERAL EXPENSES	100
BOERNE VOLUNTEER FIRE DEPT 726 NORTH MAIN STREET Boerne TX 78006		501 (C) 3	GENERAL EXPENSES	2,000
BYAA PO BOX 541 Boerne TX 78006		501 (C) 3	GENERAL EXPENSES	400
<b>Total</b>			▶ 3a	
b Approved for future payment				
<b>Total</b>			▶ 3b	

**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 CAMP JOHN MARC 2824 SWISS AVENUE Dallas TX 75204		501 (C) 3	GENERAL EXPENSES	1,000
COWBOY FELLOWSHIP CENTER POINT PO BOX 1114 Boerne TX 78006		501 (C) 3	GENERAL EXPENSES	2,000
DEVEREUX 1150 DEVEREUS DR League City TX 77573		501 (C) 3	GENERAL EXPENSES	2,000
FRIENDS OF CANCER SUPPORT 5708 HERO DRIVE Austin TX 78735		510 (C) 3	GENERAL EXPENSES	10,000
HILL COUNTRY DAILY BREAD PO BOX 205 Boerne TX 78006		501 (C) 3	GENERAL EXPENSES	23,400
JDRF 11839 LONG LEAF Houston TX 77024		501 (C) 3	GENERAL EXPENSES	1,000
KLOVE RADIO PO BOX 779002 Rocklin CA 95677		501 (C) 3	GENERAL EXPENSES	500
MEDINA VOLUNTEER FIRE DEPT PO BOX 1650 Medina TX 78055		501 (C) 3	GENERAL EXPENSES	2,000
<b>Total</b> .....				<b>3a</b>
b Approved for future payment				
<b>Total</b> .....				<b>3b</b>

**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				
MICHIGAN STATE UNIVERSITY 300 SPARTAN WAY East Lansing MI 48824		501 (C) 3	RESEARCH FUND END	5,000
OAK HILLS CHURCH 19595 IH10 WEST San Antonio TX 78257		501 (C) 3	GENERAL EXPENSES	4,000
PAULANN BAPTIST CHURCH 2351 SMITH BLVD San Angelo TX 76905		501 (C) 3	GENERAL EXPENSES	1,000
WATERMARK CHURCH 119 E THEISSEN ST Boerne TX 78006		501 (C) 3	GENERAL EXPENSES	1,000
WOUNDED HEROS 1314 E SONTERRA BLVD San Antonio TX 78258		501 (C) 3	GENERAL FUND	2,000
YOUNG LIFE BOERNE PO BOX 1194 Boerne TX 78006		501 (C) 3	GENERAL EXPENSES	5,000
YOUNG LIVES ASSOCIATION 15 E BONNEYMEAD Spring TX 77381		501 (C) 3	GENERAL EXPENSES	1,000
HOUSTON BALLET FOUNDATION 1921 W BELL ST Houston TX 77019		501 (C) 3	GENERAL EXPENSES	700
<b>Total</b> .....			<b>3a</b>	
b Approved for future payment				
<b>Total</b> .....			<b>3b</b>	

**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 HILL COUNTRY PREGNANCY CENTER PO BOX 205 Boerne TX 78006		501C (3)	GENERAL EXPENSES	2,000
<b>Total</b> .....			▶ 3a	82,412
b Approved for future payment				
<b>Total</b> .....			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include: 1 Program service revenue (a-f), 2 Membership dues and assessments, 3 Interest on savings and temporary cash investments, 4 Dividends and interest from securities, 5 Net rental income or (loss) from real estate (a-b), 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-e), 12 Subtotal, 13 Total.

(See worksheet in line 13 instructions on page 29 to verify calculations )

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

Table with 2 columns: Line No. (with a downward arrow), and a text area for explaining 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.

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... 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

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

Table with 3 columns: (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 DONALD S. JACKSON Signature of officer or trustee Donald Jackson Title 2-16-12 Date

Paid Preparer Use Only Print/Type preparer's name Kay Lampe CPA Preparer's signature Kay Lampe CPA Date 02-13-2012 Check X if self-employed PTIN Firm's name Kay Lampe CPA Firm's address 1221 S. Main St. Suite 205 Boerne TX 78006 Firm's EIN Phone no 830-249-0505

# Federal Supporting Statements

2010 PG 01

Your Social Security Number  
76-0554432

Name(s) as shown on return

THE STUART CHARITABLE FOUNDATION

Statement #103

## Form 990PF, Part I, Line 23 - Other Expenses Schedule

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Investment Account Fees	7,500	7,500	0	0
	0	0	0	0
	(800)	(800)	0	0
<b>Totals</b>	<u>6,700</u>	<u>6,700</u>	<u>0</u>	<u>0</u>

PG 01

Statement #108

## Form 990PF, Part I, Line 16(b) - Accounting Fees Schedule

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Accounting Fees	4,115	4,115	0	0
<b>Totals</b>	<u>4,115</u>	<u>4,115</u>	<u>0</u>	<u>0</u>

**Federal Supporting Statements**

**2010 PG 01**

Name(s) as shown on return

FEIN

THE STUART CHARITABLE FOUNDATION

76-0554432

**Form 990PF, Part III, Line 5**

Statement #116

Other Decreases Schedule

Unrealized Loss - Securities 112,534

Total 112,534

**Form 990PF, Part II, Line 10(b)**

**PG 01**  
Statement #137

Investments: Corporate Stock Schedule

<u>Category</u>	<u>BOY</u>	<u>Book Value</u>	<u>EOY FMV</u>
Securities	<u>1,466,807</u>	<u>1,277,203</u>	<u>1,277,203</u>
Totals	<u>1,466,807</u>	<u>1,277,203</u>	<u>1,277,203</u>

# Federal Supporting Statements

2010 PG 01

Your Social Security Number  
76-0554432

Name(s) as shown on return

THE STUART CHARITABLE FOUNDATION

Statement #110

Form 990PF, Part I, Line 18 - Taxes Schedule

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Excise Tax	86	0	0	0
<b>Totals</b>	<u>86</u>	<u>0</u>	<u>0</u>	<u>0</u>

PG 01

Statement #126

Form 990PF, Part I, Line 19 - Depreciation Schedule

Description	Date Acquired	Cost or Other basis	Prior year Depreciation	Computation Method	Rate	Life	Current Year Depreciation	Net Investment Adjusted Net Income
Fax Printer	08-24-1998	540	540			5		
Computer	11-08-2006	1,850	1,480			5	370	
<b>Totals</b>		<u>2,390</u>	<u>2,020</u>				<u>370</u>	