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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

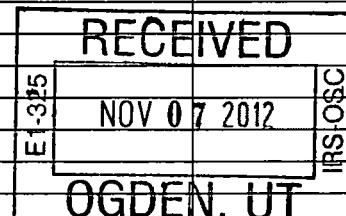
2011

For calendar year 2011 or tax year beginning

, 2011, and ending

, 20

Name of foundation <b>STERLING FAMILY FOUNDATION</b>	A Employer identification number <b>04-6995246</b>				
	B Telephone number (see instructions) <b>(713) 659-6551</b>				
Number and street (or P O box number if mail is not delivered to street address) <b>P.O. BOX 1837</b>	Room/suite				
City or town, state, and ZIP code <b>BELLAIRE, TX 77402-1837</b>	C If exemption application is pending, check here ► <input type="checkbox"/>				
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change	Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change				
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>\$ 6,116,205.</b>	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/>			
(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 ► <input type="checkbox"/>	
<b>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 instructions))</b>		(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)	15,000.				
2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities	113,825.	113,825.			
5a Gross rents	89,161.	89,161.			
b Net rental income or (loss)	32,291.				
6a Net gain or (loss) from sale of assets not on line 10 b Gross sales price for all assets on line 6a	354,717.				
7 Capital gain net income (from Part IV, line 2)	60,184.				
8 Net short-term capital gain		60,184.			
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)	571.	571.			
12 Total. Add lines 1 through 11	278,741.	263,741.			ATCH 2
13 Compensation of officers, directors, trustees, etc	2,816.	2,816.			
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)	8,500.	8,500.			
b Accounting fees (attach schedule)	24,214.	24,214.			
c Other professional fees (attach schedule) *	33,841.	33,841.			
17 Interest					
18 Taxes (attach schedule) (see instructions) **	39,012.	37,575.			
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule)	13,063.	13,063.			
24 Total operating and administrative expenses.	121,446.	120,009.			
Add lines 13 through 23					
25 Contributions, gifts, grants paid	392,725.				
26 Total expenses and disbursements. Add lines 24 and 25	514,171.	120,009.			
27 Subtract line 26 from line 12	-235,430.				
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)		143,732.			
c Adjusted net income (if negative, enter -0-)					



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Operating and Administrative Expenses

G18

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
			203,146.	46,011.	46,011.
1	Cash - non-interest-bearing				
2	Savings and temporary cash investments				
3	Accounts receivable ►				
	Less allowance for doubtful accounts ►				
4	Pledges receivable ►				
	Less allowance for doubtful accounts ►				
5	Grants receivable				
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see 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	ATTCH 8	10,212.	8,775.	8,775.
10 a	Investments - U S and state government obligations (attach schedule)				
b	Investments - corporate stock (attach schedule)	ATTCH 9	4,825,504.	4,741,311.	4,386,171.
c	Investments - corporate bonds (attach schedule)				
11	Investments - land, buildings, and equipment basis	1,674,190.			
	Less accumulated depreciation ►				
		1,667,913.	1,674,190.	1,674,190.	
12	Investments - mortgage loans				
13	Investments - other (attach schedule)				
14	Land, buildings, and equipment basis				
	Less accumulated depreciation ►				
	(attach schedule)				
15	Other assets (describe ►)	ATTCH 10		1,058.	1,058.
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)		6,706,775.	6,471,345.	6,116,205.
Liabilities	17	Accounts payable and accrued expenses	9,600.	9,600.	
	18	Grants payable			
Net Assets or Fund Balances	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)	9,600.	9,600.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
24	Unrestricted				
25	Temporarily restricted				
26	Permanently restricted				
27	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ► <input checked="" type="checkbox"/>				
28	Capital stock, trust principal, or current funds				
29	Paid-in or capital surplus, or land, bldg , and equipment fund				
30	Retained earnings, accumulated income, endowment, or other funds	6,697,175.	6,461,745.		
31	Total net assets or fund balances (see instructions)	6,697,175.	6,461,745.		
	Total liabilities and net assets/fund balances (see instructions)	6,706,775.	6,471,345.		

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

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	6,697,175.
2	Enter amount from Part I, line 27a	2	-235,430.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	6,461,745.
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	6,461,745.

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**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.)
<b>1a SEE PART IV SCHEDULE</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>(e) Gross sales price</b>	<b>(f) Depreciation allowed (or allowable)</b>	<b>(g) Cost or other basis plus expense of sale</b>	<b>(h) Gain or (loss) (e) plus (f) minus (g)</b>		
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			<b>(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))</b>		
<b>(f) F M V as of 12/31/69</b>	<b>(j) Adjusted basis as of 12/31/69</b>	<b>(k) Excess of col. (i) over col. (j), if any</b>			
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>2 Capital gain net income or (net capital loss)</b>	<b>{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }</b>			<b>2</b>	<b>60,184.</b>
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)</b> If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 . . . . .				<b>3</b>	<b>0</b>

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

 Yes  No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	356,728.	4,987,866.	0.071519
2009	344,564.	4,597,056.	0.074953
2008	327,815.	5,873,689.	0.055811
2007	200,100.	6,777,891.	0.029522
2006	102,000.	4,010,529.	0.025433
<b>2 Total of line 1, column (d)</b>			<b>2</b> 0.257238
<b>3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years</b>			<b>3</b> 0.051448
<b>4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5</b>			<b>4</b> 6,582,700.
<b>5 Multiply line 4 by line 3</b>			<b>5</b> 338,667.
<b>6 Enter 1% of net investment income (1% of Part I, line 27b)</b>			<b>6</b> 1,437.
<b>7 Add lines 5 and 6</b>			<b>7</b> 340,104.
<b>8 Enter qualifying distributions from Part XII, line 4</b>			<b>8</b> 392,725.
If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions			

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see 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	1,437.
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" 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-) . . . . .	2	1,437.
3	Add lines 1 and 2 . . . . .		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . . . .		
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0- . . . . .		
6	<b>Credits/Payments</b>		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 . . . . .	6a	10,212.
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	10,212.
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached . . . . .		
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> ► . . . . .		
11	Enter the amount of line 10 to be <b>Credited to 2012 estimated tax</b> ► <span style="border: 1px solid black; padding: 2px;">8,775.</span> <b>Refunded</b> ► . . . . .	10	8,775.
		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? . . . . .	1a	Yes 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)? . . . . .		
c	<i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		
d	Did the foundation file Form 1120-POL for this year? . . . . .	1b	X
e	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____		
f	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? . . . . . <i>If "Yes," attach a detailed description of the activities</i>	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? <i>If "Yes," attach a conformed copy of the changes</i> . . . . .		
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .		
b	If "Yes," has it filed a tax return on Form 990-T for this year? . . . . .	3	X
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		
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? . . . . .		
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	4a	X
8a	Enter the states to which the foundation reports or with which it is registered (see 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? <i>If "No," attach explanation</i> . . . . .		
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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i> . . . . .	4b	X
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i> . . . . .		
		5	X
		6	X
		7	X
		8b	X
		9	X
		10	X

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

11		X
12		X
13	X	
Website address ► <u>NONE</u>		
14	Telephone no ► <u>713-659-6551</u>	
Located at ► <u>333 CLAY STREET, SUITE 4700 HOUSTON, TX</u> ZIP + 4 ► <u>77002-4180</u>		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ► <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ► <u>15</u>	
16	Yes	No
	X	

See the instructions for exceptions and filing requirements for Form TD F 90-221. If "Yes," enter the name of the foreign country ►

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If any answer is "Yes" to 1a(1)-(6), did 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 instructions)? . . . . .		
Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>		
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 2011? . . . . .		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If "Yes," list the years ►		
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 instructions) . . . . .		
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? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If "Yes," did it have excess business holdings in 2011 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 2011) . . . . .		
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 2011? . . . . .		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 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 instructions)? . . . . .				5b	
	Organizations relying on a current notice regarding disaster assistance check here . . . . . ► <input type="checkbox"/>					
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? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> 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? . . . . .		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .				6b	X
	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			
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? . . . . .				7b	

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see 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
ATTACHMENT 11		2,816.	0	0
-----				
-----				
-----				
-----				

**2 Compensation of five highest-paid employees (other than those included on line 1 - see instructions). If none, enter "NONE."**

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

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

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

**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000

**(b) Type of service**

**(c) Compensation**

---

**NONE**

8

**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

1

3

4

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

**Amount**

1 **NONE**

2

All other program-related investments See instructions

3 NONE

**Total. Add lines 1 through 3 . . . . .** ►

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**Part X Minimum Investment Return** (All domestic foundations must complete this part Foreign foundations, see instructions )

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes	1a	4,755,850.
a Average monthly fair market value of securities	1b	255,769.
b Average of monthly cash balances	1c	1,671,325.
c Fair market value of all other assets (see instructions)	1d	6,682,944.
d <b>Total</b> (add lines 1a, b, and c)		
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	6,682,944.
4 Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	100,244.
5 <b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5	6,582,700.
6 <b>Minimum investment return.</b> Enter 5% of line 5	6	329,135.

**Part XI Distributable Amount** (see 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	329,135.
2a Tax on investment income for 2011 from Part VI, line 5	2a	1,437.
b Income tax for 2011 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	1,437.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	327,698.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	327,698.
6 Deduction from distributable amount (see instructions)	6	
7 <b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	327,698.

**Part XII Qualifying Distributions** (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes	1a	392,725.
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	392,725.
b Cash distribution test (attach the required schedule)	5	1,437.
4 <b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	6	391,288.
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 instructions)		
6 <b>Adjusted qualifying distributions.</b> 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 instructions)**

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
<b>1</b> Distributable amount for 2011 from Part XI, line 7 . . . . .				327,698.
<b>2</b> Undistributed income, if any, as of the end of 2011			57,873.	
<b>a</b> Enter amount for 2010 only . . . . .				
<b>b</b> Total for prior years 20 09 20 08 20 07				
<b>3</b> Excess distributions carryover, if any, to 2011				
<b>a</b> From 2006 . . . . .				
<b>b</b> From 2007 . . . . .				
<b>c</b> From 2008 . . . . .				
<b>d</b> From 2009 . . . . .				
<b>e</b> From 2010 . . . . .				
<b>f</b> Total of lines 3a through e . . . . .				
<b>4</b> Qualifying distributions for 2011 from Part XII, line 4 ► \$ 392,725.			57,873.	
<b>a</b> Applied to 2010, but not more than line 2a . . . . .				
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions) . . . . .				
<b>c</b> Treated as distributions out of corpus (Election required - see instructions) . . . . .				
<b>d</b> Applied to 2011 distributable amount . . . . .				327,698.
<b>e</b> Remaining amount distributed out of corpus . . . . .	7,154.			
<b>5</b> Excess distributions carryover applied to 2011. (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:	7,154.			
<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 instructions . . . . .				
<b>e</b> Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instructions . . . . .				
<b>f</b> Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012 . . . . .				
<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 instructions) . . . . .				
<b>8</b> Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions) . . . . .				
<b>9</b> Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a . . . . .	7,154.			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2007 . . . . .				
<b>b</b> Excess from 2008 . . . . .				
<b>c</b> Excess from 2009 . . . . .				
<b>d</b> Excess from 2010 . . . . .				
<b>e</b> Excess from 2011 . . . . .	7,154.			

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

NOT APPLICABLE

✓ 1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, 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				(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	
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 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 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

**ATTACHMENT 12**

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

**ATTACHMENT 13**

c Any submission deadlines

NONE

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

NONE

**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)				
<b>a Paid during the year</b>				
ATTACHMENT 14				
<b>Total</b>			► 3a	392,725.
<b>b Approved for future payment</b>				
<b>Total</b>			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See 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 . . . . .			14	113,825.	
5 Net rental income or (loss) from real estate					
a Debt-financed property . . . . .					
b Not debt-financed property . . . . .			16	32,291.	
6 Net rental income or (loss) from personal property . . . . .					
7 Other investment income . . . . .			15	571.	
8 Gain or (loss) from sales of assets other than inventory			18	60,184.	
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) . . . . .				206,871.	
13 Total. Add line 12, columns (b), (d), and (e) . . . . .				13	206,871.

**12 Subtotal** Add columns (b), (d), and (e) . . . . .  
**13 Total.** Add line 12, columns (b), (d), and (e) . . . . .  
(See worksheet in line 13 instructions to verify calculations)

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

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

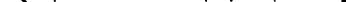
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?	Yes	No
		1a(1)	X
a	Transfers from the reporting foundation to a noncharitable exempt organization of (1) Cash . . . . . (2) Other assets . . . . .	1a(2)	X
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 . . . . .	1b(1)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees . . . . .	1b(2)	X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received	1b(3)	X
		1b(4)	X
		1b(5)	X
		1b(6)	X
		1c	X

**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

<b>(a) Name of organization</b>	<b>(b) Type of organization</b>	<b>(c) Description of relationship</b>

**Sign** 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) is based on all information of which preparer has any knowledge

Sign Here  correct, and complete Declaration of preparer (other than taxpayer)

Date

**Title**

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>TRINO CORTES CPA</b>	Preparer's signature 	Date <b>10/28/12</b>	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ► <b>BDO USA, LLP</b>	Firm's EIN ►			
	Firm's address ► <b>333 CLAY STREET, SUITE 4700 HOUSTON, TX</b>	77002-4180	Phone no <b>713-659-6551</b>		

► Attach to Form 990, Form 990-EZ, or Form 990-PF.

**2011**

**Name of the organization**

STERLING FAMILY FOUNDATION

**Employer identification number**

04-6995246

**Organization type (check one)**

**Filers of:**

**Section:**

Form 990 or 990-EZ

501(c)( ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

**Check if your organization is covered by the General Rule or a Special Rule.**

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor Complete Parts I and II

**Special Rules**

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not total to more than \$1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year ► \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization STERLING FAMILY FOUNDATION

Employer identification number  
04-6995246**Part I** **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	ESTATE OF LILLIE STERLING P.O. BOX 1837 BELLAIRE, TX 77402-1837	\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization STERLING FAMILY FOUNDATION

Employer identification number

04-6995246

**Part II Noncash Property (see instructions)** Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	_____

Name of organization STERLING FAMILY FOUNDATION

Employer identification number

04-6995246

**Part III** **Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year.** Complete columns (a) through (e) and the following line entry.

For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once See instructions ) ► \$ \_\_\_\_\_

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	<p>Transferee's name, address, and ZIP + 4</p> <hr/> <hr/> <hr/>	<p>Relationship of transferor to transferee</p> <hr/> <hr/>	
	(e) Transfer of gift		
	<p>Transferee's name, address, and ZIP + 4</p> <hr/> <hr/> <hr/>	<p>Relationship of transferor to transferee</p> <hr/> <hr/>	
	(e) Transfer of gift		
	<p>Transferee's name, address, and ZIP + 4</p> <hr/> <hr/> <hr/>	<p>Relationship of transferor to transferee</p> <hr/> <hr/>	
	(e) Transfer of gift		
	<p>Transferee's name, address, and ZIP + 4</p> <hr/> <hr/> <hr/>	<p>Relationship of transferor to transferee</p> <hr/> <hr/>	

**FORM 990-PF - PART IV**  
**CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		TOTAL CAPITAL GAIN DISTRIBUTIONS					6,984.	
1,539.		46.778 SH RUSSELL GLOBAL REAL ESTATE FUN PROPERTY TYPE: SECURITIES 1,421.				P	VARIOUS	11/09/2011
8,123.		826.348 SH RUSSELL GLOBAL INFRASTRUCTURE PROPERTY TYPE: SECURITIES 7,400.				P	VARIOUS	11/09/2011
83,369.		7,579 SH RUSSELL STRATEGIC BOND FUND PROPERTY TYPE: SECURITIES 70,077.				P	VARIOUS	06/10/2011
84,483.		7,638.608 SH RUSSELL STRATEGIC BOND FUND PROPERTY TYPE: SECURITIES 70,740.				P	VARIOUS	09/12/2011
106,957.		3,322.678 SH RUSSELL INT'L DEVELOPED MAR PROPERTY TYPE: SECURITIES 90,249.				P	VARIOUS	03/10/2011
3,271.		153.137 SH RUSSELL US SMALL CAP EQUITY F PROPERTY TYPE: SECURITIES 2,967.				P	VARIOUS	11/09/2011
43,564.		1,496.016 SH RUSSELL US QUANTITATIVE EQU PROPERTY TYPE: SECURITIES 36,898.				P	VARIOUS	11/09/2011
16,427.		618.953 SH RUSSELL US CORE EQUITY FUND PROPERTY TYPE: SECURITIES 14,781.				P	VARIOUS	11/09/2011
TOTAL GAIN(LOSS) .....							<u>60,184.</u>	

Sterling Family Foundation  
 Form 990-PF - Balance Sheet - line 11 - Land

	<u>Cost</u> <u>Basis</u>	<u>Accum.</u> <u>Depreciation</u>	<u>Net Book</u> <u>Value</u>
Collingsworth	370,000	-	370,000
North Freeway/Dever	659,007	-	659,007
Elder	75,000	-	75,000
Eunice	78,803	-	78,803
Sul Ross	81,750	-	81,750
Majestic	75,000	-	75,000
Cage	6,750	-	6,750
Dwinnell	75,000	-	75,000
East Freeway	35,710	-	35,710
Foreman	66,250	-	66,250
Fairbanks	125,920	-	125,920
Willis	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<b>Total</b>	<b>1,674,190</b>	<b>-</b>	<b>1,674,190</b>

RENT AND ROYALTY SUMMARY

<u>PROPERTY</u>	<u>TOTAL INCOME</u>	<u>DEPLETION/ DEPRECIATION</u>	<u>OTHER EXPENSES</u>	<u>ALLOWABLE NET INCOME</u>
BILLBOARDS/BLDG	89,161.			89,161.
TOTALS	<u>89,161.</u>			<u>89,161.</u>

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE

OTHER INCOME

CLEAR CHANNEL OUTDOOR	64,265.
GLOBAL SIGNAL ACQS II LLC	12,696.
CBS OUTDOOR	5,675.
LAMAR ADVERTISING OF COLLEGE STATION	3,075.
OTHER RENTALS	3,450.
	<u>89,161.</u>

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

ATTACHMENT 1

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
PERSHING LLC - RUSSELL MUTUAL FUNDS FIRST CLEARING LLC	113,804. 21.	113,804. 21.
TOTAL	<u>113,825.</u>	<u>113,825.</u>

FORM 990PF, PART I - OTHER INCOME

<u>DESCRIPTION</u>	<u>ROYALTY INCOME - SOUTHERN MGMT</u>	<u>TOTALS</u>
REVENUE AND EXPENSES PER BOOKS	571.	571.
		<u>571.</u>

ATTACHMENT 2

FORM 990PF, PART I - LEGAL FEES

ATTACHMENT 3

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
LEGAL FEES	8,500.		8,500.	
TOTALS	<u>8,500.</u>	<u>8,500.</u>	<u>8,500.</u>	<u>8,500.</u>

FORM 990PF, PART I - ACCOUNTING FEES

ATTACHMENT 4

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
BDO USA, LLP	24,214.	24,214.	24,214.	
TOTALS	<u>24,214.</u>	<u>24,214.</u>	<u>24,214.</u>	

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
INVESTMENT MANAGEMENT FEES	33,841.	33,841.
TOTALS	<u>33,841.</u>	<u>33,841.</u>

FORM 990PF, PART I - TAXES

ATTACHMENT 6

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
PROPERTY TAXES	35,380.	35,380.
DRAINAGE UTILITY TAXES	411.	411.
FOREIGN TAXES WITHHELD ON DIV	1,720.	1,720.
PRODUCTION TAXES - ROYALTIES	64.	64.
FEDERAL EXCISE TAX (2011)	1,437.	
TOTALS	<u>39,012.</u>	<u>37,575.</u>

FORM 990PF, PART I - OTHER EXPENSES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
LAND MAINTENANCE	10,168.	10,168.
LIABILITY INSURANCE	2,351.	2,351.
HIGHWAY DEPT LICENSE	60.	60.
BANK CHARGES	428.	428.
POSTAL BOX	56.	56.
TOTALS	<u>13,063.</u>	<u>13,063.</u>

ATTACHMENT 7

FORM 990PF, PART II - PREPAID EXPENSES AND DEFERRED CHARGES

ATTACHMENT 8

<u>DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>ENDING FMV</u>
PREPAID FEDERAL EXCISE TAXES	8,775.	8,775.
TOTALS	<u>8,775.</u>	<u>8,775.</u>

FORM 990PF, PART II - CORPORATE STOCK

ATTACHMENT 9

<u>DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>ENDING FMV</u>
RUSSELL MUTUAL FUNDS (SCH ATT)	<u>4,741,311.</u>	<u>4,386,171.</u>
TOTALS	<u><u>4,741,311.</u></u>	<u><u>4,386,171.</u></u>

# Portfolio Holdings

Quantity	Description	Market Price	Market Value
<b>Mutual Funds 99.00% of Portfolio</b>			
57,484.246	RUSSELL GLOBAL EQUITY FUND CLASS S CUSIP: 782478119 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest <i>Security Identifier: RGESX</i>	8.0000	459,873.97
10,460.212	RUSSELL EMERGING MARKETS FUND CL S CUSIP: 782493745 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest <i>Security Identifier: REMSX</i>	16.1200	168,618.62
4,244.476	RUSSELL GLOBAL REAL ESTATE SECURITIES FUND CLASS S CUSIP: 782493761 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest <i>Security Identifier: RRESX</i>	32.7100	138,836.81
10,153.500	RUSSELL GLOBAL OPPORTUNISTIC CREDIT FUND CLASS S CUSIP: 782494199 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest <i>Security Identifier: RGCSX</i>	9.6600	98,082.81
14,331.369	RUSSELL GLOBAL INFRASTRUCTURE FUND CLASS S CUSIP: 782494256 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest <i>Security Identifier: RGISX</i>	10.0700	144,316.89
18,898.307	RUSSELL COMMODITY STRATEGIES FUND CLASS S CUSIP: 782494363 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest <i>Security Identifier: RCCSX</i>	9.5400	180,289.85
142,062.131	RUSSELL STRATEGIC BOND FUND CLASS S CUSIP: 782494454 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest <i>Security Identifier: RFCTX</i>	10.8900	1,547,056.61
20,907.497	RUSSELL INT'L DEVELOPED MARKETS FUND CLASS S CUSIP: 782494488 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest <i>Security Identifier: RINTX</i>	26.8200	560,739.07
8,664.207	RUSSELL U.S. SMALL CAP EQUITY FUND CLASS S CUSIP: 782494520 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest <i>Security Identifier: RLESX</i>	21.8400	189,226.28
14,437.890	RUSSELL U.S. QUANTITATIVE EQUITY CLASS S CUSIP: 782494553 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest <i>Security Identifier: REQTX</i>	29.6300	427,794.68
17,587.132	RUSSELL U.S. CORE EQUITY FUND CLASS S CUSIP: 782494587 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest <i>Security Identifier: RLJSX</i>	26.8000	471,335.14
<b>Total Mutual Funds</b>			<b>\$4,386,170.73</b>

FORM 990PF, PART II - OTHER ASSETS

<u>DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>ENDING FMV</u>
RENTAL RECEIVABLE	1,058.	1,058.
TOTALS	<u>1,058.</u>	<u>1,058.</u>

ATTACHMENT 10

## FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

## ATTACHMENT 11

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION		
		CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES	
DANIEL DOMINGUEZ 1200 SMITH ST 16TH FLR HOUSTON, TX 77002	TRUSTEE 1.00	2,816.	0	0
JAY A. EPSTEIN 333 CLAY STREET, SUITE 4700 HOUSTON, TX 77002	TRUSTEE 1.00	0	0	0
GRAND TOTALS		<u>2,816.</u>	<u>0</u>	<u>0</u>

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS

DANIEL DOMINGUEZ AND JAY EPSTEIN  
P.O. BOX 1837  
BELLAIRE, TX 77402-1837  
713-659-6551

990PF, PART XV - FORM AND CONTENTS OF SUBMITTED APPLICATIONS

LETTER REQUESTING FUNDS OR ORAL PRESENTATION. INFORMATION SHOULD BE SUPPLIED CONCERNING THE ORGANIZATION'S PURPOSE AND USE OF THE REQUESTED FUNDS

## RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

## FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS	FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
CENTRO FAMILIAR CRISTIANO 11000 DAIRY ASHFORD SUGARLAND, TX 77487	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	150,000.
JEWISH FAMILY SERVICE P.O. BOX 20528 HOUSTON, TX 77225	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	180,000.
SEVEN ACRES JEWISH SENIOR CARE SERVICES 6200 N. BRAESWOOD HOUSTON, TX 77074	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	30,000.
HOLOCAUST MUSEUM HOUSTON 5401 CAROLINE ST HOUSTON, TX 77004	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	6,200.
FOUNDATION FOR THE RETARDED 3550 WEST DALLAS HOUSTON, TX 77019	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
DR. MARNIE ROSE FOUNDATION 4550 POST OAK PLACE STE 100 HOUSTON, TX 77027	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	2,500.

## RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

## FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS	FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
TEXAS EQUUSSEARCH P. O. BOX 395 DICKINSON, TX 77539	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	3,000.
ANIXTER CENTER 6610 NORTH CLARK ST CHICAGO, IL 60626	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
ANGEL FLIGHT SOUTH CENTRAL 4310 AMELIA EARHART DR ADDISON, TX 75001	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,500.
ST JUDE'S CHILDREN'S HOSPITAL P. O. BOX 50 MEMPHIS, TN 38101	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,500.
MAKE-A-WISH FOUNDATION OF AMERICA 3550 NORTH CENTRAL AVE STE 300 PHOENIX, AZ 85012	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
THE 100 CLUB, INC 5555 SAN FELIPE STE 520 HOUSTON, TX 77056	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

<u>RECIPIENT NAME AND ADDRESS</u>	<u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT</u>	<u>PURPOSE OF GRANT OR CONTRIBUTION</u>	<u>AMOUNT</u>
THE LANCE ARMSTRONG FOUNDATION 2201 E. SIXTH STREET AUSTIN, TX 78702	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	25.
SIMON WISENTHAL CENTER 1399 SOUTH ROXBURY LOS ANGELES, CA 90035	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.
HOUSTON LIVESTOCK SHOW AND RODEO P.O. BOX 200700 HOUSTON, TX 77225	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
ALSHAL HOUSE 1995 UNIVERSITY BLVD HOUSTON, TX 77030	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
STAR OF HOPE 6895 ARDMORE ST HOUSTON, TX 77054	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.
JEWISH COMMUNITY CENTER 5601 SOUTH BRAESWOOD BLVD HOUSTON, TX 77096	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.

ATTACHMENT 14 (CONT'D)

## RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

## FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
CONGREGATION ANSHAI TORAH 5501 WEST PARKER RD. PLANO, TX 75093	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	5,000.
TRUEFACED 8283 N. HAYDEN ROAD, STE 275 SCOTTSDALE, AZ 85258	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
THEATER UNDER THE STARS 800 BAGBY STE 200 HOUSTON, TX 77002	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	2,500.
HOPE MINISTRIES P.O. BOX 18120 ATLANTA, GA 30316	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
SECOND BAPTIST SCHOOL 6410 WOODWAY DRIVE HOUSTON, TX 77057	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.
TOTAL CONTRIBUTIONS PAID			<u>392,725.</u>