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

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▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

2014

Open to Public Inspection

For calendar year 2014, or tax year beginning , 2014, and ending

Sterling-Turner Foundation
5850 San Felipe #125
Houston, TX 77057

A Employer identification number
74-1460482

B Telephone number (see instructions)
713-237-1117

C If exemption application is pending, check here ☐

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

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

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

G Check all that apply:

☐ Initial return	☐ Initial return of a former public charity
☐ Final return	☒ Amended return
☐ Address change	☐ Name change

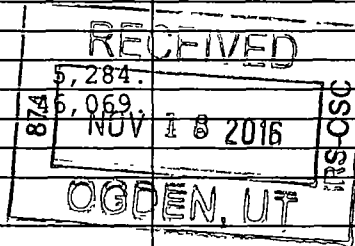
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 62,794,425.

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis.)

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).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (attach schedule)				
	2 Ck ☒ if the foundn is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	20.	20.	N/A	
	4 Dividends and interest from securities	1,868,631.	1,868,631.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,227,306.			
	b Gross sales price for all assets on line 6a	1,277,608.			
	7 Capital gain net income (from Part IV, line 2)		1,235,938.		
	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	3,095,957.	3,104,589.			
ADMINISTRATIVE AND OPERATING EXPENSES	13 Compensation of officers, directors, trustees, etc	1,300.			1,300.
	14 Other employee salaries and wages	81,250.			81,250.
	15 Pension plans, employee benefits	14,355.			14,355.
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch)	See St. 2	52,843.		47,559.
	c Other prof fees (attach sch)	See St 3	46,069.		
	17 Interest				
	18 Taxes (attach schedule)(see instrs)	See Stmt 4	32,832.		
	19 Depreciation (attach sch) and depletion	See Stmt 5	2,377.		
	20 Occupancy		24,366.		24,366.
	21 Travel, conferences, and meetings		1,617.		1,617.
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	See Statement 6	15,760.	1,583.		14,177.
	24 Total operating and administrative expenses Add lines 13 through 23	272,769.	52,936.		184,624.
25 Contributions, gifts, grants paid Part XV	2,595,000.			2,595,000.	
26 Total expenses and disbursements. Add lines 24 and 25	2,867,769.	52,936.		2,779,624.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	228,188.				
b Net investment income (if negative, enter -0-)		3,051,653.			
c Adjusted net income (if negative, enter -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			
ASSETS	1	Cash — non-interest-bearing	99,984.	357,041.	357,041.		
	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 sch) ▶					
		Less: allowance for doubtful accounts ▶					
	8	Inventories for sale or use					
	9	Prepaid expenses and deferred charges	29,676.	45,000.	45,000.		
	10a	Investments — U.S. and state government obligations (attach schedule)					
	b	Investments — corporate stock (attach schedule) Statement 7	3,860,584.	3,818,914.	62,386,761.		
	c	Investments — corporate bonds (attach schedule)					
	LIABILITIES	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 ▶ 133,249.					
		Less: accumulated depreciation (attach schedule) . . See Stmt 8 ▶ 131,007.	1,239.	2,242.	2,000.		
15		Other assets (describe ▶ See Statement 9)	7,149.	3,623.	3,623.		
16		Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I)	3,998,632.	4,226,820.	62,794,425.		
17		Accounts payable and accrued expenses					
18		Grants payable					
19	Deferred revenue						
20	Loans from officers, directors, trustees, & other disqualified persons						
21	Mortgages and other notes payable (attach schedule)						
22	Other liabilities (describe ▶)						
23	Total liabilities (add lines 17 through 22)	0.	0.				
FUND ASSETS	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ☐						
	24	Unrestricted					
	25	Temporarily restricted					
	26	Permanently restricted					
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ☒						
	27	Capital stock, trust principal, or current funds					
	28	Paid-in or capital surplus, or land, bldg., and equipment fund					
	29	Retained earnings, accumulated income, endowment, or other funds	3,998,632.	4,226,820.			
	30	Total net assets or fund balances (see instructions)	3,998,632.	4,226,820.			
	31	Total liabilities and net assets/fund balances (see instructions)	3,998,632.	4,226,820.			

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	3,998,632.
2	Enter amount from Part I, line 27a	2	228,188.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	4,226,820.
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	4,226,820.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a Publicly - traded securities		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 1,277,608.		41,670.	1,235,938.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			1,235,938.
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	1,235,938.
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 instructions). If (loss), enter -0- in Part I, line 8.	If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8.	3	0.

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 (column (b) divided by column (c))
2013	2,690,987.	61,745,044.	0.043582
2012	2,865,131.	59,589,555.	0.048081
2011	1,836,039.	56,184,397.	0.032679
2010	2,008,474.	45,253,848.	0.044382
2009	4,031,907.	51,390,127.	0.078457

2 Total of line 1, column (d)	2	0.247181
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	0.049436
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	65,108,509.
5 Multiply line 4 by line 3	5	3,218,704.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	30,517.
7 Add lines 5 and 6	7	3,249,221.
8 Enter qualifying distributions from Part XII, line 4	8	2,783,005.

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)

1 a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter 'N/A' on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary — see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here. ☐ and enter 1% of Part I, line 27b		1	61,033.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	61,033.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	61,033.
6 Credits/Payments:			
a 2014 estimated tax pmts and 2013 overpayment credited to 2014	6 a		
b Exempt foreign organizations — tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	36,315.	See Statement 10
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8	1,362.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	29,608.	See Statement 11
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2015 estimated tax	11		Refunded

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <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>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation ▶ \$ 0. (2) On foundation managers ▶ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ 0.		
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>		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>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
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>		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?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a 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>	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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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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 instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>www.sterlingturnerfoundation.org</u>	13	X	
14	The books are in care of <u>Patricia Stilley</u> Telephone no. <u>713-237-1117</u> Located at <u>5850 San Felipe Ste 125 Houston TX</u> ZIP + 4 <u>77057</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> N/A			
16	At any time during calendar year 2014, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
See the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly TD F 90-22.1). If 'Yes,' enter the name of the foreign country				

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

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

	Yes	No
1 a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No	
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No	
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1 b	X
Organizations relying on a current notice regarding disaster assistance check here.		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2014?	1 c	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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014?	☐ Yes ☒ No	
If 'Yes,' list the years <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
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.)	2 b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No	
b If 'Yes,' did it have excess business holdings in 2014 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 2014.)	3 b	N/A
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
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 2014?	4 b	X

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Part VII 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 4945(d)(4)(A)? (see 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 instructions)? . . . ☐ Yes ☒ NoOrganizations relying on a current notice regarding disaster assistance check here . . . ☐c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? . . . N/A ☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . ☐ Yes ☒ Nob 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 ☒ Nob If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? . . . N/A ☐ 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 instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 12		1,300.	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 0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Daniel P. McGuire PC 1001 N. Dairy Ashford Rd. Houston, TX 77079	Accounting	52,843.
Total number of others receiving over \$50,000 for professional services		0

Part IX A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
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 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3.	0.

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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:		
a	Average monthly fair market value of securities	1a	65,930,741.
b	Average of monthly cash balances.	1b	164,268.
c	Fair market value of all other assets (see instructions)	1c	5,000.
d	Total (add lines 1a, b, and c)	1d	66,100,009.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d.	3	66,100,009.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	991,500.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	65,108,509.
6	Minimum investment return. Enter 5% of line 5	6	3,255,425.

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	3,255,425.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	61,033.
b	Income tax for 2014 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	61,033.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	3,194,392.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	3,194,392.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	3,194,392.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1a	2,779,624.
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	3,381.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	2,783,005.
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)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,783,005.

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				3,194,392.
2 Undistributed income, if any, as of the end of 2014:				
a Enter amount for 2013 only			34,950.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2014:				
a From 2009				
b From 2010				
c From 2011				
d From 2012				
e From 2013				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2014 from Part XII, line 4: ► \$ 2,783,005.				
a Applied to 2013, but not more than line 2a			34,950.	
b Applied to undistributed income of prior years (Election required — see instructions)		0.		
c Treated as distributions out of corpus (Election required — see instructions)	0.			
d Applied to 2014 distributable amount				2,748,055.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2014. (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5.	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2013. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015.				446,337.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required — see instructions)	0.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012				
d Excess from 2013				
e Excess from 2014				

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2014, 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)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2014	(b) 2013	(c) 2012	(d) 2011	
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 or e-mail address of the person to whom applications should be addressed

See Statement 13

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

See Statement for Line 2a

- c Any submission deadlines:

See Statement for Line 2a

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

See Statement for Line 2a

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year See attached list	N/A	PC	See attached	2,595,000.
Total			▶ 3 a	2,595,000.
b Approved for future payment				
Total			▶ 3 b	

Statement 1
Form 990-PF
Explanation of Amended Return

The 2014 Form 990-PF for the Sterling-Turner Foundation is being amended to recognize the capital gain on publicly traded securities as net investment income subject to the IRC 4940 excise tax. Adjustments were also made to claim administrative expenses and asset acquisitions as qualifying distributions for charitable purposes.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Auditing and tax compliance . . .	\$ 52,843.	\$ 5,284.		\$ 47,559.
Total	<u>\$ 52,843.</u>	<u>\$ 5,284.</u>		<u>\$ 47,559.</u>

Statement 3
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Investment management fees . . .	\$ 46,069.	\$ 46,069.		
Total	<u>\$ 46,069.</u>	<u>\$ 46,069.</u>		<u>\$ 0.</u>

Statement 4
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Excise tax . . .	\$ 32,832.			
Total	<u>\$ 32,832.</u>	<u>\$ 0.</u>		<u>\$ 0.</u>

Statement 6
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Director insurance.....	\$ 3,205.	\$ 321.		\$ 2,884.
Liability insurance.....	669.	67.		602.
Library & documentation.....	756.	76.		680.
Office maintenance.....	7,169.	717.		6,452.
Office supplies.....	844.	92.		752.
Postage.....	416.	42.		374.
Storage.....	367.	35.		332.
Telephone.....	2,334.	233.		2,101.
Total	\$ 15,760.	\$ 1,583.		\$ 14,177.

Statement 7
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

<u>Corporate Stocks</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
Corporate stock - see attached	Cost	\$ 3,818,914.	\$ 62,386,761.
	Total	\$ 3,818,914.	\$ 62,386,761.

Statement 8
Form 990-PF, Part II, Line 14
Land, Buildings, and Equipment

<u>Category</u>	<u>Basis</u>	<u>Accum. Deprec.</u>	<u>Book Value</u>	<u>Fair Market Value</u>
Furniture and Fixtures	\$ 133,249.	\$ 131,007.	\$ 2,242.	\$ 2,000.
Total	\$ 133,249.	\$ 131,007.	\$ 2,242.	\$ 2,000.

Statement 9
Form 990-PF, Part II, Line 15
Other Assets

	<u>Book Value</u>	<u>Fair Market Value</u>
Deposit.....	\$ 3,623.	\$ 3,623.
Total	\$ 3,623.	\$ 3,623.

Statement 10
Form 990-PF, Part VI, Line 7
Total Credits and Payments

Tax Paid With Original Return	..	\$	72,500.
Original Return Overpayment			-36,185.
	Total	\$	<u>36,315.</u>

Statement 11
Form 990-PF, Part VI, Line 9
Tax Due

Tax Due		\$	26,080.
Late Payment Penalty			2,225.
Late Interest			1,303.
	Total	\$	<u>29,608.</u>

Statement 12
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contribution to EBP & DC	Expense Account/ Other
Carroll R. Goodman 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	\$ 100.	\$ 0.	\$ 0.
Chaille W. Hawkins 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	100.	0.	0.
Isla C. Jornayvaz 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	100.	0.	0.
Christiana R. McConn 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	100.	0.	0.
Isla C. Reckling 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	100.	0.	0.
James S. Reckling 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	100.	0.	0.
John B. Reckling 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	100.	0.	0.

Sterling-Turner Foundation

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Statement 12 (continued)
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Stephen M. Reckling 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	\$ 100.	\$ 0.	\$ 0.
T. R. Reckling III 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	100.	0.	0.
Thomas K. Reckling 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	0.	0.	0.
Thomas R. Reckling IV 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	100.	0.	0.
E. Carroll Schuler 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	100.	0.	0.
Bert F. Winston III 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	0.	0.	0.
Blake W. Winston 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	100.	0.	0.
L. David Winston 5850 San Felipe Ste 125 Houston, TX 77057	Trustee 1.00	100.	0.	0.
Total		\$ 1,300.	\$ 0.	\$ 0.

Statement 13
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program: Charitable
Name: Sterling-Turner Foundation
Care Of: Patricia Stilley
Street Address: 5850 San Felipe Suite 125
City, State, Zip Code: Houston, TX 77057
Telephone: 713-237-1117
E-Mail Address: pstilley@stfdn.org
Form and Content: Application forms and instructions on the Sterling-Turner Foundation website.
Submission Deadlines: Prior to March 1st of each year.
Restrictions on Awards: Awards are limited to Texas public charities which are exempt under 501(c)(3). The charities must be within certain geographic boundaries.

Sterling Turner Foundation
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Investments - Corporate Stock
Part II, Line 10 b

	Shares	Cost basis Col (b)	FMV Col (c)
Altria Group Inc	16,000	\$ 235,236	\$ 788,320
Bank of America	6,500	300,170	116,285
Bank of New York Mellon	7,000	246,628	283,990
Coca Cola	70,000	94,736	2,955,400
Exxon Mobil	571,980	1,693,984	52,879,551
General Electric	25,000	42,321	631,750
HSBC Holdings PLC	600	50,951	28,338
Johnson & Johnson	4,000	47,910	418,280
Merck	25,000	234,794	1,419,750
Microsoft	24,000	629,314	1,114,800
Philip Morris International	6,000	129,497	488,700
Proctor & Gamble	13,850	113,374	1,261,597
		<u>\$ 3,818,914</u>	<u>\$ 62,386,761</u>

Sterling-Turner Foundation
2014 Amended Form 990-PF

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Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
ALLEY THEATER 615 TEXAS AVE HOUSTON, TX 77002	N/A	501 C 3	OPERATING FUNDS	30,000
BAYOU PRESERVATION ASSOCIATION 2990 RICHMOND AVE SUITE 500 HOUSTON, TX 77098	N/A	501(C)(3)	OPERATING FUND	10,000
BCFS HEALTH HUMAN SERVICES 1506 BEXAR CROSSING ST SAN ANTONIO, TX 78232	N/A	501(C)(3)	OPERATING FUND	10,000
BRIDGES TO LIFE PO BOX 570895 HOUSTON, TX 77257	N/A	501 C 3	OPERATING FUNDS	20,000
CANCARE OF HOUSTON INC 9575 KATY FREEWAY STE 42 HOUSTON, TX 77024	N/A	501 C 3	OPERATING FUNDS	20,000
CASA DE ESPERANZA DE LOS NINOS INC 2911 CORDER ST HOUSTON, TX 77054	N/A	501 C 3	OPERATING FUNDS	25,000
CENTER FOR HEARING AND SPEECH 3636 W DALLAS HOUSTON, TX 77019	N/A	501 C 3	OPERATING FUNDS	25,000
CLAYTON DABNEY FOUNDATION FOR KIDS 12335 KINGSRIDE 347 HOUSTON, TX 77024	N/A	501 C 3	OPERATING FUNDS	50,000
COMMUNITY FDN OF TEXAS HILL COUNTRY 301 JUNCTION HWY STE 2468 KERRVILLE, TX 78029	N/A	501 C 3	SCHOLARSHIP FUNDS	515,000
CRIME STOPPERS OF HOUSTON 3001 MAIN STREET HOUSTON, TX 77002	N/A	501(C)(3)	OPERATING FUND	5,000
EPILEPSY FOUNDATION TEXAS 2630 FOUNTAIN VIEW DRIVE SUITE 210 HOUSTON, TX 77057	N/A	501 C 3	OPERATING FUNDS	10,000
GARRISON ALL COURT TENNIS ACADEMY 9506 S GESSNER HOUSTON, TX 77074	N/A	501(C)(3)	OPERATING FUND	10,000
HILL COUNTRY ARTS FOUNDATION 120 POINT THEATRE ROAD SO INGRAM, TX 78025	N/A	501 C 3	OPERATING FUNDS	20,000
HILL COUNTRY CASA PO BOX 290965 KERRVILLE, TX 78029	N/A	501 C 3	OPERATING FUNDS	20,000
HILL COUNTRY YOUTH RANCH 3522 JUNCTION HWY INGRAM, TX 78025	N/A	501 C 3	OPERATING FUNDS	25,000
Total			3a	2,595,000

Sterling-Turner Foundation
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Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
HOUSTON ARBORETUM NATURE CENTER 4501 WOODWAY DRIVE HOUSTON, TX 77024	N/A	501 C 3	OPERATING FUNDS	15,000
HOUSTON BALLET FOUNDATON 601 PRESTON HOUSTON, TX 77002	N/A	501 C 3	OPERATING FUNDS	30,000
HOUSTON CENTER FOR LITERACY 2401 PORTSMOUTH SUITE 230 HOUSTON, TX 77098	N/A	501 C 3	OPERATING FUNDS	10,000
HOUSTON COUNCIL ON ALCOHOLISM 303 JACKSON HILL STREET HOUSTON, TX 77007	N/A	501(C)(3)	OPERATING FUND	15,000
HOUSTON FOOD BANK 535 PORTWALL ST HOUSTON, TX 77029	N/A	501(C)(3)	OPERATING FUND	25,000
HOUSTON GRAND OPERA 510 PRESTON ST STE 50 HOUSTON, TX 77002	N/A	501 C 3	OPERATING FUNDS	30,000
HOUSTON MUSEUM OF NATUAL SCIENCE 5555 HERMANN DRIVE HOUSTON, TX 77030	N/A	501 C 3	OPERATING FUNDS	30,000
HOUSTON SYMPHONY SOCIETY 615 LOUISIANA ST STE 10 HOUSTON, TX 77002	N/A	501 C 3	OPERATING FUNDS	30,000
HOUSTON ZOO 1513 N MACGREGOR HOUSTON, TX 77030	N/A	501 C 3	OPERATING FUNDS	20,000
HUNT VOLUNTEER FIRE DEPAR PO BOX 362 HUNT, TX 78024	N/A	501 C 3	OPERATING FUNDS	10,000
KAPPA KAPPA GAMMA 2001 UNIVERSITY AVE AUSTIN, TX 78705	N/A	501(C)(3)	OPERATING FUND	10,000
KATY PRAIRIE CONSERVANCY 3015 RICHMOND AVENUE SUITE 230 HOUSTON, TX 77098	N/A	501(C)(3)	OPERATING FUNDS	15,000
KIPP INC 10711 KIPP WAY HOUSTON, TX 77099	N/A	509 A	OPERATING FUNDS	25,000
LAITY RENEWAL FOUNDATION 719 EARL GARRETT ST KERRVILLE, TX 78028	N/A	501(C)(3)	OPERATING FUNDS	20,000
MATCH MIDTOWN ARIS THEATER CENTER 3333 WALABAMA ST SUITE 110 HOUSTON, TX 77090	N/A		OPERATING FUNDS	50,000
Total			3a	2,595,000

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Form 990PF Part XV Line 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				
OPEN DOOR MISSION PO BOX 9356 HOUSTON, TX 77261	N/A	501 C	OPERATING FUNDS	15,000
PATHWAYS FOR LITTLE FEET 8 GREENWAY PLAZA STE 100 HOUSTON, TX 77046	N/A	501 C 3	OPERATING FUNDS	10,000
RISE SCHOOL OF HOUSTON 5618 H MARK CROSSWELL JR HOUSTON, TX 77021	N/A	501(C)(3)	OPERATING FUNDS	10,000
SALVATION ARMY 1500 AUSTIN STREET HOUSTON, TX 77002	N/A	501 C	OPERATING FUNDS	15,000
SAN ANGELO MUSEUM OF FINE ARTS ONE LOVE STREET SAN ANGELO, TX 76903	N/A	501 C 3	OPERATING FUNDS	50,000
SCHREINER UNIVERSITY 2100 SAN ANTONIO KERRVILLE, TX 78028	N/A	501 C 3	COLLEGE FUND	30,000
SMALL STEPS NURTURING CENTER 2902 JENSEN DRIVE HOUSTON, TX 77026	N/A	501 C 3	OPERATING FUNDS	25,000
SPAULDING FOR CHILDREN 8582 KATY FREEWAY SUITE 100 HOUSTON, TX 77024	N/A	501(C)(3)	OPERATING FUNDS	10,000
ST LUKES CENTER FOR COUNSELING 2719 JOANEL ST HOUSTON, TX 77027	N/A	501(C)(3)	OPERATING FUND	10,000
ST THOMAS HIGH SCHOOL 4500 MEMORIAL DRIVE HOUSTON, TX 77007	N/A	501 C	BUILDING FUNDS	120,000
STAGES INC 10201 MAIN ST HOUSTON, TX 77025	N/A	501(C)(3)	BUILDING FUND	100,000
STAR OF HOPE MISSION 6897 ARDMORE STREET HOUSTON, TX 77054	N/A	501 C 3	OPERATING FUNDS	15,000
STRAKE JESUIT COLLEGE PREPARATORY 8900 BELLAIRE BLVD HOUSTON, TX 77036	N/A	501(C)(3)	BUILDING FUND	50,000
TAPING FOR BLIND 3935 ESSEX LANE HOUSTON, TX 77027	N/A	501(C)(3)	OPERATING FUND	10,000
TEXAS CHILDREN'S HOSPITAL 1919 SOUTH BRAESWOOD SUITE 5214 HOUSTON, TX 77030	N/A	501 C	OPERATING FUNDS	250,000
Total			3a	2,595,000

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Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
THE MUSEUM OF FINE ARTS HOUSTON 1001 BISSONET HOUSTON, TX 77005	N/A	501 C 3	OPERATING FUNDS	150,000
TRIP DEPOT PO BOX 62058 SAN ANGELO, TX 76906	N/A	501(C)(3)	BUILDING FUNDS	25,000
UNIVERSITY OF HOUSTON 4800 CALHOUN RD HOUSTON, TX 77004	N/A	501 C 3	OPERATING FUNDS	500,000
WORKSHOP HOUSTON P O BOX 88365 HOUSTON, TX 772888365	N/A	501 C	OPERATING FUNDS	5,000
YMCA OF GREATER HOUSTON 1331 AUGUSTA DR HOUSTON, TX 77057	N/A	501 C 3	SCHOLARSHIP	65,000
Total ▶ 3a				2,595,000