

Form 990-PF Return Summary

For calendar year 2012, or tax year beginning _____, and ending _____

74-1460482

Sterling-Turner Foundation

Investment Income

Interest	21
Dividends	1,543,350
Gross rents	_____
Capital gain net income	_____
Other income	_____

Total investment income 1,543,371

Expenses

Officer compensation	_____
Salaries / employee benefits	_____
Other expenses	59,651

Total expenses 59,651

Net investment income 1,483,720

Taxes / Credits

Regular tax	29,674
Section 511 tax	_____
Subtitle A tax	_____

Total tax 29,674

Payments / Penalties / Application

Estimated tax payments	26,204
Tax withheld	_____
Other payments	_____
Estimated tax penalty	_____
Overpayment applied to next year's tax	_____

Payments / penalty / application 26,204

Net tax due 3,470

Interest on late payments	_____
Failure to file penalty	_____
Failure to pay penalty	_____

Additions to tax

Balance due 3,470

Refund _____

Revenue / Expenses per Books Adjusted Net Income

Total contributions	_____	_____
Interest	21	21
Dividends	1,552,037	1,552,037
Capital gains / losses	311,950	_____
Income modifications	_____	_____
Sale of inventory	_____	_____
Other income	-4,490	-4,490
Total revenue	1,859,518	1,547,568
Total expenses	2,948,250	_____
Excess / ANI	-1,088,732	_____

Next Year's Estimates

1st quarter	7,419
2nd quarter	7,419
3rd quarter	7,419
4th quarter	7,419
Total	29,676

Miscellaneous Information

Amended return _____
Return / extended due date 08/15/13

Balance Sheet

	Beginning	Ending	Differences
Assets	5,360,547	4,271,623	
Liabilities	_____	_____	
Net assets	5,360,547	4,271,623	-1,088,924

Form 990-T Return Summary

For calendar year 2012, or tax year beginning _____, and ending _____

74-1460482

Sterling-Turner Foundation

Income

Gross profit _____
 Capital gain / loss _____
 Unrelated debt-financed income _____
 All other income _____

Total income _____

Deductions

Officer compensation _____
 Salaries _____
 All other deductions _____
 Net operating loss _____
 Specific deduction 1,000

Total deductions _____

1,000

Unrelated business taxable income

-1,000

Taxes / Credits / Payments

Regular tax _____
 Proxy tax _____
 Alternative minimum tax _____

Tax _____

Foreign tax credit _____
 Other credits _____
 General business credits _____
 Prior year minimum tax credit _____

Total nonrefundable credits _____

Other taxes _____

Total tax _____

Estimated tax payments _____
 Paid with extension _____
 Tax withheld _____
 Other credits / payments _____
 Estimated tax penalty _____
 Overpayment applied to next year's tax _____

Payments / penalty / application _____

Net tax due _____

Additions to Tax

Interest on late payments _____
 Failure to file penalty _____
 Failure to pay penalty _____

Total additions _____

Balance due _____

Refund _____

2,406

Next Year's Estimates

1st quarter _____
 2nd quarter _____
 3rd quarter _____
 4th quarter _____
Total _____

Miscellaneous Information

Amended return _____
 Return / extended due date 11/15/12

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

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For calendar year 2012 or tax year beginning , and ending

Name of foundation Sterling-Turner Foundation		A Employer identification number 74-1460482
Number and street (or P.O. box number if mail is not delivered to street address) 5850 San Felipe	Room/suite 125	B Telephone number (see instructions) 713-237-1117
City or town, state, and ZIP code Houston TX 77057		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 59,245,389	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>		

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 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	21	21		
	4 Dividends and interest from securities	1,552,037	1,543,350		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10 Stmt 1	311,950			
	b Gross sales price for all assets on line 6a 322,906				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule) Stmt 2	-4,490				
12 Total. Add lines 1 through 11	1,859,518	1,543,371	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	1,300			
	14 Other employee salaries and wages	69,250			69,250
	15 Pension plans, employee benefits	15,707			15,707
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) Stmt 3	45,325	11,331		33,904
	c Other professional fees (attach schedule) Stmt 4	39,666	39,666		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) Stmt 5	24,704			
	19 Depreciation (attach schedule) and depletion Stmt 6	1,592			
	20 Occupancy	22,254			22,254
	21 Travel, conferences, and meetings	1,772			539
	22 Printing and publications				
	23 Other expenses (att. sch.) Stmt 7	17,180	8,654		8,659
	24 Total operating and administrative expenses. Add lines 13 through 23	238,750	59,651	0	150,313
	25 Contributions, gifts, grants paid	2,709,500			2,709,500
26 Total expenses and disbursements. Add lines 24 and 25	2,948,250	59,651	0	2,859,813	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-1,088,732				
b Net investment income (if negative, enter -0-)		1,483,720			
c Adjusted net income (if negative, enter -0-)			0		

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	116,903	146,279	146,279
	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 (att. schedule) ▶ See Wrk 3,623			
	Less: allowance for doubtful accounts ▶ 0	3,605	3,623	3,623
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	38,567	26,204	26,204
	10a Investments – U.S. and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) See Stmt 8	4,071,718	4,056,980	58,902,971
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment: basis ▶			
Less: accumulated depreciation (attach sch.) ▶				
12 Investments – mortgage loans				
13 Investments – other (attach schedule) See Statement 9	1,126,152	33,482	33,482	
14 Land, buildings, and equipment: basis ▶ 128,968				
Less: accumulated depreciation (attach sch.) ▶ Stmt 10 127,775		1,193	128,968	
15 Other assets (describe ▶ See Statement 11)	3,602	3,862	3,862	
16 Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)	5,360,547	4,271,623	59,245,389	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	5,434,430	5,360,546	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	-73,883	-1,088,923	
30 Total net assets or fund balances (see instructions)	5,360,547	4,271,623		
31 Total liabilities and net assets/fund balances (see instructions)	5,360,547	4,271,623		

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	5,360,547
2 Enter amount from Part I, line 27a	2	-1,088,732
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	4,271,815
5 Decreases not included in line 2 (itemize) ▶ See Statement 12	5	192
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	4,271,623

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P – Purchase D – Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	Salient Alternative			
b	Salient Alternative			
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	-6,650		-6,650	
b	73		73	
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				-6,650
b				73
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	-6,577	
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	3		

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

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

1 Enter the appropriate amount in each column for each year; see 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))
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
2008	4,199,932	64,515,872	0.065099
2007	1,609,217	67,769,735	0.023745
2	Total of line 1, column (d)	2	0.244362
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	0.048872
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	59,589,555
5	Multiply line 4 by line 3	5	2,912,261
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	14,837
7	Add lines 5 and 6	7	2,927,098
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	2,859,813

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)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	29,674
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	29,674
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	29,674
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	26,204
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	26,204
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	3,470
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 2013 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? If the answer is "Yes" to 1a or 1b , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		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. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a 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? If "Yes," attach the statement required by General Instruction T.		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? If "Yes," complete Part II, col. (c), and Part XV	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? If "No," attach explanation	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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see 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 ► www.sterlingturnerfoundation.org	13	X	
14	The books are in care of ► Patricia Stilley 5850 San Felipe Suite 125 Located at ► Houston TX ZIP+4 ► 77057 Telephone no. ► 713-237-1117			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year		15	
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16		X

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

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

		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 checked="" type="checkbox"/> Yes <input 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"/>	1b	X
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 2012?	1c	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? If "Yes," list the years ► 20 , 20 , 20 , 20 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions.) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2012 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 2012.) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	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 2012?	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:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see 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)? **N/A** **5b**

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **N/A** Yes No

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** **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? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **N/A** **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
See Statement 13				

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

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 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	

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	60,405,745
b	Average of monthly cash balances	1b	91,265
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	60,497,010
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	60,497,010
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	907,455
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	59,589,555
6	Minimum investment return. Enter 5% of line 5	6	2,979,478

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	2,979,478
2a	Tax on investment income for 2012 from Part VI, line 5	2a	29,674
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	29,674
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,949,804
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	2,949,804
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	2,949,804

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	2,859,813
b	Program-related investments – total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	2,859,813
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,859,813

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				2,949,804
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				390,533
d From 2010				
e From 2011				
f Total of lines 3a through e			390,533	
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ \$ 2,859,813				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2012 distributable amount				2,859,813
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	89,991			89,991
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	300,542			
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount – see instructions				
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount – see instructions				
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	300,542			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				300,542
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, 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) 2012	(b) 2011	(c) 2010	(d) 2009	
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).)
N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:
 Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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 of the person to whom applications should be addressed:
Patricia Stilley 713-237-1117
5850 San Felipe Suite 125 Houston TX 77057

b The form in which applications should be submitted and information and materials they should include:
See Statement 14

c Any submission deadlines:
Any time prior to March 1 of each year.

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:
See Statement 15

Part XV Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Statement 16				2,709,500
Total				2,709,500
b Approved for future payment N/A				
Total				3b

Federal Statements

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

Description		How Received					
Whom Sold	Date Acquired	Date Sold	Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
3700 sh Exxon Mobil Corp	12/23/10	12/10/12	Purchase \$ 329,483	\$ 10,956	\$	\$	\$ 318,527
Total			\$ 329,483	\$ 10,956	\$ 0	\$ 0	\$ 318,527

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
Salient Alternative	\$ -6	\$	\$
Salient Alternative	-4,484		
Total	\$ -4,490	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Accounting Fees	\$ 45,325	\$ 11,331	\$	\$ 33,904
Total	\$ 45,325	\$ 11,331	\$ 0	\$ 33,904

Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Investment Advisory Fees	\$ 39,666	\$ 39,666	\$	\$
Total	\$ 39,666	\$ 39,666	\$ 0	\$ 0

Federal Statements

Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Taxes - Federal Excise	\$ 24,704	\$	\$	\$
Total	\$ 24,704	\$ 0	\$ 0	\$ 0

Statement 6 - Form 990-PF, Part I, Line 19 - Depreciation

Description								
Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income	
Furniture & Equipment 1/01/99	\$ 9,727	\$ 9,727	S/L	5	\$	\$	\$	
Furniture & Equipment 6/15/01	1,495	1,495	S/L	7				
Furniture & Equipment 1/15/02	35,325	35,325	S/L	7				
Computer Equipment 2/05/02	856	856	S/L	5				
Furniture & Equipment 2/05/02	19,871	19,871	S/L	7				
Computer Equipment 9/09/02	5,346	5,346	S/L	5				
Office Furniture 5/15/02	16,091	16,091	S/L	7				
Office Furniture 6/18/02	3,919	3,919	S/L	7				
Office Furniture 7/31/02	596	596	S/L	7				
Office Furniture 8/29/02	1,250	1,250	S/L	7				
Computer Equipment 10/18/02	2,100	2,100	S/L	5				
Computer Equipment 12/13/02	1,081	1,081	S/L	5				
Computer Equipment 6/15/01	1,035	1,035	S/L	5				
Telephone Installation 3/01/02	3,285	3,285	S/L	5				

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description								
Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income	
Filing Cabinets								
1/28/02	\$ 2,625	\$ 2,625	S/L	7	\$	\$	\$	
Cabling & Wiring								
2/11/02	2,159	2,159	S/L	5				
3 pcs software/printer memory upgrade								
8/26/02	8,257	8,257	S/L	5				
Console Table & Rug								
9/20/02	1,577	1,577	S/L	7				
Sony 19" Flat Screen Monitor								
3/02/04	1,034	1,034	S/L	5				
19" Samsung Monitor								
5/28/04	269	269	S/L	5				
Computer Equipment - Server								
12/28/06	5,490	5,490	200DB	5				
2 Desktops Computers & Equipment								
12/28/06	2,795	2,795	200DB	5				
Furniture & Equipment								
5/04/12	1,685		200DB	7	963			
Amazon Phone System								
5/24/12	1,100		200DB	7	629			
Total	\$ 128,968	\$ 126,183			\$ 1,592	\$ 0	\$ 0	

Statement 7 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	\$	\$	\$	\$
Expenses				
Director Insurance	2,560	1,280		1,280
Entertainment & Meals	133	133		133
Liability Insurance	1,205	602		603
Library & Documentation	666	333		333
Miscellaneous	3,243	1,621		1,622
Office Maintenance	3,346	1,673		1,673
Office Supplies	1,974	987		987

Federal Statements

Statement 7 - Form 990-PF, Part I, Line 23 - Other Expenses (continued)

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Parking	\$ 328	\$ 164	\$	\$ 164
Postage	538	269		269
Telephone	2,428	1,214		1,214
Workers' Comp Insurance	461	230		231
Bank Service Charges	1			1
Seminars	297	148		149
Total	\$ 17,180	\$ 8,654	\$ 0	\$ 8,659

Federal Statements

Statement 8 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
Investment in Common & Preferred Stk	\$ 4,071,718	\$ 4,056,980		\$ 58,902,971
Total	<u>\$ 4,071,718</u>	<u>\$ 4,056,980</u>		<u>\$ 58,902,971</u>

Statement 9 - Form 990-PF, Part II, Line 13 - Other Investments

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
Investments - Salent Alternative	\$ 1,126,152	\$ 33,482		\$ 33,482
Total	<u>\$ 1,126,152</u>	<u>\$ 33,482</u>		<u>\$ 33,482</u>

Statement 10 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

<u>Description</u>	<u>Beginning Net Book</u>	<u>End Cost / Basis</u>	<u>End Accumulated Depreciation</u>	<u>Net FMV</u>
Land/Building/Equipment	\$	\$ 128,968	\$ 127,775	\$ 128,968
Total	<u>\$ 0</u>	<u>\$ 128,968</u>	<u>\$ 127,775</u>	<u>\$ 128,968</u>

Federal Statements**Statement 11 - Form 990-PF, Part II, Line 15 - Other Assets**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Fair Market Value</u>
Due to/from related parties	\$ 3,602	\$ 3,862	\$ 3,862
Total	<u>\$ 3,602</u>	<u>\$ 3,862</u>	<u>\$ 3,862</u>

Statement 12 - Form 990-PF, Part III, Line 5 - Other Decreases

<u>Description</u>	<u>Amount</u>
Nondeductible Meals & Entertainment	\$ 133
Tax Penalties	59
Total	<u>\$ 192</u>

Federal Statements

**Statement 13 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees,
Etc.**

<u>Name and Address</u>	<u>Title</u>	<u>Average Hours</u>	<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>
T.R. Reckling, III 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	100	0	0
Isla C. Reckling 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	100	0	0
Chaille W. Hawkins 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	100	0	0
Christiana R. McConn 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	100	0	0
Thomas R. Reckling, IV 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	100	0	0
James S. Reckling 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	100	0	0
Blake W. Winston 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	100	0	0
Stephen M. Reckling 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	100	0	0
John B. Reckling 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	100	0	0
Thomas K. Reckling 5850 San Felipe, Suite 125	Trustee	1.00	0	0	0

**Statement 13 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees,
Etc. (continued)**

<u>Name and Address</u>	<u>Title</u>	<u>Average Hours</u>	<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>
Houston TX 77057					
L. David Winston 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	0	0	0
Bert F. Winston, III 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	100	0	0
Isla C. Jornayvaz 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	100	0	0
E. Carroll Schuler 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	100	0	0
Carroll R. Goodman 5850 San Felipe, Suite 125 Houston TX 77057	Trustee	1.00	100	0	0

Statement 14 - Form 990-PF, Part XV, Line 2b - Application Format and Required ContentsDescription

Application forms and instructions on the Sterling Turner website. Documentation must be accompanied by copy of IRS 501 (c) (3) exemption letter.

Form 990-PF, Part XV, Line 2c - Submission DeadlinesDescription

Any time prior to March 1 of each year.

Statement 15 - Form 990-PF, Part XV, Line 2d - Award Restrictions or LimitationsDescription

Awards limited to Texas Public Charities which are exempt under Revenue Code 501 (c) (3). The charities must be within certain geographic boundaries.

Federal Statements

**Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year**

Name	Address	Relationship	Status	Purpose	Amount
Alley Theater	Houston TX 77002	N/A	615 Texas Ave. 501.C.3	Operating Funds	25,000
BCFS Health and Human Services	San Antonio TX 78232	N/A	1506 Bexas Crossing 501.C.3	Operating Funds	20,000
Bo's Place	Houston TX 77054	N/A	10050 Buffalo Speedway 501.C.3	Operating Funds	5,000
Bridges to Life	Houston TX 77257	N/A	PO BOX 570895 501.C.3	Operating Funds	20,000
Buffalo Bayou Partnership	Houston TX 77002	N/A	1113 Vine St #200 501.C.3	Operating Funds	10,000
Camp for All	Houston TX 77092	N/A	10500 NW Freeway 501.C.3	Building Funds	50,000
CanCare of Houston, Inc.	Houston TX 77024	N/A	9575 Katy Freeway, Ste 42 501.C.3	Operating Funds	20,000
Caritas of Austin	Austin TX 78701	N/A	611 Neches 501.C.3	Operating Funds	30,000
Casa de Esperanza de Los Ninos, Inc	Houston TX 77054	N/A	2911 Corder St. 501.C.3	Operating Funds	55,000
Center for Hearing and Speech	Houston TX 77019	N/A	3636 W. Dallas 501.C.3	Operating Funds	20,000
Children's Assessment Center	Houston TX 77005	N/A	2500 Bolsover Street 501.C.3	Operating Funds	25,000
Children's Medical Center Foundatio	Austin TX 78723	N/A	4900 Mueller Blvd. 501.C.3	Operating Funds	15,000
Collaborative for Children	Houston TX 77008	N/A	1111 North Loop W 501.C.3	Operating Funds	10,000
Cristo Rey Jesuit	Houston TX 77087	N/A	6700 Mt. Carmel Drive 501.C.3	Operating Funds	10,000
Clayton Dabney	Houston TX 77024	N/A	12335 Kingsride #347 501.C.3	Operating Funds	10,000
Duchesne Academy of the Sacred Hear	Houston TX 77024	N/A	10202 Memorial Drive 501.C.3	Scholarship	440,000
Epilepsy Foundation Texas	Houston TX 77057	N/A	2630 Fountain View Drive 501.C.3	Operating Funds	15,000
Episcopal High School	Bellaire TX 77401	N/A	4650 Bissonnet 501.C.3	Operating Funds	150,000
Friends & Faculty of Ingram Tom Moo	Ingram TX 78025	N/A	PO BOX 433 501.C.3	Scholarship	5,000

Federal Statements

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name		Address		Purpose	Amount
Address	Relationship	Status			
Hill Country Arts Foundation Ingram TX 78025	N/A	120 Point Theatre Road So 501.C.3	Operating Funds	15,000	
Hill Country CASA Kerrville TX 78029	N/A	P.O. Box 290965 501.C.3	Operating Funds	20,000	
Hill Country Crisis Council, Inc. Kerrville TX 78029	N/A	PO BOX 291817 501.C.3	Operating Funds	20,000	
Hill Country Youth Ranch Ingram TX 78025	N/A	3522 Junction Hwy 501.C.3	Operating Funds	25,000	
HITS Theatre Houston TX 77008	N/A	311 W. 18th Street 501.C.3	Operating Funds	5,000	
Houston Ballet Foundaton Houston TX 77002	N/A	601 Preston 501.C.3	Operating Funds	25,000	
Houston Grand Opera Houston TX 77002	N/A	510 Preston St., Ste 50 501.C.3	Operating Funds	25,000	
Houston Museum of Natual Science Houston TX 77030	N/A	5555 Hermann Drive 501.C.3	Operating Funds	25,000	
Houston Symphony Society Houston TX 77002	N/A	615 Louisiana St., Ste 10 501.C.3	Operating Funds	25,000	
Houston Zoo Houston TX 77030	N/A	6200 Hermann Park Drive 501.C.3	Operating Funds	15,000	
Hunt Volunteer Fire Depar Hunt TX 78024	N/A	PO Box 362 501.C.3	Operating Funds	10,000	
The Joy School Houston TX 77006	N/A	1 Chelsea Boulevard 501.C.3	Operating Funds	400,000	
Kappa Kappa Gamma Houston TX 77265	N/A	P.O. Box 6770 501.C.3	Operating Funds	10,000	
Kids' Meals, Inc. Houston TX 77018	N/A	205 West Crosstimbers Str 501.C.3	Operating Funds	10,000	
Marianist Provice of the U.S. St. Louis MO 63108	N/A	4425 W Pine Blvd 501.C.3	Operating Funds	20,000	
The Museum of Fine Arts, Houston Houston TX 77005	N/A	1001 Bissonet 501.C.3	Operating Funds	75,000	
Open Door Mission Houston TX 77011	N/A	5803 Harrisburg 501.C.3	Operating Funds	15,000	
Partners in Ministry Kerrville TX 78028	N/A	301 Junction Hwy, Ste 341 501.C.3	Operating Funds	20,000	

Federal Statements

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name		Address		Purpose	Amount
Address	Relationship	Status			
Pathways for Little Feet Houston TX 77046	N/A	8 Greenway Plaza, Ste 100 501.C.3	Operating Funds	15,000	
St. Luke's Center for Counseling Houston TX 77027	N/A	2719 Joanel Street 501.C.3	Operating Funds	10,000	
St. Michael's School Houston TX 77056	N/A	1833 Sage Road 501.C.3	Building Funds	50,000	
San Angelo Museum of Fine Arts San Angelo TX 76903	N/A	One Love Street 501.C.3	Operating Funds	30,000	
San Jacinto Museum of History La Porte TX 77571	N/A	1 Monument Circle 501.C.3	Operating Funds	5,000	
Schreiner University Kerrville TX 78028	N/A	2100 San Antonio 501.C.3	College Fund	20,000	
Small Steps Nurturing Center Houston TX 77026	N/A	2902 Jensen Drive 501.C.3	Operating Funds	30,000	
Spring Branch Baseball Program, Inc Houston TX 77255	N/A	PO BOX 550549 501.C.3	Operating Funds	25,000	
Star of Hope Houston TX 77054	N/A	6897 Ardmore Street 501.C.3	Operating Funds	15,000	
Texas Society to Prevent Blindness Dallas TX 75219	N/A	3610 Fairmount Street 501.C.3	Operating Funds	10,000	
Through God Comes Justice San Angelo TX 76903	N/A	222 W Harris Ave 501.C.3	Bibles	2,000	
Trees for Houston Houston TX 77027	N/A	4550 Post Oak Pl Drive 501.C.3	Operating Funds	10,000	
Trinity Center Austin TX 78701	N/A	304 East 7th Street 501.C.3	Homeless Program	25,000	
University of Houston Houston TX 77004	N/A	4800 Calhoun Rd 501.C.3	Operating Funds	500,000	
University of Texas - MD Anderson Houston TX 77030	N/A	1515 Holcombe Blvd 501.C.3	Operating Funds	200,000	
Women's Home Houston TX 77006	N/A	607 Westheimer Road 501.C.3	Operating Funds	25,000	
Yellowstone Academy Houston TX 77004	N/A	3000 Trulley St. 501.C.3	Operating Funds	27,500	
YMCA of Greater Houston Houston TX 77057	N/A	1331 Augusta Dr. 501.C.3	Scholarship	15,000	

Federal Statements**Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)**

<u>Name</u>	<u>Address</u>	<u>Relationship</u>	<u>Status</u>	<u>Purpose</u>	<u>Amount</u>
Total					<u>2,709,500</u>

REQUEST FOR 45R CREDIT ONLY

Form **990-T**

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

OMB No. 1545-0687

2012

Open to Public Inspection for
501(c)(3) Organizations Only

Department of the Treasury
Internal Revenue Service

For calendar year 2012 or other tax year beginning _____, and
ending _____ **▶ See separate instructions.**

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section</p> <p><input checked="" type="checkbox"/> 501(C) (3)</p> <p><input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e)</p> <p><input type="checkbox"/> 408A <input type="checkbox"/> 530(a)</p> <p><input type="checkbox"/> 529(a)</p> <p>C Book value of all assets at end of year 4,271,623</p>	<p>Print</p> <p>or</p> <p>Type</p>	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) Sterling-Turner Foundation</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. 125</p> <p>5850 San Felipe</p> <p>City or town, state, and ZIP code Houston TX 77057</p> <p>F Group exemption number (see instructions) ▶</p>	<p>D Employer identification number (Employees' trust, see instructions.) 74-1460482</p> <p>E Unrelated business activity codes (see instructions)</p>
<p>G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>			

H Describe the organization's primary unrelated business activity.
▶

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ Yes No
If "Yes," enter the name and identifying number of the parent corporation.
▶

J The books are in care of ▶ **Patricia Stilley** Telephone number ▶ **713-237-1117**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales			
b	Less returns and allowances			
		c Balance		
2	Cost of goods sold (Schedule A, line 7)			
3	Gross profit. Subtract line 2 from line 1c			
4a	Capital gain net income (attach Schedule D)			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c	Capital loss deduction for trusts			
5	Income (loss) from partnerships and S corporations (attach statement)			
6	Rent income (Schedule C)			
7	Unrelated debt-financed income (Schedule E)			
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10	Exploited exempt activity income (Schedule I)			
11	Advertising income (Schedule J)			
12	Other income (see instructions; attach statement)			
13	Total. Combine lines 3 through 12	0		0

Part II Deductions Not Taken Elsewhere (see instructions for limitations on deductions.) (except for contributions, deductions must be directly connected with the unrelated business income)

14	Compensation of officers, directors, and trustees (Schedule K)		14	
15	Salaries and wages		15	
16	Repairs and maintenance		16	
17	Bad debts		17	
18	Interest (attach statement)		18	
19	Taxes and licenses		19	
20	Charitable contributions (see instructions for limitation rules)		20	
21	Depreciation (attach Form 4562)	21		
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	22b	0
23	Depletion		23	
24	Contributions to deferred compensation plans		24	
25	Employee benefit programs		25	
26	Excess exempt expenses (Schedule I)		26	
27	Excess readership costs (Schedule J)		27	
28	Other deductions (attach statement)		28	
29	Total deductions. Add lines 14 through 28		29	
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30	
31	Net operating loss deduction (limited to the amount on line 30)		31	
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32	
33	Specific deduction (generally \$1,000, but see line 33 instructions for exceptions)		33	1,000
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34	0

Part III Tax Computation

Table with 3 columns: Description, Amount, and Line Number. Rows include Organizations taxable as corporations (35), Trusts taxable at trust rates (36), Proxy tax (37), Alternative minimum tax (38), and Total (39).

Part IV Tax and Payments

Table with 3 columns: Description, Amount, and Line Number. Rows include Foreign tax credit (40a-40e), Total credits (40e), Other taxes (42), Total tax (43), Payments (44a-44g), Total payments (45), Estimated tax penalty (46), Tax due (47), Overpayment (48), and Refunded (49).

Part V Statements Regarding Certain Activities and Other Information (see instructions)

Table with 3 columns: Question, Yes, and No. Questions 1-3 regarding foreign interests, distributions, and tax-exempt interest.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

Table with 3 columns: Description, Amount, and Line Number. Rows include Inventory at beginning/end of year (1, 6), Purchases (2), Cost of labor (3), Additional sec. 263A costs (4a, 4b), and Total (5, 7).

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Executive Director

May the IRS discuss this return with the preparer shown below (see instructions)?

Yes No

Table with 3 columns: Field, Value, and Field. Fields include Preparer's name (Daniel P. McGuire), Date (08/01/13), Firm's name (Daniel P. McGuire, P.C.), Firm's address (10497 Town & Country Way Ste 520, Houston, TX 77024), Firm's EIN (76-0239059), and Phone no. (713-932-0409).

Schedule C – Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property

(1) N/A
(2)
(3)
(4)

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach statement)
(1)		
(2)		
(3)		
(4)		

Total Total (b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ▶

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶

Schedule E – Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach statement)	(b) Other deductions (attach statement)
(1) N/A			
(2)			
(3)			
(4)			

4. Amount of average acquisition debt on or allocable to debt-financed property (attach statement)	5. Average adjusted basis of or allocable to debt-financed property (attach statement)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		

Enter here and on page 1, Part I, line 7, column (A). Enter here and on page 1, Part I, line 7, column (B).

Totals ▶

Total dividends-received deductions included in column 8 ▶

Schedule F – Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross inc.	6. Deductions directly connected with income in column 5
(1) N/A					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).

Totals ▶

Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (col. 3 plus col.4)
(1) N/A				
(2)				
(3)				
(4)				
Totals		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).

Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1) N/A						
(2)						
(3)						
(4)						
Totals		Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).			Enter here and on page 1, Part II, line 26.

Schedule J – Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1) N/A						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1) N/A						
(2)						
(3)						
(4)						
Totals from Part I						
Totals, Part II (lines 1-5)		Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).			Enter here and on page 1, Part II, line 27.

Schedule K – Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1) N/A		%	
(2)		%	
(3)		%	
(4)		%	

Total. Enter here and on page 1, Part II, line 14

Depreciation and Amortization
(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

Sterling-Turner Foundation

Identifying number
74-1460482

Business or activity to which this form relates

Indirect Depreciation

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2013. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	1,393
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B—Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property		1,392	7.0	HY	200DB	199
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	

Section C—Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	1,592
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

▶ **Attach to your tax return.**

2012

▶ **Information about Form 8941 and its separate instructions is at www.irs.gov/form8941.**

Attachment
Sequence No. **63**

Name(s) shown on return

Identifying number

Sterling-Turner Foundation

74-1460482

1a	Enter the number of individuals you employed during the tax year who are considered employees for purposes of this credit (see instructions)	1a	2
b	Enter the employer identification number (EIN) used to report employment taxes for individuals included on line 1a (see instructions)	1b	
2	Enter the number of full-time equivalent employees you had for the tax year (see instructions). If you entered 25 or more, skip lines 3 through 11 and enter -0- on line 12	2	
3	Average annual wages you paid for the tax year (see instructions). If you entered \$50,000 or more, skip lines 4 through 11 and enter -0- on line 12	3	
4	Premiums you paid during the tax year for employees included on line 1a for health insurance coverage under a qualifying arrangement (see instructions)	4	9,624
5	Premiums you would have entered on line 4 if the total premium for each employee equaled the average premium for the small group market in which you offered health insurance coverage (see instructions)	5	10,444
6	Enter the smaller of line 4 or line 5	6	9,624
7	Multiply line 6 by the applicable percentage: • Tax-exempt small employers, multiply line 6 by 25% (.25) • All other small employers, multiply line 6 by 35% (.35)	7	2,406
8	If line 2 is 10 or less, enter the amount from line 7. Otherwise, see instructions	8	2,406
9	If line 3 is \$25,000 or less, enter the amount from line 8. Otherwise, see instructions	9	2,406
10	Enter the total amount of any state premium subsidies paid and any state tax credits available to you for premiums included on line 4 (see instructions)	10	
11	Subtract line 10 from line 4. If zero or less, enter -0-	11	9,624
12	Enter the smaller of line 9 or line 11	12	2,406
13	If line 12 is zero, skip lines 13 and 14 and go to line 15. Otherwise, enter the number of employees included on line 1a for whom you paid premiums during the tax year for health insurance coverage under a qualifying arrangement (see instructions)	13	2
14	Enter the number of full-time equivalent employees you would have entered on line 2 if you only included employees included on line 13	14	2
15	Credit for small employer health insurance premiums from partnerships, S corporations, cooperatives, estates, and trusts (see instructions)	15	
16	Add lines 12 and 15. Cooperatives, estates, and trusts, go to line 17. Tax-exempt small employers, skip lines 17 and 18 and go to line 19. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, stop here and report this amount on Form 3800, line 4h	16	2,406
17	Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see instructions)	17	
18	Cooperatives, estates, and trusts, subtract line 17 from line 16. Stop here and report this amount on Form 3800, line 4h	18	
19	Enter the amount you paid in 2012 for taxes considered payroll taxes for purposes of this credit (see instructions)	19	5,298
20	Tax-exempt small employers, enter the smaller of line 16 or line 19 here and on Form 990-T, line 44f	20	2,406

For Paperwork Reduction Act Notice, see separate instructions.

Federal Asset Report

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
7-year GDS Property:									
23	Furniture & Equipment	5/04/12	1,685		X	842	7 HY 200DB	0	963
24	Amazon Phone System	5/24/12	1,100		X	550	7 HY 200DB	0	629
			<u>2,785</u>			<u>1,392</u>		<u>0</u>	<u>1,592</u>
Prior MACRS:									
21	Computer Equipment - Server	12/28/06	5,490			5,490	5 MQ200DB	5,490	0
22	2 Desktops Computers & Equipment	12/28/06	2,795			2,795	5 MQ200DB	2,795	0
			<u>8,285</u>			<u>8,285</u>		<u>8,285</u>	<u>0</u>
Other Depreciation:									
1	Furniture & Equipment	1/01/99	9,727			9,727	5 MO S/L	9,727	0
2	Furniture & Equipment	6/15/01	1,495			1,495	7 MO S/L	1,495	0
3	Furniture & Equipment	1/15/02	35,325			35,325	7 MO S/L	35,325	0
4	Computer Equipment	2/05/02	856			856	5 MO S/L	856	0
5	Furniture & Equipment	2/05/02	19,871			19,871	7 MO S/L	19,871	0
6	Computer Equipment	9/09/02	5,346			5,346	5 MO S/L	5,346	0
7	Office Furniture	5/15/02	16,091			16,091	7 MO S/L	16,091	0
8	Office Furniture	6/18/02	3,919			3,919	7 MO S/L	3,919	0
9	Office Furniture	7/31/02	596			596	7 MO S/L	596	0
10	Office Furniture	8/29/02	1,250			1,250	7 MO S/L	1,250	0
11	Computer Equipment	10/18/02	2,100			2,100	5 MO S/L	2,100	0
12	Computer Equipment	12/13/02	1,081			1,081	5 MO S/L	1,081	0
13	Computer Equipment	6/15/01	1,035			1,035	5 MO S/L	1,035	0
14	Telephone Installation	3/01/02	3,285			3,285	5 MO S/L	3,285	0
15	Filing Cabinets	1/28/02	2,625			2,625	7 MO S/L	2,625	0
16	Cabling & Wiring	2/11/02	2,159			2,159	5 MO S/L	2,159	0
17	3 pcs software/printer memory upgrade	8/26/02	8,257			8,257	5 MO S/L	8,257	0
18	Console Table & Rug	9/20/02	1,577			1,577	7 MO S/L	1,577	0
19	Sony 19" Flat Screen Monitor	3/02/04	1,034			1,034	5 MO S/L	1,034	0
20	19" Samsung Monitor	5/28/04	269			269	5 MO S/L	269	0
	Total Other Depreciation		<u>117,898</u>			<u>117,898</u>		<u>117,898</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>117,898</u>			<u>117,898</u>		<u>117,898</u>	<u>0</u>
	Grand Totals		128,968			127,575		126,183	1,592
	Less: Dispositions and Transfers		0			0		0	0
	Less: Start-up/Org Expense		0			0		0	0
	Net Grand Totals		<u>128,968</u>			<u>127,575</u>		<u>126,183</u>	<u>1,592</u>

AMT Asset Report

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Bonus	Basis for Depr	PerConv	Meth	Prior	Current
7-year GDS Property:											
23	Furniture & Equipment	5/04/12	1,685			X	842	7	HY 200DB	0	963
24	Amazon Phone System	5/24/12	1,100			X	550	7	HY 200DB	0	629
			<u>2,785</u>				<u>1,392</u>			<u>0</u>	<u>1,592</u>
Prior MACRS:											
21	Computer Equipment - Server	12/28/06	5,490				5,490	5	MQ 150DB	5,490	0
22	2 Desktops Computers & Equipment	12/28/06	2,795				2,795	5	MQ 150DB	2,795	0
			<u>8,285</u>				<u>8,285</u>			<u>8,285</u>	<u>0</u>
Other Depreciation:											
1	Furniture & Equipment	1/01/99	0				0	0	HY	0	0
2	Furniture & Equipment	6/15/01	0				0	0	HY	0	0
3	Furniture & Equipment	1/15/02	0				0	0	HY	0	0
4	Computer Equipment	2/05/02	0				0	0	HY	0	0
5	Furniture & Equipment	2/05/02	0				0	0	HY	0	0
6	Computer Equipment	9/09/02	0				0	0	HY	0	0
7	Office Furniture	5/15/02	0				0	0	HY	0	0
8	Office Furniture	6/18/02	0				0	0	HY	0	0
9	Office Furniture	7/31/02	0				0	0	HY	0	0
10	Office Furniture	8/29/02	0				0	0	HY	0	0
11	Computer Equipment	10/18/02	0				0	0	HY	0	0
12	Computer Equipment	12/13/02	0				0	0	HY	0	0
13	Computer Equipment	6/15/01	0				0	0	HY	0	0
14	Telephone Installation	3/01/02	0				0	0	HY	0	0
15	Filing Cabinets	1/28/02	0				0	0	HY	0	0
16	Cabling & Wiring	2/11/02	0				0	0	HY	0	0
17	3 pcs software/printer memory upgrade	8/26/02	0				0	0	HY	0	0
18	Console Table & Rug	9/20/02	0				0	0	HY	0	0
19	Sony 19" Flat Screen Monitor	3/02/04	1,034				1,034	5	MO S/L	1,034	0
20	19" Samsung Monitor	5/28/04	269				269	5	MO S/L	269	0
	Total Other Depreciation		<u>1,303</u>				<u>1,303</u>			<u>1,303</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>1,303</u>				<u>1,303</u>			<u>1,303</u>	<u>0</u>
	Grand Totals		12,373				10,980			9,588	1,592
	Less: Dispositions and Transfers		<u>0</u>				<u>0</u>			<u>0</u>	<u>0</u>
	Net Grand Totals		<u>12,373</u>				<u>10,980</u>			<u>9,588</u>	<u>1,592</u>

Bonus Depreciation Report

Asset	Property Description	Date In Service	Tax Cost	Bus Pct	Tax Sec 179 Exp	Current Bonus	Prior Bonus	Tax - Basis for Depr
Activity: Form 990, Page 1								
23	Furniture & Equipment	5/04/12	1,685		0	843	0	842
24	Amazon Phone System	5/24/12	1,100		0	550	0	550
	Form 990, Page 1		<u>2,785</u>		<u>0</u>	<u>1,393</u>	<u>0</u>	<u>1,392</u>
	Grand Total		<u>2,785</u>		<u>0</u>	<u>1,393</u>	<u>0</u>	<u>1,392</u>

Depreciation Adjustment Report

All Business Activities

<u>Form</u>	<u>Unit</u>	<u>Asset</u>	<u>Description</u>	<u>Tax</u>	<u>AMT</u>	<u>AMT Adjustments/ Preferences</u>
<u>MACRS Adjustments:</u>						
Page 1	1	21	Computer Equipment - Server	0	0	0
Page 1	1	22	2 Desktops Computers & Equipment	0	0	0
Page 1	1	23	Furniture & Equipment	963	963	0
Page 1	1	24	Amazon Phone System	629	629	0
				<u>1,592</u>	<u>1,592</u>	<u>0</u>

Future Depreciation Report FYE: 12/31/13

Form 990, Page 1

Asset	Description	Date In Service	Cost	Tax	AMT
<u>Prior MACRS:</u>					
21	Computer Equipment - Server	12/28/06	5,490	0	0
22	2 Desktops Computers & Equipment	12/28/06	2,795	0	0
23	Furniture & Equipment	5/04/12	1,685	206	206
24	Amazon Phone System	5/24/12	1,100	134	134
			<u>11,070</u>	<u>340</u>	<u>340</u>
<u>Other Depreciation:</u>					
1	Furniture & Equipment	1/01/99	9,727	0	0
2	Furniture & Equipment	6/15/01	1,495	0	0
3	Furniture & Equipment	1/15/02	35,325	0	0
4	Computer Equipment	2/05/02	856	0	0
5	Furniture & Equipment	2/05/02	19,871	0	0
6	Computer Equipment	9/09/02	5,346	0	0
7	Office Furniture	5/15/02	16,091	0	0
8	Office Furniture	6/18/02	3,919	0	0
9	Office Furniture	7/31/02	596	0	0
10	Office Furniture	8/29/02	1,250	0	0
11	Computer Equipment	10/18/02	2,100	0	0
12	Computer Equipment	12/13/02	1,081	0	0
13	Computer Equipment	6/15/01	1,035	0	0
14	Telephone Installation	3/01/02	3,285	0	0
15	Filing Cabinets	1/28/02	2,625	0	0
16	Cabling & Wiring	2/11/02	2,159	0	0
17	3 pcs software/printer memory upgrade	8/26/02	8,257	0	0
18	Console Table & Rug	9/20/02	1,577	0	0
19	Sony 19" Flat Screen Monitor	3/02/04	1,034	0	0
20	19" Samsung Monitor	5/28/04	269	0	0
	Total Other Depreciation		<u>117,898</u>	<u>0</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>117,898</u>	<u>0</u>	<u>0</u>
	Grand Totals		<u>128,968</u>	<u>340</u>	<u>340</u>

Sterling-Turner Foundation

Form **990-W**

**Estimated Tax on Unrelated Business Taxable
Income for Tax-Exempt Organizations**

OMB No. 1545-0976

(Worksheet)
Department of the Treasury
Internal Revenue Service

(and on Investment Income for Private Foundations)
(Keep for your records. Do not send to the Internal Revenue Service.)

2013

1	Unrelated business taxable income expected in the tax year	1	
2	Tax on the amount on line 1. See instructions for tax computation	2	
3	Alternative minimum tax (see instructions)	3	
4	Total. Add lines 2 and 3	4	
5	Estimated tax credits (see instructions)	5	
6	Subtract line 5 from line 4	6	
7	Other taxes (see instructions)	7	
8	Total. Add lines 6 and 7	8	
9	Credit for federal tax paid on fuels (see instructions)	9	
10a	Subtract line 9 from line 8. Note. If less than \$500, the organization is not required to make estimated tax payments. Private foundations, see instructions	10a	29,674
b	Enter the tax shown on the 2012 return (see instructions). Caution. If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 10a on line 10c	10b	29,674
c	2013 Estimated Tax. Enter the smaller of line 10a or line 10b. If the organization is required to skip line 10b, enter the amount from line 10a on line 10c	10c	29,674

		(a)	(b)	(c)	(d)	
11	Installment due dates (see instructions)	11	05/15/13	06/17/13	09/16/13	12/16/13
12	Required installments. Enter 25% of line 10c in columns (a) through (d) unless the organization uses the annualized income installment method, the adjusted seasonal installment method, or is a "large organization" (see instructions)	12	7,419	7,419	7,419	7,419
13	2012 Overpayment (see instructions)	13				
14	Payment due. (Subtract line 13 from line 12.)	14	7,419	7,419	7,419	7,419

For Paperwork Reduction Act Notice, see instructions.

Form **990-W** (2013)

For calendar year 2012, or tax year beginning , and ending

Name
Sterling-Turner Foundation

Employer Identification Number
74-1460482

Form 990-PF, Part II, Line 7 - Additional Information

Name of borrower	Relationship to disqualified person
(1) Deposits	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)	3,605	3,623	3,623
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	3,605	3,623	3,623

Federal Statements**Taxable Interest on Investments**

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>US Obs (\$ or %)</u>
Interest Income - Chase Bank	\$ 21				
Total	<u>\$ 21</u>				

Tax-Exempt Dividends from Securities

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>InState Muni (\$ or %)</u>
Nondividend Distributions	\$ 8,687				
Total	<u>\$ 8,687</u>				

Taxable Dividends from Securities

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>US Obs (\$ or %)</u>
Dividends	\$ 1,542,361				
Salient Alternative	989				
Total	<u>\$ 1,543,350</u>				

Acknowledgement and General Information for Taxpayers Who File Returns Electronically

Thank you for taking part in the IRS e-file Program.

Sterling-Turner Foundation
5850 San Felipe

Houston, TX 77057

- [X] Your Form 990-PF, Return of Private Foundation for tax year December 31, 2012 is being filed electronically with the IRS by the services of Daniel P. McGuire, P.C..
- [X] Your return was accepted by the IRS on 07/30/13 and the Submission Identification Number assigned to your return is 79018720132110006472.
- [] You elected to pay the balance due on the return using electronic funds withdrawal.
- [] The payment request has been received by the IRS. If this is not checked, the balance due must be paid by August 15, 2013.

Since you are filing your return electronically, PLEASE DO NOT SEND A PAPER COPY OF YOUR RETURN TO THE IRS. IF YOU DO, IT WILL DELAY THE PROCESSING OF THE RETURN.

Acknowledgement Process

The IRS will notify your electronic return originator when they accept your return, usually within 48 hours. If your return was not accepted, IRS will notify your electronic return originator of the reasons for rejection.

If You Need to Make a Change to Your Return

If you need to make a change or correct the return you filed electronically, you can send either an amended electronic tax return or you can send an amended Form 990-PF, Return of Private Foundation, to the IRS submission processing center that processes paper returns for your area.