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Form **990-PF**Department of the Treasury  
Internal Revenue Service**Return of Private Foundation**  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation

OMB No 1545-0052

**2010**

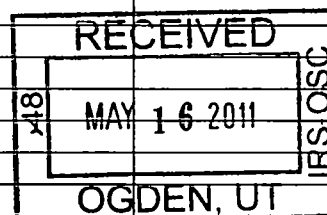
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2010, or tax year beginning , 2010, and ending , 20

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

Name of foundation The Lubrizol Foundation		A Employer identification number 34-6500595
Number and street (or P O box number if mail is not delivered to street address) 29400 Lakeland Blvd.	Room/suite 403A	B Telephone number (see page 10 of the instructions) 440-943-4200
City or town, state, and ZIP code Wickliffe, OH 44092		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1 Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 16,856,929.00	J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule) . . . . .	5,000,000.00			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B . . . . .				
	3 Interest on savings and temporary cash investments . . . . .				
	4 Dividends and interest from securities . . . . .	363,654.00	363,654.00		
	5a Gross rents . . . . .				
	b Net rental income or (loss) . . . . .				
	6a Net gain or (loss) from sale of assets not on line 10 . . . . .	1,864,238.00			
	b Gross sales price for all assets on line 6a . . . . .				
	7 Capital gain net income (from Part IV, line 2) . . . . .		229,853.00		
	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) . . . . .		-3,112.00			
12 Total. Add lines 1 through 11 . . . . .	7,227,892.00	590,395.00			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc. . . . .				
	14 Other employee salaries and wages . . . . .				
	15 Pension plans, employee benefits . . . . .				
	16a Legal fees (attach schedule) . . . . .				
	b Accounting fees (attach schedule) . . . . .				
	c Other professional fees (attach schedule) . . . . .				
	17 Interest . . . . .				
	18 Taxes (attach schedule) (see page 14 of the instructions) . . . . .	20,693.00			
	19 Depreciation (attach schedule) and depletion . . . . .				
	20 Occupancy . . . . .				
	21 Travel, conferences, and meetings . . . . .				
	22 Printing and publications . . . . .				
	23 Other expenses (attach schedule) . . . . .	103,715.00	79,392.00		
	24 Total operating and administrative expenses. Add lines 13 through 23 . . . . .	124,408.00	79,392.00		
	25 Contributions, gifts, grants paid . . . . .	2,582,766.00			2,582,766.00
26 Total expenses and disbursements. Add lines 24 and 25 . . . . .	2,707,174.00	79,392.00		2,582,766.00	
27 Subtract line 26 from line 12 . . . . .					
a Excess of revenue over expenses and disbursements . . . . .	4,520,718.00				
b Net investment income (if negative, enter -0-) . . . . .		511,003.00			
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
<b>Assets</b>	1 Cash - non-interest-bearing . . . . .	1,989.00	543.00	543.00
	2 Savings and temporary cash investments . . . . .	101,745.00	79,828.00	79,828.00
	3 Accounts receivable ▶ 35,583.00			
	Less: allowance for doubtful accounts ▶	2,523,021.00	35,583.00	35,583.00
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable . . . . .			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use . . . . .			
	9 Prepaid expenses and deferred charges . . . . .	9,017.00	0.00	0.00
	10 a Investments - U S and state government obligations (attach schedule) . . . . .			
	b Investments - corporate stock (attach schedule) . . . . .	2,124,636.00	3,740,124.00	3,740,124.00
	c Investments - corporate bonds (attach schedule) . . . . .			
	11 Investments - land, buildings, and equipment basis ▶			
Less: accumulated depreciation (attach schedule) ▶				
12 Investments - mortgage loans . . . . .				
13 Investments - other (attach schedule) . . . . .	7,695,511.00	13,000,851.00	13,000,851.00	
14 Land, buildings, and equipment basis ▶				
Less: accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶) . . . . .				
16 <b>Total assets</b> (to be completed by all filers - see the instructions. Also, see page 1, item I) . . . . .	12,455,919.00	16,856,929.00	16,856,929.00	
<b>Liabilities</b>	17 Accounts payable and accrued expenses . . . . .	45,266.00	68,104.00	
	18 Grants payable . . . . .	976,764.00	834,218.00	
	19 Deferred revenue . . . . .			
	20 Loans from officers, directors, trustees, and other disqualified persons . . . . .			
	21 Mortgages and other notes payable (attach schedule) . . . . .			
	22 Other liabilities (describe ▶) . . . . .			
23 <b>Total liabilities</b> (add lines 17 through 22) . . . . .	1,022,030.00	902,322.00		
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here</b> ▶ <input checked="" type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31.</b>			
	24 Unrestricted . . . . .	11,433,889.00	15,954,607.00	
	25 Temporarily restricted . . . . .			
	26 Permanently restricted . . . . .			
	<b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.</b> ▶ <input type="checkbox"/>			
	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 . . . . .			
30 <b>Total net assets or fund balances</b> (see page 17 of the instructions) . . . . .	11,433,889.00	15,954,607.00		
31 <b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions) . . . . .	12,455,919.00	16,856,929.00		

**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	11,433,889.00
2 Enter amount from Part I, line 27a . . . . .	2	4,520,718.00
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3 . . . . .	4	15,954,607.00
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	15,954,607.00

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)			(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
<b>1a</b> Details available upon request			P	Various	Various
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
(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)		
<b>a</b>			229,853.00		
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(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			
<b>a</b>			229,853.00		
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>2</b> Capital gain net income or (net capital loss) <span style="float:right">{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }</span>			<b>2</b>	229,853.00	
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8. . . . .			<b>3</b>		

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

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

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

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

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

**1** Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	2,572,968.00	6,793,776.00	0.3787
2008	2,683,167.00	9,074,848.00	0.2957
2007	3,105,938.00	12,795,513.00	0.2427
2006	2,214,466.00	13,850,702.00	0.1599
2005	2,442,437.00	14,712,106.00	0.1660
<b>2</b> Total of line 1, column (d) . . . . .		<b>2</b>	1.2430
<b>3</b> Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years . . . . .		<b>3</b>	0.2486
<b>4</b> Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 . . . . .		<b>4</b>	13,699,859.69
<b>5</b> Multiply line 4 by line 3 . . . . .		<b>5</b>	3,405,785.12
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b) . . . . .		<b>6</b>	5,110.03
<b>7</b> Add lines 5 and 6 . . . . .		<b>7</b>	3,410,895.15
<b>8</b> Enter qualifying distributions from Part XII, line 4 . . . . . If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.		<b>8</b>	2,582,766.00

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)**

1 a 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 ruling 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	10,220.06
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	
3 Add lines 1 and 2 . . . . .		3	10,220.06
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) . . . . .		4	
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0- . . . . .		5	10,220.06
6 Credits/Payments			
a 2010 estimated tax payments and 2009 overpayment credited to 2010 . . . . .	6a	13,829.00	
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	13,829.00	
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		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid . . . . .	10	3,608.94	
11 Enter the amount of line 10 to be Credited to 2011 estimated tax <input type="checkbox"/> 3,608.94 Refunded <input type="checkbox"/> <input type="checkbox"/>	11		

**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 page 19 of the instructions for definition)? . . . . .		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		
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 <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . .		X
If "Yes," attach a detailed description of the activities.		
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
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? . . . . .		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . . . .		X
If "Yes," attach the statement required by General Instruction T.		
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	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> OH - See attached grant disbursement schedule		
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? 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 page 20 of the instructions) . . . . .	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? . . . . .	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . . Website address ► <u>www.lubrizol.com/Foundation</u>	13	X	
14	The books are in care of ► <u>Jeff Hollis</u> Telephone no ► <u>440-943-4200</u> Located at ► <u>29400 Lakeland Blvd., Wickliffe, OH</u> ZIP + 4 ► <u>44092-2298</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here . . . . . and enter the amount of tax-exempt interest received or accrued during the year . . . . .	15		
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? . . . . . See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes	No X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? . . . . .	1b	
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 2010? . . . . .	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes," list the years ►		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see page 22 of the instructions) . . . . .	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. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.) . . . . .	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 2010? . . . . .	4b	X

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

**5a** During the year did the foundation pay or incur any amount to

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions). ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **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? ☐ 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? **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 page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Board of Directors, Officers,				
and their Directors serve				
without compensation.				
(See attached schedule)				

**2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the instructions). If none, enter "NONE."**

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

Total number of other employees paid over \$50,000 ☐ 0

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)***3 Five highest-paid independent contractors for professional services** (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
<b>Total number of others receiving over \$50,000 for professional services</b> . . . . .		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 Not applicable	
2	
3	
4	
	0.00

**Part IX-B Summary of Program-Related Investments** (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See page 24 of the instructions	
3	
	0.00
<b>Total.</b> 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 page 24 of the instructions.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	13,670,601.00
<b>b</b>	Average of monthly cash balances	<b>1b</b>	237,886.00
<b>c</b>	Fair market value of all other assets (see page 25 of the instructions)	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	13,908,487.00
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	13,908,487.00
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	<b>4</b>	208,627.31
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	13,699,859.69
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	684,992.98

**Part XI Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	684,992.98
<b>2a</b>	Tax on investment income for 2010 from Part VI, line 5	<b>2a</b>	10,220.06
<b>b</b>	Income tax for 2010 (This does not include the tax from Part VI)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	10,220.06
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	674,772.92
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	674,772.92
<b>6</b>	Deduction from distributable amount (see page 25 of the instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	674,772.92

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

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b>	2,582,766.00
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	2,582,766.00
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	<b>5</b>	
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	2,582,766.00

**Note:** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

**Part XIII Undistributed Income** (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7 . . . . .				674,772.92
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only . . . . .				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2010				
a From 2005 . . . . .	1,737,487.00			
b From 2006 . . . . .	1,562,563.00			
c From 2007 . . . . .	2,509,562.00			
d From 2008 . . . . .	2,234,643.00			
e From 2009 . . . . .	2,235,403.00			
f Total of lines 3a through e . . . . .	10,279,658.00			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 2,582,766.00				
a Applied to 2009, but not more than line 2a . . .				
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions) . . . . .				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions) . . . . .				
d Applied to 2010 distributable amount . . . . .				674,772.92
e Remaining amount distributed out of corpus . .	1,907,993.08			
5 Excess distributions carryover applied to 2010 . (If an amount appears in column (d), the same amount must be shown in column (a) )				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	12,187,651.08			
b Prior years' undistributed income Subtract line 4b from line 2b . . . . .				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .				
d Subtract line 6c from line 6b. Taxable amount - see page 27 of the instructions . . . . .				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions . . . . .				
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011. . . . .				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions) . . . . .				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .	1,737,487.00			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a . . . . .	10,450,164.08			
10 Analysis of line 9				
a Excess from 2006 . . . . .	1,562,563.00			
b Excess from 2007 . . . . .	2,509,562.00			
c Excess from 2008 . . . . .	2,234,643.00			
d Excess from 2009 . . . . .	2,235,403.00			
e Excess from 2010 . . . . .	1,907,993.08			

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

**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 2010, enter the date of the ruling . . . . .

**b** Check box to indicate whether the foundation is a private operating foundation described in section

4942(j)(3) or

4942(j)(5)

**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) 2010	(b) 2009	(c) 2008	(d) 2007	
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test - enter					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
<b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
<b>c</b> "Support" alternative test - enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
<b>(3)</b> Largest amount of support from an exempt organization . . . . .					
<b>(4)</b> Gross investment income . . . . .					

**Part XV Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

**a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2) )

None

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

None

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

**a** The name, address, and telephone number of the person to whom applications should be addressed

See attached statement

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

See attached statement

**c** Any submission deadlines

None

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

See attached statement

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

<div>Recipient</div> <div>Name and address (home or business)</div>	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
<b>a Paid during the year</b>  See attached statement				2,726,812.00
<b>Total</b> .....			<b>3a</b>	2,726,812.00
<b>b Approved for future payment</b>  <div> <div>At 12/31/09</div> <div>At 12/31/10</div> </div> Grants Authorized for Future Payments \$731,727 \$569,526 -162,201.00  Matching Gifts Authorized for Future Payments \$238,737 \$256,892 18,155.00				
<b>Total</b> .....			<b>3b</b>	2,582,766.00

## Enter gross amounts unless otherwise indicated

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

Line No.	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See page 29 of the instructions )
▼	

Not applicable

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

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

[illegible]

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

**b If "Yes," complete the following schedule**

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign  
Here**

belief, it is true, correct, and complete Declaration

*Juan O. Valenzuela*

5-10-11

Treasurer

Signature of officer or trustee

Date \_\_\_\_\_

**Title**

Print/Type preparer's name

Preparer's signature

Date \_\_\_\_\_

PTIN
------

Check ☐ if self-employed

**Paid  
Preparer  
Use Only**

Firm's name

Firm's address ►

Firm's EIN ▶

Phone no

**The Lubrizol Foundation 34-6500595**  
**Form 990-PF, Return of Private Foundation**  
**2010**

**Page 1, Part I, Line 1, column (a) - Contributions, gifts, and grants of \$5,000 or more during the year:**

*and*

**Page 4, Part VII-A, Line 10 -- Substantial Contributor during the tax year:**

<u>Date</u>	<u>Name/Address</u>	<u>Description</u>	<u>Amount</u>
03/31/2010	The Lubrizol Corporation	Cash	2,500,000
06/30/2010	The Lubrizol Corporation	Cash	2,500,000
	29400 Lakeland Blvd.		<u>5,000,000</u>
	Wickliffe, OH 44092		
	FEIN #34-0367600		

**Page 1, Part I, Line 11, column (b) - Other Income**

Limited Partnership Income - Cleveland Development P'ship	<u>-3,112</u>
E.I.N. 34-6500595	

**Page 1, Part I, Line 18, column (a) - Taxes**

Accrued taxes payable	
Federal Excise Tax	<u>20,693</u>
	<u>20,693</u>

**Page 1, Part I, Line 23, columns (a&b) - Other Expenses**

State filing fee		0
Investment Management Fees	79,392	79,392
Consulting Fees	24,323	0
	<u>103,715</u>	<u>79,392</u>

**Page 2, Part II, Columns (b) and (c) - Investments**

Line 10b - Corporate Stock	
Various Equity Securities - List Available	
on Request	<u>3,740,124</u>

Line 13 - Investments - Other

PIMCO	2,406,015
One Group	2,406,257
DFA	1,339,930
TBCAM CMT	92,228
Victory Focused	1,711,176
Victory Funds	0
Wm. Blair Int'l Equity	3,323,564
RS Investment	870,308
Westwood	851,373
	<u>13,000,851</u>

**The Lubrizol Foundation 34-6500595**  
**Form 990-PF, Return of Private Foundation**  
**2010**

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Page 3, Part IV, col. (a) and (h) Capital Gains and Losses

PIMCO Total Return Fund	2,613
One Group	2,068
Victory Funds	38,847
Dimensional Fund Advisors	18,801
TBCAM CHT	161,636
RS Investment	14,399
Victory Focused	20,079
STRALEM	(316)
Westwood	1,641
Wm. Blair International Equity	(29,915)
	<u>229,853</u>



THE LUBRIZOL FOUNDATION 34-6500595  
FORM 990-PF, RETURN OF PRIVATE FOUNDATION  
2010

PAGE 10, PART XV - SUPPLEMENTARY INFORMATION, QUESTION 2

- 2a) Name, address and telephone number of person to whom applications should be addressed:

Brian A. Valentine, Treasurer  
The Lubrizol Foundation  
29400 Lakeland Blvd.  
Wickliffe, Ohio 44092

- 2b) Form in which applications should be submitted; information and materials they should include:

Applications must be in writing and contain a comprehensive statement of the purpose for which the grant is intended and justification for its need. A current budget, evidence of tax-exempt status and if available, the findings of a current audit must be included.

- 2d) Restrictions or limitations on awards:

1. Grants to educational institutions, youth activities, health, welfare, environmental and civic and cultural activities are generally made in Ohio and Texas in the area of Lubrizol facilities, as determined by the Board of Trustees.
2. Scholarships, fellowships, and awards are generally made in the fields of chemistry and chemical and mechanical engineering at colleges and universities in the Midwest and Southwest, upon recommendation from the Scholarship Committee and determination by the Board. Student recipients are selected by the colleges and universities.
3. Charitable organizations to receive matching gifts are designated by employees, in accordance with established criteria.

The Lubrizol Foundation  
2010 Form 990-PF

34-6500595

Page 11, Part XV , Question 3

Summarized below and supported by the attached detailed listings are the grants provided by the Foundation during 2010.

Education:

Colleges & Universities	\$ 600,656	
School	186,931	
Educational Programs & Combined Funds	<u>162,000</u>	\$ 949,587

Health & Human Services:

Health	96,661	
Human Services	<u>1,018,082</u>	1,114,743

Environmental		103,331
---------------	--	---------

Youth Activities		135,340
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Civic & Cultural	<u>243,015</u>	
	2,546,016	

Conditional Grants	<u>36,750</u>	
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\$2,582,766

*Trustees*

D. J. Enzerra  
*Director, Social Responsibility  
and Public Affairs  
The Lubrizol Corporation*

R. T. Graf  
*Vice President, Research and Development  
The Lubrizol Corporation*

J. L. Hambrick  
*Chairman, President and  
Chief Executive Officer  
The Lubrizol Corporation*

K. L. Jethrow  
*Corporate Manager – Health & Safety Programs  
The Lubrizol Corporation*

K. A. Lerchbacher  
*Grants Manager  
The Lubrizol Foundation*

B. A. Valentine  
*Treasurer  
The Lubrizol Corporation*

*Officers*

J. L. Hambrick  
*Chairman*

D. J. Enzerra  
*President*

B. A. Valentine  
*Treasurer*

K. A. Lerchbacher  
*Secretary*

## ENVIRONMENTAL

TOTAL - ENVIRONMENTAL

THE LUBRIZOL FOUNDATION  
2010 GRANTS

CIVIC & CULTURAL

				BUDGETS OPERATING SUPPORT	DISCRETIONARY GIFTS OPERATING	DISCRETIONARY GIFTS CAPITAL	TOTAL EXCL MATCHING GIFTS	MATCHING GIFTS OPERATING	TOTAL INCL MATCHING GIFTS	COMMUNITY CONNECTION	TOTAL
A.D. Players	Houston	TX	77098	2,500			\$2,500		\$2,500		\$2,500
Best Friends Animal Society	Kent	UT	84741-5001				\$0		\$0	300	\$300
Business Advisors of Cleveland	Cleveland	OH	44103-7314	2,500			\$2,500		\$2,500		\$2,500
Business Volunteers Unlimited	Cleveland	OH	44114	2,500			\$2,500		\$2,500		\$2,500
The City Club of Cleveland	Cleveland	OH	44114	2,500			\$2,500		\$2,500		\$2,500
Chil Air Field Squadron	Cleveland	OH	44114	2,500			\$0		\$0	300	\$300
Cleveland Engineering Society	Cleveland	OH	44114	2,500			\$2,500		\$2,500		\$2,500
The Cleveland Museum of Art	Cleveland	OH	44106	2,500	30,000		\$32,500		\$32,500		\$32,500
Cleveland Museum of Natural History	Cleveland	OH	44106	2,500			\$2,500		\$2,500		\$2,500
The Cleveland Play House	Cleveland	OH	44106	2,500			\$2,500		\$2,500		\$2,500
Deer Creek Farm	Cleveland	OH	44113-2229	2,500	10,000		\$12,500		\$12,500		\$12,500
Overlook Cleveland Alliance	Cleveland	OH	44115	2,500			\$2,500		\$2,500		\$2,500
The Foundation Center	Cleveland	OH	44115	2,500			\$0		\$0	300	\$300
Cengage Humane Society	Cleveland	OH	44115	5,000			\$5,000		\$5,000		\$5,000
Crest Lakes Science Center	Cleveland	OH	44115	2,500			\$2,500		\$2,500		\$2,500
Great Lakes Theater Festival	Houston	TX	77030	2,500			\$2,500		\$2,500		\$2,500
Griehouse Pits of America Houston	Houston	TX	77030	2,500			\$2,500		\$2,500		\$2,500
Houston Museum of Natural Science	Houston	TX	77030	2,500			\$2,500		\$2,500		\$2,500
Houston Museum of Fine Arts	Houston	TX	77030	2,500			\$2,500		\$2,500		\$2,500
Houston Symphony Society	Houston	TX	77030	2,500			\$2,500		\$2,500		\$2,500
Indianapolis Museum of Art	Indianapolis	IN	46204	2,500			\$2,500		\$2,500		\$2,500
Invest Now - National Investor Hall of Fame	Albany	OH	43064-1170	2,500			\$2,500		\$2,500		\$2,500
Lake County Historical Society	Albany	OH	44080	2,500			\$2,500		\$2,500		\$2,500
Local Arts Association	Cleveland	OH	44106	30,000			\$30,000		\$30,000		\$30,000
Musical Arts Association	Cleveland	OH	44106	2,500			\$2,500		\$2,500		\$2,500
Parrot Education & Adoption Center Cleveland	Cleveland	OH	44106	2,500			\$2,500		\$2,500		\$2,500
Playhouse Square Foundation	Cleveland	OH	44115	2,500	1,000		\$3,500		\$3,500		\$3,500
Raptor Rehabilitation of Kentucky Inc.	KY	KY		2,500			\$0		\$0	300	\$300
Teleopsis Heritage Society of Kentucky Inc.	KY	KY		2,500			\$0		\$0	300	\$300
University Circle Incorporated	Cleveland	OH	44106	2,500		10,000	\$12,500		\$12,500		\$12,500
Veritas Center	Cleveland	OH	44118	2,500			\$2,500		\$2,500		\$2,500
Westam Reserve Junior Service League	Westam Reserve	OH	44077	2,500	7,500		\$10,000		\$10,000		\$10,000
Westam Reserve Model Railroad Museum	Westam Reserve	OH	44077	2,500			\$2,500		\$2,500		\$2,500
Westam Reserve Playhouse	Westam Reserve	OH	44077	2,500			\$2,500		\$2,500		\$2,500
Westam Reserve Historical Society	Westam Reserve	OH	44077	2,500			\$2,500		\$2,500		\$2,500
Total Matching Gifts					5,000		\$5,000		\$5,000		\$5,000
								89,315	\$89,315		\$89,315
TOTAL - CIVIC & CULTURAL				\$87,500	\$13,500	\$10,000	\$111,000	\$89,315	\$200,315	\$2,700	\$203,015

THE LUBRIZOL FOUNDATION

[illegible]

**1. THEORY**

THE LUBRIZOL FOUNDATION  
2010 GRANTS

YOUTH ACTIVITIES

				BUDGETS- OPERATING SUPPORT	DISCRETIONARY GIFTS OPERATING	DISCRETIONARY GIFTS CAPITAL	TOTAL EXCL MATCHING GIFTS	MATCHING GIFTS OPERATING	TOTAL INCL MATCHING GIFTS	COMMUNITY CONNECTION	TOTAL
Big Brothers / Big Sisters of Greater Cleveland	1900 Euclid Ave #112	OH 44115	Cleveland	2,500			\$2,500		\$2,500		\$2,500
Big Brothers / Big Sisters of Greater Cleveland	6100 Madisonwood	OH 44060	Mentor	2,500			\$2,500		\$2,500		\$2,500
Big Brothers / Big Sisters of Greater Cleveland	10000 Lorain Rd	TX 44115	Houston	2,500			\$2,500		\$2,500	300	\$2,800
Boy Scouts of America-Cuyahoga	East 2nd & Woodland	OH 44115	Cleveland	2,500			\$2,500		\$2,500		\$2,500
Boy Scouts of America-Gr Western Reserve	4830 Eldersford Drive	OH 44481	Warren	8,000			\$8,000		\$8,000	900	\$8,900
Boy Scouts of America-Sam Houston Council	P O Box 52786	TX 77052-0786	Houston	5,000			\$5,000		\$5,000		\$5,000
Boy Scouts of America-Great Trail Council	1601 South Main Street	OH 44301	Alton				\$0		\$0	600	\$600
Boy Scouts of America - Troop 405							\$0		\$0	300	\$300
Boy Scouts of America - Heart of Ohio							\$0		\$0	300	\$300
Boys & Girls Clubs of Greater Chive	4800 Carnegie Ave	OH 44103	Cleveland	2,500			\$2,500		\$2,500		\$2,500
Boys & Girls Clubs of Greater Chive	514 Bayridge Road P O Box 1235	TX 77572-1235	Is Porte	2,500			\$2,500		\$2,500		\$2,500
Boys & Girls Clubs of Greater Chive		TX 77504	Princeton	2,500			\$2,500		\$2,500		\$2,500
Boys & Girls Clubs of Greater Chive	720 Fairmont Parkway	TX 77504	Princeton	2,500			\$2,500		\$2,500		\$2,500
Boys & Girls Clubs of Greater Chive		OH 44022	Chagrin Falls	2,500			\$2,500		\$2,500	300	\$2,800
Boys & Girls Clubs of Greater Chive	33775 Helm Trail	OH 44107	Lakewood	2,500			\$2,500		\$2,500		\$2,500
Boys & Girls Clubs of Greater Chive	15529 Madison Ave	OH 44107	Cleveland	2,500			\$2,500		\$2,500	600	\$3,100
Boys & Girls Clubs of Greater Chive		OH 44108	Cleveland	2,500			\$2,500		\$2,500	300	\$2,800
Boys & Girls Clubs of Greater Chive	2480 Fairmont Blvd	OH 44108	Cleveland	2,500			\$2,500		\$2,500		\$2,500
Boys & Girls Clubs of Greater Chive	2511 Chagrin Blvd	OH 44115	Blackwood	2,500			\$2,500		\$2,500		\$2,500
Boys & Girls Clubs of Greater Chive	201 W. Chagrin Blvd	TX 77521	Blackwood	2,500			\$2,500		\$2,500		\$2,500
Boys & Girls Clubs of Greater Chive	2200 Prospect Ave	OH 44115	Cleveland	3,000			\$3,000		\$3,000		\$3,000
Boys & Girls Clubs of Greater Chive	631 Babcock Road	OH 44123	Euclid	3,000			\$3,000		\$3,000		\$3,000
Boys & Girls Clubs of Greater Chive	5000 Mayfield Road	OH 44124	Lyndhurst	3,000			\$3,000		\$3,000	300	\$3,300
Boys & Girls Clubs of Greater Chive	1600 Louisiana 2nd Floor	TX 77002	Houston	2,500			\$2,500		\$2,500		\$2,500
Boys & Girls Clubs of Greater Chive	37100 Euclid Ave	OH 44094	Wadsworth	2,500			\$2,500		\$2,500		\$2,500
Boys & Girls Clubs of Greater Chive	730 N. Lake Street	OH 44037	Madison	2,500			\$2,500		\$2,500		\$2,500
Boys & Girls Clubs of Greater Chive	623 Mentor Ave	OH 44077	Madison	2,500			\$2,500		\$2,500		\$2,500
Boys & Girls Clubs of Greater Chive	1716 Jaume	TX 77503	Princeton	2,500			\$2,500		\$2,500		\$2,500
Boys & Girls Clubs of Greater Chive		OH	Cleveland	3,500			\$3,500		\$3,500		\$3,500
Total Matching Gifts							\$0	44,140	\$44,140		\$44,140
TOTAL - YOUTH ACTIVITIES				\$72,000	\$15,000	\$0	\$87,000	\$44,140	\$131,140	\$4,200	\$135,340

THE LUSHEL FOUNDATION  
ZOE GRANT

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**CONCLUSIONS**

1974. **PLACENTOM**



THE LUBRIZOL FOUNDATION  
2010 GRANTS

	SCHOLARSHIPS	BUDGETS- OPERATING SUPPORT	DISCRETIONARY GIFTS OPERATING	DISCRETIONARY GIFTS CAPITAL	TOTAL EXCL MATCHING GIFTS COMMUN CONN	MATCHING GIFTS OPERATING	TOTAL INCL MATCHING GIFTS	COMMUNITY CONNECTION	GRAND TOTAL
EDUCATION									
COLLEGES & UNIVERSITIES	\$398,800.00	\$15,500.00	\$15,000.00	\$30,000.00	\$457,900.00	\$143,555.68	\$600,655.68	\$1,200.00	\$600,655.68
SCHOOLS		\$15,500.00	\$15,000.00	\$7,728.00	\$37,228.00	\$148,005.40	\$185,731.40	\$1,200.00	\$188,931.40
EDUCATIONAL PROGRAMS & COMBINED FUNDS	\$2,000.00	\$35,000.00	\$35,000.00		\$115,000.00	\$40,600.30	\$155,600.30	\$2,400.00	\$162,000.30
TOTAL EDUCATION	\$398,800.00	\$45,500.00	\$84,000.00	\$37,728.00	\$616,028.00	\$329,861.38	\$945,987.38	\$3,600.00	\$949,587.38
HEALTH & HUMAN SERVICES									
HEALTH		\$7,500.00	\$3,500.00	\$1,907.00	\$12,907.00	\$77,753.40	\$90,660.40	\$8,000.00	\$98,660.40
HUMAN SERVICES		\$573,025.80	\$84,500.00	\$116,879.00	\$764,404.80	\$310,877.60	\$1,075,282.40	\$3,000.00	\$1,078,282.40
JIAL HEALTH & HUMAN SERVICES		\$530,525.80	\$88,000.00	\$118,788.00	\$717,311.80	\$388,431.00	\$1,105,742.80	\$9,000.00	\$1,114,742.80
CIVIC & CULTURAL		\$87,500.00	\$53,500.00	\$10,000.00	\$151,000.00	\$89,315.33	\$240,315.33	\$2,700.00	\$243,015.33
ENVIRONMENTAL		\$20,000.00		\$55,000.00	\$75,000.00	\$27,731.00	\$102,731.00	\$600.00	\$103,331.00
YOUTH ACTIVITIES		\$72,000.00	\$15,000.00		\$87,000.00	\$44,139.70	\$131,139.70	\$4,200.00	\$135,339.70
TOTAL GRANTS	\$398,800.00	\$785,525.80	\$230,500.00	\$221,512.00	\$1,848,337.80	\$878,578.41	\$2,525,916.21	\$20,100.00	\$2,546,016.21

2011

**Mission statement**

The mission of The Lubrizol Foundation is to complement and support the interests, values and vision of The Lubrizol Corporation by awarding financial support to educational institutions and charitable organizations in communities primarily within the United States where Lubrizol operates major facilities.

**Policies and objectives**

A private foundation established in 1952, The Lubrizol Foundation is a nonprofit Ohio corporation and exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. The Foundation's activities are directed by a Board of Trustees which determines its policies and objectives, elects its officers and appoints the members of its committees. The Foundation has four committees: Executive, Gift, Investment and Scholarship.

The Lubrizol Foundation makes grants in support of education, health care, human services, civic, cultural, youth and environmental activities of a tax-exempt, charitable nature.

Except for its scholarship program at 34 colleges and universities, The Foundation makes grants primarily to charitable organizations in communities where The Lubrizol Corporation has major U.S. operations. Priority is given to the greater Cleveland, Ohio and Houston, Texas areas. In addition to these activities, The Foundation administers The Lubrizol Matching Gift Program.

**Application process**

Written applications of established nonprofit charitable organizations will be considered on a case by case basis. There are no application deadlines. Grants are not made for religious or political purposes, to individuals nor, generally, to endowments.

Grant proposals should include the following:

- a cover letter that summarizes the purpose of the request, signed by the executive officer of the organization or development office.
- a narrative of specific information related to the subject of the request.
- current audited financial statements and a specific project budget, if applicable.
- Documentation of the organization's Federal tax-exempt status, e.g., a copy of the 501(c)(3) determination letter.

Additional descriptive literature (e.g., an annual report, brochures, etc.) that accurately characterizes the overall activities of the organization is appreciated. Upon review, further information may be requested including an interview and site visit.

Applicants will receive written notification of the decision on their proposal. An organization whose request has been declined will not be reconsidered for 12 months. Applicants are welcome to contact The Foundation office for further clarification of the foregoing requirements.

**Grant applications should be mailed to:**

The Lubrizol Foundation  
29400 Lakeland Boulevard  
Wickliffe, Ohio 44092

March 31, 2011

### **President's Message**

The Lubrizol Foundation, since its inception in 1952, has contributed more than \$58 million to activities of a charitable nature.

I am pleased to report that 2010 was another successful year as we awarded close to \$2.6 million in grants to nonprofit organizations and educational institutions for programs that support education, health care, human services, civic, cultural, youth and environmental activities. These grants reflect a long-standing commitment to responsible corporate citizenship by supporting organizations within the United States where The Lubrizol Corporation operates its major facilities.

We became more strategic in our philanthropy by coordinating our grant making with the corporation's overall community outreach efforts, directing more of our discretionary grants and annual operating support to nonprofit organizations where Lubrizol employees volunteer their time and talents in significant ways. We also provided guidance on effective grant making through external presentations and site visits to many of the nonprofit organizations that receive Foundation grants.

In our primary areas of focus, grants to education in 2010 totaled \$616,026, including \$398,800 in total scholarship support to 34 institutions of higher learning. Civic, cultural and environmental organizations combined received \$226,000, with organizations supporting youth activities receiving \$87,000.

Grants to health and human services organizations totaled \$717,312, of which \$460,526 was given directly to United Way organizations in Northeast Ohio and the Texas Gulf Coast. The Foundation has a long history of supporting The United Way.

The Foundation's matching gift program awarded \$879,578 in 2010; an increase of close to 9.5% compared with 2009, and represents individuals' continued charitable support. Matching gift dollars were awarded to 1,050 charitable nonprofit organizations. In all, 882 employees and retirees took advantage of this program. Participation in the matching gift program has increased steadily over the years to the point where it now represents more than one third of The Foundation's total annual budget. Several changes were announced to the matching gift program in November to manage this growth and for its long term sustainability, so our employees and retirees can continue to take advantage of it for many years to come.

The Foundation's Community Connection program awarded \$20,100 to 46 qualifying charitable organizations where employees had donated more than 40 hours of time in 2010. Our goal is to increase the number of participating employees in the months and years ahead. In November, we also announced an increase in the amount of the grants to be awarded through this program, from \$300 to \$500.

I want to take this opportunity to thank The Foundation's board of trustees for their continued commitment to our mission. Last year, we focused on streamlining our grant making process and enhancing our communications with grantees. Going forward, I know that together, working closely with our communities and our employees, we will make an even bigger difference for those who depend on us.

David J. Enzerra  
President – The Lubrizol Foundation

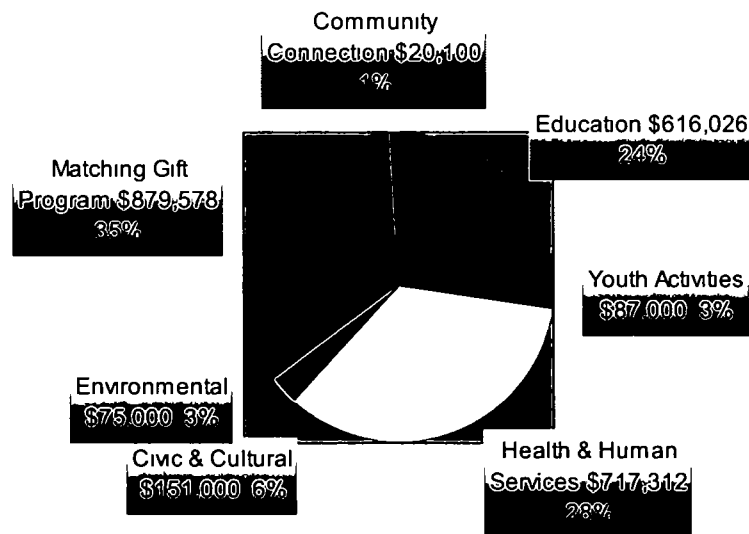
**Summary of grants**

	2010	2009
Education	\$616,026	\$560,800
Health & human services	717,312	655,727
Civic & cultural	151,000	241,000
Youth activities	87,000	88,000
Environmental	75,000	32,500
Community connection	20,100	16,200
Matching gift program	879,578	803,303
<b>Total grants</b>	<b>\$2,546,016</b>	<b>\$2,397,530</b>

*The Lubrizol Foundation provides operating and capital grants, scholarships and emergency grant support to the many agencies that serve the community in which we operate.*

*In 2010 the foundation continued to support agencies faced with the loss of public funding due to economic challenges by providing emergency support and assisting collaboration efforts that added to the economic development successes in our region.*

2010 Giving by Category  
\$2,546,016



**Education scholarships, fellowships and awards**

**34 Grants - \$398,800**

Throughout its history, The Foundation's priority has been support for higher education. Under the terms of the scholarship program, The Foundation selects the colleges and universities and designates the fields of study. Principal emphasis is given to the study of chemistry, chemical engineering and mechanical engineering. All grants are based on established student achievement and/or academic potential or the financial need of exceptional students. The students are selected by the colleges and universities.

**Education general**

**36 Grants - \$217,226**

The Foundation also has a commitment to support education through grants for capital and operating purposes, not only to colleges and universities, but also, to a lesser extent, to elementary and secondary schools. Grants are also made to educational programs and combined educational funds for operating expenses.

**Health & human services**

**54 Grants - \$717,312**

In addition to significant annual contributions to united campaigns in Ohio and Texas, The Foundation provides direct capital and operating support for health and human service organizations. Grants are also made to nonprofit hospitals, specialized health care providers and to organizations providing basic human services, e.g., clothing, rehabilitation and hospice care to those in need.

**Civic & cultural**

**28 Grants - \$151,000**

The performing arts, museums, public broadcasting stations and special interest groups enhance the communities in which we live and work. These organizations must generally look to the private sector for their principal support. The Foundation is pleased to provide both capital and operating grants to many of these organizations.

**Youth activities**

**25 Grants - \$87,000**

The Foundation considers its youth activity grants to be an excellent investment in the future. The Foundation provides operating and capital grants to organizations that provide training in leadership skills and responsible citizenship.

**Environmental**

**11 Grants - \$75,000**

Since 1954, The Foundation has provided support for environmental activities through grantmaking in civic and cultural areas. In 2001, the Board of Trustees, consistent with the corporate vision, made it a separate program area. This category supports parks, nature centers, conservancies and local environmental education efforts.

**Community connection**

**67 Grants - \$20,100**

Full-time and part-time U. S. employees of The Lubrizol Corporation or its U. S. subsidiaries, who complete 40 hours or more of volunteer work in a calendar year for an eligible not-for-profit organization, can complete an application for a \$300 grant from The Lubrizol Foundation to the charitable organization. An employee may submit one grant application per year to The Foundation.

**Matching gift program**

**2,889 Grants - \$879,578**

The Matching Gift Program was established to provide an incentive to participants to give financial support to educational institutions and charitable organizations and to encourage and support volunteer work in the communities in which they work and live.

*Education scholarships, fellowships and awards:*

The University of Akron	\$47,000
Baldwin-Wallace College	6,000
Bowling Green State University	4,000
Carnegie Mellon University	25,000
University of Cincinnati	18,000
Cleveland State University	8,000
Community Re-Entry Program	2,000
Cuyahoga Community College	13,800
University of Dayton	4,000
Gaston College	6,600
Hiram College	6,000
University of Houston	10,000
University of Houston - Clear Lake	10,000
Howard University	6,000
University of Illinois at Urbana Champaign	29,000
Jefferson Community & Technical College	6,600
John Carroll University	6,000
Kent State University	12,000
Lake Erie College	10,000
Lakeland Community College	10,200
Lorain County Community College	6,600
Miami University	6,000
The University of Michigan	8,000
North Carolina A&T State University	6,000
Oberlin College	4,000
The Ohio State University	62,000
Paducah Junior College	8,000
Purdue University	8,000
San Jacinto College Central	16,000
Texas A&M University - College Station	12,000
Texas A&M University - Kingsville	4,000
The University of Texas at Austin	10,000
University of Toledo	4,000
Tuskegee University	4,000

**Total    \$398,800**

*Education capital grants:*

University of Cincinnati	\$20,000
<i>Toward a table top Brabender Twin Screw Extruder</i>	
Metro Catholic Parish School	10,000
<i>"Children in the City Campaign"</i>	
Miami University	10,000
<i>Toward the purchase of laboratory equipment</i>	
Wickliffe High School	7,726
<i>Toward the purchase of Biology Microscopes</i>	

**Total    \$47,726**

*Educational programs and combined funds operating grants:*

Boys Hope Girls Hope Northeastern Ohio	\$ 5,000
<i>Outreach programs, Hope Prep, and residential program</i>	
Cleveland Technical Societies Council	28,000
<i>Scholarships</i>	
Communities in Schools, Inc.	3,500
Fine Arts Association	3,500
Free Enterprise Institute	3,000
Junior Achievement	
<i>Greater Cleveland</i>	3,000
<i>Southeast Texas</i>	3,000
Lake/Geauga Educational Assistance Foundation	3,500
<i>Additional Scholarship Aid 2010</i>	3,500
Learning About Business	4,000
<i>Special operating support 2010</i>	10,000
Learning Disabilities Association of Northeast Ohio	7,500
Northeast Ohio Council on Higher Education	5,000
<i>Regional Internship Initiative</i>	
Northeastern Ohio Science & Engineering Fair	3,500
Old Stone Education Center	3,500
<i>In support of the Career Readiness Track program</i>	10,000
Partners in Science Excellence	10,000
Porter Center for Science and Mathematics	5,000
Project: LEARN	2,500
Rainey Institute	3,500
Science Engineering Fair of Houston	1,500
Society of Women Engineers	1,500
United Negro College Fund, Inc.	3,500

**Total    \$127,000**

*Education operating grants:*

Ashland University	\$10,000
<i>Annual support of the Environmental Series</i>	
Baldwin Wallace College	5,000
<i>Sustainability Plan Clinic, supporting internships</i>	
Case Western Reserve University Dean's Discretionary Funds:	
<i>The Case School of Engineering</i>	4,000
<i>The College of Arts and Sciences</i>	4,000
Citizens Academy	3,500
Cleveland Institute of Art	4,000
Cleveland Institute of Music	3,500
The Cleveland Music School Settlement	5,000
Julie Billiard School	3,500

**Total    \$42,500**

*Health & human services united campaign grants:*

United Way of Greater Cleveland	\$183,300
United Way of Lake County, Inc.	110,200
United Way of the Texas Gulf Coast	84,800

**Total    \$378,300**

*Health & human services capital grants:*

Breckenridge Village	\$10,000
<i>Support for relocation of the Adult Day Center</i>	
The Bridge	10,000
<i>Bridge to the Stars-A Brighter Future Capital Campaign</i>	
Center for Families and Children	30,000
<i>Renovation of the Wade Early Learning Center</i>	
Fairhill Partners	35,000
<i>Toward the renovation of Building 6</i>	
Haiti Children Mercy & Sharing Williamson Orphanage	15,000
<i>For the purchase of a vehicle used to get supplies</i>	
<i>and transport very sick orphans to emergency facilities</i>	
Hattie Larlham Foundation	10,000
<i>For the purchase of special health care equipment</i>	
Koinonia Homes, Inc.	6,879
<i>Toward the purchase of industrial strength shredders</i>	
Lake County Free Medical Clinic	1,907
<i>Toward the purchase of medical equipment</i>	

**Total    \$118,786**

*Health & human services operating grants:*

American Red Cross	
<i>Greater Cleveland &amp; Lake County</i>	\$ 5,000
<i>Central Bay Area</i>	2,500
Ashley's Hope	5,000
<i>The Families First program</i>	
Bay Area Rehabilitation Center	2,500
Beech Brook	2,500
The Bridge	2,500
Cenikor Foundation of Texas, Inc.	2,500
Cleveland Foodbank	2,500
<i>Emergency Food Relief</i>	5,000
Cleveland Hearing & Speech Center	2,500
Cleveland Rape Crisis Center	10,000
<i>Direct Services for Survivors of Sexual Assault</i>	
Cleveland Sight Center	2,500
Deepwood Center Special Olympics	2,500
Fairhill Partners	15,000
<i>In support of the 2010 summer camp session</i>	



*Health & human services operating grants continued*

The Free Clinic of Greater Cleveland	\$ 2,500
Geauga County Habitat for Humanity	5,000
<i>In support of the ReStore Initiative</i>	
Greater Cleveland Volunteers	2,500
Hattie Larlham Foundation	2,500
Hospice of the Western Reserve, Inc.	2,500
InterAct Cleveland	5,000
<i>Support for the 2010 meals program</i>	
Lake County Free Medical Clinic	2,500
Legal Aid Society	2,500
Lupus Foundation of America, Inc. Greater Cleveland Chapter	3,500
Make-A-Wish Foundation	2,500
<i>Texas Gulf Coast &amp; Louisiana</i>	
MedWish International	10,000
<i>Grant to aid in transporting desperately needed medical supplies to Haiti</i>	
New Life Community	2,500
Ronald McDonald House of Cleveland	2,500
Ronald McDonald House of Houston	2,500
The Rose	2,500
The Salvation Army	
<i>Pasadena, Texas</i>	2,500
St. Patrick's Center	5,000
Shoes and Clothes for Kids	2,500
Society for Rehabilitation	2,000
United Way of Ashtabula County	2,304
United Way Services of Geauga County	19,810
United Way of Greater Lorain County	18,079
United Way of Medina County	10,748
United Way of Portage County	4,160
United Way of Summit County	27,125
Vocational Guidance Services	5,000
West Side Catholic Center	2,500
Wheel House, Inc	2,500
WomenSafe, Inc.	2,500

**Total     \$220,226**

*Civic & cultural capital grant*

Valley Art Center	\$10,000
<i>Support for the final phase "The Art of Renovation"</i>	-

*Civic & cultural operating grants*

A. D. Players	\$ 2,500
Business Advisors of Cleveland	2,500
Business Volunteers Unlimited	2,500

*Civic & cultural operating grants continued*

The City Club of Cleveland	\$ 2,500
Cleveland Engineering Society	2,500
The Cleveland Museum of Art	2,500
The Cleveland Museum of Natural History	2,500
<i>Support of the Extreme Mammals Exhibit</i>	30,000
The Cleveland Play House	2,500
Downtown Cleveland Alliance	10,000
The Diversity Center	2,500
The Foundation Center	2,500
Great Lakes Science Center	5,000
Great Lakes Theater Festival	2,500
Houston Museum of Fine Arts	2,500
Houston Museum of Natural Science	2,500
Houston Symphony	2,500
ideastream® WVIZ/PBS & 90.3 WCPN	5,000
Lake County Historical Society	2,500
Musical Arts Association	30,000
National Inventors Hall of Fame	2,500
Playhouse Square Foundation	2,500
<i>Special Operating</i>	1,000
University Circle Incorporated	2,500
Verb Ballet	2,500
Western Reserve Historical Society	5,000
Western Reserve Junior Service League	7,500

**Total    \$141,000**

*Youth activities operating grants*

Big Brothers/Big Sisters	
<i>Greater Cleveland</i>	\$ 2,500
<i>Greater Houston</i>	2,500
<i>Northeast Ohio</i>	2,500
Boy Scouts of America	
<i>Greater Cleveland Council</i>	2,500
<i>Greater Western Reserve Council</i>	8,000
<i>Sam Houston Area Council</i>	5,000
Boys & Girls Clubs of Greater Cleveland	2,500
Boys & Girls Harbor	6,500
Children's Museum of Cleveland	2,500
Hiram House	2,500
Leadership Lake County Youth Program	2,500
Neighborhood Centers	
<i>Pasadena, Texas</i>	2,500
<i>LaPorte, Texas</i>	2,500
Open Doors Academy	5,000
<i>Support of the after school tutoring program</i>	
Project Love Remember the Children Foundation	10,000
<i>In support of Believe to Archive program</i>	

*Youth activities operating grants continued.*

YMCA Greater Cleveland	
<i>Central Branch</i>	\$ 3,000
<i>Euclid Family Branch</i>	3,000
<i>Hillcrest Branch</i>	3,000
YMCA of the Greater Houston Area	
<i>Baytown Branch</i>	2,500
<i>San Jacinto Branch</i>	2,500
<i>Edgar A. Smith Branch</i>	2,500
Lake County YMCA	
<i>Central Branch</i>	2,500
<i>East End Branch</i>	2,500
<i>West End Branch</i>	2,500
YWCA Cleveland	3,500
<b>Total</b>	<b>\$87,000</b>

*Environmental capital grants*

Cleveland Rowing Foundation	\$25,000
<i>In support of the Rivergate Park Project</i>	
Cuyahoga Valley National Park Association	5,000
<i>Rehabilitation of the Stanford House</i>	
Geauga Park District Foundation	25,000
<i>Observatory Park Phase II</i>	
<b>Total</b>	<b>\$55,000</b>

*Environmental operating grants*

Armand Bayou Nature Center	\$ 2,500
Cleveland Botanical Garden	2,500
Cleveland Zoological Society	2,500
Cuyahoga Valley Environmental Education Center	2,500
The Holden Arboretum	2,500
Houston Arboretum & Nature Center	2,500
The Nature Conservancy Ohio Chapter	2,500
Western Reserve Land Conservancy	2,500
<b>Total</b>	<b>\$20,000</b>

*Trustees*

D. J. Enzerra  
*Director, Social Responsibility  
and Public Affairs  
The Lubrizol Corporation*

R. T. Graf  
*Vice President, Research and Development  
The Lubrizol Corporation*

J. L. Hambrick  
*Chairman, President and  
Chief Executive Officer  
The Lubrizol Corporation*

K. L. Jethrow  
*Corporate Manager – Health & Safety Programs  
The Lubrizol Corporation*

K. A. Lerchbacher  
*Grants Manager  
The Lubrizol Foundation*

B. A. Valentine  
*Treasurer  
The Lubrizol Corporation*

*Officers*

J. L. Hambrick  
*Chairman*

D. J. Enzerra  
*President*

B. A. Valentine  
*Treasurer*

K. A. Lerchbacher  
*Secretary*

The Lubrizol Foundation financial statements  
STATEMENT OF ACTIVITIES

	<u>For the Year Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
REVENUES AND GAINS:		
Contributions	\$5,000,000	\$7,500,000
Net gain on investments	1,864,238	1,378,319
Interest and dividends	<u>363,654</u>	<u>179,190</u>
TOTAL REVENUES AND GAINS	<u>7,227,892</u>	<u>9,057,509</u>
GRANTS AND EXPENSES:		
Grants:		
Education	616,026	560,800
Health & human services	717,312	655,727
Civic & cultural	151,000	241,000
Youth activities	87,000	88,000
Environmental	75,000	32,500
Community Connection	20,100	16,200
Matching gifts	<u>879,578</u>	<u>803,303</u>
Total grants approved	2,546,016	2,397,530
Conditional grant activity	<u>36,750</u>	<u>176,500</u>
Total grants	<u>2,582,766</u>	<u>2,574,030</u>
Operating expenses	24,323	49,335
Investment management fees	79,392	80,815
Excise tax	<u>20,693</u>	<u>23,105</u>
TOTAL GRANTS AND EXPENSES	<u>2,707,174</u>	<u>2,727,285</u>
Change in net assets	4,520,718	6,330,224
Net assets – unrestricted at beginning of year	<u>11,433,889</u>	<u>5,103,665</u>
Net assets – unrestricted at end of year	<u>\$15,954,607</u>	<u>\$11,433,889</u>

See Notes to Financial Statements

The Lubrizol Foundation financial statements  
STATEMENT OF FINANCIAL POSITION

	December 31,	
	2010	2009
<b>Assets:</b>		
Cash	\$ 543	\$ 1,989
Investments	16,820,803	9,921,892
Contribution receivable	-	2,500,000
Other receivables	26,958	16,077
Prepaid taxes	-	725
Deferred excise tax asset	-	8,292
Investment sales pending settlement	8,625	6,944
Total assets	<u>\$ 16,856,929</u>	<u>\$ 12,455,919</u>
<b>Liabilities and Net Assets:</b>		
Community Connection payable	\$ 7,800	\$ 6,300
Matching gifts payable	256,892	238,737
Grants authorized for future payment	569,526	731,727
Accrued expenses	20,733	19,000
Deferred excise tax payable	7,943	-
Investment purchases pending settlement	39,428	26,266
Total liabilities	902,322	1,022,030
Total net assets - unrestricted	15,954,607	11,433,889
Total liabilities and net assets	<u>\$ 16,856,929</u>	<u>\$ 12,455,919</u>

## STATEMENT OF CASH FLOWS

	For the Year Ended December 31,	
	2010	2009
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 4,520,718	\$ 6,330,224
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Net gain on investments	(1,864,238)	(1,378,319)
Changes in assets and liabilities:		
Contribution receivable	2,500,000	(2,500,000)
Other receivables	(10,881)	(3,784)
Prepaid taxes	725	4,775
Deferred excise tax asset	8,292	18,330
Community Connection payable	1,500	2,100
Matching gifts payable	18,155	(92,065)
Grants authorized for future payments	(162,201)	(57,610)
Deferred excise tax payable	7,943	-
Accrued expenses	1,733	1,224
Cash provided by operating activities	5,021,746	2,324,875
<b>Cash Flows from Investing Activities:</b>		
Purchase of investments	(17,510,584)	(10,780,276)
Proceeds from sales of investments	12,487,392	8,436,303
Cash used by investing activities	(5,023,192)	(2,343,973)
Net change in cash	(1,446)	(19,098)
Cash at beginning of year	1,989	21,087
Cash at end of year	<u>\$ 543</u>	<u>\$ 1,989</u>
<b>Supplemental cash flow information:</b>		
Excise taxes paid	<u>\$ 2,000</u>	<u>\$ -</u>

See Notes to Financial Statements

The Lubrizol Foundation notes to financial statements

## **1. Summary of Significant Accounting Policies**

### Organizational Purpose

The mission of The Lubrizol Foundation (Foundation) is to complement and support the interests, values and vision of The Lubrizol Corporation (Lubrizol) by awarding financial support to educational institutions and charitable organizations in communities primarily within the United States where Lubrizol operates major facilities.

### Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions pending completion of related events. These estimates and assumptions affect the amounts reported at the date of the financial statements for assets, liabilities and changes in net assets and the disclosures of contingencies. Actual results could differ from those estimates.

### Contributions

The Foundation reports contributions received as restricted support if there are donor stipulations that limit the use of the donated assets. When a donor restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

### Grants and Matching Gifts

Grants and matching gifts are accrued when approved except when payment is conditional on a future event. Conditional grants and matching gifts are accrued and paid at the time the condition substantially is met.

### Cash

The Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash.

### Investments

The Foundation's investment funds are stated at fair value based upon the market values of underlying assets of the funds. Investments in individual securities are carried at fair value which generally are determined using quoted closing values from recognized exchanges. Changes in fair value are reflected in the Statements of Activities as unrestricted gains or losses on investments. Realized gains or losses are based on the difference between proceeds received and the carrying cost as determined by the fund custodian or subcustodians. The cost of purchased securities is the acquisition cost, and the cost of donated securities is the fair market value on the date of receipt.

### Income Taxes

The Foundation is a private foundation exempt from federal income tax under the Internal Revenue Code Section 501(c)(3). Federal excise tax is accrued based upon net investment income (as defined by the Internal Revenue Code).

## The Lubrizol Foundation notes to financial statements (continued)

Fair Value of Financial Instruments

The carrying amount of financial instruments, including cash, receivables and other payables approximate fair value due to the short term nature of these instruments. The fair value of investments is estimated based on quoted market prices.

Subsequent Events

The Foundation has evaluated subsequent events for potential recognition and/or disclosure through March 31, 2011, the date the financial statements were available to be issued.

**2. Conditional grants**

Conditional grants of \$259,750 and \$296,500 were outstanding at December 31, 2010 and 2009, respectively. In 2010 and 2009, conditional grants of \$36,750 and \$215,000 were reclassified as unconditional.

**3. Grants authorized for future payment**

The December 31, 2010 balance of grants authorized for future payment includes \$541,526 payable in 2011 and \$28,000 payable thereafter.

**4. Investments**

Investments consist of the following at December 31, 2010.

	<u>Fair Value</u>	<u>Cost</u>
Equities	\$11,928,702	\$10,489,570
Fixed income	4,812,272	4,723,348
Money market investments	79,829	79,829
	<u>\$16,820,803</u>	<u>\$15,292,747</u>

Investments consist of the following at December 31, 2009.

	<u>Fair Value</u>	<u>Cost</u>
Equities	\$ 6,900,471	\$ 7,044,001
Fixed income	2,919,677	2,871,595
Money market investments	101,744	101,744
	<u>\$ 9,921,892</u>	<u>\$10,017,340</u>

Realized gain on the sale of investments of \$229,853 and realized loss on the sale of investments of \$454,676 for the years ended December 31, 2010 and 2009, respectively are the difference between the proceeds received and the average cost of investments sold.



The Lubrizol Foundation notes to financial statements (continued)

## 5. Fair Value Measurement

The Foundation estimates the fair value of financial instruments using available market information and generally accepted valuation methodologies. Fair value is defined as the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The inputs used to measure fair value are classified into three levels: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

In determining the appropriate levels, the Foundation performs a detailed analysis of the assets that are subject to fair value measurements. At each reporting period, all assets for which the fair value measurement is based on quoted prices in active markets for identical assets are classified as Level 1.

For the fiscal year ended December 31, 2010, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

**Investments:** The fair value of investments is based on quoted market prices as reported on various stock exchanges.

Fair values of assets measured on a recurring basis at December 31, 2010 and 2009 are as follow:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>December 31, 2010</u>				
Equities	\$ 11,928,702	\$ 11,928,702	\$ -	\$ -
Fixed income	4,812,272	4,812,272	-	-
Money market investments	79,829	79,829	-	-
Total	<u>\$ 16,820,803</u>	<u>\$ 16,820,803</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2009</u>				
Equities	\$ 6,900,471	\$ 6,900,471	\$ -	\$ -
Fixed income	2,919,677	2,919,677	-	-
Money market investments	101,744	101,744	-	-
Total	<u>\$ 9,921,892</u>	<u>\$ 9,921,892</u>	<u>\$ -</u>	<u>\$ -</u>

## 6. Concentration of Credit Risk

Financial instruments that are exposed to concentrations of interest rate, market and credit risks consist of cash and investments that are held in a diversified portfolio comprising equities, mutual funds and fixed income instruments. Such investments are based on quoted market prices. As of December 31, 2010 and 2009, the Foundation had no significant concentrations of credit risk. It is possible that near term changes in the value of the investment securities could materially affect the amounts reported in the statement of financial position.

## 7. Related Party Transactions

The Foundation receives primarily all of its financial support from Lubrizol. During 2010 and 2009, Lubrizol made contributions of \$5,000,000 and \$7,500,000 respectively to the Foundation. In addition, employees of Lubrizol provide management and advisory services to the Foundation without charge.