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Form 990-PF

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

OMB No. 1545-0052

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning , 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 CHARLES C. MATTHEWS FOUNDATION

Number and street (or P.O. box number if mail is not delivered to street address) Room/suite
P.O. BOX 427

City or town, state, and ZIP code
CARTHAGE TX 75633

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16)
\$ 11,409,669

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____

(Part I, column (d) must be on cash basis.)

A Employer identification number
75-2741045

B Telephone number (see instructions)
(903) 693-7837

C If exempt application is pending, check here ☐

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

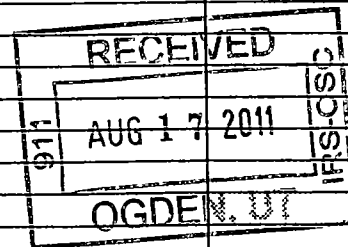
E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

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

| Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), & (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) | 11,966,243 | | | |
| | 2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B | | | | |
| | 3 Interest on savings and temp. cash investments | 31,348 | 31,348 | | |
| | 4 Dividends and interest from securities | 127,474 | 34,307 | | |
| | 5 a Gross rents | | | | |
| | b Net rental income or (loss) | | | | |
| | 6 a Net gain/(loss) from sale of assets not on line 10 | -17,994 | | | |
| | b Gross sales price for all assets on line 6a 274,396 | | | | |
| | 7 Capital gain net income (from Part IV, line 2) . . | | 0 | | |
| | 8 Net short-term capital gain | | | 0 | |
| | 9 Income modifications | | | 0 | |
| | 10 a Gross sales less rtns. & allowances 0 | | | | |
| b Less: Cost of goods sold | | | | | |
| c Gross profit or (loss) (attach schedule) | | | | | |
| 11 Other income (attach schedule) . . #1 | 570,311 | 568,192 | | | |
| 12 Total. Add lines 1 through 11 | 12,677,382 | 633,847 | 0 | | |
| OPERATING & ADMINISTRATIVE EXPENSES | 13 Compensation of officers, directors, trustees, etc. | 60,000 | 24,000 | | |
| | 14 Other employee salaries and wages . . | | | | |
| | 15 Pension plans, employee benefits. . . | | | | |
| | 16 a Legal fees (attach schedule) | | | | |
| | b Accounting fees (attach schedule) . . | | | | |
| | c Other professional fees (attach schedule) | | | | |
| | 17 Interest | | | | |
| | 18 Taxes (attach schedule) (see instruction #2) | 276 | 276 | | |
| | 19 Depreciation (attach sch.) and depletion | 136 | | | |
| | 20 Occupancy | 1,160 | 464 | | |
| | 21 Travel, conferences, and meetings . . | 3,381 | | | |
| | 22 Printing and publications | | | | |
| | 23 Other expenses (attach schedule) . #3 | 26,097 | 3,527 | | |
| | 24 Total operating and administrative expenses. Add lines 13 through 23 | 91,050 | 28,267 | 0 | 0 |
| | 25 Contributions, gifts, grants paid | 396,060 | | | 396,060 |
| 26 Total exp. & disbursements. Add lines 24 and 25 | 487,110 | 28,267 | 0 | 396,060 | |
| 27 Subtract line 26 from line 12: | | | | | |
| a Excess of revenue over expenses and disbursements | 12,190,272 | | | | |
| b Net investment income (if neg., enter -0-) | | 605,580 | | | |
| c Adjusted net income (if neg., enter -0-) | | | 0 | | |

For Paperwork Reduction Act Notice, see the Instructions.

Form 990-PF (2010)



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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 inst.) | | Beginning of year | End of year | |
|-----------------------------|--|--|----------------|-----------------------|-------------|--|
| | | (a) Book Value | (b) Book Value | (c) Fair Market Value | | |
| ASSETS | 1 | Cash -- non-interest-bearing | | | | |
| | 2 | Savings and temporary cash investments | 19,037 | 3,656,788 | 3,656,788 | |
| | 3 | Accounts receivable ▶ 4,046 | | | | |
| | | Less: allowance for doubtful accts. ▶ | | 4,046 | 4,046 | |
| | 4 | Pledges receivable ▶ | | | | |
| | | Less: allowance for doubtful accts. ▶ | | | | |
| | 5 | Grants receivable | | | | |
| | 6 | Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see 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 | | | | |
| | 10a | Investments -- U.S. and state govt. obligations (attach schedule) | | | | |
| | b | Investments -- corporate stock (attach schedule) #4 . | | 712,181 | 751,286 | |
| | c | Investments -- corporate bonds (attach schedule) #5 . | | 3,387,024 | 3,333,325 | |
| | 11 | Investments -- land, buildings, and equipment basis | | | | |
| | Less: accumulated depreciation (attach schedule) ▶ | | | | | |
| 12 | Investments -- mortgage loans | | | | | |
| 13 | Investments -- other (attach schedule) #6 . | | 3,694,746 | 3,664,224 | | |
| 14 | Land, buildings, and equipment basis ▶ 754,660 | #7 | | | | |
| | Less: accumulated depreciation (attach schedule) ▶ 136 | | 754,524 | | | |
| 15 | Other assets (describe ▶) | | | | | |
| 16 | Total assets (to be completed by all filers -- see the instructions. Also, see page 1, item I) | 19,037 | 12,209,309 | 11,409,669 | | |
| 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. <input type="checkbox"/> | | | | | |
| | and complete lines 24 through 26 and lines 30 and 31. | | | | | |
| | 24 | Unrestricted | | | | |
| | 25 | Temporarily restricted | | | | |
| | 26 | Permanently restricted | | | | |
| | Foundations that do not follow SFAS 117, ck. here ▶ <input checked="" type="checkbox"/> | | | | | |
| | and complete lines 27 through 31. | | | | | |
| | 27 | Capital stock, trust principal, or current funds | 19,037 | 12,209,309 | | |
| | 28 | Paid-in or capital surplus, or land, bldg, and equipment fund | | | | |
| | 29 | Retained earnings, accumulated income, endowment, or other funds | | | | |
| 30 | Total net assets or fund balances (see the instructions) | 19,037 | 12,209,309 | | | |
| 31 | Total liabilities and net assets/fund balances (see the inst.) | 19,037 | 12,209,309 | | | |

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 | 19,037 |
| 2 | Enter amount from Part I, line 27a | 2 | 12,190,272 |
| 3 | Other increases not included in line 2 (itemize) ▶ | 3 | |
| 4 | Add lines 1, 2, and 3 | 4 | 12,209,309 |
| 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 | 12,209,309 |

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 SEE ATTACHMENT #8 | | | |
| b | | | |
| c | | | |
| d | | | |
| e | | | |

| (e) Gross sales price | (f) Depreciation allowed (or allowable) | (g) Cost or other basis plus expense of sale | (h) Gain or (loss) (e) plus (f) minus (g) |
|-----------------------|--|---|--|
| a | | | |
| b | | | |
| c | | | |
| d | | | |
| e | | | |

| (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 | (l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h)) |
|---------------------------|--------------------------------------|---|---|
| a | | | |
| b | | | |
| c | | | |
| d | | | |
| e | | | |

| | | | |
|--|---|----------|---------|
| 2 Capital gain net income or (net capital loss) | <div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div> | 2 | -17,994 |
| 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 the instructions) If (loss), enter -0- in Part I, line 8 | | 3 | -17,994 |

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 beg. in) | (b) Adjusted qualifying distributions | (c) Net value of noncharitable-use assets | (d) Distribution ratio (col. (b) divided by col. (c)) |
|---|--|---|---|
| 2009 | 1,014 | 20,303 | 0.049943 |
| 2008 | 963 | 19,303 | 0.049889 |
| 2007 | 887 | 17,782 | 0.049882 |
| 2006 | 805 | 16,136 | 0.049888 |
| 2005 | 701 | 14,020 | 0.050000 |

| | | |
|--|----------|-----------|
| 2 Total of line 1, column (d) | 2 | 0.249602 |
| 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 | 0.049920 |
| 4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 | 4 | 5,484,857 |
| 5 Multiply line 4 by line 3 | 5 | 273,804 |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 6,056 |
| 7 Add lines 5 and 6 | 7 | 279,860 |
| 8 Enter qualifying distributions from Part XII, line 4 | 8 | 396,060 |

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 -- see 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 letter if necessary -- see inst.) | | | |
| b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b | | 1 | 6,056 |
| 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 | 6,056 |
| 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 | 6,056 |
| 6 Credits/Payments: | | | |
| a 2010 estimated tax payments and 2009 overpayment credited to 2010 | 6a | | |
| b Exempt foreign organizations -- tax withheld at source | 6b | | |
| c Tax paid with application for extension of time to file (Form 8868) | 6c | 6,000 | |
| d Backup withholding erroneously withheld | 6d | | |
| 7 Total credits and payments. Add lines 6a through 6d | 7 | 6,000 | |
| 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 | 56 | |
| 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 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/> | 11 | 0 | |

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 the instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities. | | X |
| c Did the foundation file Form 1120-POL for this year? | | X |
| d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ... \$ 0 (2) On foundation managers ... \$ 0 | | |
| e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ... \$ 0 | | |
| 2 Has the foundation engaged in any activities that have not previously been reported to the IRS? 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 |
| 4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year? | | X |
| b If "Yes," has it filed a tax return on Form 990-T for this year? | N/A | |
| 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? 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 yr.? If "Yes," complete Part II, col. (c), & Part XV. | X | |
| 8 a Enter the states to which the foundation reports or with which it is registered (see the 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 2010 or the taxable year beginning in 2010 (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 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 ► N/A | 13 | X | |
| 14 | The books are in care of ► SEE ATTACHMENT #10 Telephone no. ► Located at ► ZIP+4 ► | | | |
| 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 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 instructions)? | 1b | X |
| Organizations relying on a current notice regarding disaster assistance check here | | |
| c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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 | 20 | 20 |
| 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.) | 2b | X |
| 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 | | |
| 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 | X |
| 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 |

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)? ☐ Yes ☒ No

Organizations relying on a current notice regarding disaster assistance check here ☐ **5b** X

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). N/A

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

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

If "Yes" to 6b, file Form 8870. **6b** X

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No **7b** X

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 avg. hours per week devoted to position | (c) Compensation (if not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred comp. | (e) Expense account, other allowances |
|----------------------|--|---|--|---------------------------------------|
| SEE ATTACHMENT #11 | | | | |

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 avg. 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 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 | | |

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A** Summary of Direct Charitable Activities

| List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc. | Expenses |
|--|----------|
| 1 | |
| 2 | |
| 3 | |
| 4 | |

Part IX-B Summary of Program-Related Investments (see 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 the instructions. | |
| 3 | |
| Total. Add lines 1 through 3 ▶ | |

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

| | | | |
|----------|--|-----------|-----------|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes: | | |
| a | Average monthly fair market value of securities | 1a | 4,274,417 |
| b | Average of monthly cash balances | 1b | 1,293,966 |
| c | Fair market value of all other assets (see the instructions) | 1c | |
| d | Total (add lines 1a, b, and c) | 1d | 5,568,383 |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) | 1e | |
| 2 | Acquisition indebtedness applicable to line 1 assets | 2 | |
| 3 | Subtract line 2 from line 1d | 3 | 5,568,383 |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see the instructions) | 4 | 83,526 |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 5,484,857 |
| 6 | Minimum investment return. Enter 5% of line 5 | 6 | 274,243 |

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

| | | | |
|-----------|--|-----------|---------|
| 1 | Minimum investment return from Part X, line 6 | 1 | 274,243 |
| 2a | Tax on investment income for 2010 from Part VI, line 5 | 2a | 6,056 |
| b | Income tax for 2010. (This does not include the tax from Part VI) | 2b | |
| c | Add lines 2a and 2b | 2c | 6,056 |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | 3 | 268,187 |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 | |
| 5 | Add lines 3 and 4 | 5 | 268,187 |
| 6 | Deduction from distributable amount (see the instructions) | 6 | |
| 7 | Distributable amount as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1 | 7 | 268,187 |

Part XII Qualifying Distributions (see the instructions)

| | | | |
|----------|--|-----------|---------|
| 1 | Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes: | | |
| a | Expenses, contributions, gifts, etc. -- total from Part I, column (d), line 26 | 1a | 396,060 |
| 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 | 396,060 |
| 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 the instructions) | 5 | 6,056 |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 390,004 |

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 the instructions)

| | (a) Corpus | (b) Years prior to 2009 | (c) 2009 | (d) 2010 |
|---|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2010 from Part XI, line 7 | | | | 268,187 |
| 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 | | | | |
| b From 2006 | | | | |
| c From 2007 | | | | |
| d From 2008 | | | | |
| e From 2009 | | | | |
| f Total of lines 3a through e | 0 | | | |
| 4 Qualifying distributions for 2010 from Part XII, line 4. ► \$ 396,060 | | | | |
| a Applied to 2009, but not more than line 2a | | | | |
| b Applied to undistributed income of prior years (Election required -- see the instructions) | | | | |
| c Treated as distributions out of corpus (Election required -- see the instructions) | | | | |
| d Applied to 2010 distributable amount | | | | |
| e Remaining amount distributed out of corpus. | 127,601 | | | |
| 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: | 127,601 | | | |
| a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 | | | | |
| 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 the instructions | | | | |
| e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount -- see the instructions | | | | |
| f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011 | | | | 268,187 |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see the instructions) | | | | |
| 8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see the instructions) .. | | | | |
| 9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a | 127,601 | | | |
| 10 Analysis of line 9: | | | | |
| a Excess from 2006 ... | | | | |
| b Excess from 2007 ... | | | | |
| c Excess from 2008 .. | | | | |
| d Excess from 2009 ... | | | | |
| e Excess from 2010 ... | 127,601 | | | |

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

| Recipient Name and address (home or business) | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
|---|--|--------------------------------------|-------------------------------------|---------|
| a Paid during the year SEE ATTACHMENT #12 | | | | |
| Total | | | ▶ 3a | 396,060 |
| b Approved for future payment | | | | |
| Total | | | ▶ 3b | |

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

| | Unrelated business income | | Excluded by section 512, 513, or 514 | | (e) Related or exempt function income (See the instructions.) |
|---|---------------------------|---------------|--------------------------------------|---------------|---|
| | (a) Business code | (b) Amount | (c) Excl. code | (d) Amount | |
| 1 Program service revenue: | | | | | |
| a _____ | | | | | |
| b _____ | | | | | |
| c _____ | | | | | |
| d _____ | | | | | |
| e _____ | | | | | |
| f _____ | | | | | |
| g Fees & contracts from government agencies | | | | | |
| 2 Membership dues and assessments | | | | | |
| 3 Interest on savings and temporary cash investments | | | 14 | 31,348 | |
| 4 Dividends and interest from securities | | | 14 | 127,474 | |
| 5 Net rental income or (loss) from real estate: | | | | | |
| a Debt-financed property | | | | | |
| b Not debt-financed property | | | | | |
| 6 Net rental income or (loss) from personal property | | | | | |
| 7 Other investment income | | | | | |
| 8 Gain or (loss) from sales of assets other than inventory | | | 18 | -17,994 | |
| 9 Net income or (loss) from special events | | | | | |
| 10 Gross profit or (loss) from sales of inventory | | | | | |
| 11 Other revenue: a _____ | | | | | |
| b SEE ATTACHMENT #13 | | | | 570,311 | |
| c _____ | | | | | |
| d _____ | | | | | |
| e _____ | | | | | |
| 12 Subtotal. Add columns (b), (d), and (e) | | 0 | | 711,139 | 0 |
| 13 Total. Add line 12, columns (b), (d), and (e) | | | 13 | 711,139 | |

(See worksheet in line 13 instructions to verify calculations.)

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

| 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 the instructions.) |
|---------------|---|
| | |

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

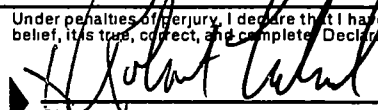
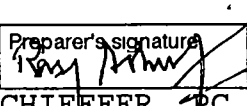
| | | | | |
|----------|--|--------------|------------|-----------|
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political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

| (a) Line no. | (b) Amount involved | (c) Name of noncharitable exempt organization | (d) Description of transfers, transactions, and sharing arrangements |
|--------------|---------------------|---|--|
| | | | |

2 a 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 | Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge. | | | |
| |  | | 8-11-11 | |
| | Signature of officer or trustee | | Date | Title |
| Paid Preparer Use Only | Print/Type preparer's name RAYMOND SCHIEFFER | | Preparer's signature  | Date 08-11-2011 |
| | Firm's name ▶ RAYMOND C SCHIEFFER, PC, CPA | | Check <input type="checkbox"/> if self-employed | PTIN |
| | Firm's address ▶ 1146 W PANOLA | | Firm's EIN | Phone no. (903) 693-7837 |

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

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

OMB No. 1545-0047

2010

Name of the organization

Employer identification number

THE CHARLES C. MATTHEWS FOUNDATION

75-2741045

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

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

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

THE CHARLES C. MATTHEWS FOUNDATION

Employer identification number

75-2741045

Part I Contributors (see instructions)

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|------------|--|--------------------------------|--|
| <u>1</u> | CHARLES MATTHEWS ESTATE PO BOX 427 CARTHAGE, TX 75633 | \$ 468,099 | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| <u>2</u> | CHARLES MATTHEWS ESTATE PO BOX 427 CARTHAGE, TX 75633 | \$ 231,531 | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| <u>3</u> | CHARLES MATTHEWS ESTATE PO BOX 427 CARTHAGE, TX 75633 | \$ 4,713,866 | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| <u>4</u> | CHARLES MATTHEWS ESTATE PO BOX 427 CARTHAGE, TX 75633 | \$ 2,170,055 | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| <u>5</u> | CHARLES MATTHEWS LTD PARTNERSHIP PO BOX 427 CARTHAGE, TX 75633 | \$ 2,994,737 | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| <u>6</u> | CHARLES MATTHEWS C.R.U.T. PO BOX 427 CARTHAGE, TX 75633 | \$ 82,226 | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |

Name of organization

THE CHARLES C. MATTHEWS FOUNDATION

Employer identification number

75-2741045

Part I Contributors (see instructions)

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|------------|---|--------------------------------|--|
| 7 | CHARLES MATTHEWS C.R.U.T. PO BOX 427 CARTHAGE, TX 75633 | \$ 715,630 | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 8 | C & M RANCH INC PO BOX 427 CARTHAGE, TX 75633 | \$ 590,099 | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |

Name of organization

THE CHARLES C. MATTHEWS FOUNDATION

Employer identification number

75-2741045

Part II Noncash Property (see instructions)

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
|---------------------------|--|--|----------------------|
| 1 | EDWARD JONES PORTFOLIO HLDGS | \$ 386,992 | 07-01-2010 |
| 2 | INVESTMENT PROFESSIONALS PORTFOLIO HLDGS | \$ 227,455 | 07-01-2010 |
| 3 | H.D. VEST FINANCIAL SVCS PORTFOLIO HLDGS | \$ 4,281,961 | 06-01-2010 |
| 5 | STOCKS, BONDS & OTHER SECURITIES | \$ 2,789,992 | 07-15-2010 |
| 7 | 715.63 ACRES OF LAND | \$ 715,630 | 05-18-2010 |
| | | \$ | |

Depreciation and Amortization (Including Information on Listed Property)

OMB No. 1545-0172

2010Attachment
Sequence No. 67Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

THE CHARLES C. MATTHEWS FOUNDATION FOR FORM 990-PF

75-2741045

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 | |
| 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 | |
| 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 | 500,000 |
| 6 | (a) Description of property | (b) Cost (busn. 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 2009 Form 4562 | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) | 11 | 500,000 |
| 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 2011. 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 | |
| 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 2010 | 17 | |
| 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 2010 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depr. (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 | | | | | | |
| 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 | |
| | | | 27.5 yrs. | MM | S/L | |
| i Nonresidential real property | 04-2010 | 42,530 | 39 yrs. | MM | S/L | 136 |
| | | | | MM | S/L | |

Section C -- Assets Placed in Service During 2010 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 | 136 |
| 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.

Form 4562 (2010)

990 SCHEDULE OF OTHER INCOME

ATTACHMENT 1: PAGE 1 - 990-PF PAGE 1, PART I, LINE 11

OPEN TO PUBLIC INSPECTION For calendar year 2010 or tax period beginning , and ending

Name of Organization THE CHARLES C. MATTHEWS FOUNDATION Employer Identification Number 75-2741045

| Description of Other Income | Revenue and Expenses | Net Investment Income | Adjusted Net Income |
|--|-------------------------|--------------------------|------------------------|
| EQUITRUST LIFE INS CO 1099-R | 9,306 | 9,306 | |
| SUN LIFE ASSUR CO OF CANADA US 1099-R | 90,459 | 90,459 | |
| HARTFORD LIFE INSURANCE CO 1099-R | 93,718 | 93,718 | |
| LINCOLN NATL LIFE INS CO 1099-R | 50,331 | 50,331 | |
| PRUDENTIAL ANNUITIES LIFE ASSUR GRP 1099-R | 83,664 | 83,664 | |
| ANADARKO PETROLEUM CORP 1099 | 37,677 | 37,677 | |
| CHEVRON USA INC 1099 | 168,250 | 168,250 | |
| CHEVRON USA INC 1099 | 318 | 318 | |
| COMSTOCK RESOURCES INC 1099 | 2,022 | 2,022 | |
| EXXONMOBIL OIL CORP 1099 | 1,087 | 1,087 | |
| KABCO OIL & GAS CO | 1,715 | 1,715 | |
| LACY OPERATIONS LTD | 11,364 | 11,364 | |
| SAMSON LONESTAR LLC 1099 | 3,229 | 3,229 | |
| XTO ENERGY INC 1099 | 1,118 | 1,118 | |
| H.D. VEST FINANCIAL SERVICES CAP GAIN DIST | 1,991 | 1,991 | |
| C. MATTHEWS ESTATE K-1 EIN: 80-6163638 | 1,999 | | |
| C. MATTHEWS ESTATE T/E INCOME K-1 EIN: 80-6163638 | 120 | | |
| FRONTLINE GEOSERVICES - SEISMIC TESTING | 11,943 | 11,943 | |
| Totals: | 570,311 | 568,192 | |

990 SCHEDULE OF TAXES PAID

ATTACHMENT 2: PAGE 1 - 990- PF PAGE 1, PART I, LINE 18

OPEN TO PUBLIC
INSPECTION

For calendar year 2010, or tax period beginning _____, and ending _____

Name of Organization

THE CHARLES C. MATTHEWS FOUNDATION

Employer Identification Number

75-2741045

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charity |
|------------------|--------|--------------------------|------------------------|------------------------------|
| FOREIGN TAX PAID | 276 | 276 | | |
| Total: | 276 | 276 | | |

990 OTHER EXPENSES SCHEDULE

ATTACHMENT 3: PAGE 1 990-PF PAGE 1, PART I, LINE 23

OPEN TO PUBLIC
INSPECTION

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

Name of Organization

THE CHARLES C. MATTHEWS FOUNDATION

Employer Identification Number

75-2741045

| Description of Activity | Revenue and Expenses | Net Investment Income | Adjusted Net Income | Disbursements for Charity |
|--------------------------|-------------------------|--------------------------|------------------------|------------------------------|
| DUES & MEMBERSHIPS | 375 | | | |
| INVESTMENT FEES | 118 | 118 | | |
| OFFICE SUPPLIES | 19 | | | |
| POST OFFICE BOX RENTAL | 56 | | | |
| REPAIRS & MAINTENANCE | 950 | | | |
| ROYALTY SEV TAX | 21,170 | | | |
| ROYALTY OTHER DEDUCTIONS | 3,409 | 3,409 | | |
| Total: | 26,097 | 3,527 | | |

990 SCHEDULE OF INVESTMENTS - CORPORATE STOCKS

ATTACHMENT 4: PAGE 1 - 990-PF PAGE 2, PART II, LINE 10B

| | | |
|--|---|--|
| OPEN TO PUBLIC INSPECTION | For calendar year 2010, or tax period beginning | , and ending |
| Name of Organization THE CHARLES C. MATTHEWS FOUNDATION | | Employer Identification Number 75-2741045 |

| Description of Property | Cost | FMV at Year End | Book Value | Fair Market Value |
|---------------------------|------|--------------------|------------|-------------------|
| DELL | X | | 6,020 | 5,420 |
| MICROSOFT | X | | 14,459 | 13,703 |
| ABBOTT LABS | X | | 20,713 | 18,595 |
| ACCO BRANDS CORP COM | X | | 766 | 852 |
| AMERICAN ELECTRIC POWER | X | | 13,027 | 13,408 |
| AT&T CORP | X | | 6,229 | 6,896 |
| BANK OF AMERICA CORP | X | | 3,775 | 2,789 |
| BERKSHIRE HATHAWAY | X | | 18,453 | 18,105 |
| DNP SELECT INCOME | X | | 14,127 | 13,706 |
| NORTHROP GRUMMAN | X | | 2,786 | 2,686 |
| CEMEX S A B ADR | X | | 2,236 | 2,388 |
| CHESAPEAKE ENERGY CORP | X | | 14,611 | 15,765 |
| CHEVRON CORP | X | | 45,849 | 56,210 |
| CITIGROUP | X | | 554 | 627 |
| COCA COLA COMPANY | X | | 12,493 | 15,060 |
| COMPUTER SCIENCES CORP | X | | 8,624 | 7,837 |
| CONOCOPHILLIPS | X | | 10,204 | 13,620 |
| DOW CHEMICAL | X | | 7,361 | 8,248 |
| FORTUNE BRANDS INC | X | | 10,894 | 13,586 |
| FRANKLIN BANK CORP | X | | 3 | 1 |
| INTEL | X | | 20,975 | 19,427 |
| FORD | X | | 29,327 | 38,986 |
| BOEING | X | | 9,102 | 8,045 |
| EMC CORP - MASS | X | | 3,636 | 4,580 |
| EXXONMOBIL | X | | 35,260 | 38,193 |
| HARLEY DAVIDSON INC | X | | 7,017 | 8,667 |
| HOME DEPOT | X | | 7,603 | 8,113 |
| JP MORGAN CHASE & CO | X | | 40,867 | 38,480 |
| KRAFT FOODS | X | | 6,470 | 6,718 |
| LINCOLN NATL CORP INC | X | | 16,025 | 14,139 |
| APACHE CORP | X | | 3,111 | 4,054 |
| APPLIED MATERIALS INC | X | | 11,066 | 11,642 |
| ACUSPHERE INC | X | | 18 | 14 |
| UNITED HEALTHCARE | X | | 8,472 | 9,212 |
| MEDTRONIC | X | | 10,098 | 8,159 |
| MOODY'S CORP | X | | 5,950 | 5,308 |
| NOKIA CORP | X | | 3,496 | 2,310 |
| GENERAL ELECTRIC | X | | 26,707 | 26,709 |
| NATL WESTERN LIFE | X | | 9,824 | 9,086 |
| OCCIDENTAL PETROLEUM CORP | X | | 7,654 | 8,633 |
| ORACLE | X | | 46,378 | 56,774 |
| PEPSICO | X | | 8,570 | 8,337 |
| PHOENIX COMPANIES | X | | 604 | 639 |
| PRIDE INTERNATIONAL | X | | 3,101 | 3,300 |
| PRINCIPAL FINL | X | | 3,364 | 3,653 |
| PROCTOR & GAMBLE | X | | 55,028 | 55,581 |
| SANTARUS INC | X | | 2,696 | 1,635 |
| SEAHAWK DRILLING | X | | 112 | 54 |
| SOUTHERN COMPANY | X | | 26,480 | 30,584 |
| Total: | | | 622,195 | 660,534 |

990 SCHEDULE OF INVESTMENTS - CORPORATE STOCKS

ATTACHMENT 4: PAGE 2 - 990-PF PAGE 2, PART II, LINE 10B

OPEN TO PUBLIC
INSPECTION

For calendar year 2010, or tax period beginning

, and ending

Name of Organization

THE CHARLES C. MATTHEWS FOUNDATION

Employer Identification Number

75-2741045

| Description of Property | Cost | FMV at Year End | Book Value | Fair Market Value |
|----------------------------|------|--------------------|------------|-------------------|
| ROYAL DUTCH PETROLEUM | X | | 26,429 | 29,226 |
| VIRTUS INVESTMENT PARTNERS | X | | 247 | 544 |
| WAL-MART | X | | 22,204 | 21,572 |
| WASHINGTON MUTUAL INC | X | | 40 | 13 |
| WELLS FARGO - NEW | X | | 15,447 | 15,212 |
| WESTERN UNION | X | | 3,477 | 3,756 |
| YUM BRANDS INC | X | | 1,736 | 2,158 |
| REGIONS FINANCIAL | X | | 2,409 | 2,167 |
| ZIMMER HOLDINGS | X | | 17,997 | 16,104 |
| Total: | | | 89,986 | 90,752 |

990 SCHEDULE OF INVESTMENTS - CORPORATE BONDS

ATTACHMENT 5: PAGE 1 - 990-PF PAGE 2, PART II, LINE 10C

| | | |
|--|---|--|
| OPEN TO PUBLIC INSPECTION | For calendar year 2010, or tax period beginning | , and ending |
| Name of Organization THE CHARLES C. MATTHEWS FOUNDATION | | Employer Identification Number 75-2741045 |

| Description of Property | Cost | FMV at Year End | Book Value | Fair Market Value |
|------------------------------------|------|-----------------|------------------|-------------------|
| ARLINGTON TX 5% | X | | 50,139 | 48,349 |
| AUSTIN TX REV 4.25% | X | | 48,401 | 45,248 |
| CANYON TX REG WTR 5.125% | X | | 25,369 | 24,714 |
| CINCO SW TX MUNI UTIL 5% | X | | 23,304 | 23,425 |
| CLEAR CREEK TX ISD 5% | X | | 265,155 | 257,950 |
| GALVESTON CTY TX 5% | X | | 54,750 | 54,059 |
| UNIVERSITY TX SYS PERM | X | | 50,304 | 46,095 |
| GUADALUPE-BLANCO REV | X | | 10,095 | 9,611 |
| HARRIS CTY SPORTS REV | X | | 9,052 | 8,350 |
| HARRIS CO TX REF TOLL BONDS | X | | 25,558 | 25,270 |
| HARRIS CNTY HEALTH REV | X | | 10,063 | 10,057 |
| DALLAS TX RAPID TRANS 5% | X | | 79,841 | 78,101 |
| DALLAS/FT WORTH AIRPORT | X | | 9,394 | 8,897 |
| KATY TX ISD 4.5% | X | | 25,442 | 24,416 |
| LOWER COLORADO RIVER AUTHORITY 5% | X | | 20,125 | 19,185 |
| LOWER COLORADO RIVER AUTHORITY 5% | X | | 5,700 | 5,486 |
| LOWER COLORADO RIVER AUTHORITY 4% | X | | 25,072 | 25,334 |
| LOWER COLORADO RIVER AUTHORITY REV | X | | 5,906 | 5,913 |
| NORTH TX TWY 5.75% | X | | 25,896 | 24,112 |
| NO TX MUNI WTR DIST 5% | X | | 257,595 | 244,848 |
| NORTHEAST TX ISD 5% | X | | 163,295 | 157,881 |
| GECC INTERNOTES 6% | X | | 48,335 | 48,814 |
| TX ST TPK AUTH BONDS | X | | 18,781 | 17,130 |
| CHICAGO OHARE AIRPORT | X | | 9,593 | 9,483 |
| EAGLE MTN TX 5% | X | | 51,793 | 50,217 |
| EAGLE PASS TX ISD 5% | X | | 232,557 | 262,860 |
| INDIANA POWER REV | X | | 9,858 | 9,143 |
| MIAMI DADE REV | X | | 9,080 | 8,315 |
| PFLUGERVILLE TX 5% | X | | 82,407 | 80,707 |
| PEARLAND TX WTR & SWR 4.25% | X | | 44,571 | 43,986 |
| PORT AUTHORITY REV | X | | 9,900 | 9,724 |
| SEMINOLE TX ISD 5% | X | | 265,155 | 257,275 |
| SCORRO TX ISD 5% | X | | 266,640 | 261,292 |
| TRAVIS CNTY TX WTR 4.75% | X | | 48,938 | 46,860 |
| GMAC NOTES | X | | 79,407 | 83,752 |
| MORG STAN SU NOTE 7% | X | | 255,754 | 245,000 |
| SAN JACINTO CC BONDS | X | | 41,573 | 40,208 |
| BCM 1999-B-A2 | X | | 24,811 | 24,452 |
| BCM 1999-B-A3 | X | | 39,833 | 39,287 |
| UNITED ISD BONDS | X | | 41,871 | 41,304 |
| NACOGDOCHES ISD BONDS | X | | 25,389 | 26,839 |
| ADT 327 INS TX EX MUNI | X | | 497,529 | 482,679 |
| FT 701 DIS CORP 2003-1 | X | | 31,728 | 26,766 |
| FT 1994 INFLATION HEDGE | X | | 15,175 | 23,655 |
| VICTORIA BONDS | X | | 45,890 | 46,276 |
| Total: | | | 3,387,024 | 3,333,325 |

990 SCHEDULE OF INVESTMENTS - OTHERS

ATTACHMENT 6: PAGE 1 - 990-PF PAGE 2, PART II, LINE 13

| | | |
|--|---|--|
| OPEN TO PUBLIC INSPECTION | For calendar year 2010, or tax period beginning | , and ending |
| Name of Organization THE CHARLES C. MATTHEWS FOUNDATION | | Employer Identification Number 75-2741045 |

| Description | Cost | FMV at Year End | Book Value | Fair Market Value |
|------------------------------------|------|--------------------|------------|-------------------|
| AIM TAX FREE INTERM/A | X | | | |
| CAPITAL INCOME BLDR/A | X | | 102,337 | 101,747 |
| GROWTH FUND/A | X | | 18,151 | 18,736 |
| NEW WORLD/A | X | | 16,834 | 17,840 |
| CAPITAL WRLD G&I/A | X | | 17,131 | 18,914 |
| CAPITAL WRLD BOND/A | X | | 13,403 | 13,929 |
| COLUMBIA TAX EXEMPT/A | X | | 107,262 | 108,609 |
| EUROPACIFIC/A | X | | 61,639 | 59,625 |
| OPPNHMR INTL SM CAP | X | | 33,427 | 36,230 |
| OPPNHMR LTD MUNI | X | | 576 | 670 |
| FRANKLIN INS TAX FREE/A | X | | 126,864 | 124,315 |
| FRANKLIN INS TAX FREE INCOME/C | X | | 549,694 | 472,070 |
| DWS LARGE CAP VALUE/A | X | | 1,067 | 57,704 |
| DWS LATIN AMERICA EQTY/A | X | | 20,441 | 21,186 |
| DWS HIGH YIELD TAX FREE/A | X | | 17,003 | 17,236 |
| G.S. GRWTH & INC/A | X | | 46,162 | 44,453 |
| HARTFORD CAPITAL APPRECIATION/A | X | | 4,938 | 5,178 |
| PUTNAM NEW OPPORTUNITIES | X | | 21,878 | 23,751 |
| PUTNAM TAX FREE INSURED | X | | 2,631 | 2,969 |
| BANK OF THE WEST EQ CD 9-30-16 | X | | 497,449 | 481,970 |
| BARCLAY BK EQ CD 10-27-14 | X | | 250,007 | 235,625 |
| BARCLAY BK EQ CD 1-27-15 | X | | 49,190 | 49,790 |
| BARCLAY BK EQ CD 9-28-15 | X | | 145,770 | 159,030 |
| HARRIS BK EQ CD 8-31-16 | X | | 50,006 | 48,350 |
| HSBC BK EQ BAS CD 10-2013 | X | | 250,006 | 249,352 |
| HSBC INC OPP CD 12-24-13 | X | | 56,770 | 54,385 |
| HSBC BK EQ CD 1-29-16 | X | | 31,536 | 31,335 |
| HSBC BK EQ CD 9-29-16 | X | | 98,346 | 101,805 |
| MERRILL CMMDTY 6-2011 | X | | 70,006 | 65,828 |
| WEST BANK INC OPPTY 11-25-16 | X | | 55,046 | 55,370 |
| JACKSON NATL ANNUITY | X | | 250,356 | 241,250 |
| WELLS REIT II | X | | 200,000 | 203,678 |
| SAB VALUE PARTNERS | X | | 54,917 | 56,644 |
| PANOLA NATL BNK CD - #9941 | X | | 51,995 | 62,742 |
| PANOLA NATL BNK CD - #10411 | X | | 147,181 | 147,181 |
| PANOLA NATL BNK CD - #10432 | X | | 175,230 | 175,230 |
| | | | 99,497 | 99,497 |
| Total: | | | 3,694,746 | 3,664,224 |

990 SCHEDULE OF LAND, BUILDING & EQUIPMENT

ATTACHMENT 7: PAGE 1 - 990-PF PAGE 2, PART II, LINE 14

OPEN TO PUBLIC
INSPECTION

For Calendar year 2010, or tax year period beginning

and ending

Name of Organization

THE CHARLES C. MATTHEWS FOUNDATION

Employer Identification Number

75-2741045

Category or Description of Property

RANCH BUILDING
RANCH LAND

Cost or Other
Basis

42,530
712,130

Accumulated
Depreciation

136

End of Year
Book Value

42,394
712,130

Ending FML
(990-PF Only)

Total:

754,660

136

754,524

10_EOPFGR18L

990 PART IV CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ATTACHMENT 8: PAGE 1 - 990-PF PAGE 3, PART IV, LINE 1

OPEN TO PUBLIC INSPECTION For calendar year 2010 or tax period beginning , and ending

Name of Organization THE CHARLES C. MATTHEWS FOUNDATION Employer Identification Number 75-2741045

| | (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.) |
|---|--|--|--------------------------------------|----------------------------------|
| 1 | HARRIS CNTY TOLL RD 4.625% | P | 04-02-2010 | 12-20-2010 |
| 2 | MARINER ENERGY INC CHG | P | 04-02-2010 | 11-23-2010 |
| 3 | BCM 99-B A2 | P | 04-02-2010 | 12-15-2010 |
| 4 | BCM 99-B A3 | P | 04-02-2010 | 12-15-2010 |
| 5 | FT UT 701 ADV DISC | P | 04-02-2010 | 12-15-2010 |
| 6 | SALE OF DAVIS ST PROPERTIES | P | 04-02-2010 | 09-27-2010 |
| 7 | BP PLC SPONSORED ADR | P | 04-02-2010 | 07-02-2010 |
| 8 | IPI FT 2119 | P | 04-02-2010 | 12-25-2010 |
| 9 | CHEVRON USA - ENLARGE COMPRESSION STATION | D | 04-02-2010 | 11-19-2010 |

| | (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) |
|---|-----------------------|--|---|--|
| 1 | 25,000 | | 24,983 | 17 |
| 2 | 1,560 | | | 1,560 |
| 3 | 580 | | 580 | |
| 4 | 918 | | 918 | |
| 5 | 6,215 | | 6,215 | |
| 6 | 225,000 | | 237,467 | -12,467 |
| 7 | 7,577 | | 14,966 | -7,389 |
| 8 | 4,046 | | 3,761 | 285 |
| 9 | 3,500 | | 3,500 | |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | | (l) 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 if Col. (i) Over Col. (j), if Any | | |
| 1 | | | | 17 |
| 2 | | | | 1,560 |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | -12,467 |
| 7 | | | | -7,389 |
| 8 | | | | 285 |
| 9 | | | | |

990 SCHEDULE OF SUBSTANTIAL CONTRIBUTORS

ATTACHMENT 9: PAGE 1 - 990-PF PAGE 4, PART VII-A, LINE 10

| | | |
|------------------------------|---|--------------|
| OPEN TO PUBLIC INSPECTION | For calendar year 2010, or tax period beginning | , and ending |
|------------------------------|---|--------------|

| | |
|--|--|
| Name of Organization THE CHARLES C. MATTHEWS FOUNDATION | Employer Identification Number 75-2741045 |
|--|--|

| Name of Contributor | Address of Contributor |
|-------------------------------------|----------------------------------|
| CHARLES MATTHEWS ESTATE | PO BOX 427 CARTHAGE, TX 75633 |
| CHARLES MATTHEWS LTD PARTNERSHIP | PO BOX 427 CARTHAGE, TX 75633 |
| CHARLES MATTHEWS C.R.U.T. | PO BOX 427 CARTHAGE, TX 75633 |
| C & M RANCH, INC | PO BOX 427 CARTAHGE, TX 75633 |

990 BOOKS ARE IN CARE OF

ATTACHMENT 10 - 990-PF PAGE 5, PART VII-A, LINE 14

| | |
|---|---|
| OPEN TO PUBLIC INSPECTION | For calendar year 2010, or tax period beginning _____, and ending _____ |
| Name of Organization THE CHARLES C. MATTHEWS FOUNDATION | Employer Identification Number 75-2741045 |

Part VII-A - Line 14

Individual Name RAYMOND C. SCHIEFFER, PC, CPA
 or
 Business Name: _____

Street Address 1146 W PANOLA

U.S. Address:

Zip code 75633 City CARTHAGE State TX
 or

Foreign Address

City

Province or State

Country

Postal code

Phone Number (903) 693-7837

Fax Number

990 CURRENT OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

ATTACHMENT 11: PAGE 1 - 990-PF PAGE 6, PART VIII

OPEN TO PUBLIC
INSPECTION

For calendar year 2010, or tax period beginning

, and ending

Name of Organization

THE CHARLES C. MATTHEWS FOUNDATION

Employer Identification Number

75-2741045

| (A) Name and Address | (B) Title and Average Hrs. per Week | (C) Compensation (If not paid, enter 0) | (D) Cont. to Employee Ben. Plans & Def. Comp. | (E) Expense Account & Other Allowances |
|---|--|--|--|---|
| ROBERT M. UNDERWOOD PO BOX 1138 CARTHAGE, TX 75633 | TRUSTEE 2.00 | 10,000 | 0 | 0 |
| RICHARD BALLENGER 1276 STATE HWY 149 CARTHAGE, TX 75633 | TRUSTEE 2.00 | 10,000 | 0 | 0 |
| JOHN W. CONWAY 508 WESTPARK LANE CARTHAGE, TX 75633 | TRUSTEE 2.00 | 10,000 | 0 | 0 |
| JIMMY D. PAYNE CR 304 CARTHAGE, TX 75633 | TRUSTEE 2.00 | 10,000 | 0 | 0 |
| DAVID BUSH 665 CR 403 CARTHAGE, TX 75633 | TRUSTEE 2.00 | 10,000 | 0 | 0 |
| VERMOYN D REEDER 110 CR 1081 CARTHAGE, TX 75633 | TRUSTEE 2.00 | 10,000 | 0 | 0 |

990 GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 12: PAGE 1 990-PF PAGE 11, PART XV LINE 3A

OPEN TO PUBLIC
INSPECTION

For calendar year 2010, or tax period beginning

, and ending

Name of Organization

THE CHARLES C. MATTHEWS FOUNDATION

Employer Identification Number

75-2741045

| 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) | | | | |
| PANOLA CO HERITAGE & GENEOLOGICAL 100 EAST SABINE CARTHAGE, TX 75633 | NONE | | DONATION | 20,000 |
| BECKVILLE INDEPENDENT SCHOOL DIST #1 BEARCAT DRIVE BECKVILLE, TX 75631 | NONE | | 25 SCHOLARSHIPS | 25,000 |
| CARTHAGE I.S.D. EDUCATION FDN #1 BULLDOG DRIVE CARTHAGE, TX 75633 | NONE | | DONATION | 100,000 |
| PANOLA COLLEGE 1109 W PANOLA CARTHAGE, TX 75633 | NONE | | ENDOWED SCHOLARSHIP | 25,000 |
| CARTHAGE, TX ROTARY CLUB PO BOX 653 CARTHAGE, TX 75633 | NONE | | SPONSOR FOR CHARITY FUNDRAISER | 1,000 |
| CARTHAGE ATHLETIC DEPT #1 BULLDOG DRIVE CARTHAGE, TX 75633 | NONE | | SPONSOR FOR CHARITY FUNDRAISER | 2,500 |
| GARY INDEPENDENT SCHOOL DIST 132 BOBCAT TR GARY, TX 75643 | NONE | | SCHOLARSHIPS | 6,000 |
| STILLWATER COWBOY CHURCH PO BOX 166 CARTHAGE, TX 75633 | NONE | | DONATION | 5,000 |
| FIRST UNITED METHODIST CHURCH 201 S SHELBY CARTHAGE, TX 75633 | NONE | | DONATION | 65,000 |
| MISSION CARTHAGE 940 E SABINE ST CARTHAGE, TX 75633 | NONE | | DONATION | 25,000 |
| ST JUDE'S CHILDREN'S RESEARCH HOSP 501 ST JUDE PLACE MEMPHIS, TN 38105 | NONE | | DONATION | 10,000 |
| SAMMY BROWN LIBRARY 522 W COLLEGE ST CARTHAGE, TX 75633 | NONE | | DONATION | 75,000 |
| BECKVILLE ISD EDUCATION FDN #1 BEARCAT DR BECKVILLE, TX 75631 | NONE | | DONATION | 25,000 |
| LANGLEY CEMETERY HWY 124 EAST | NONE | | DONATION | |

Total: 384,500

990 GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 12: PAGE 2 990-PF PAGE 11, PART XV LINE 3A

OPEN TO PUBLIC
INSPECTION

For calendar year 2010, or tax period beginning

, and ending

Name of Organization

Employer Identification Number

THE CHARLES C. MATTHEWS FOUNDATION

75-2741045

| 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) | | | | |
| BECKVILLE, TX 75631 | NONE | | CARE BOXES FOR 12 SOLDIERS | 10,000 |
| FIRST BAPTIST CHURCH 256 S MARKET CARTHAGE, TX 75633 | | | | 1,560 |

Total:

11,560

990 SCHEDULE OF OTHER REVENUE

ATTACHMENT 13: PAGE 1 - 990-PF PAGE 12, PART XVI-A, LINE 11

| | | |
|--|--|--|
| OPEN TO PUBLIC INSPECTION | For calendar year 2010, or tax period beginning , and ending | Employer Identification Number 75-2741045 |
| Name of Organization THE CHARLES C. MATTHEWS FOUNDATION | | |

| Item | Program Service Revenue | Unrelated Business Income | | Excluded by Section 512, 513 or 514 | | (e) Related or Exempt Function Income (see instructions) |
|---------|---|---------------------------|---------------|-------------------------------------|---------------|---|
| | | (a) Business Code | (b) Amount | (c) Excl. code | (d) Amount | |
| A | EQUITRUST LIFE INS CO 1099-R | | | 14 | 9,306 | |
| B | SUN LIFE ASSUR CO OF CANADA US 1099-R | | | 14 | 90,459 | |
| C | HARTFORD LIFE INS CO 1099-R | | | 14 | 93,718 | |
| D | LINCOLN NATL LIFE INS CO 1099-R | | | 14 | 50,331 | |
| E | PRUDENTIAL ANNUITIES LIFE ASSUR GRP | | | 14 | 83,664 | |
| F | ANADARKO PETROLEUM CORP | | | 15 | 37,677 | |
| G | CHEVRON USA INC | | | 15 | 168,250 | |
| H | CHEVRON USA INC | | | 15 | 318 | |
| I | COMSTOCK RESOURCES INC | | | 15 | 2,022 | |
| J | EXXONMOBIL OIL CORP | | | 15 | 1,087 | |
| K | KABCO OIL & GAS CO | | | 15 | 1,715 | |
| L | LACY OPERATIONS | | | 15 | 11,364 | |
| M | SAMSON LONESTAR LLC | | | 15 | 3,229 | |
| N | XTO ENERGY INC | | | 15 | 1,118 | |
| O | H.D. VEST FINANCIAL SVCS CAP GAIN DIST | | | 18 | 1,991 | |
| P | C. MATTHEWS ESTATE K-1 EIN: 80-6163638 | | | 14 | 1,999 | |
| Q | C. MATTHEWS ESTATE T/E INCOME K-1 EIN: 80-6163638 | | | 14 | 120 | |
| R | FRONTLINE GEOSERVICES -- SEISMIC TESTING | | | 17 | 11,943 | |
| Totals: | | | | | 570,311 | |

2010 DETAIL STATEMENTS

THE CHARLES C. MATTHEWS FOUNDA
75-2741045

PAGE 1

STATEMENT #1 - OCCUPANCY (990-PF PG 1 LINE 20)

| | |
|---|-------|
| INSURANCE -- PERSONAL PROPERTY..... | 500 |
| UTILITIES -- RANCH HOUSE..... | 660 |
| TOTAL CARRIED TO 990-PF PG 1 LINE 20..... | 1,160 |

STATEMENT #2 - OCCUPANCY (990-PF PG 1 LINE 20(B))

| | |
|--|-----|
| INSURANCE -- PERSONAL PROPERTY..... | 200 |
| UTILITIES -- RANCH HOUSE..... | 264 |
| TOTAL CARRIED TO 990-PF PG 1 LINE 20(B)..... | 464 |

STATEMENT #3 - MONTHLY FMV OF SECURITIES (990-PF PG 8 LINE 1A)

| | |
|---|-----------|
| EDWARD JONES SECURITIES ACCT..... | 234,462 |
| H.D. VEST SECURITIES ACCOUNT..... | 3,976,953 |
| INVTMT PROFESSIONALS, INC ACCT..... | 63,002 |
| TOTAL CARRIED TO 990-PF PG 8 LINE 1A..... | 4,274,417 |

STATEMENT #4 - INTER INVESTMENT EXCLUDED AMT (990-PF PG 12 LINE 3)

| | |
|---|--------|
| FIRST STATE BANK - #86568..... | 2,061 |
| PANOLA NATL BANK CD'S..... | 5,669 |
| FIRST STATE BANK - #12345..... | 23,618 |
| TOTAL CARRIED TO 990-PF PG 12 LINE 3..... | 31,348 |

STATEMENT #5 - DIVIDENDS & INTEREST EXCL AMT (990-PF PG 12 LINE 4)

| | |
|---|---------|
| H.D. VEST - OID..... | 10,827 |
| H.D. VEST - CMO'S INTEREST..... | 3,684 |
| H.D. VEST - CORP INTEREST..... | 6,417 |
| EDWARD JONES INTEREST..... | 5 |
| EDWARD JONES - OID..... | 10 |
| C. MATTHEWS ESTATE K-1 INTEREST..... | 62 |
| H.D. VEST DIVIDENDS..... | 7,974 |
| IPI DIVIDENDS..... | 1,378 |
| EDWARD JONES DIVIDENDS..... | 3,950 |
| H.D. VEST TAX FREE INTEREST..... | 91,892 |
| EDWARD JONES TAX FREE INTEREST..... | 1,275 |
| TOTAL CARRIED TO 990-PF PG 12 LINE 4..... | 127,474 |