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# Return of Private Foundation

## or Section 4947(a)(1) Nonexempt Charitable Trust

### Treated as a Private Foundation

OMB No 1545-0052

**2012**

Open to Public Inspection

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 2012 or tax year beginning

, 2012, and ending

, 20

|  |  |  |  |                                       |   |   |                                      |   |
|--|--|--|--|---------------------------------------|---|---|--------------------------------------|---|
| Name of foundation<br><b>The Lubrizol Foundation</b>   |  | A Employer identification number<br><b>34-6500595</b>        |  |                                       |   |   |                                      |   |
| Number and street (or P O box number if mail is not delivered to street address)   | Room/suite   | B Telephone number (see instructions)<br><b>440-943-4200</b> |  |                                       |   |   |                                      |   |
| <b>29400 Lakeland Blvd.</b>  |  |  |  |                                       |   |   |                                      |   |
| City or town, state, and ZIP code<br><b>Wickliffe, OH 44092</b>  |  |  |  |                                       |   |   |                                      |   |
| G Check all that apply: <table border="0"> <tr> <td><input type="checkbox"/> Initial return</td> <td><input type="checkbox"/> Initial return of a former public charity</td> </tr> <tr> <td><input type="checkbox"/> Final return</td> <td><input type="checkbox"/> Amended return</td> </tr> <tr> <td><input type="checkbox"/> Address change</td> <td><input type="checkbox"/> Name change</td> </tr> </table> |  | <input type="checkbox"/> Initial return                      | <input type="checkbox"/> Initial return of a former public charity | <input type="checkbox"/> Final return | <input type="checkbox"/> Amended return | <input type="checkbox"/> Address change | <input type="checkbox"/> Name change | C If exemption application is pending, check here <input type="checkbox"/><br>D 1. Foreign organizations, check here <input type="checkbox"/><br>2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/><br>E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/><br>F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> |
| <input type="checkbox"/> Initial return  | <input type="checkbox"/> Initial return of a former public charity |  |  |                                       |   |   |                                      |   |
| <input type="checkbox"/> Final return  | <input type="checkbox"/> Amended return                            |  |  |                                       |   |   |                                      |   |
| <input type="checkbox"/> Address change  | <input type="checkbox"/> Name change                               |  |  |                                       |   |   |                                      |   |
| H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation<br><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation  |  |  |  |                                       |   |   |                                      |   |
| I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <b>\$ 22,330,894.00</b>   |  |  |  |                                       |   |   |                                      |   |
| J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual<br><input type="checkbox"/> Other (specify) _____   |  |  |  |                                       |   |   |                                      |   |

| Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions)) |   | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|--|---|------------------------------------|---------------------------|-------------------------|---|
| 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 . . . . .  | 862,427.00                         | 862,427.00                |                         |   |
| 5a   | Gross rents . . . . .   |                                    |                           |                         |   |
| b  | Net rental income or (loss) . . . . .   |                                    |                           |                         |   |
| 6a   | Net gain or (loss) from sale of assets not on line 10 . . . . .                             | 1,509,594.00                       |                           |                         |   |
| b  | Gross sales price for all assets on line 6a . . . . .                                       |                                    |                           |                         |   |
| 7  | Capital gain net income (from Part IV, line 2) . . . . .                                    |                                    | 264,836.00                |                         |   |
| 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) . . . . .  |                                    | -54,033.00                |                         |   |
| 12   | Total. Add lines 1 through 11 . . . . .   | 7,372,021.00                       | 1,073,230.00              |                         |   |
| 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 instructions) . . . . .  | 8,157.00                           |                           |                         |   |
| 19   | Depreciation (attach schedule) and depletion . . . . .                                      |                                    |                           |                         |   |
| 20   | Occupancy . . . . .   |                                    |                           |                         |   |
| 21   | Travel, conferences, and meetings . . . . .   |                                    |                           |                         |   |
| 22   | Printing and publications . . . . .   |                                    |                           |                         |   |
| 23   | Other expenses (attach schedule) . . . . .  | 109,992.00                         | 73,890.00                 |                         |   |
| 24   | Total operating and administrative expenses. Add lines 13 through 23 . . . . .              | 118,149.00                         | 73,890.00                 |                         |   |
| 25   | Contributions, gifts, grants paid . . . . .   | 2,646,768.00                       |                           |                         | 2,646,768.00  |
| 26   | Total expenses and disbursements. Add lines 24 and 25 . . . . .                             | 2,764,917.00                       | 73,890.00                 |                         | 2,646,768.00  |
| 27   | Subtract line 26 from line 12 . . . . .   | 4,607,104.00                       |                           |                         |   |
| a  | Excess of revenue over expenses and disbursements . . . . .                                 |                                    | 999,340.00                |                         |   |
| b  | Net investment income (if negative, enter -0-) . . . . .                                    |                                    |                           |                         |   |
| c  | Adjusted net income (if negative, enter -0-) . . . . .                                      |                                    |                           |                         |   |

918-19

21

| <b>Part II Balance Sheets</b>      |  | 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 . . . . .   |               | 30,715.00         | 578,838.00     | 578,838.00            |
|                                    | 2  | Savings and temporary cash investments . . . . .  |               | 125,163.00        | 253,908.00     | 253,908.00            |
|                                    | 3  | Accounts receivable ▶   |               |                   |                |                       |
|                                    |  | Less allowance for doubtful accounts ▶  |               | 111,224.00        | 239,812.00     | 239,812.00            |
|                                    | 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 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 . . . . .   |               | 15,613.00         | 14,000.00      | 14,000.00             |
|                                    | 10 a   | Investments - U S and state government obligations (attach schedule) .  |               |                   |                |                       |
|                                    | b  | Investments - corporate stock (attach schedule) . . . . .   |               | 3,376,508.00      | 4,186,622.00   | 4,186,622.00          |
|                                    | 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) . . . . .  |   | 13,880,571.00 | 17,057,714.00     | 17,057,714.00  |                       |
| 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) . . . . .                                  |   | 17,539,794.00 | 22,330,894.00     | 22,330,894.00  |                       |
| <b>Liabilities</b>                 | 17   | Accounts payable and accrued expenses . . . . .   |               | 120,705.00        | 267,530.00     |                       |
|                                    | 18   | Grants payable . . . . .  |               | 895,540.00        | 932,711.00     |                       |
|                                    | 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) . . . . .   |   | 1,016,245.00  | 1,200,241.00      |                |                       |
| <b>Net Assets or Fund Balances</b> | <b>Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/></b><br><b>and complete lines 24 through 26 and lines 30 and 31.</b> |   |               |                   |                |                       |
|                                    | 24   | Unrestricted . . . . .  |               | 16,523,549.00     | 21,130,653.00  |                       |
|                                    | 25   | Temporarily restricted . . . . .  |               |                   |                |                       |
|                                    | 26   | Permanently restricted . . . . .  |               |                   |                |                       |
|                                    | <b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input type="checkbox"/></b>                        |   |               |                   |                |                       |
|                                    | 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 instructions) . . . . .   |               | 16,523,549.00     | 21,130,653.00  |                       |
|                                    | 31   | <b>Total liabilities and net assets/fund balances</b> (see instructions) . . . . .  |               | 17,539,794.00     | 22,330,894.00  |                       |

**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 | 16,523,549.00 |
| 2 | Enter amount from Part I, line 27a . . . . .   | 2 | 4,607,104.00  |
| 3 | Other increases not included in line 2 (itemize) ▶   | 3 |               |
| 4 | Add lines 1, 2, and 3 . . . . .  | 4 | 21,130,653.00 |
| 5 | Decreases not included in line 2 (itemize) ▶   | 5 |               |
| 6 | <b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) - Part II, column (b), line 30 . . . . .   | 6 | 21,130,653.00 |

**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)**1a** Details available upon request

P

Various

Various

**b****c****d****e**

(e) Gross sales price

(f) Depreciation allowed  
(or allowable)(g) Cost or other basis  
plus expense of sale(h) Gain or (loss)  
(e) plus (f) minus (g)**a**

264,836.00

**b****c****d****e**

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(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**

264,836.00

**b****c****d****e****2** Capital gain net income or (net capital loss){ If gain, also enter in Part I, line 7  
If (loss), enter -0- in Part I, line 7 }**2**

264,836.00

**3** Net short-term capital gain or (loss) as defined in sections 1222(5) and (6).If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in  
Part I, line 8**3****Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

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

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

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

☐ Yes ☒ No

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

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

| (a)<br>Base period years<br>Calendar year (or tax year beginning in) | (b)<br>Adjusted qualifying distributions | (c)<br>Net value of noncharitable-use assets | (d)<br>Distribution ratio<br>(col (b) divided by col (c)) |
|--|--|--|---|
| 2011   | 3,930,210.00                             | 17,153,857.74                                | 0.2291  |
| 2010   | 2,582,766.00                             | 13,699,860.00                                | 0.1885  |
| 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  |

**2** Total of line 1, column (d)**2**

1.3347

**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**

0.2669

**4** Enter the net value of noncharitable-use assets for 2012 from Part X, line 5**4**

20,114,341.23

**5** Multiply line 4 by line 3**5**

5,368,517.67

**6** Enter 1% of net investment income (1% of Part I, line 27b)**6**

9,993.40

**7** Add lines 5 and 6**7**

5,378,511.07

**8** Enter qualifying distributions from Part XII, line 4**8**

2,646,768.00

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

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

|   |    |           |           |
|---|----|-----------|-----------|
| 1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 . . . . .                   |    |           |           |
| Date of ruling or determination letter . . . . . (attach copy of letter if necessary - see instructions)  |    |           |           |
| b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b . . . . . |    | 1         | 19,987.00 |
| 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         | 19,987.00 |
| 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         | 19,987.00 |
| 6 Credits/Payments  |    |           |           |
| a 2012 estimated tax payments and 2011 overpayment credited to 2012 . . . . .   | 6a | 13,843.08 |           |
| 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  | 13,843.08 |           |
| 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  | 6,143.92  |           |
| 10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid . . . . .  | 10 |           |           |
| 11 Enter the amount of line 10 to be Credited to 2013 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>                              | 11 |           |           |

**Part VII-A Statements Regarding Activities**

|   | Yes | No |
|---|-----|----|
| 1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . . . .  |     | X  |
| b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? . . . . .  |     | 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<br>(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<br>• By language in the governing instrument, or<br>• 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 instructions) <input type="checkbox"/>   |     |    |
| Ohio -- 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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV . . . . .  |     | X  |
| 10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses . . . . .   |     | X  |

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

|   |   |    |     |                            |
|---|---|----|-----|----------------------------|
| 11  | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) . . . . .   | 11 |     | X                          |
| 12  | Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions) . . . . .  | 12 |     | X                          |
| 13  | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . .   | 13 | X   |                            |
| Website address ► <u>www.lubrizol.com/CorporateResponsibility/Lubrizol-Foundation.html</u>  |   |    |     |                            |
| 14  | The books are in care of ► <u>Matt Leigh</u> Telephone no ► <u>440-347-5619</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 . . . . .   |    |     | ► <input type="checkbox"/> |
| and enter the amount of tax-exempt interest received or accrued during the year . . . . . ► 15                                      |   |    |     |                            |
| 16  | At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? . . . . . | 16 | Yes | No                         |
|   |   |    |     | X                          |
| See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ► |   |    |     |                            |

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

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

|   | Yes                          | No                                     |
|---|------------------------------|--|
| 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                           |  |
| Organizations relying on a current notice regarding disaster assistance check here . . . . .  |                              | ► <input type="checkbox"/>             |
| c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012? . . . . .   | 1c                           | X                                      |
| 2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))   |                              |  |
| a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? . . . . .   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If "Yes," list the years ►  |                              |  |
| b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions) . . . . .  | 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 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.) . . . . . | 3b                           |  |
| 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . .  | 4a                           | X                                      |
| b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012? . . . . .   | 4b                           | X                                      |

Form 990-PF (2012)

**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)?**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 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 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

Form 990-PF (2012)

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

| (a) Name and address of each person paid more than \$50,000                        | (b) Type of service | (c) Compensation |
|--|---------------------|------------------|
| None   |                     |                  |
|  |                     |                  |
|  |                     |                  |
|  |                     |                  |
|  |                     |                  |
|  |                     |                  |
| Total number of others receiving over \$50,000 for professional services . . . . . |                     | 0                |

**Part IX-A Summary of Direct Charitable Activities**

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

|                  | Expenses |
|------------------|----------|
| 1 Not applicable |          |
| 2                |          |
| 3                |          |
| 4                |          |
|                  | 0.00     |

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

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

|  | Amount |
|--|--------|
| 1  |        |
| 2  |        |
| All other program-related investments See instructions |        |
| 3  |        |
|  | 0.00   |
| Total. Add lines 1 through 3 . . . . .                 | 0.00   |

Form 990-PF (2012)



**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see 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> | 20,189,017.00 |
| <b>b</b> | Average of monthly cash balances  | <b>1b</b> | 231,634.00    |
| <b>c</b> | Fair market value of all other assets (see instructions)  | <b>1c</b> |               |
| <b>d</b> | <b>Total</b> (add lines 1a, b, and c)   | <b>1d</b> | 20,420,651.00 |
| <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>  | 20,420,651.00 |
| <b>4</b> | Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)  | <b>4</b>  | 306,309.77    |
| <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>  | 20,114,341.23 |
| <b>6</b> | <b>Minimum investment return.</b> Enter 5% of line 5  | <b>6</b>  | 1,005,717.06  |

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

|           |   |           |              |
|-----------|---|-----------|--------------|
| <b>1</b>  | Minimum investment return from Part X, line 6   | <b>1</b>  | 1,005,717.06 |
| <b>2a</b> | Tax on investment income for 2012 from Part VI, line 5  | <b>2a</b> | 19,987.00    |
| <b>b</b>  | Income tax for 2012. (This does not include the tax from Part VI.)  | <b>2b</b> |              |
| <b>c</b>  | Add lines 2a and 2b   | <b>2c</b> | 19,987.00    |
| <b>3</b>  | Distributable amount before adjustments. Subtract line 2c from line 1                                     | <b>3</b>  | 985,730.06   |
| <b>4</b>  | Recoveries of amounts treated as qualifying distributions   | <b>4</b>  |              |
| <b>5</b>  | Add lines 3 and 4   | <b>5</b>  | 985,730.06   |
| <b>6</b>  | Deduction from distributable amount (see 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>  | 985,730.06   |

**Part XII Qualifying Distributions** (see 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> | 2,646,768.00 |
| <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>  | 2,646,768.00 |
| <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 instructions) | <b>5</b>  |              |
| <b>6</b> | <b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4  | <b>6</b>  | 2,646,768.00 |

**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 instructions)

|   | (a)<br>Corpus | (b)<br>Years prior to 2011 | (c)<br>2011 | (d)<br>2012 |
|---|---------------|----------------------------|-------------|-------------|
| <b>1</b> Distributable amount for 2012 from Part XI, line 7 . . . . .   |               |                            |             | 985,730.06  |
| <b>2</b> Undistributed income, if any, as of the end of 2012  |               |                            |             |             |
| <b>a</b> Enter amount for 2011 only . . . . .   |               |                            |             |             |
| <b>b</b> Total for prior years 20____, 20____, 20____   |               |                            |             |             |
| <b>3</b> Excess distributions carryover, if any, to 2012  |               |                            |             |             |
| <b>a</b> From 2007 . . . . . 2,509,562.00   |               |                            |             |             |
| <b>b</b> From 2008 . . . . . 2,234,643.00   |               |                            |             |             |
| <b>c</b> From 2009 . . . . . 2,235,403.00   |               |                            |             |             |
| <b>d</b> From 2010 . . . . . 1,907,993.00   |               |                            |             |             |
| <b>e</b> From 2011 . . . . . 3,085,783.00   |               |                            |             |             |
| <b>f</b> Total of lines 3a through e . . . . .  | 11,973,384.00 |                            |             |             |
| <b>4</b> Qualifying distributions for 2012 from Part XII, line 4 ► \$ 2,646,768.00  |               |                            |             |             |
| <b>a</b> Applied to 2011, but not more than line 2a . . .   |               |                            |             |             |
| <b>b</b> Applied to undistributed income of prior years (Election required - see instructions) . . . . .  |               |                            |             |             |
| <b>c</b> Treated as distributions out of corpus (Election required - see instructions) . . . . .  |               |                            |             |             |
| <b>d</b> Applied to 2012 distributable amount . . . . .   |               |                            |             | 985,730.06  |
| <b>e</b> Remaining amount distributed out of corpus . .   | 1,661,037.94  |                            |             |             |
| <b>5</b> Excess distributions carryover applied to 2012 .<br>(If an amount appears in column (d), the same amount must be shown in column (a) )   |               |                            |             |             |
| <b>6</b> Enter the net total of each column as indicated below:   |               |                            |             |             |
| <b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5  | 13,634,421.94 |                            |             |             |
| <b>b</b> Prior years' undistributed income Subtract line 4b from line 2b . . . . .  |               |                            |             |             |
| <b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . . |               |                            |             |             |
| <b>d</b> Subtract line 6c from line 6b Taxable amount - see instructions . . . . .  |               |                            |             |             |
| <b>e</b> Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount - see instructions . . . . .  |               |                            |             |             |
| <b>f</b> Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013 . . . . .  |               |                            |             |             |
| <b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . .                                      |               |                            |             |             |
| <b>8</b> Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions) . . .  | 2,509,562.00  |                            |             |             |
| <b>9</b> Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a . . . . .  | 11,124,859.94 |                            |             |             |
| <b>10</b> Analysis of line 9  |               |                            |             |             |
| <b>a</b> Excess from 2008 . . . 2,234,643.00  |               |                            |             |             |
| <b>b</b> Excess from 2009 . . . 2,235,403.00  |               |                            |             |             |
| <b>c</b> Excess from 2010 . . . 1,907,993.00  |               |                            |             |             |
| <b>d</b> Excess from 2011 . . . 3,085,783.00  |               |                            |             |             |
| <b>e</b> Excess from 2012 . . . 1,661,037.94  |               |                            |             |             |

**Part XIV Private Operating Foundations** (see 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 2012, enter the date of the ruling . . . . .

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

4942(j)(3) or

4942(j)(5)

|  | Tax year | Prior 3 years |          |          | (e) Total |
|--|----------|---------------|----------|----------|-----------|
|  | (a) 2012 | (b) 2011      | (c) 2010 | (d) 2009 |           |
| <b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .                     |          |               |          |          |           |
| <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 instructions.)**1 Information Regarding Foundation Managers:**

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

None

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

None

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

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

**a** The name, address, and telephone number or e-mail 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**

| Recipient<br>Name and address (home or business) | If recipient is an individual,<br>show any relationship to<br>any foundation manager<br>or substantial contributor | Foundation<br>status of<br>recipient | Purpose of grant or<br>contribution | Amount       |
|--|--|--------------------------------------|-------------------------------------|--------------|
| <b>a Paid during the year</b>                    |  |                                      |                                     |              |
| See attached statement                           |  |                                      |                                     | 2,608,097.00 |
| <b>Total</b> .....                               |  |                                      | <b>3a</b>                           | 2,608,097.00 |
| <b>b Approved for future payment</b>             |  |                                      |                                     |              |
|  | At 12/31/11  |                                      | At 12/31/12                         |              |
| Grants authorized for future payments            | 712,658  |                                      | 653,500                             | -59,158.00   |
| Matching gifts authorized for future payments    | 166,882  |                                      | 264,711                             | 97,829.00    |
| <b>Total</b> .....                               |  |                                      | <b>3b</b>                           | 2,646,768.00 |

Form 990-PF (2012)

## Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions 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 instructions.) |
|----------|---|
| ▼        |   |

Not applicable

|          |  | Yes          | No |
|----------|--|--------------|----|
| <b>1</b> | 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?  |              |    |
| <b>a</b> | Transfers from the reporting foundation to a noncharitable exempt organization of:   |              |    |
|          | (1) Cash . . . . .   | <b>1a(1)</b> | X  |
|          | (2) Other assets . . . . .   | <b>1a(2)</b> | X  |
| <b>b</b> | Other transactions:  |              |    |
|          | (1) Sales of assets to a noncharitable exempt organization . . . . .   | <b>1b(1)</b> | X  |
|          | (2) Purchases of assets from a noncharitable exempt organization . . . . .   | <b>1b(2)</b> | X  |
|          | (3) Rental of facilities, equipment, or other assets . . . . .   | <b>1b(3)</b> | X  |
|          | (4) Reimbursement arrangements . . . . .   | <b>1b(4)</b> | X  |
|          | (5) Loans or loan guarantees . . . . .   | <b>1b(5)</b> | X  |
|          | (6) Performance of services or membership or fundraising solicitations . . . . .   | <b>1b(6)</b> | X  |
| <b>c</b> | Sharing of facilities, equipment, mailing lists, other assets, or paid employees . . . . .   | <b>1c</b>    | 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**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

► Juan A. Valenzuela

5-10-13

► Treasurer

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

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date \_\_\_\_\_

|   |      |
|---|------|
| Check <input type="checkbox"/> if self-employed | PTIN |
|---|------|

Firm's name ▶

Firm's EIN ▶

Firm's address ►

Phone no

**Schedule of Contributors**

OMB No 1545-0047

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

**2012**

Name of the organization

Employer identification number

The Lubrizol Foundation

34-6500595

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)( ) (enter number) organization

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

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

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

☒ 501(c)(3) taxable private foundation

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

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

**General Rule**

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

**Special Rules**

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

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

|  |   |
|--|---|
| <b>Name of organization</b><br>The Lubrizol Foundation | <b>Employer identification number</b><br>34-6500595 |
|--|---|

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4   | (c)<br>Total contributions | (d)<br>Type of contribution  |
|------------|---|----------------------------|--|
| 1          | The Lubrizol Corporation<br><br>29400 Lakeland Blvd.<br><br>Wickliffe, OH 44092 | \$ 5,000,000.00            | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
|            |   |                            | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
|            |   |                            | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
|            |   |                            | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
|            |   |                            | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
|            |   |                            | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
|            |   |                            | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
|            |   |                            | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |



Name of organization

The Lubrizol Foundation

Employer identification number

34-6500595

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

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

Name of organization

The Lubrizol Foundation

Employer identification number

34-6500595

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry.For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ► \$ \_\_\_\_\_

Use duplicate copies of Part III if additional space is needed.

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

**The Lubrizol Foundation 34-6500595**  
**Form 990-PF, Return of Private Foundation**  
**2012**

**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>    |
|-------------|--------------------------|--------------------|------------------|
| 02/01/2012  | The Lubrizol Corporation | Cash               | 2,500,000        |
| 09/28/2012  | 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>-54,033</u> |
| E.I.N. 34-6500595   |                |

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

|                       |              |
|-----------------------|--------------|
| Accrued taxes payable |              |
| Federal Excise Tax    | <u>8,157</u> |
|                       | <u>8,157</u> |

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

|                            |                |               |
|----------------------------|----------------|---------------|
| State filing fee           |                | 0             |
| Investment Management Fees | 73,890         | 73,890        |
| Consulting Fees            | 36,102         | 0             |
|                            | <u>109,992</u> | <u>73,890</u> |

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

|   |                  |
|---|------------------|
| Line 10b - Corporate Stock                            |                  |
| Various Equity Securities - List Available on Request | <u>4,186,622</u> |

Line 13 - Investments - Other

|                        |                   |
|------------------------|-------------------|
| PIMCO                  | 3,245,784         |
| One Group              | 3,153,481         |
| DFA                    | 1,702,530         |
| TBCAM CMT              | 85,779            |
| Stone Harbor           | 809,502           |
| Victory Focused        | 1,775,414         |
| Wm. Blair Int'l Equity | 4,025,432         |
| RS Investment          | 1,141,527         |
| Westwood               | 1,118,265         |
|                        | <u>17,057,714</u> |

**The Lubrizol Foundation 34-6500595**  
**Form 990-PF, Return of Private Foundation**  
**2012**

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

|                                |                |
|--------------------------------|----------------|
| PIMCO Total Return Fund        | 15,854         |
| One Group                      | 29,866         |
| Victory Funds                  | 36,024         |
| Dimensional Fund Advisors      | 11,288         |
| TBCAM CHT                      | 117,622        |
| RS Investment                  | 0              |
| Victory Focused                | 32,521         |
| STRALEM                        | 26,433         |
| Stone Harbor                   | 0              |
| Westwood                       | 6,950          |
| Wm. Blair International Equity | (11,722)       |
|                                | <u>264,836</u> |

THE LUBRIZOL FOUNDATION 34-6500595  
FORM 990-PF, RETURN OF PRIVATE FOUNDATION  
2012

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  
2012 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 2012.

Education:

|                                       |                |           |
|---------------------------------------|----------------|-----------|
| Colleges & Universities               | \$ 601,103     |           |
| School                                | 191,014        |           |
| Educational Programs & Combined Funds | <u>164,836</u> |           |
|                                       |                | \$956,953 |

Health & Human Services:

|                |                |           |
|----------------|----------------|-----------|
| Health         | 91,435         |           |
| Human Services | <u>977,864</u> |           |
|                |                | 1,069,299 |

|               |  |         |
|---------------|--|---------|
| Environmental |  | 135,667 |
|---------------|--|---------|

|                  |  |         |
|------------------|--|---------|
| Youth Activities |  | 156,842 |
|------------------|--|---------|

|                  |  |                |
|------------------|--|----------------|
| Civic & Cultural |  | <u>326,347</u> |
|                  |  | 2,645,108      |

|                    |  |              |
|--------------------|--|--------------|
| Conditional Grants |  | <u>1,660</u> |
|--------------------|--|--------------|

\$2,646,768

*Trustees*

D. J. Enzerra  
*Senior Director, Community  
and Public Affairs  
The Lubrizol Corporation*

R. T. Graf  
*Corporate 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  
*Corporate Vice President  
Chief Financial Officer  
The Lubrizol Corporation*

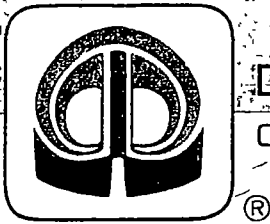
*Officers*

J. L. Hambrick  
*Chairman*

D. J. Enzerra  
*President*

B. A. Valentine  
*Treasurer*

K. A. Lerchbacher  
*Secretary*



Dingus and Daga, Inc.

Certified Public Accountants

April 1, 2013

To the Board of Trustees  
The Lubrizol Foundation  
Cleveland, Ohio

We have audited the financial statements of The Lubrizol Foundation (the "Foundation") for the years ended December 31, 2012 and 2011, and have issued our report thereon dated April 1, 2013. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, as well as certain information related to our audit.

**Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of The Lubrizol Foundation. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

**Significant Audit Findings**

***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Lubrizol Foundation are described in Note 1 to the financial statements. No new policies were adopted during 2011 and the application of existing policies was not changed. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates



are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Unrealized gains and losses on investments - The fair value of investments is determined monthly based on fair values provided by a third party that holds the investments in safekeeping.
- Impairment of investment in Cleveland Development Partnership (CDP) - The Foundation does not expect to realize any return on its investment of \$1,495,000 in Cleveland Development Partnership that was transferred to by the Lubrizol Corporation. Even if CDP were to dissolve, since it is a community development program, it would be expected that the Foundation donate or leave the investment there to be used in the community rather than realize any return on its investment. Based on this, the Foundation has determined that this investment and any investment earnings credited to its partnership interest are permanently impaired and has set up a reserve for the amount of the entire investment.

We evaluated the key factors and assumptions used to develop the estimates relating to the above in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered no difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Audit adjustments proposed by us and recorded by the Foundation are shown on the attached "Summary of Recorded Audit Adjustments."

### ***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated April 1, 2013. A copy of the representation letter is attached as **Exhibit A**.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees and management of The Lubrizol Foundation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Hingus and Daga, Inc.*

The Lubrizol Foundation  
Summary of Recorded Audit Adjustments  
Year ended December 31, 2012

| Description                            | Effect - Debit (Credit) |             |            |               |         |
|--|-------------------------|-------------|------------|---------------|---------|
|  | Assets                  | Liabilities | Net Assets | Revenue       | Expense |
| Gains on investments                   |                         |             |            | \$ 155,723.00 |         |
| Interest and dividends                 |                         |             |            | (155,723.00)  |         |
| To reclassify gains on investments     |                         |             |            |               |         |
| Change in net asset impact             |                         |             |            | \$ -          | \$ -    |
| Statement of Financial Position impact | \$ -                    | \$ -        | \$ -       |               |         |

## **EXHIBIT A**

April 1, 2013

Dingus and Daga, Inc.  
20600 Chagrin Boulevard, Suite #701  
Shaker Heights, Ohio 44122

Gentlemen:

This representation letter is provided in connection with your audit of the financial statements of The Lubrizol Foundation, which comprise the statement of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 1, 2013, the following representations made to you during your audit.

### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 1, 2013.
- The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the company's accounts.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

#### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
  - Management,
  - Employees who have significant roles in internal control, or

- Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the Foundation's related parties and all the related party relationships and transactions of which we are aware.
- The Foundation has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- The Lubrizol Foundation is an exempt organization under Section 501 (c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

Sincerely,

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

THE LUBRIZOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2012 and 2011

**Note 5. Fair Value Measurement (continued)**

Fair values of assets measured on a recurring basis at December 31, 2012 and 2011 are as follows:

|                          | Fair Value          | Level 1             | Level 2     | Level 3     |
|--------------------------|---------------------|---------------------|-------------|-------------|
| <u>December 31, 2012</u> |                     |                     |             |             |
| Equities                 | \$14,035,569        | \$14,035,569        | \$ -        | \$ -        |
| Fixed income             | 7,208,766           | 7,208,766           | -           | -           |
| Money market investments | 253,909             | 253,909             | -           | -           |
| Total                    | <u>\$21,498,245</u> | <u>\$21,498,245</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>December 31, 2011</u> |                     |                     |             |             |
| Equities                 | \$11,347,699        | \$11,347,699        | \$ -        | \$ -        |
| Fixed income             | 5,909,380           | 5,909,380           | -           | -           |
| Money market investments | 125,163             | 125,163             | -           | -           |
| Total                    | <u>\$17,382,242</u> | <u>\$17,382,242</u> | <u>\$ -</u> | <u>\$ -</u> |

**Note 6. Concentration of Credit Risk**

The Foundation maintains cash accounts at a financial institution. These balances are insured by the Federal Deposit Insurance Corporation. At December 31, 2012, the uninsured portion of this balance was \$362,356. At December 31, 2011, the Foundation had no uninsured amounts.

**Note 7. Related Party Transactions**

The Foundation receives primarily all of its financial support from Lubrizol. During 2012 and 2011, Lubrizol made contributions of \$5,000,000 for each year to the Foundation. In addition, employees of Lubrizol provide management and advisory services to the Foundation without charge.

**Note 8. Reclassifications**

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.