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

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

2012

Open to Public Inspection

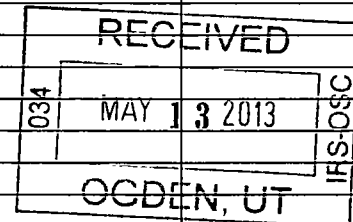
For calendar year 2012 or tax year beginning

, 2012, and ending

, 20

Name of foundation THE MATTHEWS FAMILY FOUNDATION		A Employer identification number 45-6441049
Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see instructions) (216) 472-3300
C/O 631 WEST ST. CLAIR AVENUE		
City or town, state, and ZIP code CLEVELAND, OH 44113-1204		C If exemption application is pending, check here ☐
G Check all that apply:	☐ Initial return ☐ Final return ☐ Address change	D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 2,062,882.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis.)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

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)		9,019.			
2 Check ☐ if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		54,474.	54,474.		ATCH 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		683,485.			
b Gross sales price for all assets on line 6a 1,394,074.					
7 Capital gain net income (from Part IV, line 2)			683,485.		
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) ATCH 2		205.			
12 Total. Add lines 1 through 11		747,183.	737,959.	0	
13 Compensation of officers, directors, trustees, etc.		0			
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule) ATCH 3		12,686.			
b Accounting fees (attach schedule)					
c Other professional fees (attach schedule) *		11,477.	11,477.		
17 Interest					
18 Taxes (attach schedule) (see instructions) ATCH 5		5,080.	525.		
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule) ATCH 6		340.	140.		
24 Total operating and administrative expenses. Add lines 13 through 23		29,583.	12,142.		
25 Contributions, gifts, grants paid		12,500.			12,500.
26 Total expenses and disbursements. Add lines 24 and 25		42,083.	12,142.	0	12,500.
27 Subtract line 26 from line 12.					
a Excess of revenue over expenses and disbursements		705,100.			
b Net investment income (if negative, enter -0-)			725,817.		
c Adjusted net income (if negative, enter -0-)				0	



GK

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing		360.	360.
	2 Savings and temporary cash investments	149,498.	21,571.	21,571.
	3 Accounts receivable ▶ Less. allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less. allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ Less. allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments - U S and state government obligations (attach schedule) . .			
	b Investments - corporate stock (attach schedule) ATCH 7	692,987.	1,165,212.	1,670,841.
	c Investments - corporate bonds (attach schedule) ATCH 8		358,892.	370,110.
	11 Investments - land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule)			
	14 Land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	842,485.	1,546,035.	2,062,882.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons .			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)	0	0		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ ☒			
	27 Capital stock, trust principal, or current funds	842,485.	842,485.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds . .		703,550.	
30 Total net assets or fund balances (see instructions)	842,485.	1,546,035.		
31 Total liabilities and net assets/fund balances (see instructions)	842,485.	1,546,035.		

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	842,485.
2 Enter amount from Part I, line 27a	2	705,100.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	1,547,585.
5 Decreases not included in line 2 (itemize) ▶ ATCH 9	5	1,550.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,546,035.

Form **990-PF** (2012)

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)			(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr)	(d) Date sold (mo., day, yr)
1a SEE PART IV SCHEDULE					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a					
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	683,485.	
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	0	

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011			
2010			
2009			
2008			
2007			
2 Total of line 1, column (d)			2 0
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
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 1,951,937.
5 Multiply line 4 by line 3			5
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 7,258.
7 Add lines 5 and 6			7 7,258.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			8 12,500.

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)		1	7,258.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b			
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	7,258.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	7,258.
6 Credits/Payments:			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	8,000.	
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	8,000.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	742.	
11 Enter the amount of line 10 to be Credited to 2013 estimated tax ☒ 742. Refunded ☐	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ☒ \$ _____ (2) On foundation managers ☒ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☒ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☒ OH, _____		
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. ATCH 10		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

Form 990-PF (2012)

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 ▶ N/A				
14	The books are in care of ▶ WILLIAM E. KARNATZ, SR. Telephone no. ▶			
Located at ▶ 631 WEST ST. CLAIR AVENUE CLEVELAND, OH ZIP+4 ▶ 44113-1204				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here	15		
and enter the amount of tax-exempt interest received or accrued during the year ▶				
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
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? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
1b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? ☐ Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	1b	
1c	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? ☐ Yes ☒ 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	X
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 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)?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? ☐ Yes ☒ No

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ATCH 11		0	0	0

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

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

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

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 ▶

Part IX-A Summary of Direct Charitable Activities

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

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See instructions	
3 NONE	
Total. Add lines 1 through 3 ▶	

Form 990-PF (2012)

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	1,919,405.
b	Average of monthly cash balances	1b	62,257.
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	1,981,662.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	1,981,662.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions).	4	29,725.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,951,937.
6	Minimum investment return. Enter 5% of line 5	6	97,597.

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

1	Minimum investment return from Part X, line 6	1	97,597.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	7,258.
b	Income tax for 2012. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	7,258.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	90,339.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	90,339.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	90,339.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	12,500.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	12,500.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	7,258.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	5,242.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				90,339.
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only			7,241.	
b Total for prior years 20 10 20 09 20 08				
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ 12,500.				
a Applied to 2011, but not more than line 2a			7,241.	
b Applied to undistributed income of prior years (Election required - see instructions).				
c Treated as distributions out of corpus (Election required - see instructions)				
d Applied to 2012 distributable amount				5,259.
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount - see instructions				
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instructions				
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				85,080.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions).				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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

NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling

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

4942(j)(3) or

4942(j)(5)

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

Tax year	Prior 3 years				(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

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

CYNTHIA P. MATTHEWS

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

N/A

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

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

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

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

c Any submission deadlines:

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

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year ATCH 12				
Total			▶ 3a	12,500.
b Approved for future payment				
Total			▶ 3b	

Enter gross amounts unless otherwise indicated.

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

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

[illegible]

Schedule of Contributors

OMB No 1545-0047

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

2012

Name of the organization

THE MATTHEWS FAMILY FOUNDATION

Employer identification number

45-6441049

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).

Name of organization THE MATTHEWS FAMILY FOUNDATION

Employer identification number
45-6441049**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	CYNTHIA P. MATTHEWS 7299 DILLMAN DRIVE HUDSON, OH 44236-2442	\$ 9,019.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization THE MATTHEWS FAMILY FOUNDATION

Employer identification number

45-6441049

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

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

Name of organization THE MATTHEWS FAMILY FOUNDATION

Employer identification number

45-6441049

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. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----

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

Kind of Property		Description				Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj basis	Gain or (loss)	
85,137.		NORTHERN TRUST CO. 23-68436, SEE ATTACHE PROPERTY TYPE: SECURITIES				VARIOUS	VARIOUS
		85,870.				-733.	
1,308,937.		NORTHERN TRUST CO. 23-68436, SEE ATTACHE				VARIOUS	VARIOUS
		624,879.				684,058.	
		NORTHERN TRUST CO. 23-68436, CGD				VARIOUS	VARIOUS
						160.	
TOTAL GAIN (LOSS)						<u>683,485.</u>	

ATTACHMENT 1FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>
NORTHERN TRUST CO. 23-68436, DIVIDENDS	47,416.	47,416.	
NORTHERN TRUST CO. 23-68436, DIVIDENDS	173.	173.	
NORTHERN TRUST CO. 23-68436, DIVIDENDS	6,885.	6,885.	
TOTAL	<u>54,474.</u>	<u>54,474.</u>	

ATTACHMENT 2

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME
NORTHERN TRUST CO. 23-68436, NONDIV DIST	205.		
TOTALS	205.		

ATTACHMENT 3

FORM 990PF, PART I - LEGAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
PERRY & KARNATZ, LLC	12,288.			
PERRY & KARNATZ, LLC	398.			
TOTALS	<u>12,686.</u>			

ATTACHMENT 4FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
FIDUCIARY ADVISORY SERVICES	3,253.	3,253.		
NORTHERN TRUST COMPANY	7,532.	7,532.		
NORTHERN TRUST COMPANY	692.	692.		
TOTALS	<u>11,477.</u>	<u>11,477.</u>		

ATTACHMENT 5

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
PRIOR YEAR TAX BALANCE DUE	55.			
CURRENT TAX ESTIMATED PAYMENT	4,500.			
FOREIGN TAXES PAID	525.	525.		
TOTALS	5,080.	525.		

ATTACHMENT 6FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
OHIO FILING FEE	200.			
NORTHERN TRUST CO.: BANK FEES	140.	140.		
TOTALS	340.	140.		

ATTACHMENT 7

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION

ENDING
BOOK VALUE

ENDING
FMV

NORTHERN TRUST CO. 23-68436
NORTHERN TRUST CO. 23-15699

918,284.
246,928.

1,417,690.
253,151.

TOTALS

1,165,212.

1,670,841.

ATTACHMENT 8FORM 990PF, PART II - CORPORATE BONDSDESCRIPTION

	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
NORTHERN TRUST CO. 23-68436	358,892.	370,110.
TOTALS	<u>358,892.</u>	<u>370,110.</u>

ATTACHMENT 9FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

<u>DESCRIPTION</u>	<u>AMOUNT</u>
BOOK/TAX ADJUSTMENT	1,550.
TOTAL	<u>1,550.</u>

ATTACHMENT 10FORM 990PF, PART VII-A, LINE 8B - EXPLANATION OF NON-FILING

OHIO REQUIRES CHARITABLE ORGANIZATIONS TO FILE AN ANNUAL REPORT WITH THE OHIO ATTORNEY GENERAL'S OFFICE IN LIEU OF A COPY OF THE FORM 990-PF. THE REQUIRED ANNUAL REPORT WAS FILED WITH THE OHIO ATTORNEY GENERAL'S OFFICE BY THE FOUNDATION.

THE MATTHEWS FAMILY FOUNDATION

45-6441049

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 11

TITLE AND AVERAGE HOURS PER
WEEK DEVOTED TO POSITION

NAME AND ADDRESS

CYNTHIA P. MATTHEWS
C/O 631 WEST ST. CLAIR AVENUE
CLEVELAND, OH 44113-1204

CO-TRUSTEE
1.00

0 0 0

LOUIS E. DAUGHERTY
C/O 631 WEST ST. CLAIR AVENUE
CLEVELAND, OH 44113-1204

CO-TRUSTEE
1.00

0 0 0

MARCI M. MATTHEWS
C/O 631 WEST ST. CLAIR AVENUE
CLEVELAND, OH 44113-1204

DISTRIBUTION COMMITTEE MEMBER
1.00

0 0 0

PARKER T. MATTHEWS
C/O 631 WEST ST. CLAIR AVENUE
CLEVELAND, OH 44113-1204

DISTRIBUTION COMMITTEE MEMBER
1.00

0 0 0

STREETER H. MATTHEWS
C/O 631 WEST ST. CLAIR AVENUE
CLEVELAND, OH 44113-1204

DISTRIBUTION COMMITTEE MEMBER
1.00

0 0 0

MASON A. MATTHEWS
C/O 631 WEST ST. CLAIR AVENUE
CLEVELAND, OH 44113-1204

DISTRIBUTION COMMITTEE MEMBER
.50

0 0 0

GRAND TOTALS

FORM 990FE, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 12

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
FIRST GLANCE STUDENT CENTER 943 KENMORE BOULEVARD AKRON, OH 44314	UNRELATED PUBLIC CHARITY		GENERAL	5,000.
RAPE, ABUSE AND INCEST NATIONAL NETWORK (RAINN) 2000 L STREET, NW SUITE 406 WASHINGTON, DC 20036	UNRELATED PUBLIC CHARITY		GENERAL	5,000.
SPECIAL OLYMPICS, INC. 1133 19TH STREET, NW WASHINGTON, DC 20036	UNRELATED PUBLIC CHARITY		GENERAL	2,500.
TOTAL CONTRIBUTIONS PAID				<u>12,500.</u>

FORM 990-PF, PART XVI-A - ANALYSIS OF OTHER REVENUE

ATTACHMENT 13

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
NONDIVIDEND DISTRIBUTIONS			01	205.	
TOTALS				205.	

**SCHEDULE D
(Form 1041)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

► Attach to Form 1041, Form 5227, or Form 990-T.
► Information about Schedule D (Form 1041) and its separate instructions is at
www.irs.gov/form1041.

OMB No 1545-0092

2012

Name of estate or trust

THE MATTHEWS FAMILY FOUNDATION

Employer identification number

45-6441049

Note: Form 5227 filers need to complete *only* Parts I and II.

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b **1b** -733.

2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 **2**

3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts **3**

4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2011 Capital Loss Carryover Worksheet **4** ()

5 **Net short-term gain or (loss).** Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back. **5** -733.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b **6b** 684,218.

7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 **7**

8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts **8**

9 Capital gain distributions **9**

10 Gain from Form 4797, Part I **10**

11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2011 Capital Loss Carryover Worksheet **11** ()

12 **Net long-term gain or (loss).** Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back. **12** 684,218.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2012

Part III Summary of Parts I and II**Caution: Read the instructions before completing this part.**

		(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
13	Net short-term gain or (loss)	13		-733.
14	Net long-term gain or (loss):			
a	Total for year	14a		684,218.
b	Unrecaptured section 1250 gain (see line 18 of the wrkst.)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a ▶	15		683,485.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation

16	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of: a The loss on line 15, column (3) or b \$3,000	16	()
-----------	--	-----------	-----

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** in the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if:

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17		
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18		
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19		
20	Add lines 18 and 19	20		
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- ▶	21		
22	Subtract line 21 from line 20. If zero or less, enter -0-	22		
23	Subtract line 22 from line 17. If zero or less, enter -0-	23		
24	Enter the smaller of the amount on line 17 or \$2,400	24		
25	Is the amount on line 23 equal to or more than the amount on line 24? ☐ Yes. Skip lines 25 and 26; go to line 27 and check the "No" box ☐ No. Enter the amount from line 23	25		
26	Subtract line 25 from line 24	26		
27	Are the amounts on lines 22 and 26 the same? ☐ Yes. Skip lines 27 thru 30, go to line 31 ☐ No. Enter the smaller of line 17 or line 22	27		
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28		
29	Subtract line 28 from line 27	29		
30	Multiply line 29 by 15% (.15)	30		
31	Figure the tax on the amount on line 23. Use the 2012 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	31		
32	Add lines 30 and 31	32		
33	Figure the tax on the amount on line 17. Use the 2012 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	33		
34	Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)	34		

Schedule D (Form 1041) 2012

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.

OMB No. 1545-0092

2012

► Information about Schedule D (Form 1041) and its separate instructions is at www.irs.gov/form1041.

Name of estate or trust

THE MATTHEWS FAMILY FOUNDATION

Employer identification number

45-6441049

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less[illegible]

1b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 1b -733.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D-1 (Form 1041) 2012

JSA
2F1221 2 000

00 6233DQ N567 5/7/2013 11:56:37 AM V 12-4.6F

PAGE 37

Employer identification number

[illegible]

6b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 6b 684,218.

Schedule D-1 (Form 1041) 2012

2012 Tax Information Statement

Account Number: 23-68436
Recipient's Tax ID Number: XX-XXX1049
Corrected ☐ **2nd TIN notice** ☐
Recipient's Name and Address:
 MATTHEWS FAMILY FOUNDATION
 C/O CYNTHIA P. MATTHEWS, TRUSTEE
 7299 DILLMAN DR.
 HUDSON, OH 44236

THE NORTHERN TRUST COMPANY
 P.O. BOX 803878
 CHICAGO, IL 60680

2012 Proceeds from Broker and Barter Exchange Transactions

Sales are listed at Gross Proceeds less commissions and option premiums.

Cusip	Description	Stock or Other Symbol	Stocks Bonds, etc.	Cost or Other Basis	Wash Sale Loss Disallowed	Net Gain or Loss	Federal Income Tax Withheld	State Tax Withheld
Short Term Sales								
00206R102	AT&T INC	T	2,115.99	2,116.20	0.00	-0.21	0.00	0.00
67 0000	03/19/2012 03/15/2012							
913017109	UNITED TECHNOLOGIES CORP	UTX	680.44	693.43	0.00	-12.99	0.00	0.00
8.0000	03/19/2012 03/15/2012							
718546104	PHILLIPS 66 COM	PSX	15.98	18.38	0.00	-2.40	0.00	0.00
.5000	05/01/2012 03/15/2012							
20825C104	CONOCOPHILLIPS	COP	2,384.18	2,622.37	0.00	-238.19	0.00	0.00
45.0000	05/09/2012 03/15/2012							
421906108	HEALTHCARE SVCS GROUP INC	HCSG	40.52	41.14	0.00	-0.62	0.00	0.00
2.0000	05/09/2012 03/15/2012							
458140100	INTEL CORP COM	INTC	1,591.64	1,641.01	0.00	-49.37	0.00	0.00
59.0000	05/09/2012 03/15/2012							
718546104	PHILLIPS 66 COM	PSX	661.17	808.50	0.00	-147.33	0.00	0.00
22.0000	05/09/2012 03/15/2012							
421906108	HEALTHCARE SVCS GROUP INC	HCSG	121.59	123.43	0.00	-1.84	0.00	0.00
6.0000	05/10/2012 03/15/2012							
421906108	HEALTHCARE SVCS GROUP INC	HCSG	61.35	61.72	0.00	-0.37	0.00	0.00
3.0000	05/11/2012 03/15/2012							

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☐ Corrected ☐ 2nd TIN notice

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 MATTHEWS FAMILY FOUNDATION
 C/O CYNTHIA P. MATTHEWS, TRUSTEE
 7299 DILLMAN DR.
 HUDSON, OH 44236

THE NORTHERN TRUST COMPANY
 P.O. BOX 803878
 CHICAGO, IL 60680

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421906108	HEALTHCARE SVCS GROUP INC	HCSG	101.86	102.86	0.00	-1.00	0.00	0.00
5.0000	05/11/2012 03/15/2012							
421906108	HEALTHCARE SVCS GROUP INC	HCSG	60.64	61.72	0.00	-1.08	0.00	0.00
3.0000	05/14/2012 03/15/2012							
421906108	HEALTHCARE SVCS GROUP INC	HCSG	101.53	102.86	0.00	-1.33	0.00	0.00
5.0000	05/15/2012 03/15/2012							
421906108	HEALTHCARE SVCS GROUP INC	HCSG	162.21	164.58	0.00	-2.37	0.00	0.00
8.0000	05/16/2012 03/15/2012							
421906108	HEALTHCARE SVCS GROUP INC	HCSG	39.68	41.14	0.00	-1.46	0.00	0.00
2.0000	05/17/2012 03/15/2012							
421906108	HEALTHCARE SVCS GROUP INC	HCSG	39.27	41.15	0.00	-1.88	0.00	0.00
2.0000	05/18/2012 03/15/2012							
421906108	HEALTHCARE SVCS GROUP INC	HCSG	77.99	82.29	0.00	-4.30	0.00	0.00
4.0000	05/21/2012 03/15/2012							
421906108	HEALTHCARE SVCS GROUP INC	HCSG	38.69	41.14	0.00	-2.45	0.00	0.00
2.0000	05/22/2012 03/15/2012							
22576C101	CRESCENT POINT ENERGY CORP COM	CSCTF	281.22	368.56	0.00	-87.34	0.00	0.00
8.0000	06/25/2012 03/15/2012							

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421906108	HEALTHCARE SVCS GROUP INC	HCSG	855.29	966.91	0.00	-111.62	0.00	0.00
47 0000	06/25/2012 03/15/2012							
718172109	PHILIP MORRIS INTERNATIONAL	PM	1,599.86	1,628.75	0.00	-28.89	0.00	0.00
19 0000	06/25/2012 03/15/2012							
923725105	VERMILION ENERGY INC COM	VEMTF	533.84	644.15	0.00	-110.31	0.00	0.00
13.0000	06/25/2012 03/15/2012							
22576C101	CRESCENT POINT ENERGY CORP COM	CSCTF	106.15	138.21	0.00	-32.06	0.00	0.00
3 0000	06/26/2012 03/15/2012							
421906108	HEALTHCARE SVCS GROUP INC	HCSG	1,147.64	1,316.64	0.00	-169.00	0.00	0.00
64.0000	06/26/2012 03/15/2012							
718172109	PHILIP MORRIS INTERNATIONAL	PM	504.84	514.34	0.00	-9.50	0.00	0.00
6.0000	06/26/2012 03/15/2012							
923725105	VERMILION ENERGY INC COM	VEMTF	250.64	297.30	0.00	-46.66	0.00	0.00
6.0000	06/26/2012 03/15/2012							
421906108	HEALTHCARE SVCS GROUP INC	HCSG	147.86	164.58	0.00	-16.72	0.00	0.00
8.0000	06/27/2012 03/15/2012							
65339F101	NEXTERA ENERGY INC COM	NEE	2,034.92	1,807.14	0.00	227.78	0.00	0.00
30 0000	07/09/2012 03/15/2012							

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Cusip	Description	Stock or Other Symbol			Wash Sale Loss Disallowed	Net Gain or Loss	Federal Income Tax Withheld	State Tax Withheld
Quantity Sold	Date of Sale or Exchange	Date of Acquisition	Stocks Bonds, etc.	Cost or Other Basis				
756109104	RLTY INC CORP COM		O					
28 0000	07/09/2012	03/15/2012	1,163.66	1,059.86	0.00	103.80	0.00	0.00
756109104	RLTY INC CORP COM		O					
12.0000	07/10/2012	03/15/2012	499.33	454.23	0.00	45.10	0.00	0.00
002824100	ABBOTT LABORATORIES		ABT					
1 0000	07/18/2012	03/15/2012	66.04	59.16	0.00	6.88	0.00	0.00
02209S103	ALTRIA GROUP INC		MO					
2 0000	07/18/2012	03/15/2012	71.72	59.96	0.00	11.76	0.00	0.00
05534B760	BCE INC COM NEW		BCE					
2 0000	07/18/2012	03/15/2012	84.12	81.24	0.00	2.88	0.00	0.00
064149107	BANK N S HALIFAX COM STK		BNS					
2 0000	07/18/2012	03/15/2012	103.72	111.36	0.00	-7.64	0.00	0.00
110122108	BRISTOL MYERS SQUIBB CO		BMJ					
2.0000	07/18/2012	03/15/2012	72.16	66.40	0.00	5.76	0.00	0.00
166764100	CHEVRONTXACO CORP		CVX					
1 0000	07/18/2012	05/09/2012	107.68	101.82	0.00	5.86	0.00	0.00
237194105	DARDEN RESTAURANTS INC		DRI					
1.0000	07/18/2012	03/15/2012	51.54	52.79	0.00	-1.25	0.00	0.00

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Cusip	Quantity Sold	Date of Sale or Exchange	Description	Stock or Other Symbol			Wash Sale Loss Disallowed	Net Gain or Loss	Federal Income Tax Withheld	State Tax Withheld
				Stocks Bonds, etc.	Cost or Other Basis					
253868103	1.0000	07/18/2012	DIGITAL RLTY TR INC COM	DLR	76.06	71.49	0.00	4.57	0.00	0.00
37733W105	2.0000	07/18/2012	GLAXO PLC ADR	GSK	92.02	90.08	0.00	1.94	0.00	0.00
40414L109	2.0000	07/18/2012	HCP, INC	HCP	91.84	80.42	0.00	11.42	0.00	0.00
423074103	1.0000	07/18/2012	H J HEINZ CO	HNZ	55.10	53.17	0.00	1.93	0.00	0.00
494368103	1.0000	07/18/2012	KIMBERLY CLARK CORP	KMB	85.99	72.88	0.00	13.11	0.00	0.00
49456B101	2.0000	07/18/2012	KINDER MORGAN INC DEL COM	KMI	70.02	71.98	0.00	-1.96	0.00	0.00
577081102	2.0000	07/18/2012	MATTEL INC	MAT	68.86	66.99	0.00	1.87	0.00	0.00
580135101	1.0000	07/18/2012	MCDONALDS CORP	MCD	92.08	97.98	0.00	-5.90	0.00	0.00
637417106	3.0000	07/18/2012	NATIONAL RETAIL PTYS INC COM STK	NNN	88.52	79.73	0.00	8.79	0.00	0.00

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Cusip	Description	Stock or Other Symbol	Cost or Other Basis	Wash Sale Loss Disallowed	Net Gain or Loss	Federal Income Tax Withheld	State Tax Withheld
Quantity Sold	Date of Sale or Exchange	Date of Acquisition	Stocks, Bonds, etc.				
66987V109	ADR NOVARTIS AG SPONSORED ADR ISIN #US66987V1098		NVS				
1.0000	07/18/2012	03/15/2012	56.34	0.00	1.90	0.00	0.00
742718109	PROCTER & GAMBLE CO		PG				
1.0000	07/18/2012	03/15/2012	64.79	0.00	-2.83	0.00	0.00
749685103	RPM INC OHIO		RPM				
3.0000	07/18/2012	03/15/2012	76.46	0.00	2.24	0.00	0.00
842587107	SOUTHERN CO		SO				
2.0000	07/18/2012	03/15/2012	95.34	0.00	5.67	0.00	0.00
94106L109	WASTE MGMT INC DEL		WM				
2.0000	07/18/2012	03/15/2012	66.46	0.00	-3.00	0.00	0.00
002824100	ABBOTT LABORATORIES		ABT				
38.0000	07/26/2012	03/15/2012	2,457.85	0.00	209.70	0.00	0.00
136069101	CDN IMPERIAL BK COMM TORONTO ONT COM STKCOM		CM				
21.0000	07/26/2012	03/15/2012	1,494.63	0.00	-131.29	0.00	0.00
253868103	DIGITAL RLTY TR INC COM		DLR				
3.0000	07/26/2012	03/15/2012	228.04	0.00	13.56	0.00	0.00
749685103	RPM INC OHIO		RPM				
18.0000	07/26/2012	03/15/2012	475.15	0.00	16.40	0.00	0.00

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Cusip	Description	Date of Sale or Exchange	Quantity Sold	Stocks or Other Symbol	Cost or Other Basis	Wash Sale Loss Disallowed	Net Gain or Loss	Federal Income Tax Withheld	State Tax Withheld
749685103	RPM INC OHIO	07/27/2012	36.0000	RPM	917.50	0.00	35.87	0.00	0.00
749685103	RPM INC OHIO	07/30/2012	28.0000	RPM	713.61	0.00	26.90	0.00	0.00
749685103	RPM INC OHIO	07/31/2012	16.0000	RPM	407.78	0.00	15.34	0.00	0.00
064149107	BANK N S HALIFAX COM STK	08/15/2012	74.0000	BNS	4,120.34	0.00	-235.59	0.00	0.00
29250N105	ENBRIDGE INC COM	08/15/2012	44.0000	ENB	1,697.34	0.00	55.71	0.00	0.00
29250N105	ENBRIDGE INC COM	08/16/2012	27.0000	ENB	1,041.55	0.00	32.72	0.00	0.00
29250N105	ENBRIDGE INC COM	08/17/2012	23.0000	ENB	887.25	0.00	28.03	0.00	0.00
29250N105	ENBRIDGE INC COM	08/20/2012	14.0000	ENB	540.06	0.00	16.49	0.00	0.00
05534B760	BCE INC COM NEW	10/02/2012	47.0000	BCE	1,909.22	0.00	160.31	0.00	0.00

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749685103	RPM INC OHIO	RPM	888.06	841.04	0.00	47.02	0.00	0.00
33 0000	10/02/2012 03/15/2012							
749685103	RPM INC OHIO	RPM	487.65	458.75	0.00	28.90	0.00	0.00
18.0000	10/03/2012 03/15/2012							
233203843	MFO DFA US SMALL CAP PORTFOLIO 6-10 SMALL CO	DFSTX						
1542.5300	PORTFOLIO OPEN END							
10/31/2012 03/09/2012			35,647.87	35,000.00	0.00	647.87	0.00	0.00
237194105	DARDEN RESTAURANTS INC	DRI						
50 0000	12/12/2012 03/15/2012		2,296.47	2,639.70	0.00	-343.23	0.00	0.00
94106L109	WASTE MGMT INC DEL	WM						
95.0000	12/12/2012 03/15/2012		3,195.75	3,299.26	0.00	-103.51	0.00	0.00
237194105	DARDEN RESTAURANTS INC	DRI						
51 0000	12/13/2012 03/15/2012		2,332.35	2,692.48	0.00	-360.13	0.00	0.00
94106L109	WASTE MGMT INC DEL	WM						
65 0000	12/13/2012 03/15/2012		2,185.69	2,257.39	0.00	-71.70	0.00	0.00
237194105	DARDEN RESTAURANTS INC	DRI						
32.0000	12/14/2012 Various		1,480.64	1,644.40	0.00	-163.76	0.00	0.00
94106L109	WASTE MGMT INC DEL	WM						
16.0000	12/14/2012 03/15/2012		537.13	555.67	0.00	-18.54	0.00	0.00

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CUSIP		Description	Stock or Other Symbol		Net Gain or Loss		Federal Income Tax Withheld		State Tax Withheld	
Quantity Sold	Date of Sale or Exchange	Date of Acquisition	Stocks, Bonds, etc.	Cost or Other Basis	Wash Sale Loss Disallowed	Net Gain or Loss	Federal Income Tax Withheld	State Tax Withheld		
Total Short Term Sales										
Long Term 15% Sales										
701094104	PARKER HANNIFIN CORP		PH							
2173 0000	03/06/2012	05/14/1971	188,360.06	16,584.87	0.00	171,775.19	0.00	0.00		
704549104	PEABODY ENERGY CORP COM		BTU							
4450 0000	03/06/2012	Various	134,086.76	114,826.59	0.00	19,260.17	0.00	0.00		
464287606	MFC ISHARES TR S&P MIDCAP 400 GROWTH INDEX		IJK							
3707 0000	FD GROWTH INDEX FD									
03/09/2012	Various		414,691.29	245,444.78	0.00	169,246.51	0.00	0.00		
464287507	MFC ISHARES TR S&P MIDCAP 400 INDEX FD		IJH							
96 0000	05/04/2012	03/13/2009	9,306.03	4,386.53	0.00	4,919.50	0.00	0.00		
464287507	MFC ISHARES TR S&P MIDCAP 400 INDEX FD		IJH							
2000 0000	10/18/2012	Various	199,955.71	86,801.43	0.00	113,154.28	0.00	0.00		
464287606	MFC ISHARES TR S&P MIDCAP 400 GROWTH INDEX		IJK							
1000.0000	FD GROWTH INDEX FD									
10/18/2012	03/13/2009		112,303.58	49,210.00	0.00	63,093.58	0.00	0.00		
464287507	MFC ISHARES TR S&P MIDCAP 400 INDEX FD		IJH							
2000 0000	10/31/2012	11/21/2008	195,163.62	83,020.00	0.00	112,143.62	0.00	0.00		
464287606	MFC ISHARES TR S&P MIDCAP 400 GROWTH INDEX		IJK							
500 0000	FD GROWTH INDEX FD									
10/31/2012	03/13/2009		55,069.76	24,605.00	0.00	30,464.76	0.00	0.00		
Total Long Term 15% Sales				1,308,936.81	624,879.20	684,057.61	0.00	0.00	0.00	0.00

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