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Form 990-PF

Department of the Treasury  
Internal Revenue Service

## Return of Private Foundation

## or Section 4947(a)(1) Trust Treated as Private Foundation

- Do not enter social security numbers on this form as it may be made public.
- Information about Form 990-PF and its instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

2016

Open to Public  
Inspection

For calendar year 2016, or tax year beginning 01-01-2016, and ending 12-31-2016

Name of foundation THE CHARLES C MATTHEWS FOUNDATION	A Employer identification number 75-2741045								
	B Telephone number (see instructions) (903) 693-7837								
Number and street (or P O box number if mail is not delivered to street address) PO BOX 427		Room/suite							
City or town, state or province, country, and ZIP or foreign postal code CARTHAGE, TX 75633									
G Check all that apply <table style="margin-left: 20px; border: none;"> <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	D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <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 <table style="margin-left: 20px; border: none;"> <tr><td><input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation</td></tr> <tr><td><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust</td></tr> <tr><td><input type="checkbox"/> Other taxable private foundation</td></tr> </table>		<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation	<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust	<input type="checkbox"/> Other taxable private foundation	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>				
<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation									
<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust									
<input type="checkbox"/> Other taxable private foundation									
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 14,554,394		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>							
J Accounting method <table style="margin-left: 20px; border: none;"> <tr><td><input checked="" type="checkbox"/> Cash</td><td><input type="checkbox"/> Accrual</td></tr> <tr><td colspan="2"><input type="checkbox"/> Other (specify) _____</td></tr> </table> <p style="margin-left: 20px;">(Part I, column (d) must be on cash basis )</p>		<input checked="" type="checkbox"/> Cash	<input type="checkbox"/> Accrual	<input type="checkbox"/> Other (specify) _____		G			
<input checked="" type="checkbox"/> Cash	<input type="checkbox"/> Accrual								
<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)									
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B									
3 Interest on savings and temporary cash investments		284	284	284					
4 Dividends and interest from securities		319,503	176,290	319,503					
5a Gross rents		7,000	7,000	7,000					
b Net rental income or (loss)		7,000							
6a Net gain or (loss) from sale of assets not on line 10		-8,510							
b Gross sales price for all assets on line 6a		1,892,678							
7 Capital gain net income (from Part IV, line 2)			32,353						
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)		395,855	395,815	395,855					
12 Total. Add lines 1 through 11		714,132	611,742	722,642					
13 Compensation of officers, directors, trustees, etc		234,000	93,600						
14 Other employee salaries and wages		5,005							
15 Pension plans, employee benefits									
16a Legal fees (attach schedule)									
b Accounting fees (attach schedule)		9,450	8,505		945				
c Other professional fees (attach schedule)									
17 Interest									
18 Taxes (attach schedule) (see instructions)		15,642	1,155						
19 Depreciation (attach schedule) and depletion		38,392							
20 Occupancy		1,764	706						
21 Travel, conferences, and meetings		3,424							
22 Printing and publications									
23 Other expenses (attach schedule)		74,225	63,400						
24 Total operating and administrative expenses.									
Add lines 13 through 23		381,902	167,366		945				
25 Contributions, gifts, grants paid		727,518			727,518				
26 Total expenses and disbursements. Add lines 24 and 25		1,109,420	167,366		728,463				
27 Subtract line 26 from line 12									
a Excess of revenue over expenses and disbursements		-395,288							
b Net investment income (if negative, enter -0-)			444,376						
c Adjusted net income(if negative, enter -0-)					722,642				

	<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
	1 Cash—non-interest-bearing				
	2 Savings and temporary cash investments		163,686	1,131,503	1,131,503
	3 Accounts receivable ► 59				
	Less allowance for doubtful accounts ►		152	59	59
	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		6,739	2,295	2,295
	10a Investments—U S and state government obligations (attach schedule)		1,717,041	1,425,032	1,438,424
	b Investments—corporate stock (attach schedule)		1,573,714	1,615,050	2,200,718
	c Investments—corporate bonds (attach schedule)		101,611	103,175	92,997
	11 Investments—land, buildings, and equipment basis ►				
	Less accumulated depreciation (attach schedule) ►				
	12 Investments—mortgage loans				
	13 Investments—other (attach schedule)		8,521,086	7,387,184	7,277,578
	14 Land, buildings, and equipment basis ► 2,414,778				
	Less accumulated depreciation (attach schedule) ► 158,030		2,275,797	2,256,748	2,261,330
	15 Other assets (describe ► )		151,240	149,490	149,490
	16 <b>Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)		14,511,066	14,070,536	14,554,394
	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 <b>Total liabilities</b> (add lines 17 through 22)				0
	<b>Foundations that follow SFAS 117, check here ► <input type="checkbox"/></b> <b>and complete lines 24 through 26 and lines 30 and 31.</b>				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	<b>Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/></b> <b>and complete lines 27 through 31.</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		14,511,066	14,070,536	
	30 <b>Total net assets or fund balances</b> (see instructions)		14,511,066	14,070,536	
	31 <b>Total liabilities and net assets/fund balances</b> (see instructions)		14,511,066	14,070,536	

**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	14,511,066
2	Enter amount from Part I, line 27a	2	-395,288
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	14,115,778
5	Decreases not included in line 2 (itemize) ►	5	45,242
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	14,070,536

**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					
(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) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)		If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	32,353	
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

 Yes  No

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

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 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))
2015	722,138	14,607,975	0 049435
2014	754,460	15,033,669	0 050185
2013	361,750	15,119,057	0 023927
2012	356,545	12,992,047	0 027443
2011	335,000	11,165,408	0 030003
<b>2 Total</b> of line 1, column (d)			0 180993
<b>3 Average</b> 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			0 036199
<b>4 Enter</b> the net value of noncharitable-use assets for 2016 from Part X, line 5			13,984,382
<b>5 Multiply</b> line 4 by line 3			506,221
<b>6 Enter</b> 1% of net investment income (1% of Part I, line 27b)			4,444
<b>7 Add</b> lines 5 and 6			510,665
<b>8 Enter</b> qualifying distributions from Part XIII, line 4			728,463

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)**

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1	1	4,444
	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 checked="" type="checkbox"/> and enter 1% of Part I, line 2b	1	4,444
c	All other domestic foundations enter 2% of line 2b 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	4,444
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0- . . . . .	5	4,444
6	Credits/Payments		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	6,739
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	6,739
8	Enter any <b>penalty</b> for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . .	9	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . . . .	10	2,295
11	Enter the amount of line 10 to be <b>Credited to 2017 estimated tax</b> ►	2,295	Refunded ►
			11

**Part VII-A Statements Regarding Activities**

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?	1a	Yes	No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)?	1b	Yes	No
	<i>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</i>			
c	Did the foundation file <b>Form 1120-POL</b> for this year?	1c	Yes	No
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?	2	Yes	No
	<i>If "Yes," attach a detailed description of the activities</i>			
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? <i>If "Yes," attach a conformed copy of the changes</i>	3	Yes	No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	Yes	No
b	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?	4b	Yes	No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5	Yes	No
	<i>If "Yes," attach the statement required by General Instruction T</i>			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either <ul style="list-style-type: none"> <li>By language in the governing instrument, or</li> <li>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?</li> </ul>	6	Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions)			
	►TX			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	8b	Yes	
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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9	Yes	No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	Yes	No

**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 No

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 No

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? 13 Yes

Website address ►N/A

14 The books are in care of ►RAYMOND C SCHIEFFER PC CPA Telephone no ►(903) 693-7837

Located at ►1146 W PANOLA CARTHAGE TX

ZIP+4 ►75633

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —Check here and enter the amount of tax-exempt interest received or accrued during the year. ► 15 □

16 At any time during calendar year 2016, 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 instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). 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.

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

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. □

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 2016? 1c

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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? □ Yes  No

If "Yes," list the years ► 20\_\_\_\_, 20\_\_\_\_, 20\_\_\_\_, 20\_\_\_\_

b Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions) 2b

c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20\_\_\_\_, 20\_\_\_\_, 20\_\_\_\_, 20\_\_\_\_

3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? □ Yes  No

b If "Yes," did it have excess business holdings in 2016 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 2016). 3b

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a No

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 2016? 4b No

**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 <b>(1)</b> Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? . . . . . <b>(2)</b> Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? . . . . . <b>(3)</b> Provide a grant to an individual for travel, study, or other similar purposes? . . . . . <b>(4)</b> Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions). . . . . <b>(5)</b> Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No								
b	If any answer is "Yes" to 5a(1)–(5), did <b>any</b> 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. . . . . ► <input type="checkbox"/>								5b	
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? . . . . . <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d)</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No							
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No							
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . . <i>If "Yes" to 6b, file Form 8870</i>								6b	
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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).**

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

**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	
2	
3	
4	

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

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

Amount

1 N/A	
2	
All other program-related investments. See instructions	
3	
<b>Total. Add lines 1 through 3</b>	►

**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	11,818,537
b	Average of monthly cash balances. . . . .	1b	205,320
c	Fair market value of all other assets (see instructions). . . . .	1c	2,173,485
d	<b>Total</b> (add lines 1a, b, and c). . . . .	1d	14,197,342
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	14,197,342
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions). . . . .	4	212,960
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5	13,984,382
6	<b>Minimum investment return.</b> Enter 5% of line 5. . . . .	6	699,219

**Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign

**Part XI** organizations check here ►  and do not complete this part )

1	Minimum investment return from Part X, line 6. . . . .	1	699,219
2a	Tax on investment income for 2016 from Part VI, line 5. . . . .	2a	4,444
b	Income tax for 2016 (This does not include the tax from Part VI). . . . .	2b	
c	Add lines 2a and 2b. . . . .	2c	4,444
3	Distributable amount before adjustments Subtract line 2c from line 1. . . . .	3	694,775
4	Recoveries of amounts treated as qualifying distributions. . . . .	4	
5	Add lines 3 and 4. . . . .	5	694,775
6	Deduction from distributable amount (see instructions). . . . .	6	
7	<b>Distributable amount</b> as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1. . . . .	7	694,775

**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	728,463
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	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	728,463
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	4,444
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4. . . . .	6	724,019
<b>Note:</b> 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 2015	(c) 2015	(d) 2016
<b>1</b> Distributable amount for 2016 from Part XI, line 7				694,775
<b>2</b> Undistributed income, if any, as of the end of 2016				
<b>a</b> Enter amount for 2015 only. . . . .			715,172	
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2016				
<b>a</b> From 2011. . . . .				
<b>b</b> From 2012. . . . .				
<b>c</b> From 2013. . . . .				
<b>d</b> From 2014. . . . .				
<b>e</b> From 2015. . . . .				
<b>f</b> <b>Total</b> of lines 3a through e. . . . .				
<b>4</b> Qualifying distributions for 2016 from Part XII, line 4 ► \$ 728,463				
<b>a</b> Applied to 2015, but not more than line 2a			715,172	
<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 2016 distributable amount. . . . .				13,291
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6</b> <b>Enter the net total of each column as indicated below:</b>				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5				
<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 2015 Subtract line 4a from line 2a Taxable amount—see instructions . . . . .				
<b>f</b> Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017. . . . .				681,484
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions) . . . . .				
<b>8</b> Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions) . . . . .				
<b>9</b> <b>Excess distributions carryover to 2017.</b> Subtract lines 7 and 8 from line 6a. . . . .				
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2012. . . . .				
<b>b</b> Excess from 2013. . . . .				
<b>c</b> Excess from 2014. . . . .				
<b>d</b> Excess from 2015. . . . .				
<b>e</b> Excess from 2016. . . . .				

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

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling. ►			
b	Check box to indicate whether the organization is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 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 . . . . .			
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 organization 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))
- 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

**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 email address 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**

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

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	
<b>1</b> Program service revenue					
a					
b					
c					
d					
e					
f					
<b>g</b> Fees and contracts from government agencies					
<b>2</b> Membership dues and assessments.					
<b>3</b> Interest on savings and temporary cash investments			14	284	
<b>4</b> Dividends and interest from securities.			14	319,503	
<b>5</b> Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.			16	7,000	
<b>6</b> Net rental income or (loss) from personal property					
<b>7</b> Other investment income.			14	5,884	
<b>8</b> Gain or (loss) from sales of assets other than inventory		426	14	32,353	-41,289
<b>9</b> Net income or (loss) from special events					
<b>10</b> Gross profit or (loss) from sales of inventory					
<b>11</b> Other revenue a See Additional Data Table					
b					
c					
d					
e					
<b>12</b> Subtotal Add columns (b), (d), and (e).		426		754,995	-41,289
<b>13</b> Total. Add line 12, columns (b), (d), and (e).					714,132

(See worksheet in line 13 instructions to verify calculations )

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



**Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation**

<b>(a)</b> Name and address	<b>(b)</b> Title, and average hours per week devoted to position	<b>(c)</b> Compensation (If not paid, enter -0-)	<b>(d)</b> Contributions to employee benefit plans and deferred compensation	<b>(e)</b> Expense account, other allowances
ROBERT M UNDERWOOD	TRUSTEE 000 00	39,000	0	0
PO BOX 1138 CARTHAGE, TX 75633				
RICHARD BALLINGER	TRUSTEE 000 00	39,000	0	0
1276 STATE HWY 149 CARTHAGE, TX 75633				
JOHN W CONWAY	TRUSTEE 000 00	39,000	0	0
508 WESTPARKN LANE CARTHAGE, TX 75633				
JIMMY D PAYNE	TRUSTEE 000 00	39,000	0	0
CR 304 CARTHAGE, TX 75633				
DAVID BUSH	TRUSTEE 000 00	39,000	0	0
665 CR 403 CARTHAGE, TX 75633				
VERMOYN D REEDER	TRUSTEE 000 00	39,000	0	0
110 CR 1081 CARTHAGE, TX 75633				

## Form 990PF Part XV Line 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)				
<b>a Paid during the year</b>				
MISSION CARTHAGE INC MISSION CARTHAGE INC 940 E SABINE 940 E SABINE CARTHAGE, TX 75633	NONE	PBLC CHARITY	DONATION	33,000
BECKVILLE ISD FOUNDATION BECKVILLE ISD FOUNDATION 1 BEARCAT DR 1 BEARCAT DR BECKVILLE, TX 75631	NONE	ED FDN	DONATION	40,000
CARTHAGE ISD FOUNDATION CARTHAGE ISD FOUNDATION 1 BULLDOG DR 1 BULLDOG DR CARTHAGE, TX 75633	NONE	ED FDN	DONATION	137,500
FIRST UNITED METHODIST CHURCH FIRST UNITED METHODIST CHURCH 201 S SHELBY 201 S SHELBY CARTHAGE, TX 75633	NONE	RELIGIOUS	DONATION	35,000
GARY INDEPENDENT SCHOOL DISTRICT GARY INDEPENDENT SCHOOL DISTRICT 132 BOBCAT TRAIL 132 BOBCAT TRAIL GARY, TX 75643	NONE	EDUCATION	SCHOLARSHIPS	18,500
PANOLA COLLEGE PANOLA COLLEGE 1109 W PANOLA 1109 W PANOLA CARTHAGE, TX 75633	NONE	EDUCATION	STUDENT CENTER BLDG	225,000
PANOLA COLLEGE PANOLA COLLEGE 1109 W PANOLA 1109 W PANOLA CARTHAGE, TX 75633	NONE	EDUCATION	SCHOLARSHIP	50,000
NEW DESTINATIONS INC NEW DESTINATIONS INC PO BOX 1515 PO BOX 1515 CARTHAGE, TX 75633	NONE	PUB CHARITY	DONATION	5,000
ST JUDE'S CHILDREN RESEARCH CENTER ST JUDE'S CHILDREN RESEARCH CENTER 501 ST JUDE PLACE 501 ST JUDE PLACE MEMPHIS, TN 38105	NONE	PUB CHARITY	DONATION	5,000
STILL WATER COWBOY CHURCH STILL WATER COWBOY CHURCH PO BOX 166 PO BOX 166 CARTHAGE, TX 75633	NONE	RELIGIOUS	DONATION	40,000
PANOLA CNTY HIST & GENELOGICAL SCTY PANOLA CNTY HIST & GENELOCIAL SOCIETY 100 EAST SABINE 100 EAST SABINE CARTHAGE, TX 75633	NONE	PUB CHARITY	DONATION	10,000
AMERICAN RED CROSS AMERICAN RED CROSS 2025 E STREET NW 2025 E STREET NW WASHINGTON, DC 20006	NONE	PUB CHARITY	DONATION	5,000
PANOLA COUNTY SHRINE CLUB PANOLA COUNTY SHRINE CLUB 10027 STATE HWY 31 E 10027 STATE HWY 31 E TYLER, TX 75705	NONE	PUB CHARITY	DONATION	5,000
PROJECT STRING POWER PROJECT STRING POWER 1128 OAKWOOD DRIVE 1128 OAKWOOD DRIVE CARTHAGE, TX 75633	NONE	PUB CHARITY	DONATION	3,000
NORTHSIDE CHRISTIAN ACADEMY NORTHSIDE CHRISTIAN ACADEMY 108 E ASH STREET 108 E ASH STREET CARTHAGE, TX 75633	NONE	ED FDN	DONATION	30,000
<b>Total . . . . .</b>				727,518 ►
<b>3a</b>				

## Form 990PF Part XV Line 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)				
<b>a Paid during the year</b>				
PANOLA COUNTY 4-H PANOLA COUNTY 4-H 522 W COLLEGE ST 522 W COLLEGE ST CARTHAGE, TX 75633	NONE	PUB CHARITY	DONATION	5,000
FOOTPRINTS IN THE SAND FOOTPRINTS IN THE SAND 1501 W SABINE 1501 W SABINE CARTHAGE, TX 75633	NONE	PC	DONATION	20,000
CARTHAGE ISD ATHLETIC DEPT CARTHAGE ISD ATHLETIC DEPT 1 BULLDOG DR 1 BULLDOG DR CARTHAGE, TX 75633	NONE	PC	DONATION	3,500
TEXAS LIONS CAMP TEXAS LIONS CAMP 4100 SAN ANTONIO HWY 4100 SAN ANTONIO HWY KERRVILLE, TX 78028	NONE	PC	DONATION	2,000
RELAY FOR LIFE- AMER CANCER SOCIETY RELAY FOR LIFE - AMER CANCER SOCIETY 250 WILLIAMS ST NW 250 WILLIAMS ST NW ATLANTA, GA 30303	NONE	PC	DONATION	1,000
PANOLA CO CATTLEMAN'S ASSOC PANOLA CO CATTLEMAN'S ASSOC 173 ROE ST 173 ROE ST CARTHAGE, TX 75633	NONE	PC	DONATION	3,000
BROTHER'S KEEPERS MC BROTHER'S KEEPERS MC 2119 FM 450 2119 FM 450 HALLSVILLE, TX 75650	NONE	PC	DONATION	5,000
CITY OF CARTHAGE CITY OF CARTHAGE 812 W PANOLA 812 W PANOLA CARTHAGE, TX 75633	NONE	GOV	DONATION FOR PARK	36,000
CITY OF CARTHAGE CITY OF CARTHAGE 812 W PANOLA 812 W PANOLA CARTHAGE, TX 75633	NONE	GOV	OFFICER VESTS	3,018
MOUNT CALVARY BAPTIST CHURCH MOUNT CALVARY BAPTIST CHURCH 1765 US HWY 59 S 1765 US HWY 59 S CARTHAGE, TX 75633	NONE	PC	DONATION	5,000
PANOLA CO YOUTH BASKETBALL ASSOC PANOLA COUNTY YOUTH BASKETBALL ASSOC 1502 W PANOLA 1502 W PANOLA CARTHAGE, TX 75633	NONE	PC	DONATION	2,000
<b>Total . . . . .</b>				727,518 ►
<b>3a</b>				

**Form 990PF Part XVI-A Line 11 - Other revenue:**

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		<b>(e)</b> Related or exempt function income (See the instructions )
<b>11</b> Other revenue	<b>(a)</b> Business code	<b>(b)</b> Amount	<b>(c)</b> Exclusion code	<b>(d)</b> Amount	
<b>a</b> ROYALTY INCOME			15	284,111	
<b>b</b> OTHER INCOME - CHEVRON USA			15	30	
<b>c</b> ENERGY TRANSFER PTR K-1 LOS			1	-1,396	
<b>d</b> ENTPRISE PP LP K-1 ORD LOSS			1	-933	
<b>e</b> MPLX LP K-1 ORD LOSS			1	-829	
<b>f</b> JACKSON NATL LIFE INS 1099-			14	63,830	
<b>g</b> NATIONWIDE LIFE INS CO 1099			14	45,114	
<b>h</b> ENERGY TRNSFR RENTAL RE			16	6	
<b>i</b> ENERGY TRNSFR OTHER RENTAL			16	-3	
<b>j</b> ENERGY TRNSFR K-1 ROYALTY			15	1	
<b>k</b> MISC INCOME			1	40	

## TY 2016 Accounting Fees Schedule

**Name:** THE CHARLES C MATTHEWS FOUNDATION**EIN:** 75-2741045

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	9,450	8,505		945

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

## TY 2016 Amortization Schedule

**Name:** THE CHARLES C MATTHEWS FOUNDATION

**EIN:** 75-2741045

Description of Amortized Expenses	Date Acquired, Completed, or Expended	Amount Amortized	Deduction for Prior Years	Amortization Method	Current Year Amortization	Net Investment Income	Adjusted Net Income	Total Amount of Amortization
REFORESTATION	2011-12-31	43,524	31,100	7 0000	6,220			37,320

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

## TY 2016 Depreciation Schedule

**Name:** THE CHARLES C MATTHEWS FOUNDATION

**EIN:** 75-2741045

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
RANCH BUILDING	2010-04-28	42,530	5,588	S/L	39 0000	1,091			
RANCH LAND -- 715 63 AC	2010-04-28	530,146							
WATER WELL	2011-12-11	983	580	S/L	7 0000	140			
SMITH RANCH HOUSE	2013-04-16	255,700	16,391	S/L	39 0000	6,556			
BARNs	2013-04-16	75,000	18,750	S/L	10 0000	7,500			
FENCING & GATES	2013-04-16	102,121	36,472	S/L	7 0000	14,588			
JW SMITH PONDS -- CONSV EXP	2013-01-01	150,000	3,761		20 0000	1,750			
J W SMITH LAND -- 432 197 AC	2013-04-16	971,008							
FENCING & GATES	2014-12-16	12,000	1,929	S/L	7 0000	1,714			
BREVARD TRACT LAND	2014-12-16	108,613							
PONDS - BREVARD LAND CONSERVATION	2014-12-16	5,000			20 0000				
CAMP HOUSE	2015-06-09	4,000	133	S/L	15 0000	267			
CORRAL	2015-06-09	3,500	250	S/L	7 0000	500			
FENCING	2015-06-09	30,000	2,143	S/L	7 0000	4,286			
JE METCALF LAND - 270 755 ACRS	2015-06-09	210,005							

**Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.**

## **TY 2016 Gain/Loss from Sale of Other Assets Schedule**

**Name:** THE CHARLES C MATTHEWS FOUNDATION

**EIN:** 75-2741045

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Basis Method	Sales Expenses	Total (net)	Accumulated Depreciation
WF CLRNG SVCS - S/T	2016-02	PURCHASE	2016-12		7,435	8,088			-653	
WF CLRNG SVCS - L/T	2011-04	PURCHASE	2016-12		210,270	239,800			-29,530	
WF CL SVCS-L/T-SEE ATTH STATEMENT	1998-07	PURCHASE	2016-12		1,642,159	1,653,300			-11,141	
WF CLRNG SVCS - CASH IN LIEU	2016-01	PURCHASE	2016-12		35				35	
LONG-TERM GAIN/LOSS FROM PASS-THROUGH ENTITY					426				426	

## TY 2016 Investments Corporate Bonds Schedule

**Name:** THE CHARLES C MATTHEWS FOUNDATION

**EIN:** 75-2741045

<b>Name of Bond</b>	<b>End of Year Book Value</b>	<b>End of Year Fair Market Value</b>
BCM 1999 B-A2	18,479	15,898
BCM 1999 B-A3	29,883	26,399
MORGAN STANLEY 6% STOXX NOTE	54,813	50,700

**TY 2016 Investments Corporate Stock Schedule**

**Name:** THE CHARLES C MATTHEWS FOUNDATION  
**EIN:** 75-2741045

<b>Name of Stock</b>	<b>End of Year Book Value</b>	<b>End of Year Fair Market Value</b>
ABBOTT LABS	22,078	28,813
ABBVIE INC	27,611	46,973
ALTRIA GROUP	12,424	33,810
AMERICAN ELECTRIC POWER	48,329	44,112
ANADARKO PETROLEUM	35,073	52,298
APPLE INC	39,986	52,698
APPLIED MATERIALS	15,873	37,130
AT&T	51,597	67,015
BERKSHIRE HATHAWAY	52,365	81,490
BRISTOL-MYERS	60,496	87,660
CATERPILLAR	39,848	46,370
CHEVRONTEXACO	120,386	147,125
COCA COLA ENTERPRISES	34,052	41,460
CONOCOPHILLIPS	56,379	50,140
CVS CORP	21,109	19,728
DELL TECHNOLOGIES	2,640	3,023
DNP SELECT INCOME		
EMC CORP		
ENERGY TRANSFER PARTNERS	9,827	17,905
ENTERPRISE PROD PTRS LP	5,978	32,718
EXXONMOBIL	75,774	90,290
FORD MOTOR CO	32,220	30,325
FORTUNE BRANDS HOME & SEC INC	2,400	12,028
GENERAC	21,978	20,370
GENERAL ELECTRIC	29,929	51,201
INTEL	22,436	36,299
JP MORGAN CHASE	40,853	86,300
I SHARES SILVER TRUST	10,565	7,555
KRAFT FOODS GROUP	15,108	43,660
KINDER MORGAN INC	15,718	17,272

Name of Stock	End of Year Book Value	End of Year Fair Market Value
MEDTRONIC INC	9,647	15,599
MICROSOFT	14,317	30,509
MONDELEZ INTL (KRAFT SPINOFF)	10,836	22,174
MPLX LP COM PTR	15,954	37,736
ORACLE	46,257	69,743
PAYCHEX	7,974	15,220
PEPSICO	25,044	36,684
PIEDMONT OFFICE REALTY	47,164	62,730
PROCTOR & GAMBLE	55,028	72,645
ROYAL DUTCH SHELL PLC	54,700	46,258
SOUTHERN CO	34,810	49,190
SPDR DOW JONES	10,305	17,776
SPDR UTILITIES SELECT	39,296	48,570
SPDR GOLD TR GOLD SH	26,805	21,922
TRANSOCEAN LTD ZUG	17,457	4,422
UNITEDHEALTH GROUP	22,147	80,038
VERIZON	11,424	13,078
VODAFONE	13,708	12,459
WALMART	22,204	27,648
WASH MUTUAL HOLDINGS		
WELLS FARGO	15,398	27,052
ZIMMER HOLDINGS	17,997	30,960
ALLSTATE 6.75% - PREFERRED	121,878	119,232
ALLSTATE 6.625% - PREFERRED	51,668	53,305

## TY 2016 Investments Government Obligations Schedule

**Name:** THE CHARLES C MATTHEWS FOUNDATION

**EIN:** 75-2741045

**US Government Securities - End  
of Year Book Value:**

**US Government Securities - End  
of Year Fair Market Value:**

**State & Local Government  
Securities - End of Year Book  
Value:**

1,425,032

**State & Local Government  
Securities - End of Year Fair  
Market Value:**

1,438,424

## TY 2016 Investments - Other Schedule

**Name:** THE CHARLES C MATTHEWS FOUNDATION  
**EIN:** 75-2741045

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
BANK OF THE WEST	AT COST		
HARRIS BANK 8-31-16	AT COST		
HSBC BANK 1-29-16 AY63	AT COST		
HSBC BANK 11-25-20 GH6	AT COST	52,756	52,230
JP MORGAN CHASE BANK 10-31-18	AT COST	105,328	109,660
JP MORGAN CHASE BANK 1-30-19	AT COST	153,509	140,640
UNION BANK 7-5-17	AT COST	119,574	129,620
UNION BANK 2-2-18	AT COST	118,857	129,570
UNION BANK 10-28-16	AT COST		
WELLS FARGO BANK 6-7-17	AT COST	114,300	133,250
WEST BANK	AT COST		
JACKSON NATL -- PERSPECTIVE II	AT COST	1,160,894	1,123,364
NATIONWIDE -- DESTINATION	AT COST	921,151	1,006,703
INVESCO TAX FREE INTER A3	AT COST	96,577	96,244
INVESCO SELECT REAL ESTATE/A	AT COST	89,043	85,853
AM FUNDS AMCAP/A	AT COST	34,180	35,658
AM FUNDS - BALANCED/A	AT COST	39,272	35,510
AM FUNDS - AMERICAN MUTUAL/A	AT COST	23,909	25,652
AM FUNDS - WASH MUTUAL INVESTORS/A	AT COST	19,334	26,242
AM FUNDS - CAPITAL INCOME BLDR/A	AT COST	35,854	39,559
AM FUNDS - GROWTH FD OF AMER/A	AT COST	73,330	85,709
AM FUNDS - INCOME FD/A	AT COST	19,264	20,191
AM FUNDS - NEW WORLD FUND/A	AT COST	11,160	12,065
AM FUNDS - NEW PERSPECTIVE FD/A	AT COST	83,735	87,544
AM FUNDS - NEW ECONOMY/A	AT COST	43,776	44,584
AM FUNDS - SMALL CAP WORLD/A	AT COST	25,769	24,430
AM FUNDS - CAPITAL WLD G&I FD/A	AT COST	47,415	53,207
AM FUNDS - EUROPACIFIC GR FD/A	AT COST	24,169	22,378
COLUMBIA TAX EXEMPT/A	AT COST	115,705	111,256
DWS CORE EQUITY/A	AT COST	33,872	37,139

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
DWS GLOBAL SM CAP/A	AT COST	33,668	28,143
DWS HEALTH & WELLNESS/A	AT COST	28,977	20,746
DWS MANAGED MUNI BD/A	AT COST	84,560	79,060
DWS RREEF GLOBAL INFR FD/A	AT COST	157,749	184,852
DWS REAL ESTATE SEC/A	AT COST	30,853	26,405
DWS STRATEGIC HY TAX FREE FD/A	AT COST	55,565	51,686
FRANKLIN CUST GROWTH/A	AT COST	9,264	9,080
FRANKLIN CUST UTIL/A	AT COST	61,550	64,672
FRANKLIN FEDERAL TAX-FREE INC/A	AT COST	607,562	518,531
FRANKLIN FEDERAL TAX-FREE INC/ C	AT COST	36,283	75,281
FRANKLIN FED INTERM TAX FREE/A	AT COST	58,431	56,888
FRANKLIN INC FUND/A	AT COST		
FRANKLIN MGD TR RISING/A	AT COST	52,130	26,854
HARTFORD CAPITAL APP FD/A	AT COST	36,538	38,806
HARTFORD FLOATING RATE FD/A	AT COST		
MFS EMERGING MARKET FD/A	AT COST	68,822	62,214
MFS MODERATE ALLOC/A	AT COST	11,241	11,377
MFS DIVERSIFIED INC/A	AT COST	29,916	29,874
MFS UTILITIES/A	AT COST	30,339	24,629
MFS GROWTH/A	AT COST	11,319	13,011
MFS CONSV ALLOC/A	AT COST	12,359	12,633
OPPENHEIMER EQ INC/C	AT COST	31,677	27,694
OPPENHEIMER INTL SMALL CO/C	AT COST	10,633	15,010
OPPENHEIMER CAP INC/C	AT COST	10,957	11,388
OPPNHMR SR FLOAT RATE/C	AT COST		
OPPNHMR EQ INC/A	AT COST	30,743	30,740
OPPNHMR SR FLOAT RATE/A	AT COST	48,528	47,203
OPPNHMR INTL SM CO/A	AT COST	50,413	86,070
OPPNHMR STEELPATH ALPHA/A	AT COST	100,067	86,267
ALLIANZ CONVERTIBLE/A	AT COST	30,996	26,849

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
ALLIANZ RCM GLBL WATER/A	AT COST	50,714	51,399
ALLIANZ RCM GLBL SMCAP/A	AT COST	12,810	12,464
ALLIANZ GL FOCUS GRW/A	AT COST	12,287	11,888
PUTNAM AMT FREE INS/A	AT COST	372,541	250,641
PUTNAM GLOBAL INCOME FD/A	AT COST	189,902	181,796
PUTNAM MULTI CAP GROWTH (NEW OPP)	AT COST	117,677	124,775
PUTNAM EQ INC/A	AT COST	93,137	94,520
PUTNAM FLOATING INC/A	AT COST	161,612	155,425
PUTNAM CAP SPECTRUM/A	AT COST	68,791	63,252
STATE FARM SM MID CAP EQUITY/A	AT COST	20,321	19,531
STATE FARM 500 INDEX FUND/A	AT COST	74,070	112,732
STATE FARM BOND FUND/A	AT COST	105,145	104,995
STATE FARM INTL INDEX FD/A	AT COST	26,623	23,721
TEMPLETON GLOBAL BOND FD/A	AT COST	218,080	197,115
ADT 1503 HEALTH CARE 15-2	AT COST	66,063	55,091
ADT 1388 HI 50 DIV STR 2015-1Q	AT COST		
ADT 1333 (AAM H150) 12/17	AT COST		
ADT 1369 AEROROSPACE-DEF 11-2016	AT COST		
ADT 1741 AEROSPACE-DEF SER 2016-3R	AT COST	50,995	50,422
ADT 1757 AMER RENASSIANCE-2016	AT COST	50,028	49,016
ADT 1390 PERONI GR SPRING 15	AT COST		
ADT 1463 HI 50/Q50 15-3RD	AT COST		
ADT 327 INSURED TE MUNI SER 2	AT COST	402,515	384,574
ADT 1276 BLUE CHIP 8-20-14	AT COST		
ADT 1293 AGI BUS OPPTY 2014-2	AT COST		
ADT 1410 HARTFORD GL DIV 15-2	AT COST		
FT CAP STRENGTH SER 27	AT COST		

**TY 2016 Land, Etc.**  
**Schedule**

**Name:** THE CHARLES C MATTHEWS FOUNDATION  
**EIN:** 75-2741045

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
RANCH BUILDING	42,530	6,679	35,851	35,851
WATER WELL	983	720	263	263
REFORESTATION	43,524	37,320	6,204	6,204
REFORESTATION - METCALF TRACT	25,648	1,832	23,816	25,648
SMITH RANCH HOUSE	255,700	22,947	232,753	232,753
FENCING & GATES	102,121	51,060	51,061	51,061
BARNs	75,000	26,250	48,750	48,750
FENCING & GATES -- BREVARD TRACT	12,000	3,643	8,357	8,357
CAMP HOUSE -- METCALF TRACT	4,000	400	3,600	3,600
CORRAL -- METCALF TRACT	3,500	750	2,750	2,750
FENCING -- METCALF TRACT	30,000	6,429	23,571	26,321
RANCH LAND - 715.63 ACRES	530,146		530,146	530,146
J W SMITH LAND - 432.197 ACRES	971,008		971,008	971,008
BREVARD TRACT LAND - 21 ACRES	108,613		108,613	108,613
J E METCALF LAND - 270.755 ACRES	210,005		210,005	210,005

## TY 2016 Other Assets Schedule

**Name:** THE CHARLES C MATTHEWS FOUNDATION**EIN:** 75-2741045**Other Assets Schedule**

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
PONDS	150,000	150,000	150,000
PONDS - BREVARD TRACT	5,000	5,000	5,000
LESS CONSV EXP	-3,760	-5,510	-5,510

## TY 2016 Other Decreases Schedule

**Name:** THE CHARLES C MATTHEWS FOUNDATION

**EIN:** 75-2741045

Description	Amount
PROVISION FOR FIT 2016	4,444
PRIOR PERIOD ADJUSTMENT	40,798

## TY 2016 Other Expenses Schedule

**Name:** THE CHARLES C MATTHEWS FOUNDATION  
**EIN:** 75-2741045

## Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXPENSES				
ENERGY TRSFR PTRS K-1 INVTMT	76	76		
ENERGY TRSFR PTRS K-1 NON DED	5	5		
ENERGY TRSFR PTRS K-1 SEC 123	50	50		
ENERGY TRSFR PTRS K-1 CASH CO	1	1		
ENTERPRISE PP LP K-1 SEC 1231	21	21		
FERTILIZER	362			
MPLX LP K-1 NON DEDUCTBLE EXP	20	20		
MOLX LP K-1 SEC 1231 EXP	5	5		
POST OFFICE BOX RENTAL	66			

## Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
REPAIRS & MAINTENANCE - RANCH	1,165			
ROYALTY OTHER DEDUCTIONS	46,174	46,174		
ROYALTY SEVERANCE TAX	16,953	16,953		
SAFE DEPOSIT BOX RENTAL	15			
SUPPLIES	1,038			
INVESTMENT FEES -- HD VEST	95	95		
OFFICE SUPPLIES	127			

## TY 2016 Other Income Schedule

**Name:** THE CHARLES C MATTHEWS FOUNDATION

**EIN:** 75-2741045

### Other Income Schedule

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
WF CLRG SVCS REFUND	5,884	5,884	5,884
ROYALTY INCOME	284,111	284,111	284,111
OTHER INCOME - CHEVRON USA	30	30	30
ENERGY TRANSFER PTR K-1 LOSS	-1,396	-1,396	-1,396
ENTPRISE PP LP K-1 ORD LOSS	-933	-933	-933
MPLX LP K-1 ORD LOSS	-829	-829	-829
JACKSON NATL LIFE INS 1099-R	63,830	63,830	63,830
NATIONWIDE LIFE INS CO 1099-M	45,114	45,114	45,114
ENERGY TRNSFR RENTAL RE	6	6	6
ENERGY TRNSFR OTHER RENTAL	-3	-3	-3
ENERGY TRNSFR K-1 ROYALTY	1	1	1
MISC INCOME	40		40

## TY 2016 Taxes Schedule

**Name:** THE CHARLES C MATTHEWS FOUNDATION**EIN:** 75-2741045

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
PROPERTY TAXES - RANCH	6,906			
PROPERTY TAXES - ROYALTY	7,581			
FOREIGN TAX - HD VEST	1,155	1,155		

**CHARLES C MATTHEWS FOUNDATION - 2016  
NONCOVERED SECURITIES  
9990 TAX RETURN - SCHEDULE D**

EIN: 75-2741045

DESCRIPTION	DATE ACQUIRED	DATE SOLD	SALE PRICE	COST	\$/L TERM	GAIN/LOSS	8949 BOX
<b>BANK OF THE WEST CD - 9/30/16</b>	09/27/10	09/30/16	250,000	250,000	2	0	2
CANYON TX WTR AUTH REV - 8/1/28	01/20/10	09/07/16	25,000	25,369	2	(369)	2
DNP SELECT INCOME FD	07/27/98	01/20/16	16,926	18,765	2	(1,839)	2
DELL TECHNOLOGIES INC CLASS V	12/28/07	09/07/16	14	14	2	0	2
EMC CORP MASS	12/28/07	09/07/16	4,810	3,636	2	1,174	2
EUROPACIFIC GRTH FD/A	06/09/11	02/17/16	18,429	19,519	2	(1,090)	2
HARTFORD MUT FDS FLTG RATE/A	02/17/11	02/17/16	8,844	10,395	2	(1,551)	2
NEW WRLD FUND/A	07/30/09	02/17/16	9,996	11,026	2	(1,030)	2
PUTNAM GLOBAL INC/A	10/20/11	07/19/16	39,995	40,894	2	(899)	2
SCORRO TX INDPT SCH DIST - 08/15/26	09/30/08	08/15/16	250,000	266,640	2	(16,640)	2
HSBC BK USA CD - 1/29/16- CUSIP: ***AY63	01/26/10	01/29/16	50,000	50,007	2	(7)	2
HARRIS NA PRIN CD - 08/31/16	08/26/10	08/31/16	250,000	250,007	2	(7)	2
UNION BD NA CD - 10/28/16 - CUSIP: ***AHD3	10/25/11	10/28/16	50,000	50,000	2	0	2
WEST BANK CD - 11/25/16	11/24/10	12/13/16	250,000	250,007	2	(7)	2
AAM BLUE CHIP PORT	08/20/14	08/19/16	103,236	100,007	2	3,229	2
AAM AGRI-BUSINESS OPTYS	09/23/14	10/04/16	50,550	49,988	2	562	2
AAM AEROSPACE/DEF OPTYS	04/22/15	11/25/16	50,979	47,007	2	3,972	2
AAM PERONI GRTH PORT	03/19/15	06/16/16	28,899	30,592	2	(1,693)	2
AAM HIGH 50 DIV STRATEGY	03/19/15	06/16/16	57,974	59,959	2	(1,985)	2
AAM GLOBAL DIV STRATEGY	04/22/15	07/19/16	32,187	32,004	2	183	2
AAM STRATEGIC HIGH 50/Q50 DIV & GRTH	01/02/15	10/20/16	68,957	62,648	2	6,309	2
BCM 99-B A2 MULTICLASS CMO - 12/15/29	04/02/10	12/15/16	517	517	2	0	2
BCM 99-B A3 MULTICLASS CMO - 12/15/29	04/02/10	12/15/16	813	813	2	0	2
FIRST TRUST CAPITAL STRENGTH PORT SERIES	11/16/14	11/16/16	24,033	23,486	2	547	2
<b>TOTAL</b>				<b>1,642,159</b>	<b>1,653,300</b>		<b>(11,141)</b>