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Return of Private Foundation

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

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning _____, and ending _____

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

Use the IRS label. Otherwise, print or type See Specific Instructions.	Name of foundation CHANCELLOR FOUNDATION, INC	A Employer identification number 20-1327280
	Number and street (or P O box number if mail is not delivered to street address) PO BOX 5669	Room/suite
	City or town, state, and ZIP code EVANSVILLE, IN 47716-5669	
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		C <input type="checkbox"/> If exemption application is pending, check here ► <input type="checkbox"/> D 1 <input type="checkbox"/> Foreign organizations, check here ► <input type="checkbox"/> 2 <input type="checkbox"/> Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 8,585.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E <input type="checkbox"/> If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/> F <input type="checkbox"/> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(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		107,295.		N/A	
2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					
5a Gross rents					
b Net rental income or (loss) _____					
6a Net gain or (loss) from sale of assets not on line 10 Gross sales price for all assets on line 6a _____					
7 Capital gain net income (from Part IV, line 2)			0.		
8 Net short-term capital gain					
9 Income modifications Gross sales less returns and allowances					
10a Less Cost of goods sold					
b Gross profit or (loss) _____					
11 Other income					
12 Total Add lines 1 through 11		107,295.			
13 Compensation of officers, directors, trustees, etc		0.			
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees		1,325.	662.		663.
c Other professional fees					
17 Interest					
18 Taxes					
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses					
24 Total operating and administrative expenses. Add lines 13 through 23		1,325.	662.		663.
25 Contributions, gifts, grants paid		100,353.			100,353.
26 Total expenses and disbursements. Add lines 24 and 25		101,678.	662.		101,016.
27 Subtract line 26 from line 12:		5,617.			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			0.		
c Adjusted net income (if negative, enter -0-)				N/A	

P 24

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of year
			(a) Book Value	(b) Book Value
Assets	1	Cash - non-interest-bearing	2,968.	8,585.
	2	Savings and temporary cash investments		
	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		
	7	Other notes and loans receivable ►		
		Less: allowance for doubtful accounts ►		
	8	Inventories for sale or use		
	9	Prepaid expenses and deferred charges		
	10a	Investments - U.S. and state government obligations		
	b	Investments - corporate stock		
	c	Investments - corporate bonds		
	11	Investments - land, buildings, and equipment basis ►		
		Less accumulated depreciation ►		
	12	Investments - mortgage loans		
	13	Investments - other		
	14	Land, buildings, and equipment: basis ►		
		Less accumulated depreciation ►		
	15	Other assets (describe ►))		
	16	Total assets (to be completed by all filers)	2,968.	8,585.
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		
	22	Other liabilities (describe ►))		
	23	Total liabilities (add lines 17 through 22)	0.	0.
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31			
	24	Unrestricted		
	25	Temporarily restricted		
	26	Permanently restricted		
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	2,968.	8,585.
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.
	29	Retained earnings, accumulated income, endowment, or other funds	0.	0.
	30	Total net assets or fund balances	2,968.	8,585.
	31	Total liabilities and net assets/fund balances	2,968.	8,585.

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	2,968.
2	Enter amount from Part I, line 27a	2	5,617.
3	Other increases not included in line 2 (itemize) ►	3	0.
4	Add lines 1, 2, and 3	4	8,585.
5	Decreases not included in line 2 (itemize) ►	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	8,585.

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					
b	NONE				
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	
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). If (loss), enter -0- in Part I, line 8				3	

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

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

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

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

 Yes No

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

1 Enter the appropriate amount in each column for each year; see 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))
2008	98,930.	3,988.	24.806921
2007	192,148.	10,006.	19.203278
2006	432,657.	43,258.	10.001780
2005	679,938.	15,496.	43.878291
2004	52.	934.	.055675

2 Total of line 1, column (d)

2 97.945945

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 19.589189

4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5

4 5,903.

5 Multiply line 4 by line 3

5 115,635.

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

6 0.

7 Add lines 5 and 6

7 115,635.

8 Enter qualifying distributions from Part XII, line 4

8 101,016.

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.	Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)	1	0.
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b			
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-)			
3	Add lines 1 and 2	2	0.	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	3	0.	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	4	0.	
6	Credits/Payments:	5	0.	
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a		
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	0.	
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax ►	Refunded	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a	X	
1b	X	
1c	X	
2	X	
3	X	
4a	X	
4b		
5	X	
6	X	
7	X	
8a		
8b	X	
9	X	
10	X	
N/A		
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Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)

11 X

12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?

12 X

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A

13 X

14 The books are in care of ► GAYLA KEMPF Telephone no. ► 812-473-0700
Located at ► 250 CROSS POINTE BLVD, EVANSVILLE, IN

ZIP+4 ► 47715

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 ► N/A**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 page 20 of the instructions)?

► N/A

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 2009?

► 1b

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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?

 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

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 2009 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 2009.)

► 3b

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?

► 4a

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 2009?

► 4b

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))?
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?
- (3) Provide a grant to an individual for travel, study, or other similar purposes?
- (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)?
- (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
 Yes No
 Yes No
 Yes No
 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)?

N/A

5b



Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

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

6b

X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If "Yes" to 6b, file Form 8870

Yes No

7b



7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

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.

(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
STEVEN E. CHANCELLOR 7700 HENZE ROAD EVANSVILLE, IN 47720	PRESIDENT/TREASURER 3.00	0.	0.	0.
SHANE A. CHANCELLOR 20 NW FIRST STREET EVANSVILLE, IN 47706	VICE-PRESIDENT 3.00	0.	0.	0.

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

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

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



0

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services

0
Part IX-A **Summary of Direct Charitable Activities**

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

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

Amount

	Amount
1 N/A	
2	
3	

All other program-related investments. See instructions.

3	

Total. Add lines 1 through 3

0.
Form 990-PF (2009)

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	0.
b	Average of monthly cash balances	1b	5,993.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	5,993.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	5,993.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	90.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,903.
6	Minimum investment return. Enter 5% of line 5	6	295.

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	295.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	0.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	295.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	295.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	295.

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	101,016.
b	Program-related investments - total from Part IX-B	1b	0.
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	101,016.
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	5	0.
6	Adjusted qualifying distributions Subtract line 5 from line 4	6	101,016.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				295.
2 Undistributed income, if any, as of the end of 2008			0.	
a Enter amount for 2008 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004	5.			
b From 2005	679,163.			
c From 2006	430,494.			
d From 2007	191,648.			
e From 2008	98,731.			
f Total of lines 3a through e		1,400,041.		
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ 101,016.			0.	
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)		0.		
d Applied to 2009 distributable amount				295.
e Remaining amount distributed out of corpus		100,721.		
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))		0.		0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		1,500,762.		
b Prior years' undistributed income. Subtract line 4b from line 2b			0.	
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			0.	
d Subtract line 6c from line 6b. Taxable amount - see instructions			0.	
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.				0.
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)		0.		
8 Excess distributions carryover from 2004 not applied on line 5 or line 7		5.		
9 Excess distributions carryover to 2010 Subtract lines 7 and 8 from line 6a		1,500,757.		
10 Analysis of line 9:				
a Excess from 2005	679,163.			
b Excess from 2006	430,494.			
c Excess from 2007	191,648.			
d Excess from 2008	98,731.			
e Excess from 2009	100,721.			

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)				
<i>a Paid during the year</i>				
SEE STATEMENT 2				
Total			► 3a	100,353.
<i>b Approved for future payment</i>				
NONE				
Total			► 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

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 _____
- c _____
- d _____
- e _____

100

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

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

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of:

(1) Cash

(2) Other assets

↳ Other transactions:

(1) Sales of assets to a noncharitable exempt organization

(2) Purchases of assets from a noncharitable exempt organization

(3) Rental of facilities, equipment or other assets

**(3) Rental of facilities, equipment,
(4) Reimbursement arrangements**

(4) Reimbursement arrangements

(5) Details of loan guarantees

(8) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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

Sign Here

Sign H	Preparer's signature	ALAN B. STABENFELDT	Date 4-27-10	Check if self-employed <input type="checkbox"/>	Preparer's identifying number
Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code	HARDING SHYMANSKI & CO., PSC P.O. BOX 3677 EVANSVILLE, IN 47735		EIN <input type="checkbox"/> 35-1346211	Phone no. <input type="checkbox"/> 812-464-9161

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

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

OMB No. 1545-0047

2009

Name of the organization

CHANCELLOR FOUNDATION, INC

Employer identification number

20-1327280

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.

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

General Rule

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

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ► \$ _____

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

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization

Employer identification number

CHANCELLOR FOUNDATION, INC

20-1327280

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	STEVEN E. CHANCELLOR 7700 HENZE ROAD EVANSVILLE, IN 47720	\$ 107,295.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

FORM 990-PF	ACCOUNTING FEES	STATEMENT	1
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	1,325.	662.		663.
TO FORM 990-PF, PG 1, LN 16B	1,325.	662.		663.

FORM 990-PF	GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR	STATEMENT	2
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RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
ALS ASSOCIATION OF INDIANA 6525 E. 82ND STREET, SUITE 115 INDIANAPOLIS, IN 46250	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	800.
AMERICAN HEART ASSOCIATION 208 S. LASALLE ST. STE 1500 CHICAGO, IL 60604	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	500.
AMERICAN RED CROSS OF GREATER NEW YORK P.O. BOX 3864 NEW YORK, NY 10008	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	1,000.
AMERICAN SADDLEBRED MUSEUM 4083 IRON WORKS PARKWAY LEXINGTON, KY 40511	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	1,000.
BAND AGAINST MS 2409 21ST AVENUE S, SUITE 102 NASHVILLE, TN 37212	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	5,000.
CATHOLIC DIOCESE OF EVANSVILLE 4200 N. KENTUCKY AVENUE EVANSVILLE, IN 47724	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	2,000.

CATHOLIC EDUCATION FOUNDATION 520 S. BENNIGHOF AVE EVANSVILLE, IN 47714	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	500.
CENTRAL HIGH SCHOOL GIRLS BASKETBALL 5400 FIRST AVENUE EVANSVILLE, IN 47710	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	100.
CONSERVATION FORCE 3240 S 1-10 #200 METAIRIE, LA 70001	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	10,000.
DEACONESS FOUNDATION 600 MARY STREET EVANSVILLE, IN 47747	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	2,500.
EASTER SEALS REHABILITATION CENTER 3701 BELLEMEADE AVENUE EVANSVILLE, IN 47714	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	450.
EVANSVILLE CATHOLIC INTERPAROCHIAL HIGH SCHOOL 520 S. BENNINGHOF AVE. EVANSVILLE, IN 47714	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	1,000.
GERMAN TOWNSHIP VOLUNTEER FIRE DEPARTMENT 8400 SAINT WENDEL ROAD EVANSVILLE, IN 47720	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	500.
JOAN DANCY AND PALS 1 RIVERVIEW PLAZA RED BANK, NJ 07701	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	1,000.
JOE FOSS INSTITUTE 14415 N. 73RD ST., SUITE 109 SCOTTSDALE, AZ 85260	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	20,000.
KEEP EVANSVILLE BEAUTIFUL 223 MAIN STREET EVANSVILLE, IN 47708	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	1,000.

MATER DEI ANNUAL FUND 1300 HARMONY WAY 47720	EVANSVILLE, IN	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	5,000.
MDA 3101 N. GREEN RIVER ROAD #710 EVANSVILLE, IN 47715		NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	500.
NATIONAL FISH AND WILDLIFE FOUNDATION 1133 15TH STREET, NW, SUITE 1100 WASHINGTON, DC 20005		NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	25,000.
RESURRECTION CHURCH 5301 NEW HARMONY ROAD EVANSVILLE, IN 47720		NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	1,000.
RESURRECTION SCHOOL 5301 NEW HARMONY ROAD EVANSVILLE, IN 47720		NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	893.
RIDING HOPE, INC. 3311 DAVID DRIVE 47620	MT. VERNON, IN	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	500.
RONALD MCDONALD HOUSE CHARITIES PO BOX 5381 47716	EVANSVILLE, IN	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	5,000.
SISTERS OF ST. BENEDICT 802 E. 10TH STREET IN 47532	FERDINAND,	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	8,560.
ST. THERESA CATHOLIC PARISH 600 HERNDON AVENUE IN 47711	EVANSVILLE,	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	500.
SUSAN G KOMEN FOR THE CURE - EVANSVILLE AFFILIATE 4424 VOGEL ROAD #205 EVANSVILLE, IN 47715		NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	500.

CHANCELLOR FOUNDATION, INC

20-1327280

TRI-STATE MULTIPLE SCLEROSIS ASSOCIATION 909 A SOUTH KENMORE DRIVE EVANSVILLE, IN 47714	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	600.
UNITED PROFESSIONAL HORSEMEN'S ASSOCIATION 4059 IRON WORKS PARKWAY, SUITE 2 LEXINGTON, KY 40511	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	1,200.
UNITED STATES VICE PRESIDENTIAL MUSEUM/DAN QUAYLE CENTER PO BOX 856 HUNTINGTON, IN 46750	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	2,500.
VISITING NURSE ASSOCIATION 610 E. WALNUT STREET EVANSVILLE, IN 47734	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	250.
WEATHERBY FOUNDATION PO BOX 128 LAFAYETTE, CA 94549	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	500.
YOUTH RESOURCES PO BOX 3635 EVANSVILLE, IN 47735	NONE UNRESTRICTED DONATION	PUBLIC 501(C)(3)	500.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			<hr/> <hr/> 100,353.