



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990-PF**

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

OMB No 1545-0052

**2010**Department of the Treasury  
Internal Revenue Service

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

For calendar year 2010, or tax year beginning

, and ending

G Check all that apply



Initial return



Initial return of a former public charity



Final return



Amended return



Address change



Name change

Name of foundation

**THE CHESTER FOUNDATION**

Number and street (or P O box number if mail is not delivered to street address)

**P O BOX 832**

Room/suite

City or town, state, and ZIP code

**CHESTER****SC 29706-0832**H Check type of organization ☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at

end of year (from Part II, col (c),

line 16) **\$ 14,236,386**J Accounting method ☒ Cash ☐ Accrual☐ Other (specify)

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

A Employer identification number

**57-6056810**

B Telephone number (see page 10 of the instructions)

**803-581-9198**C If exemption application is pending, check here ☐D 1. Foreign organizations, check here ☐2. Foreign organizations meeting the  
85% test, check here and attach computation ☐E If private foundation status was terminated under  
section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination  
under section 507(b)(1)(B), check here ☐

**Part I Analysis of Revenue and Expenses** (The total of  
amounts in columns (b), (c), and (d) may not necessarily equal  
the amounts in column (a) (see page 11 of the instructions))

(a) Revenue and  
expenses per  
books(b) Net investment  
income(c) Adjusted net  
income(d) Disbursements  
for charitable  
purposes  
(cash basis only)

Revenue

- 1 Contributions, gifts, grants, etc., received (attach schedule)
- 2 Check ☒ if the foundation is not required to attach Sch B
- 3 Interest on savings and temporary cash investments
- 4 Dividends and interest from securities
- 5a Gross rents
- b Net rental income or (loss) **-1,106**
- 6a Net gain or (loss) from sale of assets not on line 10 **Stmt 1**
- b Gross sales price for all assets on line 6a **426,654**
- 7 Capital gain net income (from Part IV, line 2)
- 8 Net short-term capital gain
- 9 Income modifications
- 10a Gross sales less returns & allowances
- b Less Cost of goods sold
- c Gross profit or (loss) (attach schedule)
- 11 Other income (attach schedule)
- 12 Total. Add lines 1 through 11

**32,762****32,762****32,762****477,643****477,643****477,643****3,300****3,300****-71,848****0****0****441,857****510,405****513,705****20,700****8,700****8,700****12,000****3,820****3,820****3,820****566****283****283****283****557****557****557****2,074****2,074****2,074****4,406****4,406****4,406****18,098****18,098****18,098****50,221****37,938****37,938****12,283****153,500****153,500****203,721****37,938****37,938****165,783**

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

**238,136**

b Net investment income (if negative, enter -0-)

**472,467**

c Adjusted net income (if negative, enter -0-)

**475,767**

For Paperwork Reduction Act Notice, see page 30 of the instructions.

Form **990-PF** (2010)

614 7

SCANNED AUG 23 2011  
Operating and Administrative ExpensesRECEIVED  
AUG 16 2011  
3091

Other expenses (attach schedule)

**Stmt 6**

24 Total operating and administrative expenses.

Add lines 13 through 23

25 Contributions, gifts, grants paid

26 Total expenses and disbursements. Add lines 24 and 25

<b>Part II Balance Sheets</b>		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash—non-interest-bearing					
	2 Savings and temporary cash investments			<b>256,708</b>	<b>151,199</b>	<b>151,199</b>
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶					
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶					
	5 Grants receivable					
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)					
	7 Other notes and loans receivable (att. schedule) ▶ Less: allowance for doubtful accounts ▶		<b>0</b>			
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments—U.S. and state government obligations (attach schedule)					
	b Investments—corporate stock (attach schedule) <b>See Stmt 7</b>			<b>8,155,300</b>	<b>8,501,019</b>	<b>14,019,524</b>
	c Investments—corporate bonds (attach schedule)					
	11 Investments—land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach sch.) ▶					
	12 Investments—mortgage loans					
	13 Investments—other (attach schedule)					
	14 Land, buildings, and equipment basis ▶ <b>65,448</b> Less: accumulated depreciation (attach sch.) ▶ <b>Stmt 8 40,553</b>			<b>26,969</b>	<b>24,895</b>	<b>65,000</b>
	15 Other assets (describe ▶ <b>See Statement 9</b> )			<b>663</b>	<b>663</b>	<b>663</b>
	16 <b>Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item I)			<b>8,439,640</b>	<b>8,677,776</b>	<b>14,236,386</b>
<b>Liabilities</b>	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)			<b>0</b>	<b>0</b>	
<b>Net Assets or Fund Balances</b>	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					
	28 Paid-in or capital surplus, or land, bldg, and equipment fund					
	29 Retained earnings, accumulated income, endowment, or other funds			<b>8,439,640</b>	<b>8,677,776</b>	
	30 <b>Total net assets or fund balances</b> (see page 17 of the instructions)			<b>8,439,640</b>	<b>8,677,776</b>	
	31 <b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)			<b>8,439,640</b>	<b>8,677,776</b>	

**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	<b>8,439,640</b>
2 Enter amount from Part I, line 27a	2	<b>238,136</b>
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	<b>8,677,776</b>
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	<b>8,677,776</b>

**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.)
<b>1a</b>	<b>N/A</b>			
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				

(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)
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

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))
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

**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

**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 pages 13 and 17 of the instructions)  
If (loss), enter -0- in Part I, line 8

2

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 page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009			
2008			
2007			
2006			
2005			

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

**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

**4** Enter the net value of noncharitable-use assets for 2010 from Part X, line 5

**5** Multiply line 4 by line 3

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

**7** Add lines 5 and 6

**8** Enter qualifying distributions from Part XII, line 4  
If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

2

3

4

5

6

7

8

Form **990-PF** (2010)

DAA

**Part VI** Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

<b>1a</b>	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
<b>b</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	<b>1</b>	<b>9,449</b>
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	<b>0</b>
<b>3</b>	Add lines 1 and 2	<b>3</b>	<b>9,449</b>
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>	<b>0</b>
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	<b>9,449</b>
<b>6</b>	Credits/Payments		
<b>a</b>	2010 estimated tax payments and 2009 overpayment credited to 2010	<b>6a</b>	
<b>b</b>	Exempt foreign organizations—tax withheld at source	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>	
<b>7</b>	Total credits and payments. Add lines 6a through 6d	<b>7</b>	
<b>8</b>	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	<b>8</b>	<b>260</b>
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter amount owed	<b>9</b>	<b>9,709</b>
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	<b>10</b>	
<b>11</b>	Enter the amount of line 10 to be <b>Credited to 2011 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	<b>11</b>	

**Part VII-A** Statements Regarding Activities

	Yes	No
<b>1a</b> 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?		<b>X</b>
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to <b>1a</b> or <b>1b</b> , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		<b>X</b>
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year?		<b>X</b>
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		<b>X</b>
<b>3</b> Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		<b>X</b>
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?	<b>X</b>	
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?	<b>X</b>	
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		<b>X</b>
<b>6</b> Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	<b>X</b>	
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	<b>X</b>	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> <b>SC</b>		
<b>b</b> If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	<b>X</b>	
<b>9</b> Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		<b>X</b>
<b>10</b> Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		<b>X</b>

**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 page 20 of the instructions)	11		<b>X</b>
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		<b>X</b>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <b>N/A</b>	13	<b>X</b>	
14	The books are in care of ► <b>JOSEPH M MCELWEE</b> <b>P O BOX 832</b> Located at ► <b>CHESTER</b> SC ZIP+4 ► <b>29706-0832</b> Telephone no ► <b>803-581-9198</b>			
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 ► <b>15</b>			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes	No <b>X</b>

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days ) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <b>N/A</b> 1b		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? <b>N/A</b> 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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If "Yes," list the years ► 20 , 20 , 20 , 20 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
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 page 22 of the instructions ) <b>N/A</b> 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010 ) 3b <b>X</b>		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a <b>X</b>		
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010? 4b <b>X</b>		

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

<b>5a</b> 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))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>b</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 page 22 of the instructions)?	<b>N/A</b>	<b>5b</b>		
Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/>			
<b>c</b> 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?	<b>N/A</b> <input type="checkbox"/> Yes <input type="checkbox"/> No			
If "Yes," attach the statement required by Regulations section 53.4945-5(d)				
<b>6a</b> 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>b</b> Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		<b>6b</b>		<b>X</b>
If "Yes" to 6b, file Form 8870.				
<b>7a</b> 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>b</b> If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	<b>N/A</b>	<b>7b</b>		

**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 page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 10				

**2 Compensation of five highest-paid employees (other than those included on line 1 — see page 23 of the instructions).**

If none, enter "NONE."

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

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

0

**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 page 23 of the instructions). If none, enter "NONE."

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

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

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

	Expenses
<b>1</b> N/A	
<b>2</b>	
<b>3</b>	
<b>4</b>	

**Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)**

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

	Amount
<b>1</b> N/A	
<b>2</b>	
All other program-related investments. See page 24 of the instructions	
<b>3</b>	

Total. Add lines 1 through 3 ▶



**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	<b>13,440,419</b>
<b>b</b>	Average of monthly cash balances	<b>1b</b>	<b>203,954</b>
<b>c</b>	Fair market value of all other assets (see page 25 of the instructions)	<b>1c</b>	<b>65,663</b>
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	<b>13,710,036</b>
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	<b>0</b>
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	<b>0</b>
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	<b>13,710,036</b>
<b>4</b>	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	<b>4</b>	<b>205,651</b>
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	<b>13,504,385</b>
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	<b>675,219</b>

**Part XI Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	<b>675,219</b>
<b>2a</b>	Tax on investment income for 2010 from Part VI, line 5	<b>2a</b>	<b>9,449</b>
<b>b</b>	Income tax for 2010 (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	<b>9,449</b>
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	<b>665,770</b>
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	<b>665,770</b>
<b>6</b>	Deduction from distributable amount (see page 25 of the instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	<b>665,770</b>

**Part XII Qualifying Distributions** (see page 25 of the instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	<b>1a</b>	<b>165,783</b>
<b>b</b>	Program-related investments—total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	<b>165,783</b>
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	<b>5</b>	<b>0</b>
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	<b>165,783</b>

**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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
<b>1</b> Distributable amount for 2010 from Part XI, line 7				<b>665,770</b>
<b>2</b> Undistributed income, if any, as of the end of 2010:				
<b>a</b> Enter amount for 2009 only			<b>474,440</b>	
<b>b</b> Total for prior years 20 <u>08</u> , 20____, 20____		<b>359,759</b>		
<b>3</b> Excess distributions carryover, if any, to 2010:				
<b>a</b> From 2005				
<b>b</b> From 2006				
<b>c</b> From 2007				
<b>d</b> From 2008				
<b>e</b> From 2009				
<b>f</b> Total of lines 3a through e				
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ <u>165,783</u>				
<b>a</b> Applied to 2009, but not more than line 2a			<b>165,783</b>	
<b>b</b> Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
<b>d</b> Applied to 2010 distributable amount				
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5				
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b		<b>359,759</b>		
<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 page 27 of the instructions		<b>359,759</b>		
<b>e</b> Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			<b>308,657</b>	
<b>f</b> Undistributed income for 2010 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				<b>665,770</b>
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
<b>9</b> Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a				
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2006				
<b>b</b> Excess from 2007				
<b>c</b> Excess from 2008				
<b>d</b> Excess from 2009				
<b>e</b> Excess from 2010				

**Part XIV Private Operating Foundations** (see page 27 of the 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 2010, enter the date of the ruling ▶

**b** Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
<b>2a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
<b>b</b> 85% of line 2a					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test—enter					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> "Support" alternative test—enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> Gross investment income					

**Part XV Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the 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) )  
**N/A**

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

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

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

**a** The name, address, and telephone number of the person to whom applications should be addressed  
**JOSEPH M MCELWEE, JR 803-581-9198**  
**P O BOX 832 CHESTER SC 29706-0832**

**b** The form in which applications should be submitted and information and materials they should include  
**See Statement 11**

**c** Any submission deadlines  
**See Statement 12**

**d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors  
**See Statement 13**

**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)				
<b>a</b> Paid during the year <b>See Statement 14</b>				<b>153,500</b>
<b>Total</b>			<b>▶ 3a</b>	<b>153,500</b>
<b>b</b> Approved for future payment <b>N/A</b>				
<b>Total</b>			<b>▶ 3b</b>	

## 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 page 28 of the instructions )
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
<b>1</b>	Program service revenue					
<b>a</b>						
<b>b</b>						
<b>c</b>						
<b>d</b>						
<b>e</b>						
<b>f</b>						
<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					32,762
<b>4</b>	Dividends and interest from securities					477,643
<b>5</b>	Net rental income or (loss) from real estate					
<b>a</b>	Debt-financed property					
<b>b</b>	Not debt-financed property	531110	-1,106			
<b>6</b>	Net rental income or (loss) from personal property					
<b>7</b>	Other investment income					
<b>8</b>	Gain or (loss) from sales of assets other than inventory					-71,848
<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 <b>a</b>					
<b>b</b>						
<b>c</b>						
<b>d</b>						
<b>e</b>						
<b>12</b>	Subtotal. Add columns (b), (d), and (e)		-1,106		0	438,557
<b>13</b>	Total. Add line 12, columns (b), (d), and (e)					437,451

(See worksheet in line 13 instructions on page 29 to verify calculations )

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

[illegible]



1295A THE CHESTER FOUNDATION

57-6056810

FYE: 12/31/2010

## Federal Statements

## Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description			How Received		Cost	Expense	Depreciation	Net Gain / Loss
Whom Sold	Date Acquired	Date Sold	Sale Price					
158.715 SHS DOW CHEM	1/30/09	1/28/10	\$	Purchase 2,081	1,134	\$	\$	947
73.999 SHS G E	7/27/09	1/28/10		Purchase 1,217	973			244
.021 SHS H P	7/01/09	1/28/10		Purchase 1	1			
47.735 SHS MICROSOFT	6/18/09	1/28/10		Purchase 1,423	1,092			331
127.357 SHS PFIZER	6/02/09	1/28/10		Purchase 2,421	1,826			595
96.875 SHS SPECTRA ENERGY	6/15/09	1/28/10		Purchase 2,151	1,650			501
4.73 SHS VAN CONS DISCR ETF	12/29/09	1/28/10		Purchase 219	224			-5
10.857 SHS VAN FINLS	6/30/09	1/28/10		Purchase 726	652			74
1,275.385 SHS DOW CHEM	9/30/02	1/28/10		Purchase 36,246	55,014			-18,768
201.188 SHS FORD	7/12/02	1/28/10		Purchase 2,390	2,675			-285
1,569.495 G E	9/30/02	1/28/10		Purchase 25,802	49,235			-23,433
25.7 SHS H P	9/30/02	1/28/10		Purchase 127	2			125
2,079.251 SHS MICROSOFT	9/30/02	1/28/10		Purchase 62,002	59,325			2,677
2,240.789 SHS PFIZER	9/30/02	1/28/10		Purchase 42,436	57,697			-15,261
1,609.942 SHS SPECTRA ENERGY	6/05/06	1/28/10		Purchase 35,740	31,950			3,790
512.68 SHS VAN CONS DISCR EFT	2/15/08	1/28/10		Purchase 23,757	25,750			-1,993
1,295.804 SHS VAN FINLS	2/15/08	1/28/10		Purchase 37,915	58,864			-20,949

## Federal Statements

57-6056810

FYE: 12/31/2010

**Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)**

Whom Sold	Description	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price	Purchase				
100M C/D 1st BANKING CTR		6/15/09	11/24/10	\$ 100,000	\$ 100,000	\$	\$		
50M G-S GROUP SR BD		11/14/08	1/28/10	50,000	50,438				-438
Total				\$ 426,654	\$ 498,502	\$ 0	\$ 0	\$ 0	\$ -71,848

**Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Accounting Fees	\$ 3,820	\$ 3,820	\$ 3,820	\$
Total	\$ 3,820	\$ 3,820	\$ 3,820	\$ 0

**Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
CLERICAL	\$ 566	\$ 283	\$ 283	\$ 283
Total	\$ 566	\$ 283	\$ 283	\$ 283

**Statement 4 - Form 990-PF, Part I, Line 18 - Taxes**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN INCOME TAX (, W/H FROM DVN	\$ 557	\$ 557	\$ 557	\$
Total	\$ 557	\$ 557	\$ 557	\$ 0



## Federal Statements

Statement 5 - Form 990-PF, Part I, Line 19 - Depreciation

Description		Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
RESIDENCE		12/27/91	\$ 55,448	\$ 38,479	Straight Line	27.5	\$ 2,074	\$ 2,074	\$ 2,074
Total			\$ 55,448	\$ 38,479			\$ 2,074	\$ 2,074	\$ 2,074

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses	\$	\$	\$	
BROKERAGE ACCOUNT FEES	18,006	18,006	18,006	
OTHER	92	92	92	
Total	\$ 18,098	\$ 18,098	\$ 18,098	\$ 0

## Federal Statements

Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
CHESTER TELEPHONE COMPANY	\$ 4,999,671	\$ 4,999,671	Cost	\$ 10,564,528
WACHOVIA/WELLS FARGO BROKERAGE	3,155,629	3,501,348	Cost	3,454,996
Total	\$ 8,155,300	\$ 8,501,019		\$ 14,019,524

Statement 8 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
RESIDENCE	\$ 16,969	\$ 55,448	\$ 40,553	\$ 55,000
RESIDENTIAL LOT	10,000	10,000		10,000
Total	\$ 26,969	\$ 65,448	\$ 40,553	\$ 65,000

**Statement 9 - Form 990-PF, Part II, Line 15 - Other Assets**

Description	Beginning of Year	End of Year	Fair Market Value
REFUND RECEIVABLE	\$ 663	\$ 663	\$ 663
Total	\$ 663	\$ 663	\$ 663

1295A THE CHESTER FOUNDATION

57-6056810

FYE: 12/31/2010

## Federal Statements

**Statement 10 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees,  
Etc.**

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
LADSON F STRINGFELLOW 1098 LANCASTER HWY CHESTER SC 29706	TRUSTEE	1.50	4,500	0	0
JOSEPH M MCELWEE 160 WALNUT ST CHESTER SC 29706	TRUSTEE	1.50	4,500	0	0
D C WYLIE 882 LANCASTER HWY CHESTER SC 29706	TRUSTEE	1.50	4,500	0	0
ROBERT W MOSER 3 ROUND POND RD GREENVILLE SC 29607	TRUSTEE	1.00	3,600	0	0
DWIGHT W PEARSON P O BOX 504 CHESTER SC 29706	TRUSTEE	1.00	3,600	0	0

**Statement 11 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents****Description**

THE ORGANIZATION ACCEPTS REQUESTS FOR ASSISTANCE FROM 501 (c)3 ORGANIZATIONS, GOVERNMENTAL ORGANIZATIONS AND CHURCHES LOCATED IN OR FOR THE BENEFIT OF CHESTER COUNTY, SC. THE ORGANIZATION WILL ALSO ACCEPT REQUESTS FROM EDUCATIONAL ORGANIZATIONS QUALIFYING AS 501(c)3 ORGANIZATIONS, PRIMARILY HIGHER EDUCATIONS, WHERE THE ORGANIZATIONS BENEFIT NEEDY INDIVIDUALS RESIDING IN CHESTER COUNTY WITH FINANCIAL REQUIREMENTS OF ATTENDING THE ORGANIZATION. NO ASSISTANCE CAN BE PROVIDED, HOWEVER, FOR ANY FAMILY MEMBERS OF ANY OFFICERS OR TRUSTEES OF THE FOUNDATION. THE TRUSTEES REVIEW REQUESTS AND DETERMINE WHICH ORGANIZATIONS WILL BE SUPPORTED AND AT WHAT LEVEL.

**Statement 12 - Form 990-PF, Part XV, Line 2c - Submission Deadlines****Description**

REQUESTS WILL BE CONSIDERED WHEN RECEIVED. THERE ARE NO DEADLINES.

**Statement 13 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations****Description**

NONE, EXCEPT GEOGRAPHIC PARAMETERS SHOWN IN APPLICATIONS FORMAT.

1295A THE CHESTER FOUNDATION

57-6056810

FYE: 12/31/2010

## Federal Statements

Statement 14 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the  
Year

Name	Address	Relationship	Status	Purpose	Amount
CHESTER CO PUB ED	109 HINTON STREET	NONE		PUBLIC EDUCATION	45,000
CHESTER SC 29706	109 GADSDEN STREET	NONE		PUBLIC CHARITY	10,000
UNITED WAY					
CHESTER SC 29706	452 SOUTH ANDERSON RD	NONE		PUBLIC EDUCATION	25,000
ROCK HILL SC 29730	799 BRIARCLIFF CIRCLE	NONE		MUNICIPAL ENTITY	25,000
CHESTER CO RESCUE SQD	119 S. CHARLOTTE AVE	NONE		PUBLIC CHARITY	8,000
CHESTER SC 29706	115 REEDY STREET	NONE		PUBLIC CHARITY	5,000
SALVATION ARMY	135 WYLIE STREET	NONE		CHURCH	5,000
ROCK HILL SC 29731	PO BOX 993	NONE		PUBLIC CHARITY	5,000
CHESTER CO INDIG MED FD	115 REEDY STREET	NONE		MUNICIPAL ENTITY	5,000
CHESTER SC 29706	109 ELLA STREET	NONE		PUBLIC EDUCATION	5,000
PURITY PRESBYTERIAN CH	2003 LANCASTER HWY	NONE		PUBLIC CHARITY	4,000
CHESTER S SC 29706	PO BOX 463	NONE		PUBLIC CHARTY	3,000
HOSPICE & COMMUNITY CARE	PO BOX 371	NONE		MUNICIPAL ENTITY	2,500
ROCK HILL SC 29731	157 COLUMBIA STREET	N ONE		PUBLIC CHARITY	2,000
CHESTER CO DSS	139 CADZ STREET	NONE		PUBLIC CHARITY	2,000
CHESTER SC 29706	PO BOX 215	NONE		MUNICIPAL ENTITY	2,000
CHESTER CO 4H					
CHESTER SC 29706					
BOY SCOUTS OF AMERICA					
CHESTER SC 29706					
GRASP					
GREAT FALLS SC 29055					
GREAT FALLS RESCUE SQD					
GREAT FALLS SC 29055					
YMCA					
CHESTER SC 29706					
RED CROSS					
CHESTER SC 29706					
GREAT FALLS DWNTWN ASSOC					
GREAT FALLS SC 29055					

1295A THE CHESTER FOUNDATION

57-6056810

FYE: 12/31/2010

## Federal Statements

**Statement 14 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the**  
**Year (continued)**

Name	Address	Relationship	Status	Purpose	Amount
Total					153,500

1295A THE CHESTER FOUNDATION

57-6056810

FYE: 12/31/2010

## Federal Statements

### Taxable Interest on Investments

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>US Obs (\$ or %)</u>
SPRATT SAVINGS & LOAN	\$ 1,695				
WELLS FARGO	31,067				
Total	<u>\$ 32,762</u>				

### Taxable Dividends from Securities

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>US Obs (\$ or %)</u>
CHESTER TELEPHONE COMPANY	\$ 422,581				
WELLS FARGO	55,062				
Total	<u>\$ 477,643</u>				