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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 separate instructions is at www.irs.gov/form990pf.

OMB No 1545-0052

2013

Open to Public Inspection

For calendar year 2013 or tax year beginning

, and ending

Name of foundation

A Employer identification number

THE CHATHAM FOUNDATION

30-0162130

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

Room/suite

660 DORSET ROAD

B Telephone number

(610)964-9837

City or town, state or province, country, and ZIP or foreign postal code

DEVON, PA 19333

C If exemption application is pending, check here ☐

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name changeD 1. Foreign organizations, check here ☐2 Foreign organizations meeting the 85% test, check here and attach computation ☐

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundationE If private foundation status was terminated under section 507(b)(1)(A), check here ☐

I Fair market value of all assets at end of year

J Accounting method:

☒ Cash☐ AccrualF If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

(from Part II, col. (c), line 16)

☐ Other (specify)

\$ 9,930,888. (Part I, column (d) must be on cash basis)

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

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)

6a Net gain or (loss) from sale of assets not on line 10

b Gross sales price for all assets on line 6a

7 Capital gain net income (from Part IV, line 2)

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)

11 Other income

12 Total Add lines 1 through 11

13 Compensation of officers, directors, trustees, etc

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees

b Accounting fees

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

25 Contributions, gifts, grants paid

26 Total expenses and disbursements

Add lines 24 and 25

27 Subtract line 26 from line 12

a Excess of revenue over expenses and disbursements

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

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

Operating and Administrative Expenses

323501
10-10-13

LHA For Paperwork Reduction Act Notice, see instructions.

Form 990-PF (2013)

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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	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			1,358,179.	240,498.	240,498.
	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 STMT 7			7,587,333.	9,114,215.	9,687,685.
	c Investments - corporate bonds					
Liabilities	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 ▶ STATEMENT 8)			3,775.	2,705.	2,705.
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item 1)			8,949,287.	9,357,418.	9,930,888.
	17 Accounts payable and accrued expenses					
	18 Grants payable					
Net Assets or Fund Balances	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.	
	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					
Net Assets or Fund Balances	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			0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds			8,949,287.	9,357,418.	STATEMENT 6
	30 Total net assets or fund balances			8,949,287.	9,357,418.	
	31 Total liabilities and net assets/fund balances			8,949,287.	9,357,418.	

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	8,949,287.
2 Enter amount from Part I, line 27a	2	387,131.
3 Other increases not included in line 2 (itemize) ▶ CONTRIBUTION ADJUSTMENTS	3	21,000.
4 Add lines 1, 2, and 3	4	9,357,418.
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	9,357,418.

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 3,339.329 SHS JPM SHORT DURATION BOND	P	01/01/13	04/25/13
b 964.399 SHS JPM SHORT DURATION BOND	P	01/01/12	04/25/13
c 3,500,000 UNITS JPM BEN SPX 3/21/13 15%	P	09/16/11	03/21/13
d 86,770.953 SHS JPM SHORT DURATION BOND	P	01/01/12	04/25/13
e CAPITAL GAINS DIVIDENDS			

(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 36,666.		36,716.	<50.>
b 10,589.		10,592.	<3.>
c 4,275,250.		3,500,000.	775,250.
d 952,745.		951,125.	1,620.
e 1,492.			1,492.

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			<50.>
b			<3.>
c			775,250.
d			1,620.
e			1,492.

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	778,309.
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	N/A

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

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

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

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

☒ Yes ☐ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2012			
2011			
2010			
2009			
2008			

2 Total of line 1, column (d)	2	
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

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	17,263.
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		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	17,263.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	17,263.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		6a	3,969.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		6b	
6 Credits/Payments:		6c	
a 2013 estimated tax payments and 2012 overpayment credited to 2013		6d	
b Exempt foreign organizations - tax withheld at source		7	3,969.
c Tax paid with application for extension of time to file (Form 8868)		8	
d Backup withholding erroneously withheld		9	13,294.
7 Total credits and payments. Add lines 6a through 6d		10	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached		11	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2014 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>			

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
1c Did the foundation file Form 1120-POL for this year?		X
2 Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ 0. (2) On foundation managers. ► \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► PA		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>BARBARA H. SUTHERLAND</u> Telephone no. ► <u>215-238-3175</u> Located at ► <u>660 DORSET ROAD, DEVON, PA</u> ZIP+4 ► <u>19333</u>			
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 <u>N/A</u>			
16	At any time during calendar year 2013, 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 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
				X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	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 2013?		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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? If "Yes," list the years ►	<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 instructions.)	N/A	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2013 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 2013)	N/A	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 2013?		4b
		X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

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

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

6b

X

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

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

☐ Yes ☒ No

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

N/A

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.

(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
L. FREDERICK SUTHERLAND 660 DORSET ROAD DEVON, PA 19333	TRUSTEE 1.00	0.	0.	0.
BARBARA H. SUTHERLAND 660 DORSET ROAD DEVON, PA 19333	TRUSTEE 1.00	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 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	8,756,096.
b	Average of monthly cash balances	1b	1,151,024.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	9,907,120.
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	9,907,120.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	148,607.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	9,758,513.
6	Minimum investment return. Enter 5% of line 5	6	487,926.

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	487,926.
2a	Tax on investment income for 2013 from Part VI, line 5	2a	17,263.
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	17,263.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	470,663.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	470,663.
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	470,663.

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	474,500.
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	474,500.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	474,500.

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				470,663.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only			474,043.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2013:				
a From 2008				
b From 2009				
c From 2010				
d From 2011				
e From 2012				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2013 from Part XII, line 4: ► \$ 474,500.				
a Applied to 2012, but not more than line 2a			474,043.	
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 2013 distributable amount				457.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2013 (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	0.			
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 2012. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				470,206.
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 2008 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012				
e Excess from 2013				

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

Recipient Name and address (home or business)	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
a Paid during the year				
AMERICAN DIABETES ASSOCIATION 1701 N. BEAUREGARD STREET ALEXANDRIA, VA 22311	N/A	CHARITY	CHARITABLE	5,000.
AMERICAN FOUNDATION FOR SUICIDE PREVENTION 120 WALL STREET, 29TH FLOOR NEW YORK, NY 10005	N/A	CHARITY	CHARITABLE	3,000.
AMERICAN RED CROSS 2025 E. STREET, NW WASHINGTON, DC 20006	N/A	CHARITY	CHARITABLE	10,000.
ARTWELL 4101 FREELAND AVENUE PHILADELPHIA, PA 19128	N/A	CHARITY	CHARITABLE	2,000.
ASPCA 424 E. 92ND STREET NEW YORK, NY 10128	N/A	CHARITY	CHARITABLE	1,000.
Total	SEE CONTINUATION SHEET(S)			474,500.
b Approved for future payment				
NONE				
Total				0.

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

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

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No
- b** If "Yes," complete the following schedule.

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

**Sign
Here**

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

Signature of officer or trustee

15/8/14
Date

of which preparer has any
**EXECUTIVE
OFFICER**

Title

May the IRS discuss this return with the preparer shown below (see instr. 12)

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

WALTER A. REED

Preparer's signature

Chas. Reed

Date

5/8/14

Check ☐ self-employed

PTIN

P00525251

Firm's name ► FAIRMAN GROUP FAMILY OFFICE, LLP

Firm's EIN ▶ 45-4793713

Firm's address ► 899 CASSATT ROAD, SUITE 115
BERWYN, PA 19312

Phone no. **610-889-7300**

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

Recipient Name and address (home or business)	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
BIRCH ROCK CAMP PO BOX 148 WATERFORD, ME 04088	N/A	CHARITY	CHARITABLE	5,000.
CARON TREATMENT CENTERS 243 NORTH GALEN HALL ROAD WERNERSVILLE, PA 19565	N/A	CHARITY	CHARITABLE	1,000.
COMMUNITY VOLUNTEERS IN MEDICINE 300B LAWRENCE DRIVE WEST CHESTER, PA 19380	N/A	CHARITY	CHARITABLE	1,000.
DUKE GLOBAL HEALTH INSTITUTE 310 TRENT DRIVE DURHAM, NC 27710	N/A	CHARITY	CHARITABLE	10,000.
DUKE UNIVERSITY 207 ALLEN BUILDING DURHAM, NC 27708	N/A	CHARITY	CHARITABLE	200,000.
EPISCOPAL COMMUNITY SERVICES 255 SOUTH THIRD STREET PHILADELPHIA, PA 19106	N/A	CHARITY	CHARITABLE	20,000.
FREE LIBRARY OF PHILADELPHIA - ANNUAL FUND 1901 VINE STREET, SUITE 111 PHILADELPHIA, PA 19103	N/A	CHARITY	CHARITABLE	15,000.
FREE LIBRARY OF PHILADELPHIA - BUILDING CAMPAIGN 1901 VINE STREET, SUITE 111 PHILADELPHIA, PA 19103	N/A	CHARITY	CHARITABLE	50,000.
JEFFERSON FOUNDATION 125 S. 9TH STREET, SUITE 700 PHILADELPHIA, PA 19107	N/A	CHARITY	CHARITABLE	1,000.
PLAYPENN 220 WEST EVERGREEN AVENUE, D-2 PHILADELPHIA, PA 19118	N/A	CHARITY	CHARITABLE	1,500.
Total from continuation sheets				453,500.

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

Recipient Name and address (home or business)	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
RUFUS PORTER MUSEUM 67 NORTH HIGH STREET BRIDGTON, ME 04009	N/A	CHARITY	CHARITABLE	1,000.
ST. DAVID'S EPISCOPAL CHURCH - RAISING THE ROOF CAPITAL CAMPAIGN 763 S. VALLEY FORGE ROAD WAYNE, PA 19087	N/A	CHARITY	CHARITABLE	115,000.
ST. DAVID'S EPISCOPAL CHURCH - WORLD GIFTS 763 S. VALLEY FORGE ROAD WAYNE, PA 19087	N/A	CHARITY	CHARITABLE	4,000.
ST. JAMES SCHOOL 3217 WEST CLEARFIELD STREET PHILADELPHIA, PA 19132	N/A	CHARITY	CHARITABLE	2,000.
ST. JUDE CHILDREN'S RESEARCH HOSPITAL 262 DANNY THOMAS PLACE MEMPHIS, TN 38105	N/A	CHARITY	CHARITABLE	1,000.
WHYY 150 N. 6TH STREET PHILADELPHIA, PA 19106	N/A	CHARITY	CHARITABLE	25,000.
WOUNDED WARRIOR PROJECT PO BOX 758517 TOPEKA, KS 66675	N/A	CHARITY	CHARITABLE	1,000.
Total from continuation sheets				

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
IRS	1.	1.	
JP MORGAN (Q37716000)	32.	32.	
TOTAL TO PART I, LINE 3	33.	33.	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
JP MORGAN (Q37716000)	87,396.	1,492.	85,904.	85,904.	
TO PART I, LINE 4	87,396.	1,492.	85,904.	85,904.	

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARATION FEES	2,200.	1,100.		0.
TO FORM 990-PF, PG 1, LN 16B	2,200.	1,100.		0.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
2012 PA INSTITUTION OF PURELY PUBLIC CHARITY REGISTRATION STATEMENT	15.	15.		0.
TO FORM 990-PF, PG 1, LN 18	15.	15.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INTEREST AND PENALTIES - IRS	400.	0.		0.
TO FORM 990-PF, PG 1, LN 23	400.	0.		0.

FORM 990-PF	OTHER FUNDS	STATEMENT	6
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DESCRIPTION	(A) BEGINNING OF YEAR	(B) END OF YEAR
RETAINED EARNINGS OR ACCUMULATED INCOME	8,949,287.	9,357,418.
TOTAL TO FORM 990-PF, PART II, LINE 29	8,949,287.	9,357,418.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
ALTERNATIVE INVESTMENTS	1,000,000.	1,064,661.
EQUITY	2,000,000.	2,158,400.
FIXED INCOME	2,114,215.	2,100,767.
OTHER INVESTMENTS	4,000,000.	4,363,857.
TOTAL TO FORM 990-PF, PART II, LINE 10B	9,114,215.	9,687,685.

FORM 990-PF	OTHER ASSETS	STATEMENT	8
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DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ACCRUED INTEREST RECEIVABLE	3,775.	2,705.	2,705.
TO FORM 990-PF, PART II, LINE 15	3,775.	2,705.	2,705.

FORM 990-PF

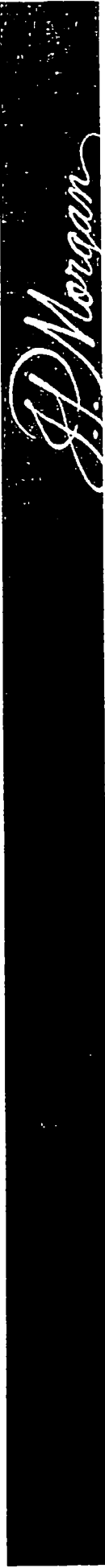
PART XV - LINE 1A
LIST OF FOUNDATION MANAGERS

STATEMENT 9

NAME OF MANAGER

L. FREDERICK SUTHERLAND

BARBARA H. SUTHERLAND



Capital Gain and Loss Schedule

THE CHATHAM FOUNDATION
Account Number Q 37716-00-0

* Code W Indicates Wash Sale
I indicates a Nondeductible Loss other than a Wash Sale
** Ordinary Income O indicates Ordinary Income gain or loss
F Indicates Foreign Exchange gain or loss on Capital Transactions

Short-Term Covered

Description	Stock and other symbol CUSA	Date Acquired Date Sold	Units	Sales Price	Cost or Other Basis	Adjustments to gain or loss	Gain or Loss Ordinary Income**
JPM SHORT DURATION BOND FD - SEL FUND 3133	HLLV 4812C1330	Various 04/25/13	3,339.329	36,665.83	36,715.48		-49.65
Total Short-Term Covered				36,665.83	36,715.48		-49.65



Capital Gain and Loss Schedule

THE CHATHAM FOUNDATION
Account Number Q 37716-00-0

Long-Term Covered

Description	Code*	Date Acquired Date Sold	Units	Sales Price	Cost or Other Basis	Adjustments to gain or loss	Gain or Loss Ordinary Income**
JPM SHORT DURATION BOND FD - SEL FUND 3133	HLLV 4812C1330	Various 04/25/13	964 399	10,589.10	10,592.15		-3.05

Total Long-Term Covered 10,589.10 10,592.15 -3.05

* Code W indicates Wash Sale
L indicates a Nondeductible Loss other than a Wash Sale
** Ordinary Income O indicates Ordinary Income gain or loss
F indicates Foreign Exchange gain or loss on Capital Transactions
Stock and other symbol Cusip



THE CHATHAM FOUNDATION
Account Number Q 37716-00-0

Capital Gain and Loss Schedule

Long-Term Non Covered

* Code W indicates Wash Sale
L Indicates a Nondeductible Loss other than a Wash Sale
** Ordinary Income O Indicates Ordinary Income gain or loss
F Indicates Foreign Exchange gain or loss on Capital Transactions

Description

Description	Code*	Date Acquired Date Sold	Units	Sales Price	Cost or Other Basis	Adjustments to gain or loss	Gain or Loss Ordinary Income**
JPM BEN SPX 03/21/13		09/16/11	3,500,000 000	4,275,250 00	3,500,000 00		775,250 00
15%BUFFER-1 XLEV- 22.15%CAP	48125X2L9	03/21/13					
22 15%MAXRTRN							
INITIAL LEVEL-09/16/11 SPX: 1,216 01							
JPM SHORT DURATION BOND FD - SEL	HLLV	Various	86,770 953	952,745 07	951,124 90		1,620 17
FUND 3133	4812C1330	04/25/13					
Total Long-Term Non Covered				5,227,995.07	4,451,124.90		776,870.17



THE CHATHAM FOUNDATION ACCT. Q37716000
For the Period 12/1/13 to 12/31/13

Equity Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Large Cap Equity	2,129,600.00	2,158,400.00	28,800.00	22%

Market Value/Cost	Current Period Value
Market Value	2,158,400.00
Tax Cost	2,000,000.00
Unrealized Gain/Loss	158,400.00

Equity Detail

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est. Annual Inc. Accrued Div	Yield
US Large Cap Equity							
HSBC BREN SPX 04/30/15	107.92	2,000,000.000	2,158,400.00	2,000,000.00	158,400.00		
15%BUFFER-1 50 XLEV- 11.4%CAP							
17 1%MAXRTRN							
INITIAL LEVEL-04/25/13 SPX:1585.16							
40432X-EZ-0							



THE CHATHAM FOUNDATION ACCT Q37716000
For the Period 12/1/13 to 12/31/13

Alternative Assets Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change In Value	Current Allocation
Hedge Funds	1,061,330 14	1,064,660 61	3,330 47	11%

Alternative Assets Detail

	Price	Quantity	Estimated Value	Cost
Hedge Funds				
HMLP MULTI-STRATEGY PRIVATE	1,249.92	851.783	1,064,660 61	1,000,000 00
INVESTORS LTD CLASS E NEW ISSUES	11/29/13			
INELIGIBLE				
N/O Client				
43098A-99-3				

J.P.Morgan

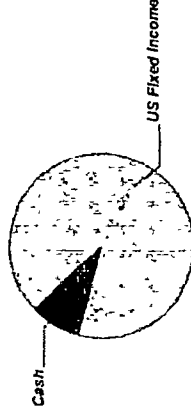


THE CHATHAM FOUNDATION ACCT. Q37716000
For the Period 12/1/13 to 12/31/13

Cash & Fixed Income Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
Cash	669,847.44	240,455.74	(429,391.70)	2%
US Fixed Income	2,105,293.72	2,100,767.48	(4,526.24)	21%
Total Value	\$2,775,141.16	\$2,341,223.22	(\$433,917.94)	23%

Market Value/Cost	Current Period Value
Market Value	2,341,223.22
Tax Cost	2,354,670.84
Unrealized Gain/Loss	(13,447.62)
Estimated Annual Income	20,062.42
Accrued Interest	2,705.49
Yield	0.85%



SUMMARY BY MATURITY

Cash & Fixed Income	Market Value	% of Bond Portfolio
0-6 months ¹	2,341,223.22	100%

¹ The years indicate the number of years until the bond is scheduled to mature based on the statement end date. Some bonds may be called, or paid in full, before their stated maturity

SUMMARY BY TYPE

Cash & Fixed Income	Market Value	% of Bond Portfolio
Cash	240,455.74	10%
Mutual Funds	2,100,767.48	90%
Total Value	\$2,341,223.22	100%

Cash & Fixed Income as a percentage of your portfolio - 23 %



THE CHATHAM FOUNDATION ACCT. Q37716000
For the Period 12/1/13 to 12/31/13

Note: ¹ This is the Annual Percentage Yield (APY) which is the rate earned if balances remain on deposit for a full year with compounding, there is no change in the interest rate and all interest is left in the account.

Cash & Fixed Income Detail

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est. Annual Income Accrued Interest	Yield
Cash							
US DOLLAR DEPOSIT SWEEP	1.00			0.00		0.16	0.01 % ¹
JPM PRIME MMKT FD - PREMIER FUND 350	1.00	240,455.74	240,455.74	240,455.74		4.62	
7-Day Annualized Yield: 01%							
Total Cash			\$240,455.74	\$240,455.74	\$0.00	\$0.00 \$4.78	0.00 %
US Fixed Income							
JPM SHORT DURATION BOND FD - SEL FUND 3133	10.89	192,907.94	2,100,767.48	2,114,215.10	(13,447.62)	20,062.42 2,700.71	0.96 %
4812C1-33-0							



THE CHATHAM FOUNDATION ACCT Q37716000
For the Period 12/1/13 to 12/31/13

Other Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change In Value	Current Allocation
Balanced	4,328,600.32	4,363,857.34	35,257.02	44%

Market Value/Cost	Current Period Value
Estimated Value	4,363,857.34
Tax Cost	4,000,000.00
Estimated Gain/Loss	363,857.34
Estimated Annual Income	80,610.36
Yield	1.84%

Other Detail

	Price	Quantity	Value	Adjusted Cost Original Cost	Unrealized Gain/Loss	Accruals
Balanced						
VANGUARD BALANCED INDEX-SIG	27.23	160,259.175	4,363,857.34	4,000,000.00	363,857.34	
921931-40-8 VBAS X						