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

OMB No 1545-0052

2008

Department of the Treasury
Internal Revenue Service (77)

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

For calendar year 2008, or tax year beginning , 2008, and ending

G Check all that apply Initial return Final return Amended return Address change Name change

Use the
IRS label
Otherwise,
print
or type
See Specific
InstructionsWESTCHESTER FOUNDATION
PO BOX 3009
CHAMPAIGN, IL 61826

A Employer identification number

36-4149509

B Telephone number (see the instructions)

217-352-6000

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 ☐H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at end of year (from Part II, column (c), line 16) ☐ Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____

► \$ 337,371.

(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) (see 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 (att sch)				
	2	Ch <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3	Interest on savings and temporary cash investments	2,316.	2,316.	2,316.	
	4	Dividends and interest from securities	17,834.	17,834.	17,834.	
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain/(loss) from sale of assets not on line 10	3,416.	STATEMENT 1		
	b	Gross sales price for all assets on line 6a 72,631.				
	7	Capital gain net income (from Part IV, line 2)		0.		
	8	Net short-term capital gain			0.	
	9	Income modifications				
	10a	Gross sales less returns and allowances				
b	Less Cost of goods sold					
c	Gross profit/(loss) (att sch)					
11	Other income (attach schedule)					
12	Total. Add lines 1 through 11	23,566.	20,150.	20,150.		
ADMINISTRATIVE EXPENSES	13	Compensation of officers, directors, trustees, etc	0.			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach sch)				
	c	Other prof fees (attach sch)				
	17	Interest				
	18	Taxes (attach schedule)				
	19	Depreciation (attach sch) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)				
	24	Total operating and administrative expenses. Add lines 13 through 23				
	25	Contributions, gifts, grants paid PART XV	18,000.			18,000.
26	Total expenses and disbursements. Add lines 24 and 25	18,000.	0.	0.	18,000.	
27	Subtract line 26 from line 12:					
a	Excess of revenue over expenses and disbursements	5,566.				
b	Net investment income (if negative, enter -0-)		20,150.			
c	Adjusted net income (if negative, enter 0)			20,150.		

Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	1,590.	1,590.	1,590.
	2 Savings and temporary cash investments	152,687.	149,245.	149,245.
	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 the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — US and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule) STATEMENT 2	55,626.	62,485.	48,552.
	c Investments — corporate bonds (attach schedule) STATEMENT 3	163,141.	165,290.	137,984.
	11 Investments — land, buildings, and equipment basis			
LIABILITIES	Less accumulated depreciation (attach schedule)			
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule)			
	14 Land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)			
	15 Other assets (describe)			
	16 Total assets (to be completed by all filers — see instructions Also, see page 1, item I)	373,044.	378,610.	337,371.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
NET ASSETS OR FUND BALANCES	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	252,817.	252,817.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	120,227.	125,793.	
	30 Total net assets or fund balances (see the instructions)	373,044.	378,610.	
	31 Total liabilities and net assets/fund balances (see the instructions)	373,044.	378,610.	

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	373,044.
2 Enter amount from Part I, line 27a	2	5,566.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	378,610.
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	378,610.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a ST LOSSES STOCKS & SECURITIES		P	VARIOUS	VARIOUS
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 28,288.		30,337.	-2,049.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			-2,049.
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>		2	-2,049.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8 </div>		3	-2,049.

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 (column (b) divided by column (c))
2007	18,000.	373,044.	0.048252
2006	18,000.	370,417.	0.048594
2005	19,000.	342,650.	0.055450
2004	14,000.	330,454.	0.042366
2003	15,000.	304,433.	0.049272

2 Total of line 1, column (d)	2	0.243934
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	0.048787
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	392,031.
5 Multiply line 4 by line 3	5	19,126.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	202.
7 Add lines 5 and 6	7	19,328.
8 Enter qualifying distributions from Part XII, line 4	8	18,000.

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 the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling letter _____ (attach copy of ruling letter if necessary — see instructions)			
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		1	403.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0.
3 Add lines 1 and 2		3	403.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	403.
6 Credits/Payments			
a 2008 estimated tax pmts and 2007 overpayment credited to 2008	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		403.
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 2009 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a 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?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		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? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) IL		
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 <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i> SEE STATEMENT 4		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 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses.</i>		X

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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 <u>WWW.WESTCHESTER-GROUP.COM/FOUNDATION/</u>	13	X	
14	The books are in care of <u>MURRAY WISE</u> Telephone no <u>217-352-6000</u> Located at <u>PO BOX 3009 CHAMPAIGN IL</u> ZIP + 4 <u>61826</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> <u>N/A</u>			

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
1 a 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	N/A
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 2008?	1 c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
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 the instructions)	2 b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
3 a 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 2008 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 2008.)	3 b	N/A
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008?	4 b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b N/A

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 you answered 'Yes' to 6b, also 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?

7b 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 (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 5		0.	0.	0.

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

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

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

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 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 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 (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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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	265,874.
b	Average of monthly cash balances	1b	132,127.
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	398,001.
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	398,001.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	5,970.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	392,031.
6	Minimum investment return. Enter 5% of line 5	6	19,602.

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	19,602.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	403.
b	Income tax for 2008 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	403.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	19,199.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	19,199.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	19,199.

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	18,000.
b	Program-related investments — total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	18,000.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	18,000.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				19,199.
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only			0.	
b Total for prior years 20__, 20__, 20__		0.		
3 Excess distributions carryover, if any, to 2008				
a From 2003				
b From 2004				
c From 2005				
d From 2006				
e From 2007				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2008 from Part XII, line 4 ▶ \$ 18,000.				
a Applied to 2007, but not more than line 2a			0.	
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 2008 distributable amount				18,000.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2008 (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 2007 Subtract line 4a from line 2a Taxable amount — see instructions			0.	
f Undistributed income for 2008 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2009				1,199.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2004				
b Excess from 2005				
c Excess from 2006				
d Excess from 2007				
e Excess from 2008				

N/A

- (4) Gross investment income**

[illegible]

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
<i>a</i> Paid during the year SEE STATEMENT 7				
Total			3a	18,000.
<i>b</i> Approved for future payment				
Total			3b	

**WESTCHESTER FOUNDATION, INC.
INVESTMENTS AS OF 12/31/08**

PAGE 1

STOCKS

	# OF SHARES/ UNITS	MKT VALUE/ UNIT	TOTAL MKT. VALUE	ORIGINAL INVESTMENT	REINVESTED DIVIDENDS AND CAP GAINS	TOTAL COST BASIS	TOTAL UNREALIZED GAIN/ (LOSS)	GAIN/ (LOSS) SINCE 12/31/2007	% OF TOTAL ASSETS
Coal Creek Coal Co	10	375 000	3,750.00	3,355.00		3,355.00	395.00	200.00	
Felcor Lodging Series C Pref.	500	6 500	3,250.00	9,712.95		9,712.95	(6,462.95)	(6,462.95)	
JP Morgan Chase 6 35%/35 Pref	500	21,380	10,890.00	10,297.95		10,297.95	392.05	392.05	
Peyto Energy Trust	500	8,019	4,009.70	10,000.62		10,000.62	(5,990.92)	(4,552.10)	
Royal Bank of Scotland 7.25% ADRF	500	9,550	4,775.00	5,008.95		5,008.95	(233.95)	(233.95)	
UAL Corp. New	3	11 020	33.06				33.06	(73.92)	
XTO Energy, Inc	625	35 270	22,043.75	24,109.63		24,109.63	(2,065.88)	(10,056.25)	
Total Stocks			48,551.51	62,485.10	-	62,485.10	(13,933.59)	(20,787.12)	14.4%

BONDS & NOTES

Columbia/HCA 8.36% due 4/15/24	20,000	55 000	11,000.00	20,700.00		20,700.00	(9,700.00)	(6,300.00)	
Conseco Fin Tr. 9.16%	1,000								
Countywide Home 6.25% due 4/15/09	10,000	100 500	10,050.00	8,910.00		8,910.00	1,140.00	1,140.00	
Crown Cork & SE 7.375% due 12/15/26	20,000	74,000	14,800.00	18,368.00		18,368.00	(3,568.00)	(3,568.00)	
Ford Motor Cred 7.25% due 10/25/11	10,000	74,000	7,400.00	5,160.00		5,160.00	2,240.00	2,240.00	
Ramy Int'l. Inc. FLT 2014	8,018	10 000	801.80	4,787.20		4,787.20	(3,985.40)	(6,219.13)	
JC Penney Co. 8.00% due 3/01/10	20,000	93,717	18,743.48	20,800.00		20,800.00	(2,056.52)	(2,127.32)	
Liberty Media 3.75% due 2/15/30	40,000	26,469	10,587.68	22,200.00		22,200.00	(11,612.32)	(12,178.32)	
Lucent Technology 6.45% due 3/15/29	10,000	40,000	4,000.00	6,040.00		6,040.00	(2,040.00)	(4,300.00)	
Naxtel Communications 5.25% due 1/15/10	30,000	86,670	26,001.00	19,350.00		19,350.00	6,651.00	(3,849.75)	
Peabody Energy 4.75% due 12/15/66	10,000	60 571	6,057.14	9,725.00		9,725.00	(3,667.86)	(6,554.36)	
Standard Motor 6 75% due 7/15/09	10,000	90,313	9,031.33	8,650.00		8,650.00	381.33	(559.17)	
Toro Co. 7.80% due 6/15/27	20,000	97,556	19,511.24	20,600.00		20,600.00	(1,088.76)	(3,485.28)	
United Airlines 11.21% due 5/01/04	30,000								
Total Bonds & Notes			137,983.67	165,290.20	-	165,290.20	(27,306.53)	(45,761.33)	40.9%

CASH & CASH EQUIVALENTS

Central Illinois Bank Checking			1,590.00	1,590.00		1,590.00			
Schwab Gov't Money Fund			82,145.07	82,145.07		82,145.07			
Standard Inv Chartered Cash			67,099.63	67,099.63		67,099.63			
Total Cash			150,834.70	150,834.70		150,834.70			44.7%
Totals			337,369.88	378,610.00	-	378,610.00	(41,240.12)	(66,548.45)	100.0%

WESTCHESTER FOUNDATION
36-4149509
ASSETS - COST, FMV
12-31-08

WESTCHESTER FOUNDATION

36-4149509

STATEMENT 1
FORM 990-PF, PART I, LINE 6A
NET GAIN (LOSS) FROM NONINVENTORY SALES PER BOOKS
ASSETS NOT INCLUDED IN PART IV

DESCRIPTION:	LT GAINS STOCKS & SECURITIES		
DATE ACQUIRED:	VARIOUS		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	VARIOUS		
TO WHOM SOLD:			
GROSS SALES PRICE:		44,343.	
COST OR OTHER BASIS:		38,878.	
BASIS METHOD:	COST		
DEPRECIATION:		0.	
			GAIN (LOSS) 5,465.
			TOTAL \$ <u>5,465.</u>

STATEMENT 2
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

<u>CORPORATE STOCKS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
PUBLICALLY TRADED STOCKS AS PER ATTACHED	COST	\$ 62,485.	\$ 48,552.
	TOTAL	<u>\$ 62,485.</u>	<u>\$ 48,552.</u>

STATEMENT 3
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

<u>CORPORATE BONDS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
BONDS AND NOTES AS PER ATTACHED	COST	\$ 165,290.	\$ 137,984.
	TOTAL	<u>\$ 165,290.</u>	<u>\$ 137,984.</u>

STATEMENT 4
FORM 990-PF, PART VII-A, LINE 8B
COPIES OF FORM 990-PF TO STATE OFFICIALS

NO REQUIREMENT TO FILE 990 WITH STATE.

WESTCHESTER FOUNDATION

36-4149509

STATEMENT 5
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
RANDALL E. POPE 3800 FRIENDLY HOPE RD. JONESBORO, AR 72404	PRESIDENT 0	\$ 0.	\$ 0.	\$ 0.
KRISTIN L. WISE PO BOX 3009 CHAMPAIGN, IL 61826	TREASURER 0	0.	0.	0.
MURRAY R WISE 4309 CRAYTON RD. NAPLES, FL 34103	DIRECTOR 0	0.	0.	0.
EUGENE KLINGAMAN PO BOX 508 COLUMBIA CITY, IN 46725	DIRECTOR 0	0.	0.	0.
PORTER MARTIN 8842 INDIAN OAKS SHABONA, IL 60550	DIRECTOR 0	0.	0.	0.
DAVID B SHOLEM 1102 W. ARMORY CHAMPAIGN, IL 61821	DIRECTOR 0	0.	0.	0.
MICHAEL SEPTER 1794 WOODSTONE DR. VICTORIA, MN 55386	DIRECTOR 0	0.	0.	0.
ROBIN NIEHAUS 3905 VINCENNES RD., STE 402 INDIANAPOLIS, IN 46268	DIRECTOR 0	0.	0.	0.
RICHARD J. BAKER 3 MOSS LAKE FARMER CITY, IL 61842	EXECUTIVE DIREC 0	0.	0.	0.
TOTAL		\$ 0.	\$ 0.	\$ 0.

STATEMENT 6
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:	WESTCHESTER FOUNDATION
NAME:	RICHARD J. BAKER, EXECUTIVE DIRECTOR
CARE OF:	WESTCHESTER GROUP, INC.
STREET ADDRESS:	PO BOX 3009
CITY, STATE, ZIP CODE:	CHAMPAIGN, IL 61826
TELEPHONE:	217-352-6000
FORM AND CONTENT:	APPLICATION TO BE SUBMITTED ON THE PREPRINTED FORM PROVIDED BY WESTCHESTER FOUNDATION UPON REQUEST. IN ADDITION TO APPLICATION, APPLICANT TO PROVIDE A COPY OF

WESTCHESTER FOUNDATION

36-4149509

STATEMENT 6 (CONTINUED)
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

MOST CURRENT ACADEMIC TRANSCRIPT AND TWO LETTERS OF
REFERENCE FROM UNRELATED INDIVIDUALS.

SUBMISSION DEADLINES:
RESTRICTIONS ON AWARDS:

STATEMENT 7
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
JESSA BECKER 931 WAYNE STREET CARLYLE , IL 62231	NONE	N/A	SCHOLARSHIP	\$ 1,500.
JASON BUSS 2415 E. COUNTY RD. 300 BOWEN, IL 62316	NONE	N/A	SCHOLARSHIP	1,500.
LEANN SPINDEN 16219 NW BOYER RD. BURNS, KS 66840	NONE	N/A	SCHOLARSHIP	1,500.
LINDY WIGGINS 1295 210TH STREET EUREKA, KS 67045	NONE	N/A	SCHOLARSHIP	1,500.
SHELLY PATTON 461 KIRK-LANGFORD RD. DANIELSVILLE, GA 30633	NONE	N/A	SCHOLARSHIP	1,500.
KAITLIN WEITEKAMP PO BOX 583 RAYMOND, IL 62560	NONE	N/A	SCHOLARSHIP	1,500.
DAN HARTMANN 21105 HARTMANN RD. MAPLE PARK, IL 60151	NONE	N/A	SCHOLARSHIP	1,500.
JUDITH C ALISHAUSKAS 4 MAPLE STREET NEW BERLIN, NY 13411	NONE	N/A	SCHOLARSHIP	1,500.
RYAN ANDREWS 1462 MAGNOLIA DR. CAIRO, GA 39828	NONE	N/A	SCHOLARSHIP	1,500.
HEATHER BUSSE RR #2, BOX 206 FARINA, IL 62838	NONE	N/A	SCHOLARSHIP	1,500.

2008

FEDERAL STATEMENTS

PAGE 4

WESTCHESTER FOUNDATION

36-4149509

STATEMENT 7 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
DANIEL CLARK 4610 N GOEKE RD. PECATONICA, IL 61063	NONE	N/A	SCHOLARSHIP	\$ 1,500.
CASSIE BECKER 931 WAYNE STREET CARLYLE, IL 62231	NONE	N/A	SCHOLARSHIP	1,500.
TOTAL \$				<u>18,000.</u>