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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

2008Department 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 2008, or tax year beginning **9/01/08**, and ending **8/31/09**

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 Instructions.	Name of foundation AHLSTRAND FAMILY FOUNDATION C/O JENNIFER STILES		A Employer identification number 61-1431979		
	Number and street (or P O box number if mail is not delivered to street address) 2220 HARLEM BOULEVARD		B Telephone number (see page 10 of the instructions) 815-961-0816		
	City or town, state, and ZIP code ROCKFORD IL 61108		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. <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation					
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ► \$ 761,804 (Part I, column (d) must be on cash basis)		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)			

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see pg 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)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	9,520	9,520		
4	Dividends and interest from securities	18,056	18,056		
5a	Gross rents				
b	Net rental income or (loss)				
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	47,545			
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 & 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	-6,494	27,576	0	

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
13	Compensation of officers, directors, trustees, etc				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)	SEE STMT 2	40		40
b	Accounting fees (attach schedule)	STMT 3	790		790
c	Other professional fees (attach schedule)	STMT 4	7,983	7,983	
17	Interest				
18	Taxes (attach schedule) (see page 14 of the instructions)	STMT 5	553		553
19	Depreciation (attach schedule) and depletion	STMT 6	170		
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att sch)	STMT 7	117		
24	Total operating and administrative expenses.				
	Add lines 13 through 23		9,653	7,983	1,500
25	Contributions, gifts, grants paid		44,663		44,663
26	Total expenses and disbursements. Add lines 24 and 25		54,316	7,983	0
27	Subtract line 26 from line 12		-60,810		
a	Excess of revenue over expenses & disbursements				
b	Net investment income (if negative, enter -0-)			19,593	
c	Adjusted net income (if negative, enter -0-)				0

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

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Part II	Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
	1 Cash—non-interest-bearing		44,409	10,227	10,227
	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 (attach schedule) (see page 15 of the instructions)				
	7 Other notes and loans receivable (att schedule) ►				
	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 (attach schedule)	STMT 8	237,586	230,412	231,812
	b Investments—corporate stock (attach schedule)	SEE STMT 9	562,805	542,971	519,765
	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 ►	531	313	388	218
	Less accumulated depreciation (attach sch) ►	STMT 10			
	15 Other assets (describe ►	SEE STATEMENT 11)			550
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)		845,188	784,378	761,804
	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 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				
	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		845,188	784,378	
	30 Total net assets or fund balances (see page 17 of the instructions)		845,188	784,378	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)		845,188	784,378	

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	845,188
2 Enter amount from Part I, line 27a	2	-60,810
3 Other increases not included in line 2 (itemize)►	3	
4 Add lines 1, 2, and 3	4	784,378
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	784,378

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 N/A				
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				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8			3	

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

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

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

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))
2007	39,444	1,000,056	0.039442
2006	31,889	1,034,170	0.030835
2005	15,875	464,655	0.034165
2004	17,453	280,341	0.062256
2003		261,129	

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 2008 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

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Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the 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 letter: (attach copy of ruling letter if necessary—see instructions)	1	196
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
3	Add lines 1 and 2		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		
6	Credits/Payments:		
a	2008 estimated tax payments and 2007 overpayment credited to 2008	6a 6b 6c 6d	550
b	Exempt foreign organizations—tax withheld at source		
c	Tax paid with application for extension of time to file (Form 8868)		
d	Backup withholding erroneously withheld		
7	Total credits and payments. Add lines 6a through 6d	7 8 9 10	550
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		
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 2009 estimated tax ► 354 Refunded ► 11		

Part VII-A Statements Regarding Activities

1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	N/A	Yes 1a 1b 1c 2 3 4a 4b 5 6 7 8b 9 10	No X
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 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			
c	Did the foundation file Form 1120-POL for this year?			
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation ► \$ _____ (2) On foundation managers. ► \$ _____			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ _____			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities			
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			
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?			
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			
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?			
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			
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of 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 General Instruction G? If "No," attach explanation			
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 on page 27)? If "Yes," complete Part XIV			
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses			

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	X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X
14	The books are in care of ► JENNIFER STILES 2220 HARLEM BLVD Located at ► ROCKFORD, IL	Telephone no ► 815-961-0816	
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	ZIP+4 ► 61108	► 15 □

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 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	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?	N/A	► □
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? 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 20 of the instructions.)	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 ► 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 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)	N/A	► □
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	3b	► □
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?	4a	X
		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:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(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	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)? Organizations relying on a current notice regarding disaster assistance check here			N/A	5b
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945-5(d)	<input type="checkbox"/> Yes <input type="checkbox"/> No			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If you answered "Yes" to 6b, also file Form 8870	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6b	X
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		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 (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
JENNIFER STILES 2220 HARLEM BLVD	ROCKFORD IL 61108	PRESIDENT 1	0	0
DOUGLAS STILES 2220 HARLEM BLVD	ROCKFORD IL 61108	TREASURER 1	0	0

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



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

1 N/A

2

3

4

Part IX-B Summary of Program-Related Investments (see page 23 of the 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 page 24 of the instructions

3

Total. Add lines 1 through 3


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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	673,815
b	Average of monthly cash balances	1b	49,328
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	723,143
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	723,143
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	10,847
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	712,296
6	Minimum investment return. Enter 5% of line 5	6	35,615

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)

1	Minimum investment return from Part X, line 6	1	35,615
2a	Tax on investment income for 2008 from Part VI, line 5	2a	196
b	Income tax for 2008 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	196
3	Distributable amount before adjustments Subtract line 2c from line 1	3	35,419
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	35,419
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	35,419

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes	1a	46,163
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1b	
b	Program-related investments—total from Part IX-B	2	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	3a	
3	Amounts set aside for specific charitable projects that satisfy the	3b	
a	Suitability test (prior IRS approval required)	4	46,163
b	Cash distribution test (attach the required schedule)	5	196
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	6	45,967
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 page 26 of the instructions)		
6	Adjusted qualifying distributions. Subtract line 5 from line 4		

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 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				35,419
2 Undistributed income, if any, as of the end of 2007:			44,663	
a Enter amount for 2007 only				
b Total for prior years: 20 ____ , 20 ____ , 20 ____				
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				
4 Qualifying distributions for 2008 from Part XII, line 4 ► \$ 46,163			44,663	
a Applied to 2007, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2008 distributable amount				1,500
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2007. Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2008 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2009				33,919
7 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)				
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a				
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				

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

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 27 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
N/A

b The form in which applications should be submitted and information and materials they should include
N/A

c Any submission deadlines.
N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
N/A

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)				
a Paid during the year				
CHRIST UNITED METHODIST C 4509 HIGHCREST ROAD ROCKFORD IL 61107	N/A	PUBLIC	GENERAL SUPPORT	44,463
KIDS AROUND THE WORLD PO BOX 5225 ROCKFORD IL 61125	N/A	PUBLIC	GENERAL SUPPORT	100
CENTRAL ASIA SHARING AID 2254 CHENOWITH COURT ROCKFORD IL 61107	N/A	PUBLIC	GENERAL SUPPORT	100
Total			► 3a	44,663
b Approved for future payment				
N/A				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

1 Program service revenue:

a _____
 b _____
 c _____
 d _____
 e _____
 f _____

g Fees and contracts from government agencies

2 Membership dues and assessments**3 Interest on savings and temporary cash investments****4 Dividends and interest from securities****5 Net rental income or (loss) from real estate**

a Debt-financed property
 b Not debt-financed property

6 Net rental income or (loss) from personal property**7 Other investment income****8 Gain or (loss) from sales of assets other than inventory****9 Net income or (loss) from special events****10 Gross profit or (loss) from sales of inventory****11 Other revenue:** a _____

b _____
 c _____
 d _____
 e _____

12 Subtotal Add columns (b), (d), and (e)**13 Total. Add line 12, columns (b), (d), and (e)**

(See worksheet in line 13 instructions on page 28 to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions.)
N/A	

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

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

- a Transfers from the reporting foundation to a noncharitable exempt organization of:
 - (1) Cash
 - (2) Other assets
- b Other transactions
 - (1) Sales of assets to a noncharitable exempt organization
 - (2) Purchases of assets from a noncharitable exempt organization
 - (3) Rental of facilities, equipment, or other assets
 - (4) Reimbursement arrangements
 - (5) Loans or loan guarantees
 - (6) Performance of services or membership or fundraising solicitations
- c Sharing of facilities, equipment, mailing lists, other assets, or paid employees
- d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. 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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

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

Yes No

b If "Yes," complete the following schedule

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

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

1-14-10

TRUSTEE / President

Signature of officer or trustee

Date

Title

Sign Here

Sign Here Paid Preparer's Use Only			Date 1-12-10	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see Signature on page 30 of the instructions)
Firm's name (or yours if self-employed), address, and ZIP code		BLASCOE & ASSOCIATES, LLC 1111 S. ALPINE ROAD, SUITE 703 ROCKFORD, IL 61108-3948		EIN <input type="checkbox"/>	Phone no 815-399-4729

Depreciation and Amortization
(Including Information on Listed Property)Name(s) shown on return AHLSTRAND FAMILY FOUNDATION
C/O JENNIFER STILESIdentifying number
61-1431979

Business or activity to which this form relates

INDIRECT DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount See the instructions for a higher limit for certain businesses	1	250,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	
	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6			
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	170
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ► <input type="checkbox"/>		

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instr.	22	170
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

DAA

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

Whom Sold	Description	Date Acquired	Date Sold	How Received		Expense	Depreciation	Net Gain / Loss
				Sale Price	Cost			
553 SH CORP-BACKED TRUST CERTS VARIOUS		9/18/08	\$	1,096	\$ 12,592	\$		\$ -11,496
25 SH APPLE INC	VARIOUS 11/03/08			PURCHASE 2,646		1,698		948
150 SH ISHARES RUSSELL 2000 INDEX FD	VARIOUS 11/03/08			PURCHASE 7,459		6,864		595
100 SH DANAHER CORP	VARIOUS 1/08/09			PURCHASE 179		179		
100 SH JP MORGAN CHASE & CO	VARIOUS 1/08/09			PURCHASE 188		188		
100 SH ACCENTURE, LTD	VARIOUS 1/09/09			PURCHASE 269		269		
100 SH GILEAD SCIENCES INC	VARIOUS 1/09/09			PURCHASE 149		149		
25000 SH MORGAN STANLEY	VARIOUS 1/15/09			PURCHASE 25,000		25,072		-72
100 SH EOG RES INC	VARIOUS 1/23/09			PURCHASE 229		229		
100 SH EOG RES INC	VARIOUS 3/11/09			PURCHASE 309		309		
100 SH SPDR GOLD TRUST	VARIOUS 3/23/09			PURCHASE 294		294		
100 SH EOG RES INC	VARIOUS 4/16/09			PURCHASE 5,804		6,431		
SECURITY LITIGATION PROCEEDS	VARIOUS 8/25/09			PURCHASE 29		29		
300 SH AMERICAN INTL GROUP INC	VARIOUS 9/18/08			PURCHASE 1,953		17,163		-15,210
447 SH CORP-BACKED TRUST CERTS VARIOUS	9/18/08			PURCHASE 1,941		10,178		-8,237
TOTAL				\$ 47,545	\$ 81,615	\$ 0	\$ 0	\$ -34,070

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Statement 2 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT LEGAL FEES	\$ 40	\$ 0	\$ 0	\$ 40
TOTAL	\$ 40	\$ 0	\$ 0	\$ 40

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT ACCOUNTING FEES	\$ 790	\$ 0	\$ 0	\$ 790
TOTAL	\$ 790	\$ 0	\$ 0	\$ 790

Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT OTHER PROFESSIONAL FEES	\$ 7,983	\$ 7,983	\$ 0	\$ 7,983
TOTAL	\$ 7,983	\$ 7,983	\$ 0	\$ 0

Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
TAXES AND PERMITS	\$ 553	\$ 0	\$ 0	\$ 553
TOTAL	\$ 553	\$ 0	\$ 0	\$ 553

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Statement 6 - 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
COMPUTER 10/02/07	\$ 531	\$ 106	2000DB	5	\$ 170	\$ 0	\$ 0
TOTAL	\$ 531	\$ 106			\$ 170	\$ 0	\$ 0

Statement 7 - Form 990-PF, Part I, Line 23 - Other Expenses

		Total	Net Investment		Adjusted Net		Charitable Purpose
		\$	\$		\$		\$
EXPENSES							
IL CHARITY BUREAU		15					15
INVESTMENT FEES		102					102
TOTAL		\$ 117	\$ 0		\$ 0		\$ 117

Federal Statements

Statement 8 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
25,000 SH FED HOME LN BANK	\$ 25,332	\$ 25,332	COST	\$ 25,930
25,000 SH FREDDIE MAC	25,714	25,714	COST	27,203
50,000 SH FREDDIE MAC	50,882	50,882	COST	54,766
25,000 SH FANNIE MAE	25,277	25,277	COST	26,735
25,000 SH MORGAN STANLEY	25,072		COST	
1000 SH BAC CAP TRUST X	24,750		COST	
1000 SH CORP BACKED TRUST CERTS	22,770		COST	
1000 SH GABELLI EQUITY	24,998	24,998	COST	24,890
500 SH GENERAL ELEC CAP CORP	12,791	12,791	COST	11,975
25000 SH AT & T INC		25,503	COST	26,723
1000 SH BAC CAP TRUST X		24,750	COST	19,200
1376.988 SH PIMCO FDS PAC INVT MGMT		15,165	COST	14,390
TOTAL	\$ 237,586	\$ 230,412		\$ 231,812

Statement 9 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
292 SH ACCENTURE LTD	\$ 7,199	\$ 7,199	COST	\$ 9,636
300 SH AMERICAN INTL GROUP INC	17,163		COST	
85 SH APPLE INC	5,767		COST	
229 SH BANK AMER CORP	9,769	9,769	COST	4,028
700 SH CISCO SYSTEMS INC	11,268	11,268	COST	15,120
186 SH COLGATE PALMOLIVE CO	10,193	10,193	COST	13,522
169 SH DANAHER CORP	7,166	7,166	COST	10,260
150 SH EDG RES INC	9,647		COST	
250 SH EMERSON ELEC CO	10,945	10,945	COST	9,218
135 SH EXXON MOBIL CORP	5,677	5,677	COST	9,335

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Statement 9 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
66 SH GOLDMAN SACHS GROUP	\$ 5,659	\$ 5,659	COST	\$ 10,920
121 SH JOHNSON & JOHNSON	6,499	6,499	COST	7,313
351 SH MICROSOFT CORP	9,129	9,129	COST	8,652
454 SH MIDCAP SPDR TRUST SER 1	37,906	37,906	COST	53,994
100 SH OMNICOM GROUP INC	3,996	3,996	COST	3,632
236 SH PEPSICO	10,630	10,630	COST	13,374
163 PROCTOR & GAMBLE CO	9,367	9,367	COST	8,820
300 SH QUESTAR CORP	12,582	12,582	COST	10,128
166 SH SCHLUMBERGER LTD	9,082	9,082	COST	9,329
212 SH STATE STREET CORP	10,268	10,268	COST	11,126
53 SH TARGET CORP	1,909	1,909	COST	2,491
137 SH UNITED TECHNOLOGIES CORP	5,815	5,815	COST	8,132
208 SH VARIAN MEDICAL SYSTEMS INC	7,108	7,108	COST	8,959
209 SH WELLS FARGO & COMPANY	6,092	6,092	COST	5,752
150 SH AFLAC INC	8,312	8,312	COST	6,093
200 SH ABBOTT LABS	10,580	10,580	COST	9,046
400 SH CITIGROUP INC	17,298	17,298	COST	2,000
250 SH CLAYMORE S&P GLBL WAT IDX ETF	6,288	6,288	COST	4,233
300 SH CIA VALE DO RIO DOCE-ADR	7,444	7,444	COST	5,763
150 SH DEERE & CO	10,118	10,118	COST	6,540
2086.503 SH DODGE & COX INTL STOCK	90,000	90,000	COST	62,324
150 SH FREEPORT-MCMORAN COPPER&GOLD	16,299	16,299	COST	9,447
300 SH GILEAD SCIENCES INC	4,876	4,876	COST	13,518
800 SH ISHARES RUSSELL 2000 INDEX FD	37,085		COST	
250 SH JP MORGAN CHASE & CO	9,668	9,668	COST	10,865
400 SH ORACLE CORPORATION	4,198	4,198	COST	8,752
638.407 SH OPPENHEIMER GOLD & SPL	25,000	25,000	COST	18,246

Federal Statements**Statement 9 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
150 SH PEABODY ENERGY CORP COMMON	\$ 9,813	\$ 9,813	COST	\$ 4,902
1358.696 SH PIMCO FDS PAC INVT MGMT	15,000		COST	
300 SH POWERSHARES DB COMMODITY IND	12,351	12,249	COST	6,633
200 SH QUALCOMM INC	6,320	6,320	COST	9,284
200 SH SPDR DJ WILSHIRE INTL REAL	9,412	9,412	COST	6,812
200 SH CEF SEL SECTOR SPDR FD MATER	5,259	5,259	COST	5,962
400 SH TEXAS INSTRS INC	11,261	11,261	COST	9,836
300 SH VALERO ENERGY	15,387	15,387	COST	5,622
60 SH APPLE INC		4,068	COST	10,093
50 SH EOG RES INC		3,216	COST	3,600
300 SH ISHARES TR MSCI EMERGING MKTS		8,102	COST	10,593
650 SH ISHARES RUSSELL 2000 INDEX FD		30,222	COST	37,180
200 SH SPDR GOLD TRUST		19,322	COST	18,680
TOTAL	\$ 562,805	\$ 542,971		\$ 519,765

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Statement 10 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
COMPUTER	\$ 388	\$ 531	\$ 313	\$ 0
TOTAL	\$ 388	\$ 531	\$ 313	\$ 0

Federal Statements**Statement 11 - Form 990-PF, Part II, Line 15 - Other Assets**

Description	Beginning of Year	End of Year	Fair Market Value
PREPAID 990-PF TAX	\$ _____	\$ 550	\$ _____
TOTAL	\$ _____ 0	\$ 550	\$ _____ 0