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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****2008****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 , **2008, and ending** 8/31 , **2009****G** Check all that apply ☐ Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name changeUse the
IRS label
Otherwise,
print
or type
See Specific
Instructions.HORACE WILLIAMS MEMORIAL FUND
KENNEBEC SAVINGS BANK, AGENT FOR TRUSTEE
150 STATE STREET
AUGUSTA, ME 04332**A** Employer identification number

01-6008547

B Telephone number (see the instructions)

207 622-4766

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 foundation**I** Fair market value of all assets at end of year (from Part II, column (c), line 16) **J** Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____

▶ \$ 231,947.

(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)**1** Contributions, gifts, grants, etc., received (att sch)**2** Ck ☒ if the foundn is **not** req to att Sch B**3** Interest on savings and temporary cash investments

2,882.

2,882.

4 Dividends and interest from securities

5,641.

5,641.

5a Gross rents**b** Net rental income or (loss)**6a** Net gain/(loss) from sale of assets not on line 10

-8,119.

b Gross sales price for all assets on line 6a 12,397.**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

404.

8,523.

0.

13 Compensation of officers, directors, trustees, etc

1,226.

1,226.

14 Other employee salaries and wages**15** Pension plans, employee benefits**16a** Legal fees (attach schedule)**b** Accounting fees (attach sch) SEE ST 1

550.

550.

c Other prof fees (attach sch)**17** Interest**18** Taxes (attach schedule) SEE STMT 2

506.

506.

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

2,282.

2,282.

25 Contributions, gifts, grants paid PART XV

16,500.

16,500.

26 Total expenses and disbursements. Add lines 24 and 25

18,782.

2,282.

0.

16,500.

27 Subtract line 26 from line 12:**a Excess of revenue over expenses and disbursements**

-18,378.

b Net investment income (if negative, enter 0)

6,241.

c Adjusted net income (if negative, enter 0)

0.

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18

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

A
S
S
E
T
S

- 1 Cash — non-interest-bearing
- 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 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 — U S and state government obligations (attach schedule)
- b Investments — corporate stock (attach schedule)
- c Investments — corporate bonds (attach schedule)
- 11 Investments — land, buildings, and equipment basis ▶
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)

76,376.

66,995.

66,995.

207,651.

198,600.

164,952.

284,027.

265,595.

231,947.

L
I
A
B
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S

- 17 Accounts payable and accrued expenses
- 18 Grants payable
- 19 Deferred revenue
- 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.

N
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A
S
S
E
T
A
N
D
F
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N
D
B
A
L
A
N
C
E
S

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
- 28 Paid-in or capital surplus, or land, building, and equipment fund
- 29 Retained earnings, accumulated income, endowment, or other funds
- 30 **Total net assets or fund balances** (see the instructions)
- 31 **Total liabilities and net assets/fund balances** (see the instructions)

284,027.

265,595.

284,027.

265,595.

284,027.

265,595.

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)
- 2 Enter amount from Part I, line 27a
- 3 Other increases not included in line 2 (itemize) ▶
- 4 Add lines 1, 2, and 3
- 5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 3
- 6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30

1

284,027.

2

-18,378.

3

4

265,649.

5

54.

6

265,595.

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)
1a 50 BAKER HUGHES INC		P	12/17/07	11/14/08
b 50 GOLDMAN SACHS GROUP INC		P	11/26/04	9/16/08
c 100 AMERICAN INTL GROUP INC		P	7/29/05	11/17/08
d 100 ILLINOIS TOOL WORKS INC		P	12/18/07	8/11/09
e L/T CAPITAL GAIN DIST		P	VARIOUS	12/31/07

(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 1,625.		4,011.	-2,386.
b 6,091.		5,267.	824.
c 195.		6,043.	-5,848.
d 3,967.		5,195.	-1,228.
e 519.			519.

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			-2,386.
b			824.
c			-5,848.
d			-1,228.
e			519.

2 Capital gain net income or (net capital loss).	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>		2	-8,119.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	<div> <div>If gain, also enter in Part I, line 8, column (c) (see the instructions)</div> <div>If (loss), enter -0- in Part I, line 8</div> </div>		3	-1,867.

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	16,995.	303,938.	0.055916
2006	17,633.	315,605.	0.055870
2005	18,697.	297,113.	0.062929
2004	7,500.	288,949.	0.025956
2003	13,409.	264,095.	0.050773

2 Total of line 1, column (d)	2	0.251444
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	0.050289
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	215,824.
5 Multiply line 4 by line 3	5	10,854.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	62.
7 Add lines 5 and 6	7	10,916.
8 Enter qualifying distributions from Part XII, line 4	8	16,500.

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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	62.
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	62.
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	62.
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		62.
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)?		X
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?		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? 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
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? 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, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) ME		
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 2008 or the taxable year beginning in 2008 (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

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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>N/A</u>	13	X	
14	The books are in care of <u>KENNEBEC SAVINGS BANK</u> Telephone no. <u>207 622-5801</u> Located at <u>150 STATE ST., AUGUSTA, ME</u> ZIP + 4 <u>04332</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 <u>15</u>	N/A	<input type="checkbox"/>	N/A

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

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

	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 checked="" type="checkbox"/> Yes <input 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 53.4947(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"/>	1b	X
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?	1c	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? If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u> .	<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 the instructions.)	2b	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>		
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.)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	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?	4b	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
KENNEBEC SAVINGS BANK PO BOX 50 AUGUSTA, ME 04332	AGENT 0.50	1,226.	0.	0.
MARK L. JOHNSTON PO BOX 50 AUGUSTA, ME 04332	TRUSTEE 0	0.	0.	0.
ANDREW E. SILSBY PO BOX 50 AUGUSTA, ME 04332	TRUSTEE 0	0.	0.	0.
WILLIAM S. HILL PO BOX 50 AUGUSTA, ME 04332	TRUSTEE 0	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	219,111.
b Average of monthly cash balances	1b	
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	219,111.
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	219,111.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	3,287.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	215,824.
6 Minimum investment return. Enter 5% of line 5	6	10,791.

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	10,791.
2a Tax on investment income for 2008 from Part VI, line 5	2a	62.	
b Income tax for 2008. (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b		2c	62.
3 Distributable amount before adjustments. Subtract line 2c from line 1		3	10,729.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	10,729.
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	10,729.

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	16,500.
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	16,500.
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 (see instructions)	5	62.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	16,438.

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				10,729.
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	1,911.			
e From 2007	2,694.			
f Total of lines 3a through e	4,605.			
4 Qualifying distributions for 2008 from Part XII, line 4 ▶ \$ 16,500.				
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				10,729.
e Remaining amount distributed out of corpus	5,771.			
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	10,376.			
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				0.
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	10,376.			
10 Analysis of line 9.				
a Excess from 2004				
b Excess from 2005				
c Excess from 2006	1,911.			
d Excess from 2007	2,694.			
e Excess from 2008	5,771.			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

N/A

1 a 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 ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e 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 organization had \$5,000 or more in assets at any time during the year — see 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))
- NONE
- 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.
- NONE

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 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

SEE STATEMENT 4

- b** The form in which applications should be submitted and information and materials they should include.

SEE STATEMENT FOR LINE 2A

- c** Any submission deadlines

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

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 Paid during the year</i> SEE ATTC D LIST OF SCHOLARSHIPS ,	NONE		SCHOLARSHIP AWARDS	16,500.
Total				16,500.
<i>b Approved for future payment</i>				
Total				

2008

FEDERAL STATEMENTS

PAGE 1

HORACE WILLIAMS MEMORIAL FUND
KENNEBEC SAVINGS BANK, AGENT FOR TRUSTEE

01-6008547

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	\$ 550.	\$ 550.		
TOTAL	\$ 550.	\$ 550.	\$ 0.	\$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
2008 FYE TAXES	\$ 448.	\$ 448.		
FOREIGN TAX	58.	58.		
TOTAL	\$ 506.	\$ 506.	\$ 0.	\$ 0.

STATEMENT 3
FORM 990-PF, PART III, LINE 5
OTHER DECREASES

RETURN OF CAPITAL ADJ				\$ 54.
TOTAL				\$ 54.

STATEMENT 4
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:	
NAME:	ANDREW SILSBY
CARE OF:	KENNEBEC SAVINGS BANK
STREET ADDRESS:	PO BOX 50
CITY, STATE, ZIP CODE:	AUGUSTA, ME 04332
TELEPHONE:	207 622-5801
FORM AND CONTENT:	NO SPECIAL FORMAT
SUBMISSION DEADLINES:	NONE
RESTRICTIONS ON AWARDS:	NONE

2008

FEDERAL SUPPORTING DETAIL
HORACE WILLIAMS MEMORIAL FUND
KENNEBEC SAVINGS BANK, AGENT FOR TRUSTEE

PAGE 1

01-6008547

**OTHER INCOME PRODUCING ACTIVITIES
INTEREST ON SAVINGS & CASH INVESTMENTS**

REGULAR MM INTEREST	\$	413.
INTEREST FROM KSB CDS		<u>2,469.</u>
TOTAL	\$	<u><u>2,882.</u></u>

**OTHER INCOME PRODUCING ACTIVITIES
DIVIDENDS/INTEREST FROM SECURITIES.**

	\$	5,641.
TOTAL	\$	<u><u>5,641.</u></u>

HORACE WILLIAMS MEMORIAL FUND

01-6008547

Scholarship Award

Description of Transaction	Beneficiary	Posted Date	Income	Principal	Cash Sent In
Payee - Central Maine Community College - Scholarship Award of \$500.00 To Shane Haskell ID #004909545 for spring 2009 semester		12/23/2008	0.00	-500.00	0.00
Payee - Thomas College - Scholarship Award of \$500.00 To Enn Hill ID #1000198 for spring 2009 semester		12/23/2008	0.00	-500.00	0.00
Payee - Hobart William Smith College - Scholarship Award of \$500.00 To Evan Gove ID #004904596 for spring 2009 semester		12/23/2008	0.00	-500.00	0.00
Payee - Kennebec Valley Community College - Scholarship Award of \$500.00 To Justin Dowling ID #004900959 for spring 2009 semester		12/23/2008	0.00	-500.00	0.00
Payee - University of Southern Maine - Scholarship Award To Elizabeth Coulombe ID #006847904 for spring 2009 semester		12/30/2008	0.00	-500.00	0.00
Payee - Rivier College - Scholarship Award To Monica White ID #A0000024864 for spring 2009 semester		12/30/2008	0.00	-500.00	0.00
Payee - Albany College of Pharmacy - Scholarship Award of \$500.00 To Ryan Czado ID #90431 for spring 2009 semester		12/31/2008	0.00	-500.00	0.00
Payee - University of Maine at Orono - Scholarship Award of \$500.00 To Jonathan Hart ID #004864070 for spring 2009 semester		12/31/2008	0.00	-500.00	0.00
Payee - South University - Scholarship Award To Lauren Chin ID #6503128 for spring 2009 semester		01/05/2009	0.00	-500.00	0.00
Payee - Johnson & Wales - Scholarship Award To Briana Raymond ID# J01785162 for spring 2009 semester		01/12/2009	0.00	-500.00	0.00
Payee - University of New Hampshire - Scholarship Award To Katie Jennings ID #004889472 for spring 2009 semester		01/13/2009	0.00	-500.00	0.00
Payee - University of Southern Maine - Scholarship Award To Brittany O'Brien ID #0271711 for spring 2009 semester		01/23/2009	0.00	-500.00	0.00
Payee - University of Maine at Orono - Scholarship Award To: Cameron O'Brien ID #007884240 for spring 2009 semester		01/23/2009	0.00	-500.00	0.00
Payee - University of Southern Maine - Scholarship Award To Molly Dolby ID# 005881942 for spring 2009 semester		02/10/2009	0.00	-500.00	0.00
Payee - University of Maine at Orono - Scholarship Award of \$500.00 Meghan McCarthy ID# 005884284 for spring 2009 semester		02/19/2009	0.00	-500.00	0.00
Payee - University of Maine at Farmington - Scholarship Award of \$500.00 Andrea Tyler ID # Q06885813 for spring 2009 semester		02/26/2009	0.00	-500.00	0.00
Payee - St. Francis Xavier University - Scholarship Award of \$500.00 Heather St Pierre ID # 200604931 for the spring 2009 semester		02/27/2009	0.00	-500.00	0.00
Payee - Husson University - Scholarship Award of \$500.00 To Megan Roberts ID# 0150438 for spring 2009 semester		03/10/2009	0.00	-500.00	0.00
Payee - Northeastern University - Scholarship Award of \$500.00 To Arica Davis ID# 000190783 for spring 2009 semester		04/13/2009	0.00	-500.00	0.00
Payee - South University - Scholarship Award of \$500.00 To Lauren Chin ID# 6503128 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Payee - Albany College of Pharmacy - Scholarship Award of \$500.00 To Ryan Czado ID# 90431 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Payee - Northeastern University - Scholarship Award of \$500.00 To Arica Davis ID# 000190783 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Payee - University of Southern Maine - Scholarship Award of \$500.00 To Molly Dobby ID# 005881942 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Payee - Hobart William Smith College - Scholarship Award of \$500.00 To Evan Gove ID# 004904596 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Payee - University of Maine at Orono - Scholarship Award of \$500.00 To Jonathan Hart ID# 004864070 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Payee - Thomas College - Scholarship Award of \$500.00 To Enn Hill ID# 1000198 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Payee - University of New Hampshire - Scholarship Award of \$500.00 To Katie Jennings ID# 004889472 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Payee - University of Southern Maine - Scholarship Award of \$500.00 To Brittany O'Brien ID# 0271711 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Payee - University of Maine at Orono - Scholarship Award of \$500.00 To Cameron O'Brien ID# 007884240 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Payee - Johnson & Wales - Scholarship Award of \$500.00 To Briana Raymond ID# J01785162 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Payee - Husson University - Scholarship Award of \$500.00 To Meagan Robetrs ID# 0150438 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Payee - St. Francis Xavier University - Scholarship Award of \$500.00 To Heather St Pierre ID# 200604931 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Payee - Rivier College - Scholarship Award of \$500.00 To Monica White ID# A0000024864 for fall 2009 semester		08/27/2009	0.00	-500.00	0.00
Scholarship Award Total			0.00	-16,500.00	

Kennebec Savings Bank

Investment Management and Trust Services

150 State Street, P O Box 50, Augusta, Maine 04332
Telephone (207) 622-5801 Fax (207) 621-6790

Horace Williams Memorial Fund

Account #: 50037

Account Detail On: 08/31/2009

	Shares	Current Price	Cost	Market Value	Estimated Annual Income
Cash					
% of Portfolio: 0.00%					
Income Cash			0.00	0.00	
Principal Cash			0.00	0.00	
Total Cash			0.00	0.00	
Cash Equivalents					
CD - Own					
% of Portfolio: 25.86%					
Kennebec Savings Bank Cert of Dep # 1003825920 dtd 12/31/07 4 10% due 12/31/09 (reporting only) - Principal	30,000.000	1.0000	30,000.00	30,000.00	1,230.00
Kennebec Savings Bank Cert of Dep #1003825930 dtd 12/27/07 4 10% due 12/27/09 (reporting only) - Principal	30,000.000	1.0000	30,000.00	30,000.00	1,230.00
CD - Own Total	60,000.000		60,000.00	60,000.00	2,460.00
Money Market-Taxable					
% of Portfolio: 3.02%					
Kennebec Savings Bank Money Market - Income	1,037.770	1.0000	1,037.77	1,037.77	15.46
Kennebec Savings Bank Money Market - Principal	5,956.740	1.0000	5,956.74	5,956.74	88.75
Money Market-Taxable Total	8,994.510		6,994.51	6,994.51	104.21
Cash Equivalents Total	68,994.510		66,994.51	66,994.51	2,564.21
Equity					
Equity International Emerging Markets Fund					
% of Portfolio: 3.43%					
iShares MSCI Emerg Mkts Ind	225.000	35.3100	11,011.50	7,944.75	193.50
Equity International Growth Fund					
% of Portfolio: 3.83%					
Vanguard International Growth Fd #81(Mstar ****)	565.988	15.7300	10,337.54	8,902.99	318.09
Equity International Value Fund					
% of Portfolio: 4.00%					
Vanguard International Value Fd #48(Mstar ****)	317.276	29.2200	9,735.91	9,270.80	314.41
Equity Small Cap Growth Fund					
% of Portfolio: 2.03%					
Vanguard Explorer Fd - Adm Shs #5024(Mstar ***)	97.842	48.0900	6,561.35	4,705.23	35.92
Equity Small Cap Value Fund					
% of Portfolio: 2.16%					
Goldman Sachs Small Cap Value Fd #651(Mstar ****)	166.428	29.9900	7,186.66	4,991.17	37.25
Stock - Common					
% of Portfolio: 52.67%					
3M CO	50.000	72.1000	4,277.50	3,605.00	102.00
BHP Billiton Ltd.	50.000	62.3000	2,771.08	3,115.00	82.00
Bank of America Corp	100.000	17.5900	4,664.00	1,759.00	4.00
Cardinal Health Inc.	75.000	34.5800	4,389.00	2,593.50	52.50
Cisco Sys Inc	200.000	21.6000	3,866.00	4,320.00	0.00
Citigroup Inc	175.000	5.0000	7,635.25	875.00	0.00
Danaher Corp.	75.000	60.7100	4,541.11	4,553.25	9.00
Dentsply International Inc.	150.000	33.7200	4,170.00	5,058.00	30.00
Devon Energy Corp New	50.000	61.3800	4,339.50	3,089.00	32.00
Duke Realty Corp. (REIT)	175.000	11.5200	4,279.37	2,016.00	119.00
E I Dupont De Nemours	50.000	31.9300	2,278.50	1,596.50	82.00
Emerson Electric Co	100.000	36.8700	5,518.00	3,687.00	132.00

Kennebec Savings Bank

Investment Management and Trust Services

150 State Street, P. O. Box 50, Augusta, Maine 04332
Telephone: (207) 622-5801 Fax: (207) 621-6790

Horace Williams Memorial Fund

Account #: 50037

Account Detail On: 08/31/2009

	Shares	Current Price	Cost	Market Value	Estimated Annual Income
Equity					
Stock - Common	% of Portfolio: 52.67%				
Exelon Corp	50 000	50.0200	2,756.71	2,501.00	105.00
Exxon Mobil Corp	50 000	69.1500	39.50	3,457.50	84.00
Fiserv, Inc	100 000	48.2500	5,454.40	4,825.00	0.00
HRPT Properties Trust (REIT)	600.000	6.4800	4,494.00	3,888.00	288.00
Home Depot Inc	100 000	27.2900	4,350.00	2,729.00	90.00
Intel Corp	200.000	20.3200	4,122.00	4,064.00	112.00
Johnson & Johnson	75 000	60.4400	5,087.25	4,533.00	147.00
Linear Technologies	50 000	26.5700	1,928.50	1,328.50	44.00
Medtronic Inc	100 000	38.3000	4,836.00	3,830.00	82.00
Microsoft Corp	210 000	24.6500	5,732.77	5,176.50	109.20
Pepsico Inc.	100.000	56.6700	5,152.00	5,867.00	180.00
Procter & Gamble Co.	100 000	54.1100	4,460.23	5,411.00	178.00
Schlumberger LTD	25 000	58.2000	1,305.13	1,405.00	21.00
Staples Inc	200 000	21.6100	4,372.50	4,322.00	74.00
Sysco Corp	150.000	25.4900	4,734.00	3,823.50	144.00
Target Corp	100.000	47.0000	5,284.00	4,700.00	88.00
Texas Instruments Inc	175 000	24.5900	5,852.00	4,303.25	77.00
United Parcel Service	75 000	53.4600	8,282.50	4,009.50	135.00
United Technologies Corp.	100 000	59.3600	4,858.50	5,936.00	154.00
Walgreen Co.	100.000	33.8800	3,868.00	3,388.00	55.00
Waters Corporation	50 000	50.2800	3,862.00	2,514.00	0.00
Wells Fargo & Co New	150 000	27.5200	4,704.75	4,128.00	30.00
Stock - Common Total	4,110.000		146,246.05	122,187.00	2,819.70
Stock - Foreign	% of Portfolio: 3.00%				
Encana Corp	75 000	51.9900	5,049.00	3,899.25	120.00
Novo-Nordisk A/S	50 000	61.0100	2,472.41	3,050.50	39.00
Stock - Foreign Total	125 000		7,521.41	6,949.75	159.00
Equity Total	5,807.534		198,600.42	164,951.69	3,877.87
Grand Total	72,802.044		265,594.93	231,946.20	6,442.08

Tax Year Realized Gain/Loss Summary

Tax Year YTD Amount
(\$1,227.52)

15%