Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2009

For calendar year 2009, or tax year beginning , 2009, and ending , 20

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation: THE BLANCHE & GEORGE WATTS MOUNTAINSIDE COMMUNITY FD

Number and street (or P O box number if mail is not delivered to street address): 210 Orchard Street | Room/suite

City or town, state, and ZIP code: Westfield, New Jersey 07090

A Employer identification number: 20-2942228

B Telephone number (see page 10 of the instructions): 908 232-2244

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, col. (c), line 16)* ▶ $ 3,750,163

J Accounting method: ☑ Cash ☐ Accrual
☐ Other (specify)
(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 page 11 of the instructions).)*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue 1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ▶ ☐ if the foundation is **not** required to attach Sch. B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	113,866	113,866	0	
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	-181,506			
b	Gross sales price for all assets on line 6a 888,802				
7	Capital gain net income (from Part IV, line 2)		0		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less: Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	**Total.** Add lines 1 through 11	-76,554	113,866	0	
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc.				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)	21,095	4,219	0	16,876
b	Accounting fees (attach schedule)				
c	Other professional fees (attach schedule)	22,128	17,202	0	4,926
17	Interest				
18	Taxes (attach schedule) (see page 14 of the instructions)	1,424	208	0	0
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule)	150	0	0	150
24	**Total operating and administrative expenses.** Add lines 13 through 23	44,797	21,629	0	21,952
25	Contributions, gifts, grants paid	153,990			153,990
26	**Total expenses and disbursements.** Add lines 24 and 25	198,797	21,629	0	175,942
27	Subtract line 26 from line 12:				
a	**Excess of revenue over expenses and disbursements**	-275,341			
b	**Net investment income** (if negative, enter -0-)		92,237		
c	**Adjusted net income** (if negative, enter -0-)			0	

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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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	20,969	5,188	5,188
	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 16 of the instructions)			
	7 Other notes and loans receivable (attach 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)	684,328	554,338	552,665
	b Investments—corporate stock (attach schedule)	2,662,193	2,539,789	2,745,778
	c Investments—corporate bonds (attach schedule)	369,131	419,019	445,543
	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 the instructions Also, see page 1, item I)	3,793,675	3,518,344	3,750,163
Liabilities	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	
Net Assets or Fund Balances	**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	3,793,675	3,518,334	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances** (see page 17 of the instructions)	3,793,675	3,518,334	
	31 **Total liabilities and net assets/fund balances** (see page 17 of the instructions)	3,793,675	3,518,334	

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	3,793,675
2	Enter amount from Part I, line 27a	2	
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	
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	3,518,334

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	See Schedule Attached			
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				-190,421
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
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	-190,420
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))
2008	211,094	3,921,261	0.0538
2007	166,332	4,408,314	0.0377
2006	48,300	3,743,541	0.0129
2005	46	3,125,743	0.0000
2004			

2	**Total** of line 1, column (d)	2	0.1044
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	0.0261
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	3,386,970
5	Multiply line 4 by line 3	5	88,400
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	922
7	Add lines 5 and 6	7	89,322
8	Enter qualifying distributions from Part XII, line 4	8	175,202

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.

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 ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b	1	922	00
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-)	2		
3	Add lines 1 and 2	3	922	00
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4		
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	922	00
6	Credits/Payments:			
a	2009 estimated tax payments and 2008 overpayment credited to 2009 — 6a — 750 00			
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	750	00
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ 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	172	00
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 2010 estimated tax** ▶ ____ **Refunded** ▶	11		

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		✓
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)?	1b		✓
	*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?	1c		✓
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.*	2		✓
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*	3		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		✓
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?	6	✓	
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*	7	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ New Jersey			
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*	8b	✓	
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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
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		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	

Website address ▶

14 The books are in care of ▶ **Nichols, Thomson, Peek & Phelan** Telephone no. ▶ **908 232-2244**
Located at ▶ **210 Orchard Street, Westfield, NJ** ZIP+4 ▶ **07090**

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 |

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? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ 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)? ☐ Yes ☑ 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.) ☐ Yes ☑ 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)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
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 2009?	1c		✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes ☑ No If "Yes," list the years ▶ 20___ , 20___ , 20___ , 20___			
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.)	2b		✓
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20___ , 20___ , 20___ , 20___			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2009 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 2009.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		✓
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b		✓

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

			Yes	No
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 page 22 of the 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 page 22 of the instructions)?	5b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ 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		✓
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☐ No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	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
Nicholas Bradshaw 320 Partridge Run, Mountainside, NJ	President/PT	0	0	0
John Clifford 11 Partridge Run, Mountainside, NJ	VP/PT	0	0	0
Bart Barre 135 Wild Hedge Lane, Mountainside, NJ	Secretary/PT	0	0	0
G. Dewey Moser 308 Partridge Run, Mountianside, NJ	Treasurer/PT	0	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 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 page 22 of the 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 page 22 of the instructions)? **5b**

Organizations relying on a current notice regarding disaster assistance check here . . . . ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? . . . . ☐ 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**

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☐ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? . . **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
Sue Winans 269 Central Avenue, Mountainside, NJ 07092	Director/PT	0	0	0
Reverend Christopher Belden 1449 Deer Path, Mountainside, NJ 07092	Director/PT	0	0	0
Patricia Connelly 323 Partridge Run, Mountianside, NJ 07092	Director/PT	0	0	0
Vasy Honecker 374 Short Drive, Mountainside, NJ 07092	Director/PT	0	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

Total number of other employees paid over $50,000 . . . . ▶

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 page 22 of the 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 page 22 of the instructions)? **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ 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**

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☐ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **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
John Amalfe 1176 Saddlebrook Road, Mountainside, NJ 07092	Director/PT	0	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

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

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

		Yes	No
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 page 22 of the 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 page 22 of the instructions)? **5b**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ 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**		✓
	If "Yes" to 6b, file Form 8870.		
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☐ No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **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
Nicholas Bradshaw 320 Partridge Run, Mountainside, NJ	President/PT	0	0	0
John Clifford 11 Partridge Run, Mountainside, NJ	VP/PT	0	0	0
Bart Barre 135 Wild Hedge Lane, Mountainside, NJ	Secretary/PT	0	0	0
G. Dewey Moser 308 Partridge Run, Mountianside, NJ	Treasurer/PT	0	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 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See page 24 of the instructions 3	
Total. Add lines 1 through 3 ▶	

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

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	3,356,642
b	Average of monthly cash balances	1b	81,906
c	Fair market value of all other assets (see page 24 of the instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	3,438,548
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	3,438,548
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see page 25 of the instructions)	4	51,578
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,386,970
6	**Minimum investment return.** Enter 5% of line 5	6	169,348

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	169,349
2a	Tax on investment income for 2009 from Part VI, line 5	2a	922		
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	922
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	168,427
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	168,427
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	168,427

Part XII **Qualifying Distributions** (see page 25 of the 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	175,942
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	175,942
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)	5	922
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	175,020

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 2008	(c) 2008	(d) 2009
1	Distributable amount for 2009 from Part XI, line 7				168,432
2	Undistributed income, if any, as of the end of 2009:				
a	Enter amount for 2008 only			175,871	
b	Total for prior years: 20___,20___,20___				
3	Excess distributions carryover, if any, to 2009:				
a	From 2004				
b	From 2005				
c	From 2006				
d	From 2007				
e	From 2008				
f	**Total** of lines 3a through e				
4	Qualifying distributions for 2009 from Part XII, line 4: ▶ $ 175,942				
a	Applied to 2008, but not more than line 2a			175,871	
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 2009 distributable amount				
e	Remaining amount distributed out of corpus				
5	Excess distributions carryover applied to 2009 *(If an amount appears in column (d), the same amount must be shown in column (a).)*				71
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 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0	
f	Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				168,361
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 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9	**Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a				
10	Analysis of line 9:				
a	Excess from 2005				
b	Excess from 2006				
c	Excess from 2007				
d	Excess from 2008				
e	Excess from 2009				

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 2009, enter the date of the ruling . . . . . ▶ N/A

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			
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	(e) Total
2a 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 ⅔ 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 28 of the instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

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 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:

Thomas C. Phelan, 210 Orchard Street, Westfied, NJ 07090

b The form in which applications should be submitted and information and materials they should include:

Completion of the Watts Fdn. Application & Scholarship Forms-Organizations must provide 501C-3 Verification & proposed use of funds.

c Any submission deadlines:

March, June & September 15th

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

Restricted to organizations benefiting the residents of Mountainside, NJ, or students residing in Mountainside, NJ

Part XV · **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
Mountainside Girl Scouts 218 Glen Road, Mountainside, NJ 07092	N/A	501c-3	Flags & Parade Materials	258
Mountainside Board of Education 302 Central Avenue, Mountianside, NJ 07092	N/A	501C-3	Curtains for all Purpose Room	5,160
Youth & Family Counseling Service 233 Prospect Street, Westfield, NJ 07090	N/A	501C-3	Walk-In-Crisis Program	3,000
Mountainside Public Library Constitution Plaza, Mountainside, NJ 07092	N/A	501C-3	On-Line Services & Music Cafe	2,900
NJPAC 1 Center Strret, Newark, NJ 07102	N/A	501C-3	School Programs	18,460
Mountainside Public Library Mountainside, NJ 07096	N/A	501C-3	75th Anniversary Celebration	2,950
Mountainside Recreation Department 1385 Highway 22, Mountainside, NJ 07092	N/A	501C-3	Wii & Pedometer Program, Trips	6,300
Mountainside Rescue Squad 1399 Route 22 E., Mountianside, NJ 07092	N/A	501C-3	Improvements	13,500
Sage Elder Care 290 Broad Street, Summit, NJ 07901	N/A	501C-3	Elder Care Planning & Guidance	40,000
Mountainside Recreation Department 1385 Highway 22, Mountainside, NJ 07092	N/A	501C-3	Basketball Court	30,000
Mountainside Fire Department Mountainside, NJ 078092	N/A	501C-3	Personal Safety Equipment	20,000
Georgia Tech University Atlanta, GA	N/A	501C-3	Scholarship Mark DeGaetao	5,000
Franklin & Marshall University Lancaster, PA	N/A	501C-3	Scholarship Elena Lopes	6,462
Total			▶ 3a	153,990
b *Approved for future payment*				
None				
Total			▶ 3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
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			14	113,866	
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)				113,866	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 113,866

(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 29 of the instructions.)
	N/A

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		✓
	(2) Other assets	1a(2)		✓
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✓
	(3) Rental of facilities, equipment, or other assets	1b(3)		✓
	(4) Reimbursement arrangements	1b(4)		✓
	(5) Loans or loan guarantees	1b(5)		✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✓

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

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

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

Sign Here

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

Nicholas Bradshaw | 5/13/10 | President

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

		Date	Check if self-employed ▶ ☐	Preparer's identifying number (see **Signature** on page 30 of the instructions)
Preparer's signature ▶	Thomas C Phelan	5/13/10		P00783791
Firm's name (or yours if self-employed), address, and ZIP code ▶	Nichols, Thomson, Peek & Phelan		EIN ▶	22-1633415
	210 Orchard Street, Wsetfield, NJ 07090		Phone no	908 232-2244

THE BLANCHE & GEORGE WATTS
MOUNTAINSIDE COMMUNITY FOUNDATION
2009 FORM 990-PF
ADDENDUM TO PART 1, LINES 16A, 16C, 18 and 23

LINE 16A	NICHOLS, THOMSON, PEEK & PHELAN-Legal Fees	$21,095.00
LINE 16C	PEAPACK GLADSTONE BANK-Fees	$22,128.00
LINE 18	FEDERAL EXCISE TAX Estimate for 2009	$ 1,216.00
	Foreign taxes paid	$ 208.00
LINE 23	NJ DIVISION OF CONSUMER AFFAIRS 2008 registration fee	$ 150.00

For the Account of: *B M & G L WATTS MOUNTAINSIDE COMM FOUNDATION I/M*

Account Number: *55 00 9256 0 0G*
Date: *JANUARY 1, 2009 - DECEMBER 31, 2009*

PGB TRUST & INVESTMENTS
A Division Of Peapack-Gladstone Financial Corporation
Gladstone, New Jersey 07934
Phone: 908-719-4360 • Fax: 908-234-0795

Portfolio Assets Detail

CASH

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
INCOME CASH		.00		00	.00			
PRINCIPAL CASH		.00		00	.00			
TOTAL CASH		**.00**		**.00**				

CASH EQUIVALENTS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
PEAPACK-GLADSTONE MONEY MARKET-INCOME	986.240	986.24	1.000	986.24	.03	.00	4.93	.50
PEAPACK-GLADSTONE MONEY MARKET-PRINCIPAL	4,201.660	4,201.66	1.000	4,201.66	.11	.00	21.01	50
TOTAL CASH EQUIVALENTS		**5,187.90**		**5,187.90**		**.00**	**25.94**	**.50**

FIXED INCOME SECURITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
U.S. GOVT AGENCIES								
FEDERAL HOME LOAN MTG CORP 6.00% 7/1/23	75,000	75,000.00	100.463	75,347 25	2 01	347.25	4,500.00	5.97
FHLB 1.05% 12/21/11 CALLABLE 6/21/10	50,000	49,975 00	99.188	49,594 00	1.32	-381.00	525.00	1 06
FHLB 2 625% 10/28/13 CALLABLE 4/28/10	75,000	75,000 00	99 531	74,648.25	1.99	-351 75	1,968.75	2.64

#CNTL# 0000033734 5 38/01042010/17 13 15/245/58034

For the Account of: *B M & G L WATTS MOUNTAINSIDE COMM FOUNDATION I/M*

Account Number: *55 00 9256 0 0G*
Date: *JANUARY 1, 2009 - DECEMBER 31, 2009*

PGB TRUST & INVESTMENTS
A Division Of Peapack-Gladstone Financial Corporation
Gladstone, New Jersey 07934
Phone: 908-719-4360 • Fax: 908-234-0795

Portfolio Assets Detail

FIXED INCOME SECURITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
FHLB 5.00% 12/27/17 CALLABLE 12/27/11	50,000	50,000 00	103.063	51,531.50	1 37	1,531.50	2,500 00	4 85
FHLB 5 00% 12/3/14 CALLABLE 12/3/10	75,000	75,000 00	103.594	77,695.50	2.07	2,695 50	3,750.00	4 83
FNMA 3.22% 1/27/16 CALLABLE 1/27/10	50,000	49,925 00	98 250	49,125.00	1.31	-800 00	1,610.00	3.28
FNMA 5.05% 2/14/23 CALLABLE 2/14/11	180,000	179,437.50	97.063	174,713.40	4 66	-4,724.10	9,090.00	5 20
TOTAL U.S. GOVT AGENCIES		**554,337.50**		**552,654.90**		**-1,682.60**	**23,943.75**	**4.33**
CORPORATE BDS & NTS								
AMERICAN EXPRESS CR CORP 6.05% 9/15/11	80,000	80,000 00	105.594	84,475.20	2.25	4,475.20	4,840.00	5 73
GENERAL ELECTRIC CAP CORP 5 00% 4/10/12	125,000	116,718.75	105.333	131,666 25	3 51	14,947.50	6,250.00	4 75
HSBC FINANCE CORP 5.00% 6/30/15	25,000	23,987.50	103.300	25,825 00	.69	1,837.50	1,250 00	4 84
MORGAN STANLEY 11 00% 5/27/29	75,000	74,625 00	100.500	75,375 00	2 01	750 00	8,250.00	10.95
SIMON PROPERTY GROUP 5.00% 3/1/12	125,000	123,687.50	103.361	129,201 25	3.45	5,513 75	6,250.00	4.84
TOTAL CORPORATE BDS & NTS		**419,018.75**		**446,542.70**		**27,523.95**	**26,840.00**	**6.01**
TOTAL FIXED INCOME SECURITIES		**973,356.25**		**999,197.60**		**25,841.35**	**50,783.75**	**5.08**

#CNTL# 0000033734 6 38/01042010/17 13 15/245/58035

For the Account of: ***B M & G L WATTS MOUNTAINSIDE COMM FOUNDATION I/M***

Account Number: ***55 00 9256 0 0G***
Date: ***JANUARY 1, 2009 - DECEMBER 31, 2009***

PGB TRUST & INVESTMENTS
A Division Of Peapack-Gladstone Financial Corporation
Gladstone, New Jersey 07934
Phone: 908-719-4360 • Fax: 908-234-0795

Portfolio Assets Detail

EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ABBOTT LABORATORIES (ABT)	2,000	94,699.46	53.990	107,980.00	2.88	13,280.54	3,200.00	2.96
ADOBE SYSTEMS (ADBE)	1,500	51,537.10	36.780	55,170.00	1.47	3,632.90	.00	.00
AIR PRODUCTS & CHEMICALS (APD)	1,000	73,648.78	81 060	81,060 00	2.16	7,411.22	1,800.00	2.22
AMGEN (AMGN)	1,500	71,974.93	56.570	84,855 00	2.26	12,880.07	.00	.00
AT&T INC SR NT 6 375% PFD (ATT)	750	19,002.50	26.690	20,017.50	.53	1,015.00	1,195.31	5 97
AUTOMATIC DATA PROCESSING (ADP)	1,500	61,247 39	42 820	64,230 00	1 71	2,982.61	2,040.00	3.18
BAC CAP TRUST III PFD 7.00% (BAC PX)	2,000	48,464 00	22.157	44,314.00	1.18	-4,150.00	3,500.00	7.90
BECTON DICKINSON & COMPANY (BDX)	500	32,654.95	78.860	39,430.00	1 05	6,775.05	740.00	1.88
BHP BILLITON LTD SPONS ADR (BHP)	1,250	68,712.50	76.580	95,725.00	2 55	27,012.50	2,050 00	2.14
CHEVRON (CVX)	1,000	61,332.48	76.990	76,990.00	2.05	15,657.52	2,720.00	3.53
CHUBB (CB)	500	24,655.00	49.180	24,590 00	.66	-65 00	700.00	2.85
COSTCO WHOLESALE (COST)	500	25,064 95	59 170	29,585 00	79	4,520.05	360.00	1 22
DEUTSCHE BK CAP TR PFD 7.60% (DTK)	2,000	44,479.00	23 730	47,460.00	1 27	2,981 00	3,800.00	8.01
DISNEY WALT (DIS)	2,000	51,764.07	32.250	64,500.00	1.72	12,735.93	700 00	1.09

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PGB TRUST & INVESTMENTS
A Division Of Peapack-Gladstone Financial Corporation
Gladstone, New Jersey 07934
Phone: 908-719-4360 • Fax: 908-234-0795

Portfolio Assets Detail

EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
EL PASO CORPORATION (EP)	2,500	25,150 00	9.830	24,575.00	.66	-575.00	100.00	.41
EXXON MOBIL (XOM)	750	48,852 98	68 190	51,142.50	1.36	2,289 52	1,260 00	2.46
FIRST SOLAR INC (FSLR)	500	66,993 89	135.400	67,700 00	1 81	706 11	00	.00
GENERAL ELECTRIC (GE)	2,250	78,691.52	15.130	34,042.50	.91	-44,649.02	900.00	2.64
GOLDMAN SACHS GROUP (GS)	650	77,661 29	168 840	109,746.00	2 93	32,084 71	910.00	.83
GOLDMAN SACHS GROUP INC PFD 6 20% (GS PB)	2,500	55,827 12	25 240	63,100 00	1.68	7,272.88	3,875.00	6.14
HOME DEPOT (HD)	2,000	68,805.48	28.930	57,860 00	1.54	-10,945.48	1,800.00	3 11
INTL BUSINESS MACHINES (IBM)	1,000	95,701 67	130 900	130,900 00	3.49	35,198 33	2,200.00	1 68
J P MORGAN CHASE & CO (JPM)	2,500	99,968 13	41.670	104,175.00	2.78	4,206.87	500.00	.48
L-3 COMMUNICATIONS HLDGS (LLL)	750	50,082.92	86 950	65,212.50	1 74	15,129 58	1,050.00	1.61
MICROSOFT CORP (MSFT)	1,750	47,624.80	30.480	53,340 00	1 42	5,715.20	910 00	1.71
MONSANTO CO NEW (MON)	850	100,339.57	81 750	69,487.50	1.85	-30,852.07	901 00	1 30
MORGAN STANLEY (MS)	1,750	24,724 75	29.600	51,800 00	1.38	27,075.25	350.00	.68

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For the Account of: *B M & G L WATTS MOUNTAINSIDE COMM FOUNDATION I/M*

Account Number: *55 00 9256 0 0G*
Date: *JANUARY 1, 2009 - DECEMBER 31, 2009*

Portfolio Assets Detail

PGB TRUST & INVESTMENTS
A Division Of Peapack-Gladstone Financial Corporation
Gladstone, New Jersey 07934
Phone: 908-719-4360 • Fax: 908-234-0795

EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
NORTHERN TRUST CORP (NTRS)	1,750	84,518.93	52.400	91,700 00	2 45	7,181.07	1,960.00	2 14
PEPSICO (PEP)	1,750	108,408.33	60.800	106,400.00	2 84	-2,008.33	3,150.00	2.96
PETROLEO BRASILEIRO SA PETRO BRAS P (PBR)	1,250	69,086.32	47 680	59,600 00	1.59	-9,486 32	445.00	.75
POWERSHARES QQQ TR UT SER 1 (QQQQ)	2,400	108,392.48	45.750	109,800.00	2 93	1,407.52	744 00	.68
PROCTER & GAMBLE (PG)	1,000	54,119.95	60.630	60,630.00	1.62	6,510.05	1,760.00	2.90
QUALCOMM (QCOM)	1,500	64,056.60	46.260	69,390 00	1.85	5,333.40	1,020 00	1.47
QUEST DIAGNOSTICS (DGX)	1,500	76,235 79	60.380	90,570.00	2.42	14,334.21	600.00	.66
RESEARCH IN MOTION LTD (RIMM)	250	16,292.48	67 540	16,885.00	.45	592.52	00	.00
S&P DEPOSITORY RECEIPT MIDCAP TR UNIT (MDY)	750	111,007.16	131.740	98,805 00	2 63	-12,202.16	1,464.75	1.48
SYSCO (SYY)	3,000	81,684.30	27.940	83,820.00	2 24	2,135.70	3,000.00	3.58
TEVA PHARMACEUTICAL INDS ADR (TEVA)	1,000	49,849 20	56.180	56,180.00	1.50	6,330.80	482 00	.86
TEXAS INSTRUMENTS (TXN)	1,000	20,078 88	26.060	26,060 00	69	5,981.12	480 00	1.84
TRANSOCEAN LTD ZUG NAMEN AKT (RIG)	1,250	77,717.68	82.800	103,500.00	2 76	25,782.32	.00	00

#CNTL# 0000033734 9 38/01042010/17 13 15/245/58038

For the Account of: ***B M & G L WATTS MOUNTAINSIDE COMM FOUNDATION I/M***

PGB TRUST & INVESTMENTS
A Division Of Peapack-Gladstone Financial Corporation
Gladstone, New Jersey 07934
Phone: 908-719-4360 • Fax: 908-234-0795

Account Number: ***55 00 9256 0 0G***
Date: ***JANUARY 1, 2009 - DECEMBER 31, 2009***

Portfolio Assets Detail

EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
WAL-MART STORES INC (WMT)	1,000	48,680.00	53 450	53,450.00	1.42	4,770 00	1,090 00	2.04
TOTAL EQUITIES		**2,539,789.33**		**2,745,777.50**		**205,988.17**	**53,757.06**	**1.96**
TOTAL ASSETS				**3,750,163.00**		**231,829.52**	**104,566.75**	**2.79**
TOTAL ACCRUED INCOME				**19,650.65**				
TOTAL ACCOUNT				**3,769,813.65**				

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Account Name:

B M & G L WATTS MOUNTAINSIDE COMM FOUNDATION
I/M 009256

Account Number: 009256

Tax I.D. Number: 20-2942228

DETAIL OF SHORT-TERM CAPITAL GAINS AND LOSSES

Units	Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Short-term Gain/Loss
	SHORT-TERM SALES REPORTED ON FORM 1099-B:					

150.000	BECTON DICKINSON & COMPANY	01/28/2009	08/24/2009	10,366.25	10,664.99	-298 74
100 000	BECTON DICKINSON & COMPANY	01/28/2009	08/24/2009	6,910 83	7,109 99	-199 16
150.000	BECTON DICKINSON & COMPANY	07/30/2009	08/24/2009	10,366 24	10,222.50	143 74
250.000	BECTON DICKINSON & COMPANY	04/22/2009	11/23/2009	18,727 38	16,832.48	1,894.90
250.000	BECTON DICKINSON & COMPANY	02/26/2009	12/08/2009	19,184.61	16,477 48	2,707.13
250.000	BHP BILLITON LTD SPONS ADR	06/03/2009	12/23/2009	18,577 02	14,476.93	4,100.09
500.000	DEUTSCHE BK CAP TR PFD 7.60%	02/15/2008	01/06/2009	9,519 94	12,575.00	-3,055 06
150.000	FIRST SOLAR INC	01/06/2009	03/30/2009	20,779.88	23,076 00	-2,296 12
150.000	FIRST SOLAR INC	01/06/2009	05/01/2009	26,852.80	23,076.00	3,776.80
100 000	FIRST SOLAR INC	01/16/2009	05/13/2009	18,271.12	14,677 20	3,593.92
250.000	GENENTECH INC	11/18/2008	03/17/2009	23,420.02	20,334.75	3,085.27
250.000	GENENTECH INC	11/24/2008	03/17/2009	23,420 02	19,272.25	4,147.77
125.000	GOLDMAN SACHS GROUP INC	07/10/2009	09/18/2009	22,590.67	17,966.90	4,623.77
1,000.000	HARLEY DAVIDSON	08/08/2008	02/26/2009	10,240.04	41,310 00	-31,069.96
250.000	L-3 COMMUNICATIONS HLDGS	06/20/2008	03/30/2009	16,833.65	23,869.00	-7,035.35
250 000	MORGAN STANLEY	09/19/2008	07/27/2009	7,017.32	6,842 25	175 07
250 000	MORGAN STANLEY	10/03/2008	07/27/2009	7,017.32	6,445 00	572.32
75,000.000	MORGAN STANLEY D W 11% 1/30/24	01/27/2009	05/18/2009	75,375.00	74,250.00	1,125.00
250 000	NATIONAL OILWELL VARCO	09/19/2008	02/13/2009	6,990.96	14,914 25	-7,923.29
50.000	NATIONAL OILWELL VARCO	10/03/2008	05/19/2009	1,738.97	2,200.35	-461 38
200.000	NATIONAL OILWELL VARCO	10/03/2008	05/19/2009	6,955.86	8,801.40	-1,845.54
150.000	NATIONAL OILWELL VARCO	01/06/2009	05/19/2009	5,216 89	4,580 85	636 04
100.000	NATIONAL OILWELL VARCO	01/06/2009	05/19/2009	3,477.93	3,053 90	424.03
150.000	NATIONAL OILWELL VARCO	04/23/2009	05/19/2009	5,216 89	4,352.43	864 46
250.000	NATIONAL OILWELL VARCO	04/23/2009	05/19/2009	8,694.82	7,254 05	1,440.77
500.000	NATIONAL OILWELL VARCO	04/23/2009	08/28/2009	18,875.87	14,508 10	4,367.77
250.000	NATIONAL OILWELL VARCO	02/03/2009	08/28/2009	9,437.94	6,333.68	3,104.26
500 000	NATIONAL OILWELL VARCO	02/03/2009	08/28/2009	18,875.88	12,667 35	6,208 53
475.000	PEABODY ENERGY	11/24/2008	06/03/2009	16,305.84	10,530.04	5,775 80
800.000	POWERSHARES QQQ TR UT SER 1	01/10/2008	01/06/2009	24,943.86	38,047 92	-13,104 06
400.000	T ROWE PRICE GROUP INC	07/30/2009	10/26/2009	21,704.55	18,847.96	2,856.59
100.000	T ROWE PRICE GROUP INC	07/30/2009	11/09/2009	5,063.05	4,711.99	351.06
250.000	US BANCORP DEL COM NEW	07/10/2009	07/30/2009	4,982.47	4,179.98	802.49
25,000.000	WILMINGTON TRUST CORP 8.50% 4/2/18	07/23/2009	09/30/2009	25,000.00	24,968.75	31.25
250.000	NABORS INDUSTRIES LTD	11/18/2008	04/22/2009	3,710.20	3,582.30	127.90
250.000	NABORS INDUSTRIES LTD	11/18/2008	04/22/2009	3,710.21	3,582 30	127.91
250 000	NABORS INDUSTRIES LTD	03/18/2009	04/22/2009	3,710.21	2,399.75	1,310.46
				------------	------------	------------
	TOTAL SHORT-TERM SALES REPORTED ON 1099-B			540,082.51	548,996.07	-8,913.56
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	TOTAL SHORT-TERM SALES			540,082.51	548,996 07	-8,913.56
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IMPORTANT TAX RETURN DOCUMENT ENCLOSED

Account Name:

B M & G L WATTS MOUNTAINSIDE COMM FOUNDATION
I/M 009256

Account Number: 009256

Tax I.D. Number: 20-2942228

DETAIL OF LONG-TERM CAPITAL GAINS AND LOSSES

Units	Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Long-term Gain/Loss
	15% MAXIMUM RATE SALES REPORTED ON FORM 1099-B --					
250.000	AT&T INC SR NT 6.375% PFD	04/28/2008	12/23/2009	6,679 83	6,382.50	297 33
50.000	AIR PRODUCTS AND CHEMICALS INC	01/23/2008	08/24/2009	3,840 41	4,206 01	-365 60
200.000	AIR PRODUCTS AND CHEMICALS INC	01/23/2008	08/24/2009	15,361 62	16,824 03	-1,462 41
250.000	BAC CAP TRUST III PFD 7 00%	03/22/2007	01/06/2009	5,387.49	6,339.90	-952.41
250 000	DANAHER CORPORATION	01/25/2008	01/26/2009	14,103.17	18,867.17	-4,764.00
500.000	DANAHER CORPORATION	02/12/2008	04/03/2009	26,730 64	36,630.00	-9,899 36
500 000	E M C CORP MASS	10/26/2006	01/27/2009	5,324.97	6,370.00	-1,045 03
1,000 000	E M C CORP MASS	08/09/2006	01/27/2009	10,649.95	9,830 00	819.95
500.000	E M C CORP MASS	08/09/2006	01/27/2009	5,324 97	4,915.00	409.97
75,000.000	FHLMC 5.375% 1/9/14 CALLABLE 1/9/09	05/03/2007	01/09/2009	75,000 00	74,890 50	109 50
75,000 000	FEDERAL HOME LOAN BANKS 5 05% 10/01/12	09/17/2007	10/01/2009	75,000.00	75,000 00	
20,000.000	FHLB 5.00% 11/5/14 CALLABLE 11/5/10	10/23/2007	07/06/2009	20,800 00	20,000 00	800 00
85,000 000	FHLB 5.00% 11/5/14 CALLABLE 11/5/10	10/23/2007	07/06/2009	88,400.00	85,000 00	3,400.00
50,000.000	FHLB 5 00% 12/27/17 CALLABLE 12/27/11	12/17/2007	07/10/2009	51,800 00	50,000.00	1,800.00
250.000	FORTUNE BRANDS	08/03/2006	02/26/2009	6,242 86	18,152 50	-11,909 64
250 000	FORTUNE BRANDS	06/29/2006	02/26/2009	6,242.86	17,355.00	-11,112.14
150.000	GENENTECH INC	12/27/2006	03/17/2009	14,052.01	12,067.50	1,984 51
250 000	GENENTECH INC	05/02/2006	03/17/2009	23,420 02	19,222 50	4,197 52
300 000	GENERAL ELEC CO	10/05/2007	12/23/2009	4,571 88	12,591 00	-8,019.12
250 000	GENERAL ELEC CO	04/09/2008	12/23/2009	3,809.90	9,160 00	-5,350.10
200.000	GENERAL ELEC CO	01/06/2006	12/23/2009	3,047 92	7,085.76	-4,037.84
50.000	GOLDMAN SACHS GROUP INC	05/09/2006	04/24/2009	6,078 90	8,298 50	-2,219.60
75 000	GOLDMAN SACHS GROUP INC	06/09/2006	04/24/2009	9,118.34	11,336.25	-2,217 91
25 000	GOLDMAN SACHS GROUP INC	06/09/2006	09/18/2009	4,518.14	3,778 75	739.39
750 000	GOLDMAN SACHS GROUP INC PFD 6.20%	04/07/2008	12/23/2009	19,029.49	18,051 53	977 96
400 000	ITT INDS INC	01/31/2006	02/03/2009	17,351.94	20,420 40	-3,068.46
250.000	L-3 COMMUNICATIONS HLDGS	01/09/2006	12/08/2009	20,499.55	19,172 50	1,327.05
100.000	L-3 COMMUNICATIONS HLDGS	01/09/2006	12/23/2009	8,483.78	7,669 00	814.78
150.000	L-3 COMMUNICATIONS HLDGS	08/03/2006	12/23/2009	12,725.67	10,805.33	1,920.34
450 000	ELI LILLY & CO	01/24/2006	01/06/2009	17,747.90	25,607.25	-7,859.35
100.000	ELI LILLY & CO	01/24/2006	01/06/2009	3,943 98	5,690.50	-1,746 52
450.000	ELI LILLY & CO	12/27/2006	01/06/2009	17,747.89	23,544.99	-5,797 10
250.000	S&P DEPOSITORY RECEIPT MIDCAP TR UNIT	02/09/2007	12/23/2009	33,180.57	38,793.33	-5,612.76
150.000	NATIONAL OILWELL VARCO	07/25/2007	02/13/2009	4,194.57	8,804 95	-4,610.38
350.000	NATIONAL OILWELL VARCO	07/25/2007	05/19/2009	12,172.76	20,544.89	-8,372.13
100.000	PPG INDUSTRIES INC	04/26/2007	02/03/2009	3,765.99	7,472 36	-3,706.37
250.000	PPG INDUSTRIES INC	05/10/2007	02/03/2009	9,414 97	18,640.00	-9,225.03
50.000	PPG INDUSTRIES INC	05/10/2007	02/03/2009	1,883.00	3,728.00	-1,845.00
50 000	PPG INDUSTRIES INC	05/02/2007	02/03/2009	1,882.99	3,705 00	-1,822.01
300 000	PPG INDUSTRIES INC	05/02/2007	02/03/2009	11,297.97	22,230 00	-10,932.03
275.000	PEABODY ENERGY	05/13/2008	06/03/2009	9,440.23	19,918 25	-10,478.02
250.000	PEABODY ENERGY	01/09/2006	06/03/2009	8,582.03	10,364.95	-1,782.92
250.000	PETROLEO BRASILEIRO SA PETRO BRAS P	04/21/2008	10/27/2009	12,197.38	16,148.44	-3,951.06
700 000	POWERSHARES QQQ TR UT SER 1	12/06/2007	01/06/2009	21,825 87	36,435.00	-14,609.13
250.000	PROCTER & GAMBLE CO COM	05/08/2008	12/07/2009	15,599.60	16,580.00	-980.40
500.000	PROCTER & GAMBLE CO COM	01/06/2006	12/07/2009	31,199.19	29,425.00	1,774.19
250 000	QUEST DIAGNOSTICS INC	01/09/2006	05/01/2009	12,518 42	13,018 27	-499.85
25,000.000	SIMON PROPERTY GROUP 5.00% 3/1/12	02/13/2008	06/18/2009	24,656.25	24,737.50	-81.25
500.000	TEXAS INSTRUMENTS INC	01/06/2006	07/21/2009	11,374.71	17,165.00	-5,790 29
250.000	US BANCORP DEL COM NEW	02/12/2008	03/18/2009	3,527.51	8,141.08	-4,613.57

IMPORTANT TAX RETURN DOCUMENT ENCLOSED

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B M & G L WATTS MOUNTAINSIDE COMM FOUNDATION
I/M 009256

Account Number: 009256

Tax I.D. Number: 20-2942228

DETAIL OF LONG-TERM CAPITAL GAINS AND LOSSES

Units	Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Long-term Gain/Loss
350.000	US BANCORP DEL COM NEW	02/12/2008	07/30/2009	6,975.46	11,397 50	-4,422.04
100.000	US BANCORP DEL COM NEW	02/12/2008	07/30/2009	1,992 99	3,256 43	-1,263 44
350.000	US BANCORP DEL COM NEW	06/12/2008	07/30/2009	6,975 46	10,923.50	-3,948 04
250 000	US BANCORP DEL COM NEW	01/09/2006	07/30/2009	4,982.47	7,697.50	-2,715.03
450.000	US BANCORP DEL COM NEW	01/09/2006	07/30/2009	8,968.44	13,855 50	-4,887.06
250.000	NABORS INDUSTRIES LTD	03/23/2006	03/30/2009	2,467.73	8,243 75	-5,776.02
500.000	NABORS INDUSTRIES LTD	09/18/2006	04/22/2009	7,420 42	15,235.00	-7,814.58
250.000	TRANSOCEAN LTD ZUG NAMEN AKT	01/06/2006	05/01/2009	17,268.80	18,582.50	-1,313.70
	TOTAL 15% MAXIMUM RATE SALES REPORTED ON 1099-B			888,801 86	1,070,308 07	-181,506 21
	TOTAL LONG-TERM SALES			888,801 86	1,070,308.07	-181,506 21

IMPORTANT TAX RETURN DOCUMENT ENCLOSED