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

2009

Department of the Treasury  
Internal Revenue Service

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

For calendar year 2009, or tax year beginning 11/01/09, and ending 10/31/10

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

<b>Use the IRS label. Otherwise, print or type. See Specific Instructions.</b>	Name of foundation The William R. Watts Fndn, Inc. c/o Greaton & Greaton		<b>A</b> Employer identification number 59-1971220  <b>B</b> Telephone number (see page 10 of the instructions) 954-561-0313	
	Number and street (or P O box number if mail is not delivered to street address) PO Box 39238			Room/suite
	City or town, state, and ZIP code Fort Lauderdale FL 33339-9238			
<b>H</b> Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		<b>C</b> If exemption application is pending, check here ► <input type="checkbox"/> <b>D</b> 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/> <b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/> <b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>		
<b>I</b> Fair market value of all assets at end of year (from Part II, col (c), line 16) ► \$ 22,316,535 <small>(Part I, column (d) must be on cash basis )</small>		<b>J</b> Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <small>      <input type="checkbox"/> Other (specify)</small>		

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<b>Part I</b> <b>Analysis of Revenue and Expenses</b> (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) )		<b>(a)</b> Revenue and expenses per books	<b>(b)</b> Net investment income	<b>(c)</b> Adjusted net income	<b>(d)</b> Disbursements for charitable purposes (cash basis only)	
1	Contributions, gifts, grants, etc., received (attach schedule)					
2	Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3	Interest on savings and temporary cash investments	86	86			
4	Dividends and interest from securities	358,116	358,116			
5a	Gross rents					
b	Net rental income or (loss)					
6a	Net gain or (loss) from sale of assets not on line 10	-512,947				
b	Gross sales price for all assets on line 6a	4,886,552				
7	Capital gain net income (from Part IV, line 2)		0			
8	Net short-term capital gain			0		
9	Income modifications					
10a	<b>RECEIVED</b> Gross sales less returns & allowances					
b	Less Cost of goods sold					
c	Gross profit or (loss) (attach schedule)					
11	Other income (attach schedule)	63,253	63,253			
12	<b>Total</b> Add lines 1 through 11	-91,492	421,455	0		
13	Compensation of officers, directors, trustees, etc					
14	Other employee salaries and wages					
15	Pension plans, employee benefits					
16a	Legal fees (attach schedule)					
b	Accounting fees (attach schedule)	Stmt 2	12,000	2,000	10,000	
c	Other professional fees (attach schedule)	Stmt 3	190,985	121,478	81,001	
17	Interest					
18	Taxes (attach schedule) (see page 14 of the instructions)	Stmt 4	21,801			
19	Depreciation (attach schedule) and depletion					
20	Occupancy					
21	Travel, conferences, and meetings					
22	Printing and publications					
23	Other expenses (att sch)	Stmt 5	1,613	617	996	
24	<b>Total operating and administrative expenses.</b>					
	Add lines 13 through 23		226,399	124,095	91,997	
25	Contributions, gifts, grants paid		900,000		900,000	
26	<b>Total expenses and disbursements.</b> Add lines 24 and 25		1,126,399	124,095	0	991,997
27	Subtract line 26 from line 12					
a	Excess of revenue over expenses and disbursements		-1,217,891			
b	Net investment income (if negative, enter -0-)		297,360			
c	Adjusted net income (if negative, enter -0-)			0		

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

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Form 990-PF (2009)

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Assets	Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value
	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments		37,830	99,966
	3 Accounts receivable ►			99,966
	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 (att. schedule) ►			
	Less allowance for doubtful accounts ►			
	8 Inventories for sale or use		15,833	15,833
	9 Prepaid expenses and deferred charges			15,833
	10a Investments—U S and state government obligations (attach schedule)	See Stmt 6		
	b Investments—corporate stock (attach schedule)	9,391,020	10,389,018	10,389,018
	c Investments—corporate bonds (attach schedule)	5,031,081	5,676,579	5,676,579
	11 Investments—land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach sch) ►			
	12 Investments—mortgage loans	404,193	320,653	320,653
	13 Investments—other (attach schedule) See Statement 8	6,246,961	5,811,925	5,811,925
	14 Land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach sch) ►			
	15 Other assets (describe ► See Statement 9 )	5,597	2,561	2,561
	16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	21,132,515	22,316,535	22,316,535
Liabilities	17 Accounts payable and accrued expenses	6,924	7,444	
	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 ► See Statement 10 )		18,540	
	23 Total liabilities (add lines 17 through 22)	6,924	25,984	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	21,125,591	22,290,551	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see page 17 of the instructions)	21,125,591	22,290,551	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	21,132,515	22,316,535	

## 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	21,125,591
2 Enter amount from Part I, line 27a	2	-1,217,891
3 Other increases not included in line 2 (itemize) ► See Statement 11	3	2,691,504
4 Add lines 1, 2, and 3	4	22,599,204
5 Decreases not included in line 2 (itemize) ► See Statement 12	5	308,653
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	22,290,551

**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.)
<b>1a Mutual Funds - See Attached Schedule</b>		P	Various	Various
<b>b Brandywine Global Fixed Income</b>		P	Various	Various
<b>c Class Action Settlements</b>		P	Various	Various
<b>d</b>				
<b>e</b>				
(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 3,975,389		4,783,081	-807,692	
b 909,101		616,418	292,683	
c 2,062			2,062	
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a				-807,692
b				292,683
c				2,062
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	-512,947
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	980,633	19,368,066	0.050631
2007	1,084,867	20,998,035	0.051665
2006	1,084,213	21,911,365	0.049482
2005	968,938	19,346,606	0.050083
2004	912,214	16,273,007	0.056057

2 Total of line 1, column (d)

2 0.257918

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 0.051584

4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5

4 21,123,351

5 Multiply line 4 by line 3

5 1,089,627

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 2,974

7 Add lines 5 and 6

7 1,092,601

8 Enter qualifying distributions from Part XII, line 4

8 991,997

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 ► <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)	▶	1	5,947
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b			
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	0
3	Add lines 1 and 2		3	5,947
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0	
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0-	5	5,947	
6	<b>Credits/Payments</b>			
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	5,916	
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	5,916	
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	31	
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 <b>Credited to 2010 estimated tax</b> ►	11		
	Refunded ►			

**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	X
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities	1b	X
c	Did the foundation file Form 1120-POL for this year?	1c	X
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	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	3	X
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b	If "Yes," has it filed a tax return on <b>Form 990-T</b> 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	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?	6	X
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ► FL	N/A	
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	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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	9	X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11	X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► None	13	X
14	The books are in care of ► Greaton & Greaton PO Box 39238 Located at ► Fort Lauderdale, FL	Telephone no ► 954-561-0313 ZIP+4 ► 33339	
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)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days )	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	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 2009?	1c	N/A
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 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	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 2009?	4b	X

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

5a	During the year did the foundation pay or incur any amount to	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	<input checked="" type="checkbox"/> N/A		5b
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945-5(d)	<input type="checkbox"/> Yes <input type="checkbox"/> No		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6b
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		X
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		N/A
				7b

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 13				

**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

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**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
Hammond Associates 101 S Hanley Rd, Ste 300	St. Louis MO 63105	Investment 95,000
Greaton & Greaton PO Box 39238	Fort Lauderdale FL 33339-9238	Management 86,884

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 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



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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	21,273,292
b	Average of monthly cash balances	1b	171,734
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	<b>Total</b> (add lines 1a, b, and c)	1d	21,445,026
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	21,445,026
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	321,675
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	21,123,351
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	1,056,168

**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	1,056,168
2a	Tax on investment income for 2009 from Part VI, line 5	2a	5,947
b	Income tax for 2009 (This does not include the tax from Part VI )	2b	
c	Add lines 2a and 2b	2c	5,947
3	Distributable amount before adjustments Subtract line 2c from line 1	3	1,050,221
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,050,221
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	1,050,221

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes	1a	991,997
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1b	
b	Program-related investments—total from Part IX-B	2	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	3a	
3	Amounts set aside for specific charitable projects that satisfy the	3b	
a	Suitability test (prior IRS approval required)	4	991,997
b	Cash distribution test (attach the required schedule)	5	0
4	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	6	991,997
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)		
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4		

**Note.** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

## Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				1,050,221
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only				
b Total for prior years 20 ____ , 20 ____ , 20 ____				
3 Excess distributions carryover, if any, to 2009				
a From 2004	106,989			
b From 2005	24,034			
c From 2006	19,693			
d From 2007	58,167			
e From 2008	24,056			
f Total of lines 3a through e	232,939			
4 Qualifying distributions for 2009 from Part XII, line 4 ► \$ ____ 991,997				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2009 distributable amount				991,997
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) )	58,224			58,224
6 Enter the net total of each column as indicated below:	174,715			
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				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0
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)	48,765			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	125,950			
10 Analysis of line 9				
a Excess from 2005	24,034			
b Excess from 2006	19,693			
c Excess from 2007	58,167			
d Excess from 2008	24,056			
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				► <input type="text"/>
b	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)				
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed				
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 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) )  
N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest  
N/A

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ►  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed  
Wilson B. Greaton, Jr., President 954-561-0313  
PO Box 39238, Fort Lauderdale FL 33339

b The form in which applications should be submitted and information and materials they should include  
See Attached Statement Grant Guidelines

c Any submission deadlines  
See Statement 14

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors  
See Statement 15

## Part XV Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Statement 16				900,000
<b>Total</b>			► 3a	900,000
b Approved for future payment N/A				
<b>Total</b>			► 3b	

## Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

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	
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			14	86
4	Dividends and interest from securities			14	358,116
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			14	63,253
8	Gain or (loss) from sales of assets other than inventory			18	-512,947
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)		0	-91,492	0
13	Total. Add line 12, columns (b), (d), and (e)		13	-91,492	

(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	
	</td

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

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

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

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

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

Yes  No

**b** If "Yes," complete the following schedule

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

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

Sign Here

Signature of officer or trustee		Date	Title	
Paid Preparer's Use Only	 Preparer's signature		Date	Check if self-employed <input type="checkbox"/>
			02/14/11	Preparer's identifying number (see Signature on page 30 of the instructions) P01210648
	Firm's name (or yours if self-employed), address, and ZIP code  ROBBINS & LANDINO, PA 222 S.E. 10th Street Fort Lauderdale, FL 33316			EIN  65-0356804 Phone no 954-467-3100

**Federal Statements****Statement 1 - Form 990-PF, Part I, Line 11 - Other Income**

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
Mortgage Interest	\$ 25,747	\$ 25,747	\$
Dist. from Lim. Partnerships	\$ 37,506	\$ 37,506	\$
<b>Total</b>	<b>\$ 63,253</b>	<b>\$ 63,253</b>	<b>\$ 0</b>

**Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Accounting Fees	\$ 12,000	\$ 2,000	\$	\$ 10,000
<b>Total</b>	<b>\$ 12,000</b>	<b>\$ 2,000</b>	<b>\$ 0</b>	<b>\$ 10,000</b>

**Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Investment Advisory Fee	\$ 104,101	\$ 104,101	\$	\$
Office Management Fee	\$ 86,884	\$ 17,377	\$	\$ 81,001
<b>Total</b>	<b>\$ 190,985</b>	<b>\$ 121,478</b>	<b>\$ 0</b>	<b>\$ 81,001</b>

**Statement 4 - Form 990-PF, Part I, Line 18 - Taxes**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Federal Excise Tax	\$ 21,801	\$	\$	\$
<b>Total</b>	<b>\$ 21,801</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

59-1971220

**Federal Statements****Statement 5 - Form 990-PF, Part I, Line 23 - Other Expenses**

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
Expenses				
Insurance	757	189		568
Miscellaneous	856	428		428
Total	<u><u>1,613</u></u>	<u><u>617</u></u>	<u><u>0</u></u>	<u><u>996</u></u>

**Federal Statements****Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

<u>Description</u>		<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
Equities		\$ 9,391,020	\$ 10,389,018	Market	\$ 10,389,018
Total		\$ 9,391,020	\$ 10,389,018		\$ 10,389,018

**Statement 7 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments**

<u>Description</u>		<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
Debt Securities		\$ 5,031,081	\$ 5,676,579	Market	\$ 5,676,579
Total		\$ 5,031,081	\$ 5,676,579		\$ 5,676,579

**Statement 8 - Form 990-PF, Part II, Line 13 - Other Investments**

<u>Description</u>		<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
Commodities		\$ 950,612	\$ 1,082,288	Market	\$ 1,082,288
Hedge Fund		2,204,831	2,349,513	Market	2,349,513
Private Equity Fund		1,094,294	1,377,951	Cost	1,377,951
Private Bond Fund		1,997,224	1,002,173	Market	1,002,173
Total		\$ 6,246,961	\$ 5,811,925		\$ 5,811,925

**Statement 9 - Form 990-PF, Part II, Line 15 - Other Assets**

<u>Description</u>		<u>Beginning of Year</u>	<u>End of Year</u>	<u>Fair Market Value</u>
Refundable Excise Tax		\$ 5,597	\$ 2,561	\$ 2,561
Total		\$ 5,597	\$ 2,561	\$ 2,561

**Statement 10 - Form 990-PF, Part II, Line 22 - Other Liabilities**

<u>Description</u>		<u>Beginning of Year</u>	<u>End of Year</u>
Deferred Excise Tax		\$ _____	\$ 18,540
Total		\$ _____ 0	\$ 18,540

**Federal Statements****Statement 11 - Form 990-PF, Part III, Line 3 - Other Increases**

Description	Amount
Unrealized Gains on Investments	\$ 2,691,504
Total	\$ <u>2,691,504</u>

**Statement 12 - Form 990-PF, Part III, Line 5 - Other Decreases**

Description	Amount
Prior Period Adjustment - Reduction in Unrealized Value of Partnerships	\$ 308,653
Total	\$ <u>308,653</u>

Statement 13 - Form 990 PF, Part VIII, Line 1 – List of Officers, Directors, Trustees and Foundation Managers

<u>a Name and address</u>	<u>b Title and Average hours per week devoted to position</u>	<u>c Compensation (if not paid, enter -0-)</u>	<u>d Contribution to employee benefit plans and deferred compensation</u>	<u>e Expense Acc other allowances</u>
Wilson B. Greaton, Jr. PO Box 39238 Fort Lauderdale, FL 33339-9238	Chairman/President / 10	0	0	0
Elizabeth Greaton Stephany PO Box 39238 Fort Lauderdale, FL 33339-9238	VP/Secretary/Treasurer / 1+	0	0	0
William J. Rotella PO Box 39238 Fort Lauderdale, FL 33339-9238	Director / 1+	0	0	0
Javier Alberto Soto PO Box 39238 Fort Lauderdale, FL 33339-9238	Director / 1+	0	0	0
E. Hugh Chappell, Jr., Esq. PO Box 39238 Fort Lauderdale, FL 33339-9238	Director / 1+	0	0	0
Paul E Daly PO Box 39238 Fort Lauderdale, FL 33339-9238	Director / 1+	0	0	0
Alan Loehr PO Box 39238 Fort Lauderdale, FL 33339-9238	Director / 1+	0	0	0
Mary E Donworth PO Box 39238 Fort Lauderdale, FL 33339-9238	Director / 1+	0	0	0
Richard G. Coker, Jr , Esq. PO Box 39238 Fort Lauderdale, FL 33339-9238	Director / 1+	0	0	0

## Federal Statements

### Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

#### Description

See Attached Statement Grant Guidelines

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### Statement 14 - Form 990-PF, Part XV, Line 2c - Submission Deadlines

#### Description

Requests must be submitted by August 1 of each fiscal year.

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### Statement 15 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

#### Description

The foundation accepts unsolicited requests for funds. Donations are restricted to those charities whose principle offices are located in Dade and Broward counties of Florida with two exceptions. It will accept requests for funds from Presbyterian Theological Seminaries (for scholarships or tuition grants) and from Washington University in St. Louis, MO. A copy of the foundation's grant guidelines is attached.

**Form 990 PF, Part XV, 2b - Application Format and Required Content****Grant Guidelines****Foundation Purpose**

The Foundation shall distribute portions of its income and principal each taxable year as determined by its Board. Distributions from the Foundation are restricted to charities whose principal offices and activities are located in Miami-Dade or Broward County, Florida, with exception, however, that distributions may be made to a Presbyterian Theological Seminary (regardless of its location) for their use in granting scholarships or tuition grants, and to Washington University, St. Louis, Missouri. No charity shall receive an annual distribution greater than 10% of the Foundation's total grants for the year.

**Foundation Board**

The Board of the Foundation consists of members appointed by the Dade Community Foundation, the Community Foundation of Broward, the Broward County Chapter of the Salvation Army, the Boys & Girls Club of Broward County, First Presbyterian Church of Fort Lauderdale, United Way of Broward and United Way of Miami-Dade. The attorney for the founder of the Foundation is also a member of the Board. It was Mr. Watts' anticipation that the Board would support the charities who appoint its members but would also have additional grants available for other worthy charities in Miami-Dade and Broward County, Florida.

**Eligibility**

Only nonprofit tax exempt organizations as defined by 501(c)(3) of the Internal Revenue Code are eligible to apply for grants. Grants to governmental agencies are made on a very restricted basis. Grants are not made to individuals, for memberships, for fund-raising events, nor for memorials.

**Applying for a Grant**

**Please submit one, stapled (not bound) copy of your proposal. We will not accept faxed proposals. Please do not spend money or time on elaborate presentations. Address all applications to Wilson B. Greaton, Jr., President, The William R. Watts Foundation, Inc., Post Office Box 39238, Fort Lauderdale, Florida 33339-9238. Proposals are due by 5 p.m. August 1 (or the next business day if August 1 falls on a Saturday, Sunday or legal holiday) and should include the following:**

## **A Cover Letter**

The cover letter should be written on the organization's letterhead, addressed to the Foundation and signed by either the organization's chief executive officer or the chair/president of its governing board, and should include:

- Purpose of the grant, amount requested and grant start and end dates.
- Contact person, title, address and phone number.
- Fiscal agent if applicable, with contact person, title, address and phone number.
- A narrative consisting of no more than three typed pages.

## **The Budget**

On a separate page, present a line-item budget reflecting all expenses and income for the project and identifying clearly how the Foundation's funds will be used. For income indicate what has been received and what is pending.

## **Attachments**

Required attachments include:

- A list of the governing board and its officers.
- A copy of the IRS Determination Letter of 501(c)(3) status or fiscal agent's letter.
- Evidence of registration as a charitable organization with the Florida Department of Agriculture and Consumer Services.
- A copy of the organization's current fiscal year operating budget.
- Most recent Form 990 and audit.

## **Review Process**

Applications are screened first for completeness and compliance with Foundation requirements. We may request additional information or conduct site visits as needed. Proposals are then reviewed by the Board of Directors. Final approval of grants rest with the Board which meets annually in September to consider grant requests. Applicants will be notified in writing of the Board's decision as quickly as possible following this meeting.

**For more information, contact:**  
**Wilson B. Greaton, Jr., President**  
**The William R. Watts Foundation, Inc.**  
**Post Office Box 39238**  
**Fort Lauderdale, Florida 33339-9238**  
**Telephone: (954) 561-0313**

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

<u>Recipient</u>	<u>Relationship of Individual</u>	<u>Foundation Status</u>	<u>Purpose</u>	<u>Amount</u>
First Presbyterian Church of Ft. Laud 401 SE 15 Avenue Ft. Laud., FL 33301	N/A	Public	General	90,000
Boys & Girls Clubs of Broward County 877 NW 61 St. Ft. Laud , FL 33309	N/A	Public	General	90,000
United Way of Broward County 1300 S. Andrews Ave. Ft. Laud., FL 33316	N/A	Public	General	90,000
United Way of Miami-Dade 3250 SW 3 Avenue Miami, FL 33129	N/A	Public	General	90,000
Broward County Chapter/Salvation Army PO Box 230 Ft. Laud., FL 33302	N/A	Public	General	90,000
Dade Community Foundation 200 S Biscayne Blvd , #505 Miami, FL 33131	N/A	Public	General	90,000
Community Foundation of Broward 1401 E Broward Blvd , #100 Ft. Laud., FL 33301	N/A	Public	General	90,000
Habitat for Humanity of Broward, Inc 3564 N Ocean Blvd. Ft. Laud., FL 33308	N/A	Public	General	10,000
Gilda's Club of South Florida, Inc. 119 Rose Drive Ft. Laud., FL 33316	N/A	Public	General	5,000
Light of the World Clinic 806 E. Prospect Rd Oakland Park, FL 33334	N/A	Public	General	5,000
Washington University Campus Box 1228 One Brookings Drive St Louis, MO 63130	N/A	Public	General	25,000

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Recipient	Relationship of Individual	Foundation Status	Purpose	Amount
So. Fla. Council Boy Scouts of America 15255 NW 82 Ave. Miami Lakes, FL 33016	N/A	Public	General	25,000
HANDY, Inc. 501 NE 8th Street Ft. Laud., FL 33304	N/A	Public	General	20,000
Stranahan House, Inc. 335 SE 6 Avenue Ft. Laud., FL 33301	N/A	Public	General	15,000
Kids in Distress, Inc. 819 NE 26 St. Ft. Laud., FL 33305	N/A	Public	General	15,000
SOS Children's Village of Fla., Inc. 3681 NW 59 Place Coconut Creek, FL 33073	N/A	Public	General	15,000
Gateway Community Outreach, Inc. 291 SE First Terrace Deerfield Beach, FL 33441	N/A	Public	General	5,000
Hope Pregnancy Centers, Inc. 943 SW 71 Avenue North Lauderdale, FL 33068	N/A	Public	General	15,000
Leadership Broward Foundation, Inc. 1640 West Oakland Park Blvd., #400 Ft. Laud., FL 33311	N/A	Public	General	10,000
Women in Distress P O Box 676 Ft. Laud., FL 33302	N/A	Public	General	10,000
Jack & Jill Children's Center 1315 W. Broward Blvd. Ft. Laud., FL 33312	N/A	Public	General	20,000
Children's Home Society of Fla. 401 NE 4th St. Ft. Laud., FL 33301	N/A	Public	General	10,000
Bonnet House 900 N. Birch Rd. Ft. Laud., FL 33304	N/A	Public	General	10,000

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

<u>Recipient</u>	<u>Relationship of Individual</u>	<u>Foundation Status</u>	<u>Purpose</u>	<u>Amount</u>
Covenant House Fla., Inc. 733 Breakers Av. Ft Laud., FL 33304	N/A	Public	General	10,000
Henderson Mental Health Ctr 4740 N. State Road 7 #201 Lauderdale Lakes., FL 33319	N/A	Public	General	10,000
Broward Partnership for the Homeless 920 NW 7 Ave. Ft Laud , FL 33311	N/A	Public	General	5,000
Church of Brotherly Love King's Table Corp. 81 N. Deerfield Avenue, Ste. 3 Deerfield Beach, FL 33441	N/A	Public	General	5,000
Children's Harbor, Inc 19425 SW 58 Manor Pembroke Pines, FL 33332	N/A	Public	General	5,000
YMCA of Broward County, Inc 1830 West Broward Boulevard Fort Lauderdale, FL 33312	N/A	Public	General	15,000
Hospice Care of S.E. Florida 309 S.E 18th Street Fort Lauderdale, FL 33316	N/A	Public	General	5,000
<b>Total Line 3a</b>				<b>900,000</b>

**Federal Statements****Taxable Interest on Investments**

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
Interest Income	\$ 86		14	
Total	\$ 86			

**Taxable Dividends from Securities**

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
	\$ 358,116		14	
Total	\$ 358,116			

**Other Investment Income**

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
Mortgage Interest	\$ 25,747		14	
Dist. from Lim. Partnerships	\$ 37,506		14	
Total	\$ 63,253			

**The William R. Watts Foundation, Inc.**  
**Realized Gain (Loss) - Securities**  
**Form 990-PF, Part IV-Capital Gains and Losses for Tax on Investment Income**  
**FYE 10/31/10**

Security	Symbol	Qty	Date Acquired	Date Sold	Proceeds	Cost	Gain (Loss)
<b>Mutual Funds - Sales:</b>							
Vanguard Developed Mkts Index Fund	VDMIX	1,612 6610	2/9/05	11/2/09	15,000 00	14,595 46	404 54
Vanguard Inflations Protected Sec	VAIPX	1,565 0000	9/12/05	12/2/09	39,977 03	38,768 12	1,208 91
Vanguard 500 Index	VIFSX	293 0000	3/14/08	12/23/09	25,097 68	28,829 07	(3,731 39)
Dodge Cox Int'l Stock Fund	DODFX	38,318 0000	various	3/10/10	1,233,406.47	1,639,699 02	(406,292 55)
Vanguard Developed Mkts Index Fund	VDMIX	116,405 0000	various	3/10/10	1,105,797 55	1,479,645 63	(373,848 08)
Vanguard 500 Index	VIFSX	3,446 0000	3/14/08	3/10/10	301,406 13	339,061 36	(37,655 23)
Vanguard Growth Index	VIGSX	2,468 0000	11/22/06	5/25/10	59,971 81	68,682 77	(8,710 96)
SSGA Emerging Markets	SSEMX	10,719 0000	various	6/28/10	200,190 38	235,559 49	(35,369 11)
Dodge Cox Int'l Stock Fund	DODFX	1,210 0000	3/13/08	9/21/10	40,010 95	49,842 67	(9,831 72)
PIMCO Total Return Fund	PTTRX	28,262 0000	2/8/05	9/21/10	904,658 77	838,215 65	66,443 12
Templeton Global Bond Fund	TGBAX	3,660 0000	10/4/10	10/21/10	49,872 48	50,181.39	(308 91)
<b>Total - Mutual Funds Sales - FYE 10/31/10</b>					<b>3,975,389 25</b>	<b>4,783,080 63</b>	<b>(807,691 38)</b>