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

2010

For calendar year 2010, or tax year beginning , 2010, 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

Name of foundation
THE BLANCHE & GEORGE WATTS MOUTAINSIDE COMMUNITY FOUNDATION

A Employer identification number
20-2942228

Number and street (or P.O box number if mail is not delivered to street address)
210 Orchard Street

Room/suite

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

City or town, state, and ZIP code
Westfield, NJ 07090

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)* ▶ $

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)	7,750			
	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	112,485	112,485	0	
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	5,929			
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		5,929		
	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	126,164	118,414		
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)	18,550	3,710		14,840
	b	Accounting fees (attach schedule)	75			75
	c	Other professional fees (attach schedule)	23,922	19,138		4,784
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	1,374	952		0
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	2,512			2,412
	24	**Total operating and administrative expenses.** Add lines 13 through 23	46,433	23,800		22,111
	25	Contributions, gifts, grants paid	151,119			151,119
	26	**Total expenses and disbursements.** Add lines 24 and 25	197,552	23,800		173,230
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	-71,318			
	b	**Net investment income** (if negative, enter -0-)		94,614		
	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	End of year (c) Fair Market Value
Assets 1	Cash—non-interest-bearing	5,188	80,121	80,121
2	Savings and temporary cash investments			
3	Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
4	Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
7	Other notes and loans receivable (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)	554,338	304,438	306,714
b	Investments—corporate stock (attach schedule)	2,539,789	2,650,837	3,059,862
c	Investments—corporate bonds (attach schedule)	419,019	295,331	314,623
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 ▶ Simon Property LP)	-	123,688	128,442
16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	3,518,334	3,447,183	3,889,762
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	4,518,334	3,447,183	
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)	4,518,334	3,447,183	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	3,518,334	3,447,183	

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	3,518,334
2	Enter amount from Part I, line 27a	2	-71,318
3	Other increases not included in line 2 (itemize) ▶ Tax Refund	3	235
4	Add lines 1, 2, and 3	4	3,447,183
5	Decreases not included in line 2 (itemize) ▶	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	3,447,183

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				
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	5,929
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))
2009	175,020	3,386,970	0.0517
2008	211,094	3,921,261	0 0538
2007	166,232	4,408,314	0 0317
2006	48,300	3,743,541	0.0129
2005	46	3,125,743	0 0000

2	**Total** of line 1, column (d)	2	0 1561
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	0.03122
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	3,619,504
5	Multiply line 4 by line 3	5	113,001
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	946
7	Add lines 5 and 6	7	113,947
8	Enter qualifying distributions from Part XII, line 4	8	174,366

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	946	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	946	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		
6	Credits/Payments:			
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a — 422 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	422	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	524	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 2011 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 2010 or the taxable year beginning in 2010 (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

			Yes	No
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		✓

See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶

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

			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 22 of the instructions)?	1b		

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

			Yes	No
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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☑ No

If "Yes," list the years ▶ 20____, 20____, 20____, 20____

			Yes	No
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 22 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

			Yes	No
b	If "Yes," did it have excess business holdings in 2010 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 2010.)*	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 2010?	4b		✓

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
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, Mountainside, 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	Director/PT	0	0	0
Reverend Christopher Belden 1449 Deer Path, Mountainside, NJ	Director/PT	0	0	0
Patricia Connelly 323 Partridege Run, Mountainside, NJ	Director/PT	0	0	0
Vasy Hondecker 373 Short Drive, Mpountainside, NJ	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 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	3,616,964
b	Average of monthly cash balances	1b	57,659
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	3,674,623
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	3,674,625
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see page 25 of the instructions)	4	55,119
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,619,504
6	**Minimum investment return.** Enter 5% of line 5	6	180,975

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	180,975
2a	Tax on investment income for 2010 from Part VI, line 5	2a	946		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	946
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	180,029
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	180,029
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	180,029

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	173,230
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	173,230
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	946
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	172,284

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 2009	(c) 2009	(d) 2010
1	Distributable amount for 2010 from Part XI, line 7				180,029
2	Undistributed income, if any, as of the end of 2010:				
a	Enter amount for 2009 only			168,361	
b	Total for prior years: 20___,20___,20___				
3	Excess distributions carryover, if any, to 2010:				
a	From 2005				
b	From 2006				
c	From 2007				
d	From 2008				
e	From 2009				
f	**Total** of lines 3a through e				
4	Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 173,420				
a	Applied to 2009, but not more than line 2a			168,361	
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 2010 distributable amount				5,059
e	Remaining amount distributed out of corpus				
5	Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*				
6	**Enter the net total of each column as indicated below:**				
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b	Prior years' undistributed income. Subtract line 4b from line 2b				
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e	Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0	
f	Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				174,970
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 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9	**Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a				
10	Analysis of line 9:				
a	Excess from 2006				
b	Excess from 2007				
c	Excess from 2008				
d	Excess from 2009				
e	Excess from 2010				

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 2010, 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) 2010	(b) 2009	(c) 2008	(d) 2007	(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 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).)

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.

BNone

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, Westfield, 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 & a proposal for use of funds.

c Any submission deadlines:

March, June & September 15

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

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*				
American Red Cross 321 Elm Street, Westfield, NJ 07090	N/A	501C-3	Haitian Relief	3,242
Franklin & Marshall Lancaster, PA	N/A	501C-3	Sch. Elena Lopez	4,821
Rutgers Master Gardeners 300 North Avenue East, Westfield, NJ 07090	N/A	501C-3	Irrigation System	4,700
Youth & family Counseling 223 Prospect St., Westfield, NJ 07090	N/A	501C-3	Walk-in Crisis Program	3,000
Community Presbyterian Church 1495 Deer Path, Mountainside, NJ 07092	N/A	501C-3	Draperies & Choral Event	2,660
Summit Speech School 705 Central Avenue, New Providence, NJ	N/A	501C-3	General Purposes	3,000
Center for Hope Hospice Scotch Plains, NJ	N/A	501C-3	General Purposes	10,000
Govenor Livingston HS Berleley Heights, NJ	N/A	501C-3	Project Graduation	500
Mountainside Recreation Department 1385 Highway 22, Mountainside, NJ 07092	N/A	501C-3	Basketball Court	8,863
Drexel University Philadelphia, PA	N/A	501C-3	Sch. for Ayesha Rele	5,000
Georgia Institute of Technology Atlanta, GA	N/A	501C-3	Sch. for Mark DeGaeteno	15,000
Mountainside Public Library Constitution Plaza, Mountainside, NJ 07092	N/A	501C-3	Folk Music Cafe & etc.	10,100
Westfield Daycare Center Westfield, NJ 07090	N/A	501C-3	General Purposes	3,000
Sage Eldercare 290 Broad Street, Summit, NJ	N/A	501C-3	Eldercare Program	40,000
Mountainside Rescue Squad Mountainside, NJ 07092	N/A	501C-3	General Purposes	7,700
NJ Intergenerational Orchestra 60 Locust Avenue, Berkeley Heights, NJ	n/a	501c-3	General Purposes	750
Total . . . . . ▶ 3a				Continued
b *Approved for future payment*				
Total . . . . . ▶ 3b				

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*				
NJ PAC One Center Street, Newark, NJ	N/A	501C-3	General Purposes	6,000
Children's Specialized Hospital Foundation Mountainside, NJ 07092	N/A	501C-3	General Purposes	15,000
Doctors Without Borders New York, NY	N/A	501C-3	Haitian Relief	7,783
Total . . . . ▶ 3a				151,119
b *Approved for future payment*				
Total . . . . ▶ 3b				

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	112,485		
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 . .		18	5,929		
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				118,414	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 118,414

(See worksheet in line 13 instructions on page 29 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 — Signature of officer or trustee | 4/21/11 — Date | President — Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Thomas C. Phelan	Thomas C Phelan	4/21/11		P00783791
Firm's name ▶ Nichols, Thomson, Peek & Phelan			Firm's EIN ▶	22-1633415
Firm's address ▶ 210 Orchard Street, Westfield, NJ 07090			Phone no.	908 232-2244

THE BLANCHE & GEORGE WATTS
MOUNTAINSIDE COMMUNITY FOUNDATION
2010 FORM 990-PF
ADDENDUM TO PART 1, LINES 16A, 16C, 18 and 23

LINE 16A	NICHOLS, THOMSON, PEEK & PHELAN-Legal Fees	$18,580.00
LINE 16C	PEAPACK GLADSTONE BANK-Fees	$23,922.00
LINE 18	FEDERAL EXCISE TAX Estimate for 2010	$ 422.00
	Foreign taxes paid	$ 952.00
LINE 23	NJ DIVISION OF CONSUMER AFFAIRS 2009 registration fee	$ 30.00
	Annual Foundation meeting	$ 2,512.00

Statement of Value and Activity

May 1, 2010 - December 31, 2010

Asset Detail

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Unrealized G/L	Est. Ann. Income
Cash & Equivalents						
Money Market Funds						
Peapack-Gladstone Money Market	80,120.76	1.00	$80,120.76	$80,120.76	$0.00	$320.48
Total Cash & Equivalents			$80,120.76	$80,120.76	$0.00	$320.48
Equity						
Consumer Discretionary						
Home Depot Inc TICKER: HD	2,000.00	35.06	$70,120.00	$68,805.48	$1,314.52	$1,890.00
Disney Walt Co New TICKER: DIS	1,500.00	37.51	$56,265.00	$36,129.07	$20,135.93	$600.00
			$126,385.00	$104,934.55	$21,450.45	$2,490.00
Consumer Staples						
Pepsico Inc TICKER: PEP	1,500.00	65.33	$97,995.00	$91,115.83	$6,879.17	$2,880.00
Sysco Corp TICKER: SYY	3,000.00	29.40	$88,200.00	$81,684.30	$6,515.70	$3,120.00
Procter & Gamble Co TICKER: PG	1,000.00	64.33	$64,330.00	$54,119.95	$10,210.05	$1,927.00
			$250,525.00	$226,920.08	$23,604.92	$7,927.00
Energy						
Schlumberger Ltd TICKER: SLB	1,000.00	83.50	$83,500.00	$59,476.39	$24,023.61	$840.00
Chevron Corporation TICKER: CVX	1,000.00	91.25	$91,250.00	$61,332.48	$29,917.52	$2,880.00

0019605 - 4700502

Statement of Value and Activity

May 1, 2010 - December 31, 2010

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Unrealized G/L	Est. Ann. Income
Exxonmobil Corp TICKER: XOM	500.00	73.12	$36,560.00	$29,505.50	$7,054.50	$880.00
Total S.A. Spons ADR TICKER: TOT	1,000.00	53.48	$53,480.00	$54,861.90	-$1,381.90	$2,483.00
			$264,790.00	$205,176.27	$59,613.73	$7,083.00
Financials						
Goldman Sachs Group Inc TICKER: GS	650.00	168.16	$109,304.00	$77,661.29	$31,642.71	$910.00
JP Morgan Chase & Co TICKER: JPM	2,500.00	42.42	$106,050.00	$99,968.13	$6,081.87	$500.00
Northern TR Corp TICKER: NTRS	1,000.00	55.41	$55,410.00	$47,979.23	$7,430.77	$1,120.00
			$270,764.00	$225,608.65	$45,155.35	$2,530.00
Health Care						
Abbott Labs TICKER: ABT	2,000.00	47.91	$95,820.00	$94,699.46	$1,120.54	$3,520.00
Teva Pharmaceutical Inds Spons ADR TICKER: TEVA	1,250.00	52.13	$65,162.50	$63,043.53	$2,118.97	$833.75
Express Scripts Inc CL A TICKER: ESRX	1,750.00	54.05	$94,587.50	$76,609.83	$17,977.67	$0.00
Amgen Inc TICKER: AMGN	500.00	54.90	$27,450.00	$19,719.95	$7,730.05	$0.00
			$283,020.00	$254,072.77	$28,947.23	$4,353.75
Industrials						
General Electric Corp TICKER: GE	1,000.00	18.29	$18,290.00	$34,405.52	-$16,115.52	$560.00

0019606 - 4700502

Statement of Value and Activity

May 1, 2010 - December 31, 2010

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Unrealized G/L	Est. Ann. Income
Basic Materials						
BHP Billiton Ltd Spons ADR TICKER: BHP	1,000.00	92.92	$92,920.00	$54,970.00	$37,950.00	$1,740.00
Air Products & Chemicals Inc TICKER: APD	1,000.00	90.95	$90,950.00	$70,650.33	$20,299.67	$1,960.00
Du Pont E I De Nemours & Co TICKER: DD	1,750.00	49.88	$87,290.00	$64,539.83	$22,750.17	$2,870.00
			$271,160.00	$190,160.16	$80,999.84	$6,570.00
Equity Mutual Funds						
Powershares Qqq Trust TICKER: QQQQ	3,000.00	54.46	$163,380.00	$138,449.74	$24,930.26	$1,083.00
SPDR S&P Midcap 400 ETF Trust TICKER: MDY	1,500.00	164.68	$247,020.00	$212,633.93	$34,386.07	$2,254.50
			$410,400.00	$351,083.67	$59,316.33	$3,337.50
Total Equity			$2,805,308.50	$2,396,283.62	$409,024.88	$47,536.25
Fixed Income						
Government Securities						
Federal Home Loan Bank DTD 12/27/2007 5.000% 12/27/2017 Callable	50,000.00	104.43	$52,216.00	$50,000.00	$2,216.00	$2,500.00
Federal National Mortgage Assn DTD 02/14/2008 5.050% 02/14/2023 Callable	180,000.00	100.44	$180,783.00	$179,437.50	$1,345.50	$9,090.00

0019607 - 4700502

Statement of Value and Activity

May 1, 2010 - December 31, 2010

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Unrealized G/L	Est. Ann. Income
Simon Property Group LP DTD 12/12/2006 5.000% 03/01/2012 Callable	125,000.00	102.76	$128,443.75	$123,687.50	$4,756.25	$6,250.00
			$443,067.30	$419,018.75	$24,048.55	$26,840.00
Preferred Stocks Nonconvertible						
BAC Capital Trust III 7.000% Preferred Due 08/15/2032 Callable	5,750.00	24.32	$139,840.00	$136,956.31	$2,883.69	$10,062.50
Goldman Sachs Group Inc 6.200% Preferred Series B Callable	4,750.00	24.15	$114,712.50	$110,364.65	$4,347.85	$7,362.50
			$254,552.50	$247,320.96	$7,231.54	$17,425.00
Total Fixed Income			$1,004,333.05	$970,777.21	$33,555.84	$58,397.50
Total All Assets			**$3,889,762.31**	**$3,447,181.59**	**$442,580.72**	**$106,254.23**

0019608 - 4700502

2010 Tax Information Statement

BLANCHE M & GEORGE L WATTS

Account Number: 009256
Tax ID Number: 20-2942228

New Jersey Supplemental Capital Gains and Losses Detail

Number of shares	CUSIP	Description	Date Acquired	Date of Sale	Stocks Bonds, etc.	Cost or other Basis	Net Gain or Loss
Short Term Sales							
250.0000	088606108	BHP BILLITON LTD SPONS ADR	05/20/2009	01/12/2010	19,629.78	13,742.50	5,887.28
250.0000	617446448	MORGAN ST DEAN WITTER & CO COM	03/10/2009	01/13/2010	7,674.93	4,714.75	2,960.18
250.0000	30231G102	EXXON MOBIL CORPORATION	02/03/2009	02/02/2010	16,667.32	19,347.48	-2,680.16
200.0000	931142103	WAL-MART STORES INCORPORATED	06/26/2009	02/02/2010	10,659.88	9,736.00	923.88
250.0000	502424104	L3 COMMUNICATIONS HOLDINGS INC	07/13/2009	02/12/2010	21,669.77	16,572.30	5,097.47
75.0000	336433107	FIRST SOLAR INC	06/18/2009	03/23/2010	8,299.40	12,926.47	-4,627.07
25.0000	336433107	FIRST SOLAR INC	06/18/2009	03/23/2010	2,766.47	4,308.82	-1,542.35
75.0000	336433107	FIRST SOLAR INC	10/29/2009	03/23/2010	8,299.40	9,532.88	-1,233.48
500.0000	075887109	BECTON DICKINSON & CO COM	04/27/2009	03/24/2010	39,679.70	32,654.95	7,024.75
125.0000	78462F103	S&P DEPOSITARY RECEIPTS SERIES 1	03/24/2010	04/19/2010	14,827.31	14,670.00	157.31
125.0000	78462F103	S&P DEPOSITARY RECEIPTS SERIES 1	03/24/2010	04/19/2010	14,827.31	14,670.00	157.31
250.0000	78462F103	S&P DEPOSITARY RECEIPTS SERIES 1	01/21/2010	04/19/2010	29,654.63	27,997.47	1,657.16
100.0000	61166W101	MONSANTO CO NEW COM	11/04/2009	04/22/2010	6,514.97	6,935.91	-420.94
150.0000	336433107	FIRST SOLAR INC	VARIOUS	05/03/2010	21,766.82	17,573.43	4,193.39
500.0000	088606108	BHP BILLITON LTD SPONS ADR	VARIOUS	06/21/2010	35,402.40	34,829.68	572.72
4000.0000	28336L109	EL PASO CORPORATION	VARIOUS	06/21/2010	51,039.53	41,094.60	9,944.93

2010 Tax Information Statement

Account Number: 009256
Tax ID Number: 20-2942228

BLANCHE M & GEORGE L WATTS

New Jersey Supplemental Capital Gains and Losses Detail

Number of shares	CUSIP	Description	Date Acquired	Date of Sale	Stocks Bonds, etc.	Cost or other Basis	Net Gain or Loss
250.0000	71654V408	PETROLEO BRASILEIRO SA SPONS ADR	02/02/2010	07/13/2010	8,967.37	10,522.50	-1,555.13
50000.0000	31398AUZ3	FNMA 3.220% 1/27/16	11/23/2009	07/27/2010	50,000.00	49,925.00	75.00
250.0000	088606108	BHP BILLITON LTD SPONS ADR	05/21/2010	08/10/2010	18,229.72	15,454.88	2,774.84
250.0000	78462F103	S&P DEPOSITARY RECEIPTS SERIES 1	VARIOUS	08/10/2010	27,919.66	27,499.57	420.09
250.0000	78462F103	S&P DEPOSITARY RECEIPTS SERIES 1	VARIOUS	08/17/2010	27,249.72	26,637.89	611.83
250.0000	00724F101	ADOBE SYS INC	07/16/2010	09/17/2010	8,207.81	6,999.98	1,207.83
250.0000	760975102	RESEARCH IN MOTION LIMITED	VARIOUS	09/17/2010	11,790.48	18,748.25	-6,957.77
250.0000	25154A108	DB CONT CAP TRUST III 7.600% PFD	06/21/2010	10/14/2010	6,711.89	5,898.08	813.81
1500.0000	25154A108	DB CONT CAP TRUST III 7.600% PFD	VARIOUS	10/20/2010	39,044.34	35,229.15	3,815.19
1000.0000	369622493	GENERAL ELECTRIC CAPITAL CORP 5.875% PFD	07/16/2010	10/20/2010	25,229.57	25,047.80	181.77
1250.0000	665859104	NORTHERN TR CORP	VARIOUS	10/22/2010	59,489.37	63,572.30	-4,082.93
250.0000	89151E109	TOTAL S.A. SPONS ADR	03/05/2010	10/22/2010	13,586.07	14,467.48	-881.41
700.0000	458140100	INTEL CORPORATION	VARIOUS	11/23/2010	14,624.01	15,945.93	-1,321.92
250.0000	806857108	SCHLUMBERGER LIMITED	05/21/2010	11/23/2010	18,732.86	15,034.55	3,698.31
250.0000	760975102	RESEARCH IN MOTION LIMITED	VARIOUS	11/30/2010	15,565.42	16,590.48	-1,025.06
250.0000	806857108	SCHLUMBERGER LIMITED	05/21/2010	12/15/2010	20,204.69	15,034.55	5,170.14
Total Short Term Sales					**674,932.60**	**643,915.63**	**31,016.97**

Important Tax Return Documents Enclosed

2010 Tax Information Statement

Account Number: .009256
Tax ID Number: 20-2942228

BLANCHE M & GEORGE L WATTS

New Jersey Supplemental Capital Gains and Losses Detail

Number of shares	CUSIP	Description	Date Acquired	Date of Sale	Stocks Bonds, etc.	Cost or other Basis	Net Gain or Loss
Long Term 15% Sales							
250.0000	H8817H100	TRANSOCEAN LTD	01/06/2006	01/08/2010	23,014.46	18,582.50	4,431.96
250.0000	502424104	L3 COMMUNICATIONS HOLDINGS INC	08/03/2006	01/12/2010	21,937.25	18,008.87	3,928.38
250.0000	369604103	GENERAL ELEC CO	01/06/2006	01/13/2010	4,127.48	8,857.20	-4,729.72
500.0000	617446448	MORGAN ST DEAN WITTER & CO COM	11/24/2008	01/13/2010	15,349.86	6,670.00	8,679.86
350.0000	25154A108	DB CONT CAP TRUST III 7.600% PFD	02/15/2008	02/05/2010	8,390.13	8,802.50	-412.37
300.0000	25154A108	DB CONT CAP TRUST III 7.600% PFD	02/15/2008	02/05/2010	7,191.54	7,545.00	-353.46
350.0000	25154A108	DB CONT CAP TRUST III 7.600% PFD	04/28/2008	02/05/2010	8,390.13	8,788.50	-398.37
40000.0000	3128X7L28	FHLMC MTN 6.000% 7/07/23	06/17/2008	02/11/2010	40,500.00	40,000.00	500.00
50.0000	009158106	AIR PRODUCTS AND CHEMICALS INC	05/02/2007	03/05/2010	3,656.46	3,850.67	-194.21
200.0000	009158106	AIR PRODUCTS AND CHEMICALS INC	05/02/2007	03/05/2010	14,625.86	15,402.66	-776.80
100.0000	61166W101	MONSANTO CO NEW COM	06/20/2008	03/05/2010	7,228.93	14,015.00	-6,786.07
150.0000	61166W101	MONSANTO CO NEW COM	07/01/2008	03/05/2010	10,843.39	18,791.56	-7,948.17
75.0000	336433107	FIRST SOLAR INC	01/16/2009	03/23/2010	8,299.40	11,007.90	-2,708.50
25.0000	336433107	FIRST SOLAR INC	01/16/2009	03/23/2010	2,766.47	3,669.30	-902.83
250.0000	502424104	L3 COMMUNICATIONS HOLDINGS INC	03/18/2009	03/23/2010	23,532.20	15,501.75	8,030.45
500.0000	171232101	CHUBB CORP	01/09/2006	03/24/2010	25,819.92	24,655.00	1,164.92
500.0000	22160K105	COSTCO WHOLESALE CORP COM	01/09/2006	03/24/2010	30,149.72	25,064.95	5,084.77

Important Tax Return Documents Enclosed

2010 Tax Information Statement

Account Number: 009256
Tax ID Number: 20-2942228

BLANCHE M & GEORGE L WATTS

New Jersey Supplemental Capital Gains and Losses Detail

Number of shares	CUSIP	Description	Date Acquired	Date of Sale	Stocks Bonds, etc.	Cost or other Basis	Net Gain or Loss
500.0000	369604103	GENERAL ELEC CO	01/06/2006	03/24/2010	9,319.93	17,714.40	-8,394.47
150.0000	61166W101	MONSANTO CO NEW COM	07/01/2008	03/24/2010	10,969.59	18,791.56	-7,821.97
200.0000	61166W101	MONSANTO CO NEW COM	05/13/2008	03/24/2010	14,626.11	23,888.88	-9,262.77
500.0000	254687106	DISNEY WALT CO	04/21/2008	03/29/2010	17,484.76	15,635.00	1,849.76
250.0000	713448108	PEPSICO INCORPORATED	01/25/2008	04/14/2010	16,442.25	17,292.50	-850.25
500.0000	369604103	GENERAL ELEC CO	01/06/2006	04/16/2010	9,329.89	17,714.40	-8,384.51
150.0000	61166W101	MONSANTO CO NEW COM	05/13/2008	04/22/2010	9,772.45	17,916.66	-8,144.21
200.0000	336433107	FIRST SOLAR INC	VARIOUS	05/03/2010	29,022.42	22,370.90	6,651.52
500.0000	H8817H100	TRANSOCEAN LTD	VARIOUS	05/12/2010	35,090.46	30,626.88	4,463.58
500.0000	H8817H100	TRANSOCEAN LTD	01/06/2009	05/21/2010	29,474.50	28,508.30	966.20
35000.0000	3128X7L28	FHLMC MTN 6.000% 7/07/23	06/17/2008	07/07/2010	35,000.00	35,000.00	0.00
1250.0000	71654V408	PETROLEO BRASILEIRO SA SPONS ADR	VARIOUS	07/13/2010	44,836.87	69,086.32	-24,249.45
1000.0000	74834L100	QUEST DIAGNOSTICS INC	VARIOUS	07/21/2010	46,868.52	51,211.04	-4,342.54
500.0000	74834L100	QUEST DIAGNOSTICS INC	VARIOUS	07/21/2010	23,259.66	25,024.75	-1,765.09
1000.0000	617446448	MORGAN ST DEAN WITTER & CO COM	11/24/2008	07/22/2010	26,599.65	13,340.00	13,259.65
800.0000	931142103	WAL-MART STORES INCORPORATED	06/26/2009	07/22/2010	40,639.39	38,944.00	1,695.39
800.0000	594918104	MICROSOFT CORPORATION	01/09/2006	08/09/2010	20,345.09	21,941.55	-1,596.46
800.0000	594918104	MICROSOFT CORPORATION	01/09/2006	08/09/2010	-20,345.09	-21,941.55	1,596.46

Important Tax Return Documents Enclosed

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2010 Tax Information Statement

Account Number: 009256
Tax ID Number: 20-2942228

BLANCHE M & GEORGE L WATTS

New Jersey Supplemental Capital Gains and Losses Detail

Number of shares	CUSIP	Description	Date Acquired	Date of Sale	Stocks Bonds, etc.	Cost or other Basis	Net Gain or Loss
275.0000	78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	VARIOUS	09/07/2010	38,108.89	41,015.91	-2,907.02
250.0000	25154A108	DB CONT CAP TRUST III 7.600% PFD	04/28/2008	09/09/2010	6,432.42	6,277.50	154.92
1000.0000	00724F101	ADOBE SYS INC	VARIOUS	09/17/2010	32,831.24	40,612.50	-7,781.26
500.0000	031162100	AMGEN INC COM	VARIOUS	09/24/2010	27,687.23	28,917.00	-1,229.77
500.0000	031162100	AMGEN INC COM	VARIOUS	09/30/2010	27,630.24	23,337.98	4,292.26
500.0000	031162100	AMGEN INC COM	03/20/2008	09/30/2010	27,630.23	19,719.95	7,910.28
500.0000	031162100	AMGEN INC COM	03/20/2008	09/30/2010	-27,630.23	-19,719.95	-7,910.28
750.0000	00211G208	AT&T INC 6.375% PFD	VARIOUS	10/14/2010	20,339.65	19,002.50	1,337.15
250.0000	25154A108	DB CONT CAP TRUST III 7.600% PFD	04/28/2008	10/14/2010	6,711.89	6,277.50	434.39
500.0000	25154A108	DB CONT CAP TRUST III 7.600% PFD	11/24/2008	10/20/2010	13,014.78	6,788.00	6,226.78
750.0000	053015103	AUTOMATIC DATA PROCESSING INC	VARIOUS	10/22/2010	32,685.80	31,739.53	946.27
1000.0000	882508104	TEXAS INSTRUMENTS INC	VARIOUS	11/18/2010	31,211.47	20,078.88	11,132.59
Total Long Term 15% Sales					**891,213.26**	**916,326.25**	**-25,113.01**

Long Term 15% Sales

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Important Tax Return Documents Enclosed