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

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			ly be able to use a copy of triis		reporting requirements.	LVII
		ndar year 2011 or tax year beginning		, and ending		
Na	me o	f foundation	• *		A Employer identificat	tion number
-		N II WAMAON OWADIMADI	- FOIDIDAMION		70 12702	2.2
		N H. WATSON CHARITABLE and street (or P O box number if mail is not delivered to str		Room/su	72-137239	93
			eer address)	Hoom/st	D reichment namber	4 6721
		BOX 1207				1-6721
		own, state, and ZIP code			C If exemption application	is pending, check here
		HAN, AL 36302			<u> </u>	
G	Sneci	k all that apply:		ormer public charity	D 1 Foreign organizati	ons, check here
		Final return	Amended return		Foreign organizations	meeting the 85% test.
		Address change	Name change		Foreign organizations 2. check here and attack	n computation
Н_	_		exempt private foundation		E If private foundation	
		ection 4947(a)(1) nonexempt charitable trust	Other taxable private founda		under section 507(b))(1)(A), check here
		· I —	nting method: X Cash	Accrual		a 60-month termination
			Other (specify)	<u> </u>	under section 507(b)	(1)(B), check here
	<u> </u>	3,239,159. (Part I, co				(4)
Pa	art 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))	(a) Revenue and expenses per books	(b) Net investmen income	t (c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
	1	Contributions, gifts, grants, etc., received			N/A	
	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	58,514.	58,51	4.	STATEMENT 1
	5a	Gross rents				
	b	Net rental income or (loss)	4.		*/	
ā	6a	Net gain or (loss) from sale of assets not on line 10	76,344.	* ,		
n e	b	Gross sales price for all assets on line 6a 995,495.	1,287,			
Revenue	7	Capital gain net income (from Part IV, line 2)	, ,	76,34	4.	
—	8	Net short-term capital gain	` ~	/ * *		
	9	Income modifications	₹. ₹5	**		
	10a	Gross sales less returns and allowances	, , , , , , , , , , , , , , , , , , ,	· · · · · · · · · · · · · · · · · · ·		
	b	Less Cost of goods sold			<u> </u>	
	C	Gross profit or (loss)				
	11	Other income	29.		9.	STATEMENT 2
	12	Total Add lines 1 through 11	134,887.	<u>134,88</u>	7.	
	13	Compensation of officers, directors, trustees, etc	0.		0.	0.
	14	Other employee salaries and wages				
w	15	Pension plans, employee benefits				
	16a	Legal fees				
per	b	Accounting fees STMT 3	1,259.	1,25		0.
Ÿ.	C	Other professional fees STMT 4	24,290.	24,29	0.	0.
₩	17	SECEIVED STMT 5				
Operating and Administrative Expense	18-		130.		0.	0.
ESE.	8	Depreciation and depletion QAA Pandy 9 2012				
Ę	30	四种种型 9 2012 草				
₽,	2[ravel, conferences, and meetings				
аЩ	22	STMT 6		<u></u>		
ing	23.		68.	6	8.	0.
rat	24	Total operating and administrative		4 - 4 :	_	_
dC		expenses Add lines 13 through 23	25,747.	25,61	7.	0.
•	25	Contributions, gifts, grants paid	375,069.			375,069.
	26	Total expenses and disbursements.	100 00 0	A = 64	_	
		Add lines 24 and 25	400,816.	25,61	7.	375,069.
	27	Subtract line 26 from line 12:				
		Excess of revenue over expenses and disbursements	<265,929.			
		Net investment income (if negative, enter -0-)		109,27		
1235		Adjusted net income (if negative, enter -0-)			N/A	
12350	-11	LHA For Paperwork Reduction Act Notice, see	e instructions			Form 990-PF (2011)

Form **990-PF** (2011)

		0-PF (2011) JOHN H. WATSON CHARITAB	LE FOUNDATION	ON 72-1372393			
F	art	Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of	`		
<u>-</u>	<u> </u>	column should be for end-of-year amounts only	(a) Book Value	(b) Book Value	(c) Fair Market Value		
	1	Cash - non-interest-bearing	22,640.	4,244.			
	2	Savings and temporary cash investments	5,136.	2,179.	2,179.		
	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					
	7	Other notes and toans receivable					
"	i .	Less' allowance for doubtful accounts ▶					
Assets		Inventories for sale or use					
Ass		Prepaid expenses and deferred charges	_				
•	1	Investments - U.S. and state government obligations	2 425 420	2 100 063	2 020 526		
	1	Investments - corporate stock STMT 7	3,437,439.	3,192,863.	3,232,736.		
		Investments - corporate bonds					
	11	Investments - land, buildings, and equipment basis					
	4.0	Less accumulated depreciation					
		Investments - mortgage loans					
	13	Investments - other					
	14	Land, buildings, and equipment: basis					
	45	Less accumulated depreciation					
	15	Other assets (describe ►)					
	16	Total assets (to be completed by all filers)	3,465,215.	3,199,286.	3,239,159.		
_	1	Accounts payable and accrued expenses	3,403,213.	3,177,200.	3,233,133.		
	18	Grants payable					
'n	19	Deferred revenue					
Liabilities	l	Loans from officers, directors, trustees, and other disqualified persons					
ig	21	Mortgages and other notes payable					
Ë	1	Other liabilities (describe					
	23	Total liabilities (add lines 17 through 22)	0.	0.			
		Foundations that follow SFAS 117, check here					
		and complete lines 24 through 26 and lines 30 and 31					
çes	24	Unrestricted	3,465,215.	3,199,286.			
lan	25	Temporarily restricted					
Fund Balances	26	Permanently restricted					
пп		Foundations that do not follow SFAS 117, check here					
οF		and complete lines 27 through 31.					
ts o		Capital stock, trust principal, or current funds					
Net Assets	28	Paid-in or capital surplus, or land, bldg., and equipment fund					
Ä	29	Retained earnings, accumulated income, endowment, or other funds	2 455 245	2 100 006			
Š	30	Total net assets or fund balances	3,465,215.	3,199,286.			
	١		2 465 215	2 100 206			
_	31	Total liabilities and net assets/fund balances	3,465,215.	3,199,286.			
P	art_	Analysis of Changes in Net Assets or Fund Ba	alances				
1	Total	net assets or fund balances at beginning of year - Part II, column (a), line 3	30	<u>. </u>			
		at agree with end-of-year figure reported on prior year's return)	1	3,465,215.			
2	Ente	amount from Part I, line 27a		2	<265,929.>		
3	Othe	r increases not included in line 2 (itemize)		3	0.		
4	Add	ines 1, 2, and 3		4	3,199,286.		
		eases not included in line 2 (itemize)		5	0.		
<u>6</u>	Total	net assets or fund balances at end of year (line 4 minus line 5) - Part II, co	lumn (b), line 30	6	3,199,286.		
					Form 990-PF (2011)		

·····	and Losses for Tax on li ribe the kind(s) of property sold (e.ç		t Income	(b) How	acquired	(c) Date acquire	ed (d) Date sold
	arehouse; or common stock, 200 sh			D - Pui		(mo., day, yr.)	(mo., day, yr.)
1a REGIONS BANK -	AG ACCOUNT				P	VARIOUS	VARIOUS
b REGIONS BANK -	SNOW ACCOUNT				P	VARIOUS	VARIOUS
<u>C</u>							
d	······		-				
<u>e</u>	(6) Danzaustran allawad	(=) Co.	at or other book			(h) Coin or (loce)
(e) Gross sales price	(f) Depreciation allowed (or allowable)		st or other basis expense of sale			(h) Gain or ((e) plus (f) mil	
a 712,794.	•		676,18	3.			36,611.
b 282,701.			242,96				39,733.
C							
<u>d</u>					· ·· · · ·-	····	
Complete only for accets chown	 ig gain in column (h) and owned by	the foundation	on 12/21/60) On (Onl. (b)	
Complete only for assets shown	(j) Adjusted basis) Gaıns (Col. (h) . (k), but not less	
(i) F.M.V. as of 12/31/69 (j) Adjusted basis (k) Excess of col (i) over col. (j), if any				Losses (from o	ol. (h))		
a						· · · · · · · · · · · · · · · · · · ·	36,611.
b							39,733.
С							
d							
<u>e</u>		1			1		
0. Oantal and antiques as /act or	apital loss) { If gain, also ente If (loss), enter -C	r ın Part I, line	7	}			76 244
2 Capital gain net income or (net ca	•		7	1 2			76,344.
3 Net short-term capital gain or (los if gain, also enter in Part I, line 8,		nd (6):		٦			
If (loss), enter -0- in Part I, line 8	column (c).) ₃		N	/A
	nder Section 4940(e) for	Reduced	Tax on Net	Invest	ment Inc		
If section 4940(d)(2) applies, leave the Was the foundation liable for the sec if "Yes," the foundation does not qual 1. Enter the appropriate amount in	tion 4942 tax on the distributable an	omplete this pa	ırt.				Yes X No
(a) Base period years	(b) Adjusted qualifying dis	tributions	Net value of nor	(c)	2-1150 255015	Di (aal (b	(d) stribution ratio
Calendar year (or tax year beginni 2010		3,988.	ivet value of fior		54,411	(COI. (D) divided by col. (c)) • 189868
2009		9,092.			34,411 $34,588$	•	.201218
2008		3,358.			$\frac{34}{16}, 757$.219662
2007		7,483.			25,721		.101477
2006	12	3,621.		2,32	L3,489		.053435
2 Total of line 1, column (d)						2	.765660
3 Average distribution ratio for the		on line 2 by 5,	or by the number of	of years			152122
the foundation has been in exister	nce it less than 5 years					3	.153132
4 Enter the net value of noncharitat	ole-use assets for 2011 from Part X	line 5				4	3,483,948.
The first value of honorariae	no use assets for zo 11 honri art X,	iiio o				7	3,403,540.
5 Multiply line 4 by line 3						5	533,504.
•							-
6 Enter 1% of net investment incon	ne (1% of Part I, line 27b)					6	1,093.
							FA4
7 Add lines 5 and 6						7	534,597.
8 Enter qualifying distributions from	n Part XII. line 4					8	375,069.
, , ,	Ine 7, check the box in Part VI, line	th, and comp	lete that part using	1 a 1% tax	rate.	<u> </u>	
See the Part VI instructions.	,						

-:-	n 990-PF (2011) JOHN H. WATSON CHARITABLE FOUNDATION 72-137 ort VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see			Page 4 ns)
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%		2,1	<u>85.</u>
	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-)			0.
3	Add lines 1 and 2		2,1	<u>85.</u>
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			<u>0.</u>
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		2,1	<u>85.</u>
6	Credits/Payments:			
а	2011 estimated tax payments and 2010 overpayment credited to 2011 6a 2,172.			
	Exempt foreign organizations - tax withheld at source			
	Tax paid with application for extension of time to file (Form 8868)			
	Backup withholding erroneously withheld			
	Total credits and payments. Add lines 6a through 6d		<u>2,1</u>	<u>72.</u>
	Enter any penalty for underpayment of estimated tax. Check here if Form 2220 is attached 8			
	Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed			13.
	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
	Enter the amount of line 10 to be: Credited to 2012 estimated tax			
	rt VII-A Statements Regarding Activities	т	Voc	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	-	163	_
	any political campaign?	1a_	<u> </u>	X
D	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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	1.	ł	х
	Did the foundation file Form 1120-POL for this year? The the amount (if any) of the on political expenditures (control 4055) imposed during the year.	1c		
a	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$\int \text{\$0.} \			
	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation			
6	managers. > \$ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		х
_	If "Yes," attach a detailed description of the activities	-		
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or			
Ŭ	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
	If "Yes," has it filed a tax return on Form 990-T for this year? N/A	4b		
	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		X
	If "Yes," attach the statement required by General Instruction T.			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:			
	By language in the governing instrument, or			
	By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law			
	remain in the governing instrument?	6	X	
7	Did the foundation have at least \$5,000 in assets at any time during the year?	7	Х	
	If "Yes," complete Part II, col. (c), and Part XV			
8a	Enter the states to which the foundation reports or with which it is registered (see instructions)			
	AL			
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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		<u>X</u>
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	<u>10</u> m 99 0	DE	X
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	990-PF (2011) JOHN H. WATSON CHARITABLE FOUNDATION 72-1372	<u> 2393</u>		Page 5
Pa	rt VII-A Statements Regarding Activities (continued)			r -
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of			
	section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges?			
	If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
	Website address ► N/A			
14	The books are in care of ▶ JOHN H. WATSON Telephone no. ▶ (334)			<u>21 </u>
	Located at ►P.O. BOX 1207, DOTHAN, AL ZIP+4 ►36	<u> 302</u>		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here		▶	
	and enter the amount of tax-exempt interest received or accrued during the year	N	/A	
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank,	1	Yes	No
	securities, or other financial account in a foreign country?	16	l	X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign			
Da	country Int VII-B Statements Regarding Activities for Which Form 4720 May Be Required	—		
<u> </u>		T	Yes	No
4	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		162	140
18	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 X No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes X No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes X No	1		
	(4) Fay compensation to, or pay of reinhouse the expenses of, a disqualified person. (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)?			
	(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	1		
	termination of government service, if terminating within 90 days.)			
h	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 instructions)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here			
C	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected			
·	before the first day of the tax year beginning in 2011?	1c		х
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)):			
а	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning			
	before 2011? Yes X No			
	If "Yes," list the years \blacktriangleright			
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 instructions.) N/A	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.			
	>			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time			
	during the year?			
b	If "Yes," did it have excess business holdings in 2011 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 2011) N/A	3b		32
	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			v
	had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b	i	X

Form **990-PF** (2011)

orm 990-PF (2011) JOHN H. WATSON CHARITABI			72-13723	93 Page 6
Part VII-B Statements Regarding Activities for Which	Form 4720 May Be	Required (contin	ued)	
5a During the year did the foundation pay or incur any amount to:				
(1) Carry on propaganda, or otherwise attempt to influence legislation (section	on 4945(e))?	Ye	es X No	
(2) Influence the outcome of any specific public election (see section 4955);	or to carry on, directly or indir			
any voter registration drive?			es X No	
(3) Provide a grant to an individual for travel, study, or other similar purpose	s?	Ye	es 🗶 No	
(4) Provide a grant to an organization other than a charitable, etc., organization	on described in section			1
509(a)(1), (2), or (3), or section 4940(d)(2)?		Ye	es X 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?		Ye	es X No	
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify ur	nder the exceptions described	ın Regulations		
section 53.4945 or in a current notice regarding disaster assistance (see instr	uctions)?		N/A	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 mainta	uned		
expenditure responsibility for the grant?	Ŋ	J/A 🔙 Ye	es No	
If "Yes," attach the statement required by Regulations section 53.494	15-5(d)			
6a Did the foundation, during the year, receive any funds, directly or indirectly, to	pay premiums on			
a personal benefit contract?		Ye	s X No	
b Did the foundation, during the year, pay premiums, directly or indirectly, on a	personal benefit contract?		(Sb X
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?	☐ Ye	s X No	
b If "Yes," did the foundation receive any proceeds or have any net income attrib			- · · . —	7b
Part VIII Information About Officers, Directors, Trus	•	nagers, Highly		
Pait VIII Paid Employees, and Contractors			•	
1 List all officers, directors, trustees, foundation managers and their	compensation.			
	(b) Title, and average hours per week devoted	(c) Compensation	(d) Contributions to employee benefit plans and deferred	(e) Expense account, other
(a) Name and address	to position	(If not paid, enter -0-)	and deferred compensation	allowances
JOHN H. WATSON	DIRECTOR			
968 WESTGATE PARKWAY				
OOTHAN, AL 36303	0.00	0.	0.	0.
GAIL P. WATSON	DIRECTOR			
968 WESTGATE PARKWAY				
OOTHAN, AL 36303	0.00	0.	0.	0.
JOHN R. WATSON	DIRECTOR		-	
2 BALLESTONE COURT				
OOTHAN, AL 36303	0.00	0.	0.	0.
ABBY W. DOWNS	DIRECTOR			
12 FOXCHASE DRIVE				
OOTHAN, AL 36303	_0.00	0.	0.	0.
2 Compensation of five highest-paid employees (other than those in				
(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	'			
	1			
				-
	1			
· · · · · · · · · · · · · · · · · · ·	1			
-	1			
Total number of other employees paid over \$50,000			▶	0

Form **990-PF** (2011)

orm 990-PF (2011) JOHN H. WATSON CHARITABLE FOUNDA'	TION 72-	1372393 Page 7
Part VIII Information About Officers, Directors, Trustees, Foundat Paid Employees, and Contractors (continued)	tion Managers, Highly	
3 Five highest-paid independent contractors for professional services. 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	<u> </u>	▶ 0
Part IX-A Summary of Direct Charitable Activities		
List the foundation's four largest direct charitable activities during the tax year. Include relevant statisti number of organizations and other beneficiaries served, conferences convened, research papers produ	cal information such as the	Expenses
1 N/A	2004, 0.0.	
I N/R		
2		
		<u> </u>
3		
		
Part IX-B Summary of Program-Related Investments		
Describe the two largest program-related investments made by the foundation during the tax year on li	ines 1 and 2.	Amount
N/A		
All other program-related investments. See instructions.		
3		
Fatal Add lines 1 through 2	•	0.
Total. Add lines 1 through 3		Form 990-PF (2011)

rų	m 99Q-FF (2011) JOHN H. WATSON CHARITABLE FOUNDATION	12-	13/2393 Faye 6
P	art X Minimum Investment Return (All domestic foundations must complete this part. Foreign f	foundations, s	ee instructions)
1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
а	Average monthly fair market value of securities	1a	<u>3,516,331.</u>
b	Average of monthly cash balances	1b	20,672.
C	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	3,537,003.
е	Reduction claimed for blockage or other factors reported on lines 1a and		
	1c (attach detailed explanation)	o.	
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	3,537,003.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	53,055.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,483,948.
6	Minimum investment return Enter 5% of line 5	6	174,197.
P	art XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations	s and certain	
_	foreign organizations check here and do not complete this part.)		174 107
1	Minimum investment return from Part X, line 6	_ 1	174,197.
2a		2 •	
b	Income tax for 2011. (This does not include the tax from Part VI.)	_	0 105
C	Add lines 2a and 2b	2c	2,185.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	172,012.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	172,012.
6	Deduction from distributable amount (see instructions)	6	0.
7_	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	172,012.
P	art XII Qualifying Distributions (see instructions)		
1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
а	Expenses, contributions, gifts, etc total from Part I, column (d), line 26	1a	375,069.
b	Program-related investments - total from Part IX-B	1b	0.
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:		
а	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	375,069.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	375,069.
	Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation	on qualifies for	the section

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4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI,				
line 7			877-1	172,012.
2 Undistributed income, if any, as of the end of 2011			_	
a Enter amount for 2010 only			0.	
b Total for prior years:		•		
3 Excess distributions carryover, if any, to 2011:		0.		
a From 2006 9,077.				
b From 2007 177, 497.			•	
c From 2008 466,744.				
d From 2009 270, 305.				
e From 2010 372,077.				
f Total of lines 3a through e	1,295,700.			
4 Qualifying distributions for 2011 from				· · · · · · · · · · · · · · · · · · ·
Part XII, line 4: ► \$375,069.				
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior				
years (Election required - see instructions)		0.		
c Treated as distributions out of corpus				
(Election required - see instructions)	0.			
d Applied to 2011 distributable amount			,	172,012.
e Remaining amount distributed out of corpus	203,057.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,498,757.			
b Prior years' undistributed income. Subtract				
line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously				
assessed		0.		
d Subtract line 6c from line 6b. Taxable		,		
amount - see instructions e Undistributed income for 2010. Subtract line		0.		
4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract			0.	
lines 4d and 5 from line 1. This amount must				
be distributed in 2012				0.
7 Amounts treated as distributions out of				
corpus to satisfy requirements imposed by				
section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006	-			`
not applied on line 5 or line 7	9,077.			
9 Excess distributions carryover to 2012.				
Subtract lines 7 and 8 from line 6a	1,489,680.			
0 Analysis of line 9:				
a Excess from 2007 177, 497.				
b Excess from 2008 466,744.				
c Excess from 2009 270,305.				
d Excess from 2010 372,077.				
e Excess from 2011 203,057.				Form 990-PF (2011)

Part XIV Private Operating F	oundations (see ins			N/A	12393 Page II
1 a If the foundation has received a ruling o					
foundation, and the ruling is effective fo		· · · · · · -			
b Check box to indicate whether the found	•	•	in section	4942(j)(3) or 49	42(1)(5)
2 a Enter the lesser of the adjusted net	Tax year		Prior 3 years		W/X=/
income from Part I or the minimum	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
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:			ļ.		
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,			j		
dividends, rents, payments on			Ì		
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 Info	rmation (Comple	te this part only	if the foundation	had \$5 000 or mo	re in assets
at any time during t			ii die iodiidadoii	1100 40,000 01 1110	ir assets
1 Information Regarding Foundatio					
a List any managers of the foundation who	_	than 2% of the total con	tributions received by the t	foundation before the clos	e of any tax
year (but only if they have contributed m	iore than \$5,000). (See se	ection 507(d)(2).)	and anone reconstruct by the	iodilación sololo allo olo	o or any tan
NONE					
b List any managers of the foundation who	o own 10% or more of th	e stock of a corporation	(or an equally large portio	n of the ownership of a pa	rtnership or
other entity) of which the foundation has			(or all equally large portio	or and or more implemental participation	
NONE					
2 Information Regarding Contributi	on Grant Gift Loan	Scholarship, etc., P	rograms:		
Check here ► X if the foundation o				ot accent unsolicited requi	ests for funds. If
the foundation makes gifts, grants, etc. (
a The name, address, and telephone numl	<u>` </u>			<u>,,,,,,</u>	
a The hame, address, and telephone humi	zor or the person to whole	ii applications should be	, additioood,		
b The form in which applications should b	e submitted and informat	ion and materials they s	hould include:	_	
c Any submission deadlines:					<u> </u>
d Any restrictions or limitations on awards	e cuch as hy geographics	l argae charitable fields	kinds of institutions, or o	ther factors:	
d Any restrictions or limitations on awards	, such as by geographica	ii ai vas, chantadie neids	, killus of illstitutions, or o	IIIGI IAUIUIS.	
100801 10 00 11					Form 990-PF (2011)
123601 12-02-11					rumi 330-FF (2011)

Supplementary information		<u>-</u>	1	
3 Grants and Contributions Paid During the		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	Purpose of grant or contribution	Amount
	or substantial contributor	recipient		
a Paid during the year				
ALABAMA POLICY INSTITUTE	NONE		CHARITABLE	
				15,000.
AUBURN FCA	NONE		CHARITABLE	
				3,000.
			1	
AUBURN UNIVERSITY FOUNDATION	NONE		CHARITABLE	
				200,000.
BOYS SCOUTS OF AMERICA	MONE		CUADIMADIE	
BOIS SCOUTS OF AMERICA	NONE		CHARITABLE	1,000.
	***************************************			1,000.
CITY OF DOTHAN CLASSIC	NONE		CHARITABLE	
Total SEE CC	NTINUATION SHEE	!ጥ(S)	▶ 3a	1,000. 375,069.
b Approved for future payment				37,5,000
- //				
NONE				
			1	
Total			▶ 3b	0.
			_	000 DE

Part XV **Supplementary Information** Grants and Contributions Paid During the Year (Continuation) If recipient is an individual, Recipient Foundation Purpose of grant or show any relationship to Amount status of contribution any foundation manager Name and address (home or business) recipient or substantial contributor CIYT OF DOTHAN DEPT OF LEISURE NONE CHARITABLE SERVICES 1,000. DOTHAN ROTARY CLUB NONE CHARITABLE 1,100. DOTHAN ROTARY WHITE ELEPHANT NONE CHARITABLE 1,360. CHARITABLE DOTHAN SPECIAL OLYMPICS NONE 1.000. EDUCATION FOUNDATION FOR DOTHAN'S CHARITABLE NONE 1,000. FUTURE EVERGREEN PRESBYTERIAN CHURCH NONE CHARITABLE 100,600. CHARITABLE FELLOWSHIP CHRISTIAN ATHLETES NONE 1,250, NONE CHARITABLE HOUSTON ACADEMY 5,000. NONE CHARITABLE LBA CARES 7,000. CHARITABLE SE AL CHILD ADVOCACY CENTER NONE 3,500. 155,069. Total from continuation sheets

Supplementary Information Grants and Contributions Paid During the Year (Continuation) If recipient is an individual, Foundation Purpose of grant or show any relationship to Amount status of contribution any foundation manager Name and address (home or business) recipient or substantial contributor SPECTRUM CENTER FOR AUTISM CHARITABLE NONE 5,769. THE EDUCATION FOUNDATION NONE CHARITABLE 2,500, TIGERS UNLIMITED FOUNDATION NONE CHARITABLE 20,140, CHARITABLE VARIOUS OTHER TAX-EXEMPT NONE ORGANIZATIONS (EACH LESS THAN \$1,000) 3.850. Total from continuation sheets

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income			ded by section 512, 513, or 514	(e)	
1 Program copyed rayonya	(a) Business code	(b) Amount	Exclu- sion code	(d) Amount	Related or exempt function income	
1 Program service revenue:	Code		Code	-		
å			 			
b			<u> </u>			
<u> </u>			<u> </u>			
d			-			
e			 			
f			├			
g Fees and contracts from government agencies			<u> </u>	· · · · · · · · · · · · · · · · · · ·		
2 Membership dues and assessments	ļ <u>.</u>		<u> </u>			
3 Interest on savings and temporary cash						
investments			<u> </u>			
4 Dividends and interest from securities			ļ		58,514.	
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					29.	
8 Gain or (loss) from sales of assets other						
than inventory					76,344.	
9 Net income or (loss) from special events						
O Gross profit or (loss) from sales of inventory						
1 Other revenue:						
a						
b						
c						
d						
e						
2 Subtotal. Add columns (b), (d), and (e)		0.		0.	134,887.	
3 Total Add line 12, columns (b), (d), and (e)				13		
See worksheet in line 13 instructions to verify calculations.)						
	. 41 4	:		4 D		
Part XVI-B Relationship of Activities to	tne Acc	omplishment of Ex	emp	t Purposes		
Line No Explain below how each activity for which incor	ne is reported	in column (e) of Part XVI-A	contrib	nuted importantly to the accor	polishment of	
the foundation's exempt purposes (other than t				atos importantly to the door.		
4 FUNDS ARE DISTRIBUTED T			E.	RELIGIOUS, LT	TERARY.	
EDUCATIONAL, AND SCIENT	TFTC P	URPOSES				
Doctification in the bottom		OILI ODED				
		·				
						
	 					
			-	.		

Form 990-PF (2011) JOHN H. WATSON CHARITABLE FOUNDATION 72-1372393 Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable **Exempt Organizations** No Yes 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) X X (2) Other assets 1a(2) **b** Other transactions: X (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) Х (5) Loans or loan guarantees 1b(5) Х (6) Performance of services or membership or fundraising solicitations 1b(6) c Sharing of facilities, equipment, mailing lists, other assets, or paid employees 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. (b) Amount involved (c) Name of noncharitable exempt organization (a) Line no (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 X No Yes in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? 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 May the IRS discuss this return with the preparer shown below (see instr.)? and belief, it is true, correct, and complete. Declaration of preparer (other than taxpaver) is based on all information of which preparer has any knowledge Sign Here X Yes No Signature of officer or trustee Title Check PTIN Print/Type preparer's name Date Preparer's signature self-employed J. STEPHEN KINGRY Paid CPA 02/23/12 P00516417 **Preparer** Firm's EIN \triangleright 63-0921974 Firm's name ► MCDANIEL & ASSOCIATES

Use Only

Phone no.

334- 792-2153

Form **990-PF** (2011)

Firm's address ▶ P. O. BOX 6356

DOTHAN, AL 36302-6356

FORM 990-PF DIVIDEND	S AND I	NTERE	ST FROM	SECU	JRITIES	STATEMENT	1
SOURCE	G	ROSS .	AMOUNT	CAPITAL GAINS DIVIDENDS		- · · · · · · · · · · · · · · · · · · ·	
REGIONS MONEY MARKET REGIONS MORGAN KEEGAN			3. 58,511.		0.	58,5	3. 11.
TOTAL TO FM 990-PF, PART I, L	N 4		58,514.		0.	58,5	14.
FORM 990-PF	ОТН	IER IN	COME			STATEMENT	2
DESCRIPTION		(A) REVENUE PER BOOKS		NET INVEST-			
STOCK LITIGATION SETTLEMENTS			29.		29.	•	
TOTAL TO FORM 990-PF, PART I,	LINE 1	.1	 .	29.	29.	•	
			· · ·			= =====================================	
FORM 990-PF	ACCO		G FEES			STATEMENT	3
FORM 990-PF DESCRIPTION	(A) EXPENS	OUNTING	(B) NET INV	EST-	(C) ADJUSTED NET INCOME	(D) CHARITA	BLE
	(A) EXPENS PER BO	DUNTING SES OOKS	(B) NET INV	EST- COME	ADJUSTED NET INCOME	(D) CHARITA	
DESCRIPTION	(A) EXPENS PER BO	DUNTING SES DOKS	(B) NET INV MENT INC	EST- COME	ADJUSTED NET INCOME	(D) CHARITA	BLE ES
DESCRIPTION ACCOUNTING FEE TO FORM 990-PF, PG 1, LN 16B	(A) EXPENS PER BO 1,	DUNTING SES OOKS 259.	(B) NET INV MENT INC	EST- COME ,259.	ADJUSTED NET INCOME	(D) CHARITA	BLE ES 0.
DESCRIPTION ACCOUNTING FEE TO FORM 990-PF, PG 1, LN 16B	(A) EXPENS PER BO 1,	DUNTING SES OKS 259. 259.	(B) NET INV MENT IN 1	EST- COME , 259. , 259. EES	ADJUSTED NET INCOME	(D) CHARITA E PURPOS STATEMENT (D) CHARITA	BLE ES 0. 0. 4
DESCRIPTION ACCOUNTING FEE TO FORM 990-PF, PG 1, LN 16B FORM 990-PF O	(A) EXPENS PER BO 1, 1, THER PR (A) EXPENS PER BO	DUNTING SES OKS 259. 259.	(B) NET INV MENT IN 1 1 IONAL FI (B) NET INV MENT IN	EST- COME , 259. , 259. EES	ADJUSTED NET INCOME (C) ADJUSTED NET INCOME	(D) CHARITA E PURPOS STATEMENT (D) CHARITA	BLE 0. 0.

FORM 990-PF	TAX	ES	STATEMENT 5		
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTEI NET INCOI		
FOREIGN TAXES PAID ON DIVIDENDS	130.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	130.	0.		0.	
FORM 990-PF	OTHER E	XPENSES	STATEMENT 6		
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTEI NET INCON		
OTHER EXPENSES	68.	68.	-	0.	
TO FORM 990-PF, PG 1, LN 23	68.	68.		0.	
FORM 990-PF		STATEMENT 7			
DESCRIPTION		ВО	OOK VALUE	FAIR MARKET VALUE	
STOCKS HELD			3,192,863.	3,232,736.	
TOTAL TO FORM 990-PF, PART I		3,192,863.	3,232,736.		