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## SCANNED WAR 28 2013

990-PF

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

OMB No 1545-0052 2011

Department of the Treasury Internal Revenue Service

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

For	calend	dar year 2011 or tax year beginnin 1/01/11 📌	and ending 10/3	1/12			
Na	me of fou			-	A Emple	oyer identification number	
_			Y FIN		٥.	000000	
		H & WATSON FOUNDATION		om/suite		-0387785	
		d street (or PO box number if mail is not delivered to street address)  OX 2704	, Ro	om/suite		5-397-2411	15)
		n, state, and ZIP code					
<u>H</u>	OBB	S NM 88240			C If exer	nption application is pending	, check here
G	Check a	all that apply 🔲 Initial retum 🔲 Initial retu	ım of a former public o	charity	<b>D</b> 1 Fo	reign organizations, check h	ere 🕨
		Final return Amended	return		2. Fo	reign organizations meeting	the
		Address change X Name cha	ange		85	% test, check here and attac	h computation
H	Check t	type of organization:Х Section 501(c)(3) exempt priva	te foundation		E if priva	ate foundation status was ter	minated under
	Section	n 4947(a)(1) nonexempt charitable trust Other taxab	ole private foundation		sectio	n 507(b)(1)(A), check here	▶ _
I F	air mar	rket value of all assets at J Accounting method.	X Cash Acc	rual	F If the f	foundation is in a 60-month t	ermination
е	nd of y	rear (from Part II, col (c), Other (specify)			under	section 507(b)(1)(B), check	here
	ne 16)	▶ \$ 314,408 (Part I, column (d) mus	t be on cash basis)				<u> </u>
P	art I	Analysis of Revenue and Expenses (The total of	(a) Revenue and expenses per	(b) Net inv	estment	(c) Adjusted net	(d) Disbursements for charitable
		amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))	books	incor	ne	income	purposes (cash basis only)
	1	Contributions, gifts, grants, etc., received (attach schedule)	10,000				(ocarr acara arriy)
	2	Check ► X If the foundation is <b>not</b> required to attach Sch. If	3				
	3	Interest on savings and temporary cash investments	2		2	2	
	4	Dividends and interest from securities	9,532		9,532	9,532	
	5a	Gross rents					
<u>e</u>	b	Net rental income or (loss)					
ĭ	6a	Net gain or (loss) from sale of assets not on line 10 STMT 1	-2,606				
Revenue	b	Gross sales price for all assets on line 6a 105,748	1 x 2 x				
	7	Capital gain net income (from Part IV, line 2)	1.1.1.1.		0		
	8	Net short-term capital gain		, <sup>200</sup> 1		0	
	9	Income modifications		` ; ;			
	10a	Gross sales less returns & allowances					
	b	Less Cost of goods sold				, , , , , , , , , , , , , , , , , , , ,	
	C	Gross profit or (loss) (attach schedule)					<del></del>
	11	Other income (attach schedule)	16,928		9,534	9,534	
<u> </u>	12	Total. Add lines 1 through 11  Compensation of officers, directors, trustees, etc	16,928		3,334	3,334	
Expenses	14	Other employee salaries and wages					
)ei	15	Pension plans, employee benefits					
X	16a	Legal fees (attach schedule)					
	ь	Accounting fees (attach schedule)					
Administrative	C	Other professional fees (attach schedule)					
ita	17	Interest					
n S	18	Taxes (attach schedule) (see instructions) STMT 2	128				
Ē	19	Depreciation (attach schedule) and depletion					<del>,</del>
Ad	20	Occupancy					
ğ	21	Travel, conferences, and meetings					
ä	22	Printing and publications		<u> </u>		<del></del>	
ng	23	Other expenses (att/sch.)	138		95		
Operating and	24	Total operating and administrative expenses.			^-	_	_
)er	2	Add lines 13 through 23 6	266		95	0	5 000
Ö	25	Contributions, girts, grants paid	5,000 5,266		95	0	5,000 5,000
	26=: 27 (	Total expenses and disbutsements. Add lines 24 and 25	3,200		93	<u> </u>	3,000
[	a	Excess of revenue over expenses and disbursements	11,662				
	b	Net investment income (if negative, enter -0-)	11,002		9,439		
	6	Adjusted net income (if negative, enter -0-)			-,	9,534	
							L

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2011)

Part II Balance Sheets inscreed inscribed in the decidence of the process of the	Fo	rm 990	D-PF (2011) SMITH & WATSON FOUNDATION	85-038778	35	Page 2
1   Cash—non-interest-bearing   54, 023   28, 868   28, 968   2				Beginning of year	End	
1   Cash—non-interest-bearing   54, 023   28, 868   28, 968   2		Part I	Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions )	(a) Book Value	(b) Book Value	(c) Fair Market Value
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 ← Receivables due from Officers, directors, trustees, and other disqualified persons (affact schedule) (see instructions) 7 Other notes and basis sceneable (all schedule) For the properties of the prop	Т	1			28,868	28,868
Accounts receivable ► Less: allowance for doubtful accounts ► 4 Pledges receivable ↑ Less: allowance for doubtful accounts ► 5 Grains receivable 6 Receivables due from officers, directors, rustees, and other disqualified persons (attach schedule) (see instructions) 7 Corrected actions and lass receivable (attach schedule) 8 Inventions for sale or use government obligations (attach schedule) 9 Prepard expenses and deferred charges 10a Inventions for sale or use of the comparable of the compara	-	-	<del>_</del>			
Less: allowance for doubtful accounts ►  Pedges receivable ►  I ess: allowance for doubtful accounts ►  Grants receivable  Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)  7 Other ross and soan convoke (in tarbetiel) ►  Less allowance for doubtful accounts ►  10 Inventiones for sale or use  11 Inventiones for sale or use  12 Inventiones for sale or use  13 Inventiones for sale or use  14 Less accomulated expenses and deferred charges  15 Inventiones—US and state government obligations (attach schedule)  16 Investments—orporate bonds (attach schedule)  17 Investments—orporate bonds (attach schedule)  18 Inventionents—orporate stock (attach schedule)  19 Investments—orporate stock (attach schedule)  10 Investments—orporate expenses and elegener tass ►  10 Investments—orporate expenses (attach schedule)  11 Investments—orporate expenses (attach schedule)  12 Investments—orporate expenses (attach schedule)  13 Investments—orporate bonds (attach schedule)  14 Less accomulated expenses (attach schedule)  15 Other assets (describe ►  16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, Item I)  17 Accounts payable and accrued expenses  18 Grants payable  19 Deferred revenue  20 Loans from officers, directors, trustees, and other disqualified persons  21 Mortogage and other oritics schedule)  22 Cother liabilities (add lines 17 through 22)  23 Total liabilities (add lines 17 through 22)  24 Unrestricted  25 Permanently restricted  26 Permanently restricted  27 Emporantly restricted  28 Perdan-nently restricted  29 Permanently restricted  20 Permanently restricted  20 Permanently restricted  20 Permanently restricted  21 Permanently restricted  22 Permanently restricted  23 Pard-in or capital surplus, or land, bild, and equipment fund  29 Permanently restricted  20 Permanently restricted  20 Permanently restricted  21 Permanently restricted  22 Permanently restricted  23 Pard-in or capital surplus, or land, bild, a	- [					
Piedges racevable		3				
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Investments—and, buddings, and equipment basis	1	b	,	240,335	287,024	2/5,496
Less accumulated depreciation (attach sch )    12 investments—mortgage loans   13 investments—other (attach schedule)   14 Land, buildings, and equipment basis   15 Other assets (docsnote   16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item i)   17 Accounts payable and accrued expenses   8 Grants payable and accrued expenses   19 Deferred revenue   20 Loans from officers, directors, trustees, and other disqualified persons   10 Mortgages and other notes payable (attach schedule)   11 Zantal liabilities (add lines 17 through 22)   12 Other liabilities (add lines 17 through 22)   13 Total liabilities (add lines 17 through 26 and lines 30 and 31.   24 Unrestricted   25 Temporarily restricted   26 Permanently restricted   27 Capital stock, trust Prinough 31.   28 Paid-in or capital surplus, or land, bldg., and equipment fund   28 Paid-in or capital surplus, or land, bldg., and equipment fund   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 instructions)   31 Total inabilities and net assets/fund balances (see instructions)   31 Total inabilities and net assets/fund balances (see instructions)   31 Total inabilities and net assets/fund balances (see instructions)   31 Total inabilities and net assets/fund balances (see instructions)   31 Total inabilities and net assets/fund balances (see instructions)   31 Total inabilities and net assets/fund balances at beginning of year—Part II, column (a), line 30 (must agree with   end-of-year figure reported on pnor year's return)   2 Enter amount from Part I, line 27a   3 Other increases not included in line 2 (itemize)   4 Add lines 1, 2, and 3   5 Decreases not included in line 2 (itemize)   5 Decreases not included		С	• • • • • • • • • • • • • • • • • • • •			<del></del>
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16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)  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)  4 Unrestricted  25 Temporantly restricted  26 Permanently restricted  27 Capital stock, trust pnncipal, or current funds  28 Paid-in or capital surplus, or land, bldg., and equipment fund  29 Retained earnings, accumulated income, endowment, or other funds  31 Total liabilities and net assets/fund balances (see instructions)  31 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 pnor year's return)  20 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5 Secretary 12 (semize) 1314,874  5 Decreases not included in line 2 (itemize) ▶  5 Secretary 12 (semize) 1314,874  5 Decreases not included in line 2 (itemize) ▶  5 Secretary 1314,874  5 Decreases not included in line 2 (itemize) ▶  5 Secretary 1314,874  5 Decreases not included in line 2 (itemize) ▶  5 Secretary 1314,874  5 Decreases not included in line 2 (itemize) ▶  5 Secretary 1314,874  5 Decreases not included in line 2 (itemize) ▶  5 Secretary 1314,874  5 Decreases not included in line 2 (itemize) ▶  5 Secretary 1314,874  5 Decreases not included in line 2 (itemize) ▶  5 Secretary 1314,874  5 Decreases not included in line 2 (itemize) ▶  5 Secretary 1314,874  5 Decreases not included in line 2 (itemize) ▶	1		Less accumulated depreciation (attach sch )			
Instructions. Also, see page 1, item I)  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)  50 Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.  24 Unrestricted  25 Temporanly restricted 26 Permanently restricted 27 Capital stock, trust pnncipal, or current funds 28 Paid-in or capital surplus, or land, bldg., and equipment fund 29 Retained earnings, accumulated income, endowment, or other funds 31 Total liabilities and net assets/fund balances (see instructions)  31 Total inabilities and net assets/fund balances (see instructions)  28 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 pnor year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5 Increases not included in line 2 (itemize) ▶  5 Increases not included in line 2 (itemize) ▶  5 Increases not included in line 2 (itemize) ▶  5 Increases not included in line 2 (itemize) ▶  5 Increases not included in line 2 (itemize) ▶  5 Increases not included in line 2 (itemize) ▶		15	,			
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)  Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.  24 Unrestricted 25 Temporanly restricted 26 Permanently restricted 27 Temporanly restricted 28 Pard-in or capital surplus, or land, bldg., and equipment fund 29 Retained earnings, accumulated income, endowment, or other funds 30 Total liabilities and net assets/fund balances (see instructions)  27 Total liabilities and net assets/fund balances (see instructions)  28 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 pnor year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5		16				
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 (add lines 17 through 22) 3 Total liabilities (add lines 17 through 22) 4 Unrestricted 25 Temporanly restricted 26 Permanently restricted 27 Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. 27 Capital stock, trust principal, or current funds 28 Pard-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 instructions) 31 Total liabilities and net assets/fund balances (see instructions) 4 Total net assets or fund balances (see instructions) 5 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 pnor year's return) 4 Enter amount from Part I, line 27a 5 Other increases not included in line 2 (itemize)  4 Add lines 1, 2, and 3 5 Decreases not included in line 2 (itemize)  5	4		instructions. Also, see page 1, item I)	314,874	326,536	314,408
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) 30 Total liabilities (add lines 17 through 22) 40 O O 40 40 Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. 41 Unrestricted 42 Permanently restricted 43 Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. 42 Unrestricted 43 Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. 43 Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. 44 Paid-in or capital surplus, or land, bldg., and equipment fund 45 Paid-in or capital surplus, or land, bldg., and equipment fund 48 Paid-in or capital surplus, or land, bldg., and equipment fund 49 Retained earnings, accumulated income, endowment, or other funds 30 Total net assets or fund balances (see instructions) 31 Total liabilities and net assets/fund balances (see instructions) 31 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 pnor year's return) 4 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 pnor year's return) 5 Enter amount from Part I, line 27a 5 Other increases not included in line 2 (itemize) ▶ 5 Decreases not included in line 2 (itemize) ▶ 5 Decreases not included in line 2 (itemize) ▶ 5 Decreases not included in line 2 (itemize) ▶ 5 Decreases not included in line 2 (itemize) ▶ 5 Decreases not included in line 2 (itemize) ▶ 5 Decreases not included in line 2 (itemize) ▶	-	17	Accounts payable and accrued expenses			- , , ,
Total liabilities (add lines 17 through 22)  Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.  Unrestricted  Temporarily restricted Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.  Capital stock, trust principal, or current funds Retained earnings, accumulated income, endowment, or other funds Total net assets or fund balances (see instructions)  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 pnor year's return)  Enter amount from Part I, line 27a  Add lines 1, 2, and 3  Decreases not included in line 2 (itemize)	,,	18	Grants payable			_ ` ` ` ` `
Total liabilities (add lines 17 through 22)  Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.  Unrestricted  Temporarily restricted Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.  Capital stock, trust principal, or current funds Retained earnings, accumulated income, endowment, or other funds Total net assets or fund balances (see instructions)  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 pnor year's return)  Enter amount from Part I, line 27a  Add lines 1, 2, and 3  Decreases not included in line 2 (itemize)	اق	19	Deferred revenue			_
Total liabilities (add lines 17 through 22)  Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.  Unrestricted  Temporarily restricted Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.  Capital stock, trust principal, or current funds Retained earnings, accumulated income, endowment, or other funds Total net assets or fund balances (see instructions)  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 pnor year's return)  Enter amount from Part I, line 27a  Add lines 1, 2, and 3  Decreases not included in line 2 (itemize)	劐	20	Loans from officers, directors, trustees, and other disqualified persons			4
Total liabilities (add lines 17 through 22)  Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.  Unrestricted  Temporarily restricted Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.  Capital stock, trust principal, or current funds Retained earnings, accumulated income, endowment, or other funds Total net assets or fund balances (see instructions)  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 pnor year's return)  Enter amount from Part I, line 27a  Add lines 1, 2, and 3  Decreases not included in line 2 (itemize)	힐	21	Mortgages and other notes payable (attach schedule)			_
Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.  24 Unrestricted 25 Temporanly restricted 26 Permanently restricted 27 Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.  28 Paid-in or capital surplus, or land, bldg., and equipment fund 29 Retained earnings, accumulated income, endowment, or other funds 31 Total liabilities and net assets/fund balances (see instructions) 31 Total liabilities and net assets/fund balances (see instructions) 31 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 pnor year's return)  26 Enter amount from Part I, line 27a 3 Other increases not included in line 2 (itemize)  3 Decreases not included in line 2 (itemize)  5 Service And Ines 2, 2, and 3 5 Decreases not included in line 2 (itemize)  5	ᅦ	22	Other liabilities (describe ► )			
and complete lines 24 through 26 and lines 30 and 31.  24 Unrestricted 25 Temporanly restricted 26 Permanently restricted 27 Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.  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 instructions) 31 Total liabilities and net assets/fund balances (see instructions)  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 pnor year's return) 2 Enter amount from Part I, line 27a 3 Other increases not included in line 2 (itemize)  4 Add lines 1, 2, and 3 5 Decreases not included in line 2 (itemize)  5		23_		0	(	ଧ୍
Instructions)  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)  Enter amount from Part I, line 27a  Other increases not included in line 2 (itemize) ▶  Add lines 1, 2, and 3  Decreases not included in line 2 (itemize) ▶  5	,,			1		
Instructions)  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)  Enter amount from Part I, line 27a  Other increases not included in line 2 (itemize) ▶  Add lines 1, 2, and 3  Decreases not included in line 2 (itemize) ▶  5	ĕ		and complete lines 24 through 26 and lines 30 and 31.			
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Instructions)  Part III Analysis of Changes in Net Assets or Fund Balances  1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5	쪪	25	Temporanly restricted		<u> </u>	_
Instructions)  Part III Analysis of Changes in Net Assets or Fund Balances  1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5	9	26	Permanently restricted			_
Instructions)  Part III Analysis of Changes in Net Assets or Fund Balances  1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5	5		Foundations that do not follow SFAS 117, check here			
Instructions)  Part III Analysis of Changes in Net Assets or Fund Balances  1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5	빕		and complete lines 27 through 31.			
Instructions)  Part III Analysis of Changes in Net Assets or Fund Balances  1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5	S	27	Capital stock, trust principal, or current funds			
Instructions)  Part III Analysis of Changes in Net Assets or Fund Balances  1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5	set	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
Instructions)  Part III Analysis of Changes in Net Assets or Fund Balances  1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5	Š	29	Retained earnings, accumulated income, endowment, or other funds			
Instructions)  Part III Analysis of Changes in Net Assets or Fund Balances  1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5	et/	30	Total net assets or fund balances (see instructions)	314,874	326,53	<u>5</u>
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 pnor year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5	ž	31	Total liabilities and net assets/fund balances (see			
1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5			instructions)	314,874	326,53	6
1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5	_	Part				
end-of-year figure reported on prior year's return)  2 Enter amount from Part I, line 27a  3 Other increases not included in line 2 (itemize) ▶  4 Add lines 1, 2, and 3  5 Decreases not included in line 2 (itemize) ▶  5				(must agree with		
2 Enter amount from Part I, line 27a 3 Other increases not included in line 2 (itemize) ▶ 4 Add lines 1, 2, and 3 5 Decreases not included in line 2 (itemize) ▶ 5	-			. <del>-</del>	1	314,874
3 Other increases not included in line 2 (itemize) ▶ 4 Add lines 1, 2, and 3 5 Decreases not included in line 2 (itemize) ▶ 5	2				2	11,662
4 Add lines 1, 2, and 3 5 Decreases not included in line 2 (itemize) ► 5					3	
5 Decreases not included in line 2 (itemize) ▶ 5			·		4	326,536
· · · · · · · · · · · · · · · · · · ·					5	
			· · ·	nn (b), line 30	6	326,536

	WATSON FOUNDATION		85-038//85	<u> </u>	Page 3
Part IV Capital Gains	and Losses for Tax on Invest	ment Income	<del></del>	<b>_</b>	· · · · · · · · · · · · · · · · · · ·
	cribe the kind(s) of property sold (e.g., real estate,		(b) How acquired P—Purchase	(c) Date acqui	
	arehouse, or common stock, 200 shs MLC Co )		DDonation	(mo , day, yı	(mo , day, yr )
1a N/A		·· -			
<u>b</u>					
<u>c</u> d		<del> </del>	<del></del>		
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)		or other basis ense of sale		h) Gain or (loss) ) plus (f) minus (g)
a	(a and a control of	,,,,,			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
b					· · · · · · · · · · · · · · · · · · ·
c					
d					
e					
Complete only for assets show	ring gain in column (h) and owned by th	e foundation on 12	2/31/69	(I) Gair	ns (Col. (h) gain minus
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69		ess of col (i) ol (j), if any	cal (k),	but not less than -0-) or sses (from col (h))
a					
b					
С					
d					
<u>e</u>		<u> </u>			
2 Capital gain net income or (net	t capital loss) If gain, also enter in			2	
3 Net short-term capital gain or (	loss) as defined in sections 1222(5) an	d (6).			
If gain, also enter in Part I, line	8, column (c) (see instructions). If (loss	s), enter -0- ın			
Part I, line 8				3	
	<u> Jnder Section 4940(e) for Red</u>			ncome	
(For optional use by domestic priva	ate foundations subject to the section 4	940(a) tax on net ii	nvestment income)		
If section 4940(d)(2) applies, leave	e this part blank				
Was the foundation liable for the s	ection 4942 tax on the distributable am	ount of any year in	the base period?		Yes X No
	ualify under section 4940(e). Do not co		the base period.		163 25 140
·	in each column for each year, see the ii	<u> </u>	making any entries		
(a)		istractions before			(d)
Base period years Calendar year (or tax year beginning	(b) Adjusted qualifying distribution	s Net valu	(c) ue of noncharitable-use asse	ets (c	Distribution ratio
2010		,572	236,		0.099855
2009		,250	256,		0.024340
2008		,500	244,		0.006124
2007		,887	224,		0.124450
2006		,575	213,		0.026090
2 Total of line 1, column (d)				2	0.280859
3 Average distribution ratio for the	ne 5-year base penod—divide the total	on line 2 by 5, or b	y the		
number of years the foundation	n has been in existence if less than 5 ye	ears		3	0.056172
4 Enter the net value of nonchar	ntable-use assets for 2011 from Part X,	line 5		4	300,723
The little her value of honoral	table doe assets to zerr from ratex,	iii le e		-	300/123
5 Multiply line 4 by line 3				5	16,892
				1 1	
6 Enter 1% of net investment inc	come (1% of Part I, line 27b)			6	94
7 Add lines 5 and 6				7	16,986
9 Enter qualifiera distributions 5	rom Part VII. lina 4				5,000
	om Part XII, line 4 han line 7, check the box in Part VI, line	e 1b, and complete	that part using a 1%	tax rate See	
Part VI instructions				-	222.55

Form	m 990-PF (2011) SMITH & WATSON FOUNDATION 85-0387785		_	Pa	age <b>4</b>
	art VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instr	uctions)			
1a	Exempt operating foundations described in section 4940(d)(2), check here and enter "N/A" on line 1.	1 1. //- 1			
	Date of ruling or determination letter (attach copy of letter if necessary—see instruction	s)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check	1			<u> 189</u>
	here ▶ ☐ and enter 1% of Part I, line 27b				
C	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of	<b>-</b>     -			
	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			<u> </u>
3	Add lines 1 and 2	3			189
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4			0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5			189
6	Credits/Payments.		-		
а			'		
b					
С	Tax paid with application for extension of time to file (Form 8868)				
ď	Backup withholding erroneously withheld				
7	Total credits and payments Add lines 6a through 6d	7			
8	Enter any penalty for underpayment of estimated tax. Check her_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			<u> 189</u>
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 2012 estimated tax ▶ Refunded	11			
	art VII-A Statements Regarding Activities				<del></del>
1a			-	Yes	No
	participate or intervene in any political campaign?	i	_1a		<u> </u>
b			١		v
	of the instructions for definition)?		1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials				l
_	published or distributed by the foundation in connection with the activities				v
C	•		1c		<u> </u>
d					ĺ
_	(1) On the foundation  \$ (2) On foundation managers  \$ \[ \begin{align*} \]  The the transfer position of the property of a position of the property of the pr	<del></del>			
е					
2	on foundation managers  \$  Has the foundation engaged in any activities that have not previously been reported to the IRS?		2		x
2	If "Yes," attach a detailed description of the activities.		┝╼┤		<u> </u>
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles	of			1
3	incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	OI .	3		х
4a	and the second of the second o		4a		X
h	If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	4b		<del></del> -
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	,	5		x
•	If "Yes," attach the statement required by General Instruction T				<del></del>
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either				
•	By language in the governing instrument, or				l
	By state legislation that effectively amends the governing instrument so that no mandatory directions that				
	conflict with the state law remain in the governing instrument?		6	X	
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c	, and Part XV	7	X	
8a	and the second s	•			
	NM				1
b					
	(or designate) of each state as required by General Instruction G? If "No," attach explanation		8b	X	l
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,	n			1
	complete Part XIV		9		x
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their				
	names and addresses STI	IT 5	10	X	<u> </u>

Forn	990-PF (2011) SMITH & WATSON FOUNDATION 85-U38//85			Pa	ige <b>5</b>
Pa	irt VII-A Statements Regarding Activities (continued)				
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the	1			
	meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)		11		<u> </u>
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		<u> </u>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	Į	13	X	
	Website address ► N/A				_
14	The books are in care of ▶ CHARLEY R SMITH  Telephone no ▶	575-3	97-	241	1
	1501 N GRIMES				
		88240	)		٠
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here	1			<b>-</b>
		15			
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority	1		Yes	No
	over a bank, securities, or other financial account in a foreign country?	}	16		<u> </u>
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1. If "Yes," enter the name of				
	the foreign country ▶				
<u> P</u>	art 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):	<b>.</b> .			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	X No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a	<b>₽</b>			
	disqualified person?	X No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	X No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	X 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)?	X 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	<b>₩</b>			
	termination of government service, if terminating within 90 days )	X 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	N/A	1b		
	section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	10		_
	Organizations relying on a current notice regarding disaster assistance check here				
С	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that	N/A	1c	-	
_	were not corrected before the first day of the tax year beginning in 2011?	M/A	10		
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))  At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and				
а	6e, Part XIII) for tax year(s) beginning before 2011?	X No			
	If "Yes," list the years ▶ 20 , 20 , 20 , 20	<u> </u>			
b	Are there any years listed in 2a for which the foundation is <b>not</b> 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		
С	If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here.				
ŭ	► 20 , 20 , 20 , 20				
За	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise				İ
-	at any time during the year?	X No			ŀ
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				1
	Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of	,			l
	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		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its chantable purposes?	,	4a		Х
ь	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 2011?		4b		Х
		Fc	.m 99	0-PF	(2011)

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<u> Pa</u>	art VII-B Statements Regardin	g Activities for Which	Form 4720 May Bo	e Required (d	continued)		
5a							
	(1) Carry on propaganda, or otherwise at			<u> </u>	res 🗶 No	ļ	
	(2) Influence the outcome of any specific	public election (see section 4	955), or to carry on,	_			
	directly or indirectly, any voter registra	ation drive?		Y	′es 🗶 No		
	(3) Provide a grant to an individual for tra	ivel, study, or other similar pur	poses?	Y	res 🗶 No		
	(4) Provide a grant to an organization oth	ner than a charitable, etc., orga	anization described in		i		
	section 509(a)(1), (2), or (3), or section	on 4940(d)(2)? (see instruction	s)	Y	res 🗶 No		
	(5) Provide for any purpose other than re						
	purposes, or for the prevention of cru		•	Y	res 🕱 No		
b	If any answer is "Yes" to 5a(1)-(5), did ar		alify under the exception	ns described in	_		
-	Regulations section 53 4945 or in a curre				N/A	5b	
	Organizations relying on a current notice			,	▶ 🗀 [		
С	If the answer is "Yes" to question 5a(4), or				_		
·	because it maintained expenditure respon		.,,	N/A 🗌 Y	res No		
	If "Yes," attach the statement required by		.5(d)				
6a	Did the foundation, during the year, recei	-				ļ	
va	on a personal benefit contract?	to any fanas, alleony of filalie	out, to put promiums		res 🛣 No		
_	Did the foundation, during the year, pay p	romume directly or indirectly	on a nerconal henefit o			6b	x
b		breiniums, directly of indirectly	, on a personal benefit o	onuact:	ŀ	-00	<del></del> -
	If "Yes" to 6b, file Form 8870.	in undeten e norti to a probibit	and toy aboltor transaction		res X No		ŀ
	At any time during the tax year, was the f				N/A	7b	
	If Yes, did the foundation receive any pro	icers, Directors, Truste	e auribulable to the trans	anagara Hig			
P		icers, Directors, Truste	es, roundation w	anayers, mig	my Paid Emp	лоуе	æ5,
	and Contractors	I d'annual de la company de la		4			
1 !	List all officers, directors, trustees, foun	dation managers and their d	compensation (see ins	tructions).	<u> </u>		
			(b) Title, and average	(c) Compensation	(d) Contributions to employee benefit	(e) Exp	ense account,
	(a) Name and add	ress	hours per week devoted to position	(If not paid, enter -0-)	plans and deferred		rallowances
			dovoted to position		compensation	<b>├</b>	
J	JLEE W SMITH	HOBBS	PRESIDENT				
4:	L5 E ALTO	NM 88240	1.00	0	0		0
CI	HARLEY R SMITH	HOBBS	VICE PRES				
4:	15 E ALTO	NM 88240	1.00	0	0	<u> </u>	0
R	FINN SMITH	HOBBS	SEC/TREAS		ì		
_ 1	700 N VEGA	NM 88240	0.50	0	0	L	0
S	COTT SMITH	FRISCO	DIRECTOR			1	
10	0863 STONEHOUSE LN	TX 75034	0.00	0	0	L	0
2	Compensation of five highest-paid em	ployees (other than those in	ncluded on line 1—see	instructions). If	none, enter	_	
	"NONE."			·			
			(b) Title, and average		(d) Contributions to		,
	(a) Name and address of each employee p	aid more than \$50,000	hours per week	(c) Compensation	employee benefit plans and deferred		pense account, r allowances
			devoted to position		compensation	Oute	i allowalices
N	ONE						
			1			1	
			1	}	1		
		-			1	<del></del>	
			1		[		
				<del>                                     </del>	<del> </del>	<del> </del>	
			1		1		
		·	<del></del>		· · ·	<del>                                     </del>	
			-	1			
				<u> </u>	<u> </u>	<u> </u>	
Tota	al number of other employees paid over \$5	0,000					0
					Fo	.m 99	<b>0-PF</b> (2011)

Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)   Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE." (a) Name and address of each person paid more than \$50,000 (b) Type of service (c) Compensation NONE (c) None and address of each person paid more than \$50,000 (b) Type of service (c) Compensation NONE (c) None (e) None (e) Compensation NONE (e) None (e	Form 990-PF (	2011) SMITH & WATSON FOUNDATION	85-0387785	Page 7
(a) Name and address of each person paid more than \$50,000 (b) Type of service (c) Compensation  NONE    Cotal number of others receiving over \$50,000 for professional services		Information About Officers, Directors, Trustees, F	oundation Managers, Highly Pai	d Employees,
NONE    Cotal number of others receiving over \$50,000 for professional services   Indiana	3 Five high		instructions). If none, enter "NONE."	
Cotal number of others receiving over \$50,000 for professional services   Part IX-A   Summary of Direct Charitable Activities		(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Part IX-A Summary of Direct Charitable Activities  Let the foundation's four largest direct chantable activities during the tax year include relevant statistical information such as the number of organizations and other beneficianes served, conferences conversed, research papers produced, etc.  1 N/A  2  3  4  Part IX-B Summary of Program-Related Investments (see instructions)  Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2  All other program-related investments. See instructions  3  All other program-related investments. See instructions  3  Fotal. Add lines 1 through 3	NONE			
Part IX-A Summary of Direct Charitable Activities  Let the foundation's four largest direct chantable activities during the tax year include relevant statistical information such as the number of organizations and other beneficianes served, conferences conversed, research papers produced, etc.  1 N/A  2  3  4  Part IX-B Summary of Program-Related Investments (see instructions)  Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2  All other program-related investments. See instructions  3  All other program-related investments. See instructions  3  Fotal. Add lines 1 through 3				
Part IX-A Summary of Direct Charitable Activities  Let the foundation's four largest direct chantable activities during the tax year include relevant statistical information such as the number of organizations and other beneficianes served, conferences conversed, research papers produced, etc.  1 N/A  2  3  4  Part IX-B Summary of Program-Related Investments (see instructions)  Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2  All other program-related investments. See instructions  3  All other program-related investments. See instructions  3  Fotal. Add lines 1 through 3	· <u></u>			
Part IX-A Summary of Direct Charitable Activities  Let the foundation's four largest direct chantable activities during the tax year include relevant statistical information such as the number of organizations and other beneficianes served, conferences conversed, research papers produced, etc.  1 N/A  2  3  4  Part IX-B Summary of Program-Related Investments (see instructions)  Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2  All other program-related investments. See instructions  3  All other program-related investments. See instructions  3  Fotal. Add lines 1 through 3				
Part IX-A Summary of Direct Charitable Activities  Let the foundation's four largest direct chantable activities during the tax year include relevant statistical information such as the number of organizations and other beneficianes served, conferences conversed, research papers produced, etc.  1 N/A  2  3  4  Part IX-B Summary of Program-Related Investments (see instructions)  Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2  All other program-related investments. See instructions  3  All other program-related investments. See instructions  3  Fotal. Add lines 1 through 3	Total number of	of others receiving over \$50,000 for professional services		<b>•</b>
organizations and other beneficianes served, conferences convened, research papers produced, etc  IN/A  2  3  4  Part IX-B Summary of Program-Related Investments (see instructions)  Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2  Amount  IN/A  All other program-related investments See instructions  3  All other program-related investments See instructions  1				
2  Part IX-B Summary of Program-Related Investments (see instructions)  Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2  Amount  1 N/A  2  All other program-related investments See instructions 3			rmation such as the number of	Expenses
Part IX-B Summary of Program-Related Investments (see instructions)  Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2  Amount  Amount  All other program-related investments See instructions  Total. Add lines 1 through 3	1 N/A			
Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2  Amount  2  All other program-related investments See instructions 3  Fotal. Add lines 1 through 3	2			
Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2  Amount  2  All other program-related investments See instructions 3  Fotal. Add lines 1 through 3	3			<del> </del>
Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2  Amount  2  All other program-related investments See instructions 3  Fotal. Add lines 1 through 3	·			
Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2  Amount  2  All other program-related investments See instructions 3  Fotal. Add lines 1 through 3	4			
2  All other program-related investments See instructions 3  Total. Add lines 1 through 3	Part IX-B	Summary of Program-Related Investments (see	instructions)	22222
All other program-related investments See instructions  3  Total. Add lines 1 through 3		largest program-related investments made by the foundation during the tax year on lines 1	and 2	Amount
All other program-related investments. See instructions  3  Total. Add lines 1 through 3	1 N/A			
3  Total. Add lines 1 through 3  ▶	2			
Total. Add lines 1 through 3 ▶		-related investments. See instructions		
The line of the early	3			
r. unit. de lacia	Total. Add line	s 1 through 3	<b>&gt;</b>	- 000 DE

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Pa	Minimum Investment Return (All domestic foundations must complete this part. Fo	reigi	i ioungations,
1	see instructions.)  Fair market value of assets not used (or held for use) directly in carrying out charitable, etc.,		
1			
_	purposes Average monthly four market value of securities	1a	65,401
a b	Average monthly fair market value of securities  Average of monthly cash balances	1b	239,902
C	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	305,303
e	Reduction claimed for blockage or other factors reported on lines 1a and		
·	1c (attach detailed explanation)		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	305,303
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see		
	instructions)	4	4,580
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	300,723
6	Minimum investment return. Enter 5% of line 5	6	15,036
Pa	art XI Distributable Amount (see instructions) (Section 4942(J)(3) and (J)(5) private operating		
	foundations and certain foreign organizations check here and do not complete this part )		
1	Minimum investment return from Part X, line 6	1	15,036
2a	Tax on investment income for 2011 from Part VI, line 5		
b	Income tax for 2011. (This does not include the tax from Part VI)		
С	Add lines 2a and 2b	2c	189
3	Distributable amount before adjustments Subtract line 2c from line 1	_3_	14,847
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	14,847
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII,		44 645
	line 1	7	14,847
Pa	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	5,000
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	,	
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	5,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income		_
	Enter 1% of Part I, line 27b (see instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	5,000
	Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the fo	oundat	tion
	qualifies for the section 4940(e) reduction of tax in those years		

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	rt XIII Undistributed Income (see instr					
			(a)	(b)	(c)	(d)
1	Distributable amount for 2011 from Part XI,		Corpus	Years prior to 2010	2010	2011
	line 7					14,847
2	Undistributed income, if any, as of the end of 2011.	1				
а						
	Total for prior years: 20, 20, 20					
3	Excess distributions carryover, if any, to 2011					
a	From 2006 From 2007 16	,909				
0	From 2008	7303				
d	From 2009					
e		,025				
_	Total of lines 3a through e	<u>-                                      </u>	28,934			
4	Qualifying distributions for 2011 from Part XII,	٠.				
	line 4 ▶ \$5,000	, 1				
а	Applied to 2010, but not more than line 2a					
b	Applied to undistributed income of prior years					
	(Election required—see instructions)					
С	Treated as distributions out of corpus (Election			, , ,		
	required—see instructions)			יז ו ,	<del></del>	
d	Applied to 2011 distributable amount					5,000
е	Remaining amount distributed out of corpus		0 045			0.047
5	Excess distributions carryover applied to 2011		9,847			9,847
	(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	l l				
_	indicated below:		19,087			
	Corpus Add lines 3f, 4c, and 4e Subtract line 5 Prior years' undistributed income Subtract		19,001	- , -		
U	line 4b from line 2b	, ,	,			
c	Enter the amount of prior years' undistributed	<del></del>				
Ŭ	income for which a notice of deficiency has	Ì				
	been issued, or on which the section 4942(a)					
	tax has been previously assessed					
d	Subtract line 6c from line 6b Taxable		-			
	amount—see instructions					
е	Undistributed income for 2010. Subtract line					
	4a from line 2a. Taxable amount—see					
	instructions					
f						
	4d and 5 from line 1 This amount must be					
-	distributed in 2012					1
7	Amounts treated as distributions out of corpus					
	to satisfy requirements imposed by section	ļ				
8	170(b)(1)(F) or 4942(g)(3) (see instructions) Excess distributions carryover from 2006 not	<del> </del>				
J	applied on line 5 or line 7 (see instructions)					
9	Excess distributions carryover to 2012.					
•	Subtract lines 7 and 8 from line 6a	1	19,087			
10	Analysis of line 9	,	,			
а		7,062				
b	Excess from 2008		,			
С	Excess from 2009			[	1	
d	Excess from 2010	2,025				
<u>e</u>	Excess from 2011			l		<u> </u>

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	ert XIV Private Operating Fo				<u>on 9)                                   </u>	
1a	If the foundation has received a ruling of			perating		
	foundation, and the ruling is effective fo				L	
þ	Check box to indicate whether the foun		perating foundation d		1942(j)(3) or	4942(j)(5)
2a	Enter the lesser of the adjusted net	Tax year		Pnor 3 years	<del></del>	(e) Total
	income from Part I or the minimum	(a) 2011	<b>(b)</b> 2010	(c) 2009	(d) 2008	
	investment return from Part X for				İ	
	each year listed					
b	85% of line 2a					
С	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					
е	Qualifying distributions made directly					
	for active conduct of exempt activities.					
	Subtract line 2d from line 2c					
3	Complete 3a, b, or c for the				1	
•	alternative test relied upon					
а	"Assets" alternative test—enter.					
a	(1) Value of all assets					
	(2) Value of assets qualifying under			<u> </u>	<del>                                     </del>	
	, ,					
b	section 4942(j)(3)(B)(i) "Endowment" alternative test—enter 2/					
D	of minimum investment return shown in				Ì	
_	Part X, line 6 for each year listed			<del> </del>	<del> </del>	<del></del>
С	"Support" alternative test—enter:					
	(1) Total support other than gross investment income (interest,					
	dividends, rents, payments on				1	
	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			<u> </u>		
"Pa	art XV Supplementary Infor			y if the foundation	on had \$5,000	or more in assets a
	any time during the	<u>year—see instru</u>	uctions.)			
1	Information Regarding Foundation N	flanagers:				
а	List any managers of the foundation wh	no have contributed r	more than 2% of the	total contributions rec	eived by the foun	dation
	before the close of any tax year (but on	ly if they have contri	buted more than \$5,0	000) (See section 50°	7(d)(2) )	
	N/A			<del></del>		
b	List any managers of the foundation wh	no own 10% or more	of the stock of a con	poration (or an equally	large portion of	the
	ownership of a partnership or other ent	ity) of which the four	ndation has a 10% or	greater interest		
	N/A					
2	Information Regarding Contribution,	Grant, Gift, Loan,	Scholarship, etc., P	rograms:		
	Check here ▶ X if the foundation on				and does not acc	ept
	unsolicited requests for funds If the fou					
	other conditions, complete items 2a, b,	=	•	,	•	
а	The name, address, and telephone nur		whom applications	should be addressed:		
-	N/A					
b	The form in which applications should be	ne submitted and info	ormation and materia	als they should include	 :	
-	N/A		omnation and materio	no they bridged middle		
	Any submission deadlines					
·	N/A					
	Any restrictions or limitations on award	e such as hy appara	nhical areas chanta	hle fields kinds of ins	titutions or other	
u		a, audi as by geogra	ipinicai areas, Cidilla	iole licius, Kilius of Ilis	additions, or other	
	factors. N/A					
	M/A					5 QQQ-DE (0044

Supplementary Information (continued) 3 Grants and Contributions Paid During the Year or Approved for Future Payment If recipient is an individual, Foundation Recipient show any relationship to Purpose of grant or status of Amount any foundation manager contribution recipient Name and address (home or business) or substantial contributor a Paid during the year ISAIAHS SOUP KITCHEN 304 W HARDEN PUBLIC **HOBBS NM 88240** GENERAL SUPPORT 2,000 TAYLOR STREET CHURCH 216 E TAYLOR RELIGIOUS **HOBBS NM 88240** GENERAL SUPPORT 2,000 FRIENDS OF THE HOBBS PUBLIC LIBRARY PUBLIC PO BOX 5041 **HOBBS NM 88240** GENERAL SUPPORT 1,000 5,000 ▶ 3a Total **b** Approved for future payment N/A **Total** ▶ 3b

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Form 990-PF (2011)

Form 990	)-PF (201	11) SMITE	E WA	TSON	FOUNDAT	ION	85	-0387785		Pag	ge 13
Part >	(VII I		n Regard	ding Tr			tions and F	Relationships	With Noncharitab		
1 Did	the orga	inization direc	tly or indire	ctly enga	age in any of the	following with a	ny other organ	uzation described		Yes	No
ın s	ection 50	01(c) of the Co	-					relating to political			
_	anization			4			- of				
		om the reporti	ing toundati	on to a n	onchantable ex	empt organizatio	on or:		<b>.</b>		<sub></sub> -
	Cash								1a(1		X
(2)	Other as	ssets							1a(2	의	<u> </u>
<b>b</b> Oth	ier transa	actions:									l
(1)	Sales of	assets to a n	ionchantabl	e exemp	t organization				<u>1b(</u>	_	X
(2)	Purchas	es of assets t	from a nonc	hantable	e exempt organiz	zation			1b(2	2)	X
(3)	Rental o	of facilities, eq	uipment, or	other as	sets				<u>1b(;</u>	3)	X
(4)	Reimbui	rsement arrar	ngements						1b(4	1)	X
(5)	Loans o	r loan guaran	tees						1b(\$	5)	X
(6)	Perform	ance of service	ces or mem	bership o	or fundraising so	licitations			1b((	õ)	X
c Sha	aring of fa	acilities, equip	ment, maili	ng lists,	other assets, or	paid employees			1c		X
								uld always show t	he fair market		
								ition received less			
		•		-	-	-		, other assets, or s			
(a) Lin		(b) Amount in			of noncharitable exer				nsactions, and sharing arrange	ements	
N/A						<u>- · · - · - · · · · · · · · · · · ·</u>		<del></del>			
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	-						-				
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							<u> </u>		····		
							<u> </u>				
2a Is t	he found	ation directly	or indirectly	affiliated	d with, or related	to, one or more	tax-exempt o	rganizations			
des	scribed in	section 501(	c) of the Co	de (othe	er than section 5	01(c)(3)) or in se	ection 527?			Yes X	【] No
b If"	Yes," cor	nplete the foll	lowing sche	dule					_		
	(a	) Name of organiz	ation		(b) Type of	organization		(c) Description	tion of relationship		
N/2	A										
			-		-		1	· · · · · · · · · · · · · · · · · · ·			
-					· · · · · · · · · · · · · · · · · · ·						
							1		<del> </del>		
	Under per	nalties of perjury,	I declare that	have exar	mined this return, inc	luding accompanyin	g schedules and s	tatements, and to the b	est of my knowledge and bel	ief, it is tri	ue,
	correct, ar	nd complete Dec	claration of pre	parer (othe	r than taxpayer) is b	ased on all informati	on of which prepar	er has any knowledge	May the IRS discuss the	ns return	
									with the preparer show		
}		4.							(see instructions)?	Yes	No
Sign		Charles	- L 0	Muit	<b>(</b> )	1 8	3/1/2017	A OPER	CED		
Here	<b>—</b>	Priming	<del>/ // //</del>	rrmm	/	Dat	11/4013	OFFI	.CER		
	▼ Signa	ture of officer or t	trustee 0 /			T Dat	e/	- Title	<del></del>		
	Print/Ty	pe preparer's nan	ne			Preparer's signa	ture	_	Date	Check	
Paid						/ /mm	m Z C.	mi app		1	mployed
Prepare	JAME	S W FRAN			·	T OAM	100 7, W		02/06/1		
Use Onl	y Firm's n		<u>JOHNSO</u>	_	ILLER &	CO., CPA	'S PC		PTIN POOS		
	Firm's a	nddress 🕨 🛚 🗜	P.O. B	OX 2					Firm's EIN ▶ 85-02		
		F	HOBBS,	NM	88241				Phone no 575-3	<u> 93-2</u>	<u> 217</u>

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## 120720 SMITH & WATSON FOUNDATION

### Federal Statements

85-0387785 FYE: 10/31/2012

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			How					
	Description		Received					
Whom	Date	Date	Sale	Cost	Expense	Depreciation	Net Gain / Loss	
200				1	- Lybourge	1000000	(21)	ı
VANGUARD			PURCHASE					
	10/31/10 10/11/12	10/11/12 \$	15,605 \$	11,702 \$		❖	\$ 3,903	m
BANK OF AMERICA			PURCHASE					
	10/31/10 10/11/12	10/11/12	1,961	9,207			-7,246	9
CHEVRON			PURCHASE					
	10/31/10 10/11/12	10/11/12	32,984	14,718			18,266	9
DUKE ENERGY			PURCHASE					
	10/31/10 10/11/12	10/11/12	13,443	23,013			-9,570	0
PYXIS FLTG			PURCHASE					
	11/30/11 10/11/12	10/11/12	24,649	33,277			-8,628	œ
SPECTRA ENERGY			PURCHASE					
	10/30/10 10/11/12	10/11/12	6,180	1,183			4,997	7
ZWEIG			PURCHASE					
	10/31/10 10/11/12	10/11/12	10,926	15,254			-4,328	ωl
TOTAL		<b>.</b>	105,748 \$	108,354 \$	0	\$	\$ -2,606	७।
								1

# Statement 2 - Form 990-PF, Part I, Line 18 - Taxes

Charitable Purpose	₩.	\$
Adjusted Net	٠	₩
Net Investment	w.	\$
Total	128	128
Description	FEDERAL INCOME TAX	TOTAL \$

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## 120720 SMITH & WATSON FOUNDATION 85-0387785 FYE: 10/31/2012

### Federal Statements

Statement 4 - Form	1 990-PF,	Part II, Line 1	0p - Co	Form 990-PF, Part II, Line 10b - Corporate Stock Investments	Investments		
Description	ag s	Beginning of Year		End of Year	Basis of Valuation	LL.	Fair Market Value
.706 SHS	₩	5,10	۰۷۰ 	5,153	COST	ω.	2,826
08.980 SHS DUKE ENERGY		2,55		,	COST		(
56.642 SHS		1,36		11,313	COST		13,044
HS		3,92			COST		∞
SHS		11,702			COST		
56/.6// SHS BLACKROCK CREDIT ALLOC		0,100		11.354	COST		11.348
N E		9,20		)	COST		1 )
SHS		, 25			COST		
3239.646 SHS ZWEIG TOTAL RETURN FND		4,47			COST		
HS S		D			COST		2,69
461.467 SHS VANGUARD BAL INDEX FD		0,02		0,02	COST		0,88
		51,863		, 75	COST		,49
394 SHS ISHARES TRUST BARCLAYS BOND		0,35		0,22	COST		4,14
				, 15	COST		, 89
511,503 SHS INVESCO DIVERSED DIV FD				,24	$_{ m LOST}$		89
75.215 SHS INVESCO SMALLCAP EQTY				1,05	COST		66
2316.256 SHS INVESCO SHORT TERM BON				99′	COST		,31
264.505 SHS INVESCO GLB REAL ESTATE				, 10	COST		, 99
876.119 SHS INVESCO CORE PLUS BOND				, 97	COST		9,63
HS				, 45	COST		, 74
16 SHS APPLE INC				0,76	COST		99′
S				,45	COST		, 09
79 SHS COMCAST CORP CL A				, 97	COST		96′
ENTSPLY INT				, 21	COST		, 94
585.619 SHS GOLDMAN SACHS COMMOD				, 59	COST		, 34
199 SHS INVESCO LTD				, 23	COST		, 82
326.781 SHS INVESCO GROWTH & INCOM				, 24	COST		, 84
443.393 SHS INVESCO COMSTOCK FUND				, 15	COST		, 73
159 SHS MAGNA INTL INC CL A				, 47	COST		, 86
46 SHS PHILIP MORRIS INTL INC				4,427	COST		4,061
130 SHS POTASH CORP SASK INC				, 60	COST		, 21
				, 23	COST		,37
11 SHS SOUTHWEST A				, 61	COST		, 34
27 SHS TEVA PHARM IND				, 23	COST		, 13
8995 SHS BLACKROCK PFD OPPORTUNITY				, 94	COST		, 27

<del>,</del>	· · ·			 	 	. <u>.</u>	 	 
2/6/2013 8:22 AM	( <del>p</del> i	Fair Market Value	\$ 275,496					4
	ments (continue	Basis of Valuation						
ements	Part II, Line 10b - Corporate Stock Investments (continued)	End of Year	\$ 287,624					
Federal Statements	, Part II, Line 10b - Co	Beginning of Year	\$ 246,335					
120720 SMITH & WATSON FOUNDATION 85-0387785 FYE: 10/31/2012	Statement 4 - Form 990-PF,	Description	TOTAL					

2/6/2013 8:22 AM 2 City, State, Zip Statement 5 - Form 990-PF, Part VII-A, Line 10 - Substantial Contributors HOBBS NM 88240 HOBBS NM 88241 Federal Statements Address WATSON TRUCK & SUPPLY INC 1501 N GRIMES ST 120720 SMITH & WATSON FOUNDATION PO BOX 2704 CHARLEY & JULEE SMITH Name 85-0387785 FYE: 10/31/2012

120720 SMITH & WATSON FOUNDATION 85-0387785 **Federal Statements** 

85-0387785 FYE: 10/31/2012

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### **Direct Public Support**

Contributor	Cash Contribution	Noncash Contribution
WATSON TRUCK & SUPPLY INC	10,000	
TOTAL	10,000	0

120720 SMITH & WATSON FOUNDATION 85-0387785 Federal Statements

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85-0387785

**Taxable Dividends from Securities** 

Description	 Amount	Unrelated Business Code	Exclusion Code	US Obs (\$ or %)
WELLS FARGO DIVIDENDS EDWARD JONES DIVIDENDS EDWARD JONES LIMITED DIVIDEND	\$ 7,202 2,050 280			
TOTAL	\$ 9,532			



### **NEW MEXICO PUBLIC REGULATION COMMISSION**

### Certificate Of Amendment

OF

### **SMITH & WATSON FOUNDATION**

### 7605820

**NEW MEXICO** 

The Public Regulation Commission certifies that the Articles Of Amendment, duly signed and verified pursuant to the provisions of the

**Nonprofit Corporation Act** 

(53-8-1 To 53-8-99 NMSA 1978)

have been received by it and are found to conform to law. Accordingly, by virtue of the authority vested in it by law, the Public Regulation Commission issues this Certificate Of Amendment and attaches hereto a duplicate of the Articles Of Amendment.

Dated : August 31, 2012

In testimony whereof, the Public Regulation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to be affixed at the City of Santa Fe.

Hacy Starr-Garcia

**Bureau Chief** 

Chairman

Patrick H. Lyons

### SECOND ARTICLES OF AMENDMENT NAME CONTROL AND STATE OF ST TO THE



### ARTICLES OF INCORPORATION OF

### J. FINN WATSON AND VERDA M. WATSON FOUNDATION A NONPROFIT NEW MEXICO CORPORATION

Pursuant to the provisions of the New Mexico Nonprofit Corporation Act (NMSA 1978, Sections 53-8-1 to 99), the J. Finn Watson and Verda M. Watson Foundation, a Nonprofit New Mexico corporation ("Corporation"), adopts the following Second Articles of Amendment for the purpose of amending its Articles of Incorporation:

### **ARTICLE 1**

The name of the Corporation is J. Finn Watson and Verda M. Watson Foundation (NMPRC #1500644).

### **ARTICLE 2**

Article One of the Articles of Incorporation of the Corporation is deleted in its entirety and the following is substituted in lieu thereof, so that Article One reads in its entirety as follows:

### "ARTICLE ONE

Name: The name of the Corporation is the Smith & Watson Foundation."

Article Two of the Articles of Incorporation of the Corporation is deleted in its 2.2 entirety and the following is substituted in lieu thereof, so that Article Two reads in its entirety as follows:

### "ARTICLE TWO

Duration: The duration of the Smith & Watson Foundation ("Corporation") is perpetual."

### ARTICLE 3

On August 15, 2012, these Second Articles of Amendment were adopted by a consent in writing signed by all Members of the Corporation entitled to vote with respect thereon.

### **ARTICLE 4**

These Second Articles of Amendment are to be effective upon filing with the New Mexico Public Regulation Commission.

Dated: August 15, 2012.

J. FINN WATSON AND VERDA M. WATSON FOUNDATION

JULEE W. SMITH, President

By: Muly Minth, Secretary