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Form 990-PF

## Return of Private Foundation

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

2012

Open to Public  
Inspection

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

For calendar year 2012, or tax year beginning 01-01-2012 , and ending 12-31-2012

Name of foundation The Dixon Water Foundation		A Employer identification number 75-2521176		
Number and street (or P O box number if mail is not delivered to street address) 4528 County Road		B Telephone number (see instructions) (940) 768-2740		
C If exemption application is pending, check here <input checked="" type="checkbox"/> <input type="checkbox"/>				
D 1. Foreign organizations, check here <input checked="" type="checkbox"/> <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input checked="" type="checkbox"/> <input type="checkbox"/>				
E If private foundation status was terminated under section 507(b)(1)(A), check here <input checked="" type="checkbox"/> <input type="checkbox"/>				
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input checked="" type="checkbox"/> <input type="checkbox"/>				
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change				
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation				
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 54,127,872		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)		
Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions) )		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)			
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B			
	3 Interest on savings and temporary cash investments	1,380	1,380	1,380
	4 Dividends and interest from securities. . . . .	67,415	67,415	67,415
	5a Gross rents . . . . .			
	b Net rental income or (loss) _____			
	6a Net gain or (loss) from sale of assets not on line 10	114,477		
	b Gross sales price for all assets on line 6a 575,029			
	7 Capital gain net income (from Part IV, line 2) . . . . .		114,477	
	8 Net short-term capital gain . . . . .			15,439
	9 Income modifications . . . . .			
	10a Gross sales less returns and allowances			
b Less Cost of goods sold . . . . .				
c Gross profit or (loss) (attach schedule) . . . . .				
11 Other income (attach schedule) . . . . .	1,618,058	1,618,142		
12 Total. Add lines 1 through 11 . . . . .	1,801,330	1,801,414	84,234	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	295,316	147,658	147,658
	14 Other employee salaries and wages . . . . .	4,640		4,640
	15 Pension plans, employee benefits . . . . .			
	16a Legal fees (attach schedule) . . . . .	26,475	13,238	13,237
	b Accounting fees (attach schedule) . . . . .	6,418	3,209	3,209
	c Other professional fees (attach schedule) . . . . .	45,700	25,612	
	17 Interest . . . . .			
	18 Taxes (attach schedule) (see instructions)	90,739		44,064
	19 Depreciation (attach schedule) and depletion . . . . .	129,851		
	20 Occupancy . . . . .			
	21 Travel, conferences, and meetings . . . . .	41,218		
	22 Printing and publications . . . . .	1,381		
	23 Other expenses (attach schedule) . . . . .	166,936	414	63,469
	24 Total operating and administrative expenses.			
Add lines 13 through 23 . . . . .	808,674	190,131	276,277	
25 Contributions, gifts, grants paid. . . . .	916,511		916,511	
26 Total expenses and disbursements. Add lines 24 and 25	1,725,185	190,131	1,192,788	
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	76,145			
b Net investment income (if negative, enter -0-)		1,611,283		
c Adjusted net income (if negative, enter -0-)			84,234	

	Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions )	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing . . . . .	1,590,324	1,218,576	1,218,576	
	2 Savings and temporary cash investments . . . . .				
	3 Accounts receivable ►				
	Less allowance for doubtful accounts ►				
	4 Pledges receivable ►				
	Less allowance for doubtful accounts ►				
	5 Grants receivable . . . . .				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions) . . . . .				
	7 Other notes and loans receivable (attach schedule) ►				
	Less allowance for doubtful accounts ►				
	8 Inventories for sale or use . . . . .				
	9 Prepaid expenses and deferred charges . . . . .	28,000	36,000	36,000	
	10a Investments—U S and state government obligations (attach schedule)				
	b Investments—corporate stock (attach schedule) . . . . .	3,691,453	4,239,131	4,239,131	
	c Investments—corporate bonds (attach schedule) . . . . .				
	11 Investments—land, buildings, and equipment basis ►				
Less accumulated depreciation (attach schedule) ►					
12 Investments—mortgage loans . . . . .					
13 Investments—other (attach schedule) . . . . .	5,629,442	9,010,875	9,010,875		
14 Land, buildings, and equipment basis ►	38,911,372				
Less accumulated depreciation (attach schedule) ►	673,058				
15 Other assets (describe ►) . . . . .	38,152,320	38,238,314	38,238,314		
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I) . . . . .	1,031,229	1,384,976	1,384,976		
	50,122,768	54,127,872	54,127,872		
Liabilities	17 Accounts payable and accrued expenses . . . . .				
	18 Grants payable . . . . .				
	19 Deferred revenue . . . . .				
	20 Loans from officers, directors, trustees, and other disqualified persons . . . . .				
	21 Mortgages and other notes payable (attach schedule) . . . . .				
	22 Other liabilities (describe ►) . . . . .	4,918	1,187	1,187	
	23 Total liabilities (add lines 17 through 22) . . . . .	4,918	1,187	1,187	
	Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>			
		and complete lines 24 through 26 and lines 30 and 31.			
		24 Unrestricted . . . . .			
		25 Temporarily restricted . . . . .			
		26 Permanently restricted . . . . .			
		Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
		and complete lines 27 through 31.			
		27 Capital stock, trust principal, or current funds . . . . .	1,000	1,000	1,000
28 Paid-in or capital surplus, or land, bldg , and equipment fund . . . . .					
29 Retained earnings, accumulated income, endowment, or other funds . . . . .		50,116,850	54,125,685	54,125,685	
30 Total net assets or fund balances (see page 17 of the instructions) . . . . .		50,117,850	54,126,685	54,126,685	
31 Total liabilities and net assets/fund balances (see page 17 of the instructions) . . . . .		50,122,768	54,127,872	54,127,872	

**Part III Analysis of Changes in Net Assets or Fund Balances**

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) . . . . .	1	50,117,850
2	Enter amount from Part I, line 27a . . . . .	2	76,145
3	Other increases not included in line 2 (itemize) ►	3	3,932,690
4	Add lines 1, 2, and 3 . . . . .	4	54,126,685
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . . . . .	6	54,126,685

**Part IV Capital Gains and Losses for Tax on Investment Income**

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No  
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	820,536	11,388,908	0.07205
2010	883,029	9,776,080	0.09033
2009	1,064,473	9,683,617	0.10993
2008	1,154,553	12,818,499	0.09007
2007	705,893	5,918,295	0.11927
<b>2</b> <b>Total of line 1, column (d).</b>		<b>2</b>	0.48164
<b>3</b> Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years		<b>3</b>	0.09633
<b>4</b> Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.		<b>4</b>	21,475,549
<b>5</b> Multiply line 4 by line 3.		<b>5</b>	2,068,697
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b).		<b>6</b>	16,111
<b>7</b> Add lines 5 and 6.		<b>7</b>	2,084,811
<b>8</b> Enter qualifying distributions from Part XII, line 4.		<b>8</b>	1,192,788

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)**

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1		1	32,226
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 <input type="checkbox"/> and enter 1% of Part I, line 27b . . . . .			
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	
3	Add lines 1 and 2. . . . .		3	32,226
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0- . . . . .		5	32,226
6	Credits/Payments			
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	36,000	
b	Exempt foreign organizations—tax withheld at source . . . . .	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld . . . . .	6d		
7	Total credits and payments Add lines 6a through 6d. . . . .	7	36,000	
8	Enter any <b>penalty</b> for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	142	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . .	9		
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . . . .	10	3,632	
11	Enter the amount of line 10 to be <b>Credited to 2013 estimated tax</b> <input type="checkbox"/> 3,632 <b>Refunded</b> <input type="checkbox"/>	11		

**Part VII-A Statements Regarding Activities**

1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . . . .		Yes	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? . . . . .		Yes	No
	<i>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.</i>			
1c	Did the foundation file <b>Form 1120-POL</b> for this year? . . . . .		Yes	No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year			
	(1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . .		Yes	No
	<i>If "Yes," attach a detailed description of the activities.</i>			
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i> . . . . .		Yes	No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .		Yes	No
b	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . . . .		Yes	No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . . . .		Yes	No
	<i>If "Yes," attach the statement required by General Instruction T.</i>			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either		Yes	
	● 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? . . . . .			
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>		Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions)			
	<input type="checkbox"/> TX			
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? <i>If "No," attach explanation</i> .		Yes	
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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i> . . . . .		Yes	No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		Yes	No

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions). . . . .	11	<input checked="" type="checkbox"/> Yes	
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		<input checked="" type="checkbox"/> No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . .	13	<input checked="" type="checkbox"/> Yes	

Website address ► N/A

14	The books are in care of ► THE DIXON WATER FOUNDATION	Telephone no ► (940) 768-2740
	Located at ► 4528 COUNTY ROAD 398 DECATUR TX	ZIP +4 ► 76234

15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of <b>Form 1041</b> —Check here . . . . . ►	15	
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16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? . . . . .	16		<input checked="" type="checkbox"/> No
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See instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes", enter the name of the foreign country ►

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

1a	During the year did the foundation (either directly or indirectly)		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . .		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . .		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . .		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . .		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . .		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). . . . .		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did <b>any</b> of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? . . . . .			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	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 2012? . . . . .				<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))					
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? . . . . .		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	If "Yes," list the years ► 20____, 20____, 20____, 20____					
b	Are there any years listed in 2a for which the foundation is <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 <b>all</b> years listed, answer "No" and attach statement—see instructions) . . . . .					
c	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 ► 20____, 20____, 20____, 20____					
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . .		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2012 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 2012). . . . .					
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . .					
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012? . . . . .					

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

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

## **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

1. List all officers, directors, trustees, foundation managers and their compensation (see instructions).

**2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."**

<b>(a)</b> Name and address of each employee paid more than \$50,000	<b>(b)</b> Title, and average hours per week devoted to position	<b>(c)</b> Compensation	<b>(d)</b> Contributions to employee benefit plans and deferred compensation	<b>(e)</b> Expense account, other allowances
NONE				
<b>Total</b> number of other employees paid over \$50,000.				

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**
**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities. . . . .	1a	4,371,694
b	Average of monthly cash balances. . . . .	1b	1,072,737
c	Fair market value of all other assets (see instructions). . . . .	1c	16,358,157
d	<b>Total</b> (add lines 1a, b, and c). . . . .	1d	21,802,588
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation). . . . .	1e	0
2	Acquisition indebtedness applicable to line 1 assets. . . . .	2	
3	Subtract line 2 from line 1d. . . . .	3	21,802,588
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions). . . . .	4	327,039
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5	21,475,549
6	<b>Minimum investment return.</b> Enter 5% of line 5. . . . .	6	1,073,777

**Part 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	1,073,777
2a	Tax on investment income for 2012 from Part VI, line 5. . . . .	2a	32,226
b	Income tax for 2012 (This does not include the tax from Part VI ). . . . .	2b	
c	Add lines 2a and 2b. . . . .	2c	32,226
3	Distributable amount before adjustments Subtract line 2c from line 1. . . . .	3	1,041,551
4	Recoveries of amounts treated as qualifying distributions. . . . .	4	
5	Add lines 3 and 4. . . . .	5	1,041,551
6	Deduction from distributable amount (see instructions). . . . .	6	
7	<b>Distributable amount</b> as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1. . . . .	7	1,041,551

**Part XII Qualifying Distributions** (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26. . . . .	1a	1,192,788
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	3a	
a	Suitability test (prior IRS approval required). . . . .	3b	
b	Cash distribution test (attach the required schedule). . . . .	4	1,192,788
4	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	5	
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). . . . .	6	1,192,788
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4. . . . .		

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

**Part XIII Undistributed Income (see instructions)**

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
<b>1</b> Distributable amount for 2012 from Part XI, line 7				1,041,551
<b>2</b> Undistributed income, if any, as of the end of 2012				
<b>a</b> Enter amount for 2011 only. . . . .				
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2012				
<b>a</b> From 2007. . . . .	424,661			
<b>b</b> From 2008. . . . .	569,441			
<b>c</b> From 2009. . . . .	604,812			
<b>d</b> From 2010. . . . .	443,909			
<b>e</b> From 2011. . . . .	284,385			
<b>f Total of lines 3a through e. . . . .</b>	2,327,208			
<b>4</b> Qualifying distributions for 2012 from Part XII, line 4 ► \$ _____ 1,192,788				
<b>a</b> Applied to 2011, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required—see instructions). . . . .				
<b>c</b> Treated as distributions out of corpus (Election required—see instructions). . . . .	0			
<b>d</b> Applied to 2012 distributable amount. . . . .				1,041,551
<b>e</b> Remaining amount distributed out of corpus	151,237			
<b>5</b> Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)				
<b>6</b> Enter the net total of each column as indicated below:	2,478,445			
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5				
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b. . . . .				
<b>c</b> 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. . . . .				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see instructions . . . . .				
<b>e</b> Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount—see instructions . . . . .				
<b>f</b> Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013. . . . .				0
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions). . . . .				
<b>8</b> Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions) . . . . .	424,661			
<b>9</b> Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a . . . . .	2,053,784			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2008. . . . .	569,441			
<b>b</b> Excess from 2009. . . . .	604,812			
<b>c</b> Excess from 2010. . . . .	443,909			
<b>d</b> Excess from 2011. . . . .	284,385			
<b>e</b> Excess from 2012. . . . .	151,237			

**Part XIV Private Operating Foundations** (see instructions and Part VII-A, question 9)

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling. <input type="text"/>			
b	Check box to indicate whether the organization is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)			
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed.			
b	85% of line 2a.			
c	Qualifying distributions from Part XII, line 4 for each year listed.			
d	Amounts included in line 2c not used directly for active conduct of exempt activities.			
e	Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c.			
3	Complete 3a, b, or c for the alternative test relied upon			
a	"Assets" alternative test—enter			
(1)	Value of all assets.			
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i).			
b	"Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.			
c	"Support" alternative test—enter			
(1)	Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties).			
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(III).			
(3)	Largest amount of support from an exempt organization			
(4)	Gross investment income			

**Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see instructions.)****1 Information Regarding Foundation Managers:**

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

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

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

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

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed

ROBERT J POTTS  
P O BOX 177  
MARFA, TX 79843  
(432) 729-4600

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

2 - 3 PAGE DESCRIPTION OF PROJECT ALONG WITH BUDGET AND SUPPORTING MATERIALS

c Any submission deadlines

NONE

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

LIMITED TO LAND MANAGEMENT, WATERSHED PROTECTION AND EDUCATION

**Part XV Supplementary Information (continued)****3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a Paid during the year</b> See Additional Data Table				
<b>Total</b>			► 3a	916,511
<b>b Approved for future payment</b>				
<b>Total</b>			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions )
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
<b>1 Program service revenue</b>					
a					
b					
c					
d					
e					
f					
<b>g Fees and contracts from government agencies</b>					
<b>2 Membership dues and assessments.</b>					
<b>3 Interest on savings and temporary cash investments</b>		1	1,380		
<b>4 Dividends and interest from securities.</b>		14	67,415		
<b>5 Net rental income or (loss) from real estate</b>					
a Debt-financed property.					
b Not debt-financed property.					
<b>6 Net rental income or (loss) from personal property</b>					
<b>7 Other investment income.</b>					
<b>8 Gain or (loss) from sales of assets other than inventory</b>		18	114,477		
<b>9 Net income or (loss) from special events</b>					
<b>10 Gross profit or (loss) from sales of inventory.</b>					
<b>11 Other revenue</b>	<b>a ROYALTY PAYMENT</b>	1	1,448,099		
b PARTNERSHIP INCOM/LOSS		1	-931		
c MISCELLANEOUS INCOME		1	171,491		
d LEASE/WATER INCOME		1	-601		
e					
<b>12 Subtotal Add columns (b), (d), and (e).</b>				1,801,330	
<b>13 Total Add line 12, columns (b), (d), and (e).</b>					1,801,330

(See worksheet in line 13 instructions to verify calculations )



**Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation**

<b>(a) Name and address</b>	<b>(b) Title, and average hours per week devoted to position</b>	<b>(c) Compensation (If not paid, enter -0-)</b>	<b>(d) Contributions to employee benefit plans and deferred compensation</b>	<b>(e) Expense account, other allowances</b>
HUGH ALJOE	Director 1 00	0		
2510 SAM NOBLE PKWY ARDMORE, OK 73401				
SAM MONTOYA	ADVISORY BOARD 1 00	0		
TWO SANDIA PLAZA BERNALILLO, NM 87004				
DR BONNIE WARNOCK	ADVISORY BOARD 1 00	0		
RAS CENTER BOX C-16 ALPINE, TX 79832				
DR RICHARD TEAGUE	ADVISORY BOARD 1 00	0		
BOX 1658 VERNON, TX 76385				
Laura L Whiting	Director 1 00	0		
5005 LBJ Freeway 2200 Dallas, TX 75244				
Kathy Smyth	V/Chairmen/VP 1 00	0		
7630 Riverpoint Drive Houston, TX 77063				
Leslie C Rauscher	Director 1 00	0		
6227 Malcolm Drive Dallas, TX 75214				
MELISSA BOOKHOUT	Treasurer 35 00	65,000		17,647
4528 COUNTY ROAD 398 DECATUR, TX 76234				
Walt Davis	Director 1 00	0		
262 SR 70E Calera, OK 74730				
JERRY ADDISON	Director 1 00	0		
P O BOX 629 BOWIE, TX 76230				
Janet Samford	Secretary 35 00	40,733		8,620
P O Box 870545 Mesquite, TX 75187				
Clinton W Josey Jr	Chairman/VP 40 00	0		
6060 N Central Expy 560 Dallas, TX 75206				
Robert J Potts	Pres/CEO 40 00	189,583		23,736
P O BOX 177 MARFA, TX 79843				

## Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<b>a Paid during the year</b>				
SUL ROSS STATE UNIVERSITY P O BOX C-16 ALPINE, TX 79832	NONE	PUB UNIVE	CATTLE FOR GENETIC STUDY	14,400
KATY PRAIRIE CONVERCANCY 3015 RICHMOND AVENUE HOUSTON, TX 77098	NONE	PUB CHAR	RANCH MANAGER GRANT	75,000
THE TRUST FOR PUBLIC LAND 10 MILK STREET BOSTON, MA 02108	NONE	PUB CHAR	TRINITY RIVER PLANNING	25,000
NORTH CENTRAL STATE COLLEGE 1525 W CALIFORNIA GAINESVILLE, TX 76240	NONE	PUB UNIVE	PACE GRANT	114,600
GUADALUPE-BLANCO RIVER TRUST 933 EAST COURT STREET SEGUIN, TX 78155	NONE	PUB CHAR	RIPARIAN WORKSHOPS GRANT	10,000
SOIL CARBON COALITION 501 SOUTH STREET ENTERPRISE, OR 97828	NONE	PUB CHAR	SOIL TESTING FOR CARBON	7,800
HOLISTIC MANAGEMENT INTERNATIONAL 5941 JEFFERSON STREET NE ALBUQUERQUE, NM 87109	NONE	PUB CHAR	2012 GRANT	50,000
A ROCHA USA INC PO BOX 1338 FREDERICKSBURG, TX 78624	NONE	PUB CHAR	FRIOT RIVER PROJECT GRANT	75,000
AUSTIN COLLEGE 900 NORTH GRAND AVE SUITE 6G SHERMAN, TX 75090	NONE	PUB UNIVE	LAND MANAGEMENT	12,000
UTAH STATE UNIVERSITY 1400 OLD MAIN HILL LOGAN, UT 84322	NONE	PUB UNIVE	PROVENZA RESEARCH	18,000
NORTH CENTRAL STATE COLLEGE 1525 W CALIFORNIA GAINESVILLE, TX 76240	NONE	PUB UNIVE	2 INTERNS FOR 2 SEMESTERS	13,376
SUL ROSS STATE UNIVERSITY P O BOX C-16 ALPINE, TX 79832	NONE	PUB UNIVE	HEREFORD GENETIC GRANT	40,992
THE NATURE CONSERVENCY P O BOX 1440 SAN ANTONIO, TX 78295	NONE	PUB CHAR	GRAZING INFRASTRUCTURE	95,000
BORDERLANDS RESEARCH INSTITUTE AT S P O BOX C-16 ALPINE, TX 79832	NONE	PUB UNIVE	MICROFLORA GRANT	40,714
BORDERLANDS RESEARCH INSTITUTE AT S P O BOX C-16 ALPINE, TX 79832	NONE	PUB UNIVE	MONITORING GRANT	25,000

## Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a Paid during the year</b>				
MARFA PUBLIC RADIO PO BOX 238 MARFA, TX 79843	NONE	PUB CHAR	2012 NATURE NOTES	20,000
TEXAS TECH UNIVERSITY BOX 41034 LUBBOCK, TX 79409	NONE	PUB UNIVE	WATERSHED RESEARCH	6,629
TEXAS LAND CONSERVANCEY PO BOX 162481 AUSTIN, TX 78716	NONE	PUB CHAR	WATERSHED PLANNING	15,000
NUECES RIVER AUTHORITY PO BOX 349 UVALDE, TX 78802	NONE	PUB CHAR	RIPARIAN NETWORK	31,000
OLSA 35878 CIMARRON ROAD WAYNOKA, OK 73860	NONE	PUB CHAR	OPERATIONAL SUPPORT	15,000
BORDERLANDS RESEARCH INSTITUTE AT S P O BOX C-16 ALPINE, TX 79832	NONE	PUB UNIVE	TEXAS NATIVE SEEDS GRANT	20,000
QUIVERA COALITION INC 1413 SECOND STREET 1 SANTA FE, NM 87505	NONE	PUB CHAR	RANCH APPRENTICE PROGRAM	30,000
TEXAS AGRILIFE RESEARCH 2147 TAMUS COLLEGE STATION, TX 77843	NONE	PUB UNIVE	GRASSLAND CONSERVATION	22,000
OGALLALA COMMONS INC BOX 346 NAZARETH, TX 79063	NONE	PUB UNIVE	GRANT LANDOWNER TRAINING	50,000
THE NATURE CONSERVANCY PO BOX 1440 SAN ANTONIO, TX 78295	NONE	PUB CHAR	WYOMING ECOSYSTEM	5,000
UNIVERSITY OF NORTH TEXAS PO BOX 305250 DENTON, TX 76203	NONE	PUB UNIVE	QUAIL GRANT	50,000
CONNEMARA CONSERVANCY FOUNDATION 1314 W MCDERMOTT ALLEN, TX 75013	NONE	PUB CHAR	CONSERVATION EASEMENT	35,000
<b>Total . . . . .</b>			<b>► 3a</b>	<b>916,511</b>

## TY 2012 Accounting Fees Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 12000229

**Software Version:** 2012v2.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES @ 50%		3,209	0	3,209
ACCOUNTING FEES	6,418	0	0	0

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

## TY 2012 Depreciation Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 12000229

**Software Version:** 2012v2.0

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
2012 FORD F35A TRUCK	2012-02-16	40,531		53	20 00 %	8,106			
IMPROVEMENTS	2012-06-30	49,592		67	3 33 %	1,651			
PAVILLION COSTS	2012-09-30	104,438		87	0 75 %	782			
IMPROVEMENTS	2012-06-30	8,890		67	3 33 %	296			
IMPROVEMENTS	2012-06-30	3,104		67	3 33 %	103			
IMPROVEMENTS	2012-06-30	9,290		67	3 33 %	309			
ROBERT WHITE WELL SERVICE	2011-10-14	4,971	83	91	15 0000	331			
COLUMBIA STREET HOUSE	2011-01-10	248,280	8,653	85	3 64 %	9,027			
IMPROVEMENTS	2011-06-30	256,660	8,547	67	6 67 %	17,119			
IMPROVEMENTS	2011-09-30	21,578	719	67	6 67 %	1,439			
RANCH HOUSE	2010-06-30	2,929	164	85	3 64 %	106			
FENCING	2010-06-30	57,374	5,738	67	6 67 %	3,827			
WATER TANKS & STORAGE	2009-06-30	275,411	45,911	67	6 67 %	18,370			
FENCING	2009-06-30	171,880	28,652	67	6 67 %	11,464			
RANCH HOUSE	2009-06-30	295,147	27,278	85	3 64 %	10,732			
CHEYENNE CAB HIGH TOPPER	2009-10-16	1,351	961	53	11 52 %	156			
GRAZING ENCLOSURE	2009-08-04	700	113	91	15 0000	47			
KUBOTA MOWER & STIHL TRIM	2009-09-10	8,359	5,952	53	11 52 %	963			
RANCH HOUSE	2008-11-30	7,326	831	85	3 64 %	266			
WOOD STOVE	2008-09-10	2,000	953	91	7 0000	286			
T-POSTS	2008-05-01	720	176	91	15 0000	48			
CATTLE GUARD	2008-03-31	1,566	390	91	15 0000	104			
WATER WELL	2008-02-27	7,050	1,802	91	15 0000	470			
GRAVEL ROAD	2008-01-30	5,200	1,359	91	15 0000	347			
HOUSE	2008-06-30	234,235	30,165	85	3 64 %	8,517			
CORRALS	2007-12-12	4,208	2,704	58	14 28 %	601			
RANCH IMPROVEMENTS	2007-02-22	1,610	482	67	6 67 %	107			
GREENHOUSE	2007-03-13	7,002	1,575	69	5 00 %	350			
CONSERVATION DEVELOPMENT	2007-01-23	4,419	1,327	67	6 67 %	295			
NEW BARN	2007-10-30	14,840	3,339	69	5 00 %	742			

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
IMPROVEMENTS	2007-10-10	22,946	6,884	67	6 67 %	1,530			
CORRALS	2007-10-30	500	320	58	14 28 %	71			
FENCING	2007-06-30	85,753	55,131	58	14 28 %	12,246			
HANGARS	2007-10-30	16,068	1,734	87	2 56 %	412			
LANDSCAPING	2007-05-29	2,850	1,831	58	14 28 %	407			
WATER WELL	2007-03-22	10,932	4,121	66	6 23 %	681			
PONDS	2007-02-12	1,256	283	69	5 00 %	63			
FRAMING - BLUEBONNETS	2007-10-27	1,514	972	58	14 28 %	216			
FRAMING - CONFERENCE ROOM	2007-10-27	1,142	734	58	14 28 %	163			
FURNITURE	2007-09-10	3,528	2,268	58	14 28 %	504			
FENCES	2006-07-01	7,850	2,660	68	4 89 %	384			
TRAILERS	2006-10-12	6,139	4,604	57	8 93 %	548			
FENCES	2006-09-19	850	289	68	4 89 %	42			
CORRALS	2006-06-14	570	489	57	8 93 %	51			
IMPROVEMENTS	2006-08-31	8,914	3,021	68	4 89 %	436			
POND	2006-03-20	245	60	69	5 00 %	12			
PONDS	2005-12-31	7,132	1,785	69	5 00 %	357			
WATER WELLS/DRAINAGE	2006-07-01	8,633	2,854	69	5 00 %	432			
PONDS	2006-11-09	1,167	232	91	20 0000	58			
PLANNING - ARCHITECTS	2006-11-30	30,012	4,364	85	3 64 %	1,091			
SEEDING HERITAGE CENTER	2006-11-30	7,482	1,870	69	5 00 %	374			
FENCES LANDSCAPING-GRASS	2006-10-31	112,560	84,419	57	8 93 %	10,052			
CORRALS	2006-05-19	4,272	3,661	57	8 93 %	381			
BARN	2006-06-30	22,281	7,967	68	4 89 %	1,089			
WATER WELL	2005-09-01	9,425	4,694	66	5 90 %	556			
PONDS	2005-09-01	6,327	1,580	69	5 00 %	316			
BUILDINGS	2005-09-01	9,247	3,672	68	4 52 %	418			

## TY 2012 General Explanation Attachment

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 12000229

**Software Version:** 2012v2.0

Identifier	Return Reference	Explanation
		THE DIXON WATER FOUNDATION ATTACHMENT TO FORM 990-PF PART VII-A, ITEM 11 THE DIXON WATER FOUNDATION WAS THE SOLE MEMBER OF DF HOLDINGS, INC, A TITLE-HOLDING CORPORATION THAT WAS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501[C][2] OF THE INTERNAL REVENUE CODE. DF HOLDINGS, INC OWNED ALL OF THE STOCK OF DIXON RANCHES, INC, A FOR-PROFIT CORPORATION. DF HOLDINGS, INC WAS LIQUIDATED AND DISSOLVED IN DECEMBER, 2009 AND TRANSFERRED ITS DIXON RANCHES, INC STOCK TO THE DIXON WATER FOUNDATION. THE DIXON WATER FOUNDATION DID NOT RECEIVE ANY ITEMS OF INCOME DESCRIBED IN SECTION 512[B][13], DIRECTLY OR INDIRECTLY, FROM DIXON RANCHES, INC DURING THE CURRENT YEAR. THE SOLE PURPOSE OF DIXON RANCHES, INC IS TO PRACTICE HOLISTIC RANCH MANAGEMENT, CONSISTENT WITH THE DIXON WATER FOUNDATION'S CHARITABLE AND EDUCATIONAL PURPOSES. PRACTITIONERS OF HOLISTIC RANCH MANAGEMENT RECOGNIZE THAT IN ORDER FOR THIS MOVEMENT TO SUSTAIN ITSELF, THE ABILITY TO PRACTICE HOLISTIC RANCH MANAGEMENT ON A PROFITABLE BASIS MUST BE DEMONSTRATED CONTINUOUSLY. AS SUCH, DIXON RANCHES, INC IS A FUNCTIONALLY RELATED BUSINESS WITHIN THE MEANING OF SECTION 4942[J][5] AND 4943[D][3] OF THE INTERNAL REVENUE CODE AND SECTION 53.4942[A]-2[C][3][III] OF THE TREASURY REGULATIONS. IN DECEMBER 2012, DIXON RANCHES, INC WAS LIQUIDATED AND DISSOLVED.

## TY 2012 Land, Etc. Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 12000229

**Software Version:** 2012v2.0

<b>Category / Item</b>	<b>Cost / Other Basis</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>	<b>End of Year Fair Market Value</b>
Miscellaneous	48,335	3,990	44,345	38,238,314
Land	36,524,941		36,524,941	
Improvements	1,557,399	392,658	1,164,741	
Buildings	559,279	100,433	458,846	
Machinery and Equipment	15,715	13,231	2,484	
Furniture and Fixtures	132,819	122,521	10,298	
Auto./Transportation Equip.	72,884	40,225	32,659	

## TY 2012 Legal Fees Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 12000229

**Software Version:** 2012v2.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES @ 50%		13,238	0	13,237
LEGAL FEES	26,475	0	0	0

## TY 2012 Other Assets Schedule

**Name:** The Dixon Water Foundation**EIN:** 75-2521176**Software ID:** 12000229**Software Version:** 2012v2.0

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
DUE FROM DIXON RANCHES, INC	1,031,229	1,384,976	1,384,976

## TY 2012 Other Expenses Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 12000229

**Software Version:** 2012v2.0

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
UTILITIES	7,070			
TRAINING COURSES	730			
TELEPHONE	5,840			
REPAIRS - BEAR CREEK [OUTREACH]	6,357			6,357
Rental Expenses	827	414		413
RANCH COSTS - INSURANCE - W/C	10,062			10,062
POSTAGE AND DELIVERY	1,180			
PAYROLL CONTRACTOR PAYMENTS	600			
PARKING	217			
OFFICE SUPPLIES	10,714			
MISCELLANEOUS	651			
MISCELLANEOUS	1,613			
MEALS & ENTERTAINMENT	13,645			
INTERNET	1,243			
INSURANCE	59,550			
EVENTS/SPONSORSHIPS [OUTREACH]	22,176			22,176
EDUCATIONAL SUPPLIES [OUTREACH]	23,651			23,651
DIRECT COSTS - LEO/PITTMAN RANCH	810			810

## TY 2012 Other Income Schedule

**Name:** The Dixon Water Foundation**EIN:** 75-2521176**Software ID:** 12000229**Software Version:** 2012v2.0

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
ROYALTY PAYMENT	1,448,099		
PARTNERSHIP INCOM/LOSS	-931		
MISCELLANEOUS INCOME	171,491		
LEASE/WATER INCOME	-601		

## TY 2012 Other Liabilities Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 12000229

**Software Version:** 2012v2.0

Description	Beginning of Year - Book Value	End of Year - Book Value
DUE TO DIXON RANCHES		1,061
TAX LIABILITY ACCOUNT - SUTA	2,629	2,070
TAX LIABILITY ACCOUNT	2,289	-1,944

## TY 2012 Other Professional Fees Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 12000229

**Software Version:** 2012v2.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
CONSULTING FEES	20,088	0	0	0
BROKERAGE FEES - INVESTMENT ADVISOR	25,612	25,612	0	0

## TY 2012 Taxes Schedule

**Name:** The Dixon Water Foundation**EIN:** 75-2521176**Software ID:** 12000229**Software Version:** 2012v2.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TAXES - PROPERTY TAXES [OUTREACH]	39,835			39,835
TAXES - FEDERAL INCOME	33,440			
PAYROLL TAXES - M BOOKHOUT @ 4%				2,600
PAYROLL TAXES - J SAMFORD @ 4%				1,629
PAYROLL TAXES	17,464			