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EXTENDED TO NOVEMBER 15, 2017
Return of Private Foundation

Form 990-PF

Department of the Treasury
Internal Revenue Service

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Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

OMB No 1545-0052

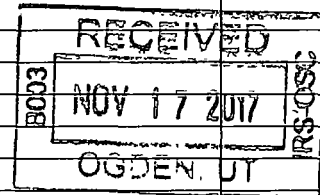
2016

Open to Public Inspection

For calendar year 2016 or tax year beginning , and ending

Name of foundation WATSON-BROWN FOUNDATION, INC.		A Employer identification number 23-7097393
Number and street (or P.O. box number if mail is not delivered to street address) 310 TOM WATSON WAY		B Telephone number (706) 595-8886
City or town, state or province, country, and ZIP or foreign postal code THOMSON, GA 30824-0037		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
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		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 143,385,147. (Part I, column (d) must be on cash basis)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		

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))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received	619.		N/A	
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments	89.	89.		STATEMENT 2
4	Dividends and interest from securities	2,485,490.	2,485,490.		STATEMENT 3
5a	Gross rents	17,735.	17,735.		STATEMENT 4
b	Net rental income or (loss)	17,735.			
6a	Net gain or (loss) from sale of assets not on line 10	3,780,348.			STATEMENT 1
b	Gross sales price for all assets on line 6a	4,318,286.			
7	Capital gain net income (from Part IV, line 2)		3,772,834.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances	513.			STATEMENT 5
b	Less: Cost of goods sold	783.			
c	Gross profit or (loss)	-270.			
11	Other income	73,895.	93,148.		STATEMENT 6
12	Total. Add lines 1 through 11	6,357,906.	6,369,296.		
13	Compensation of officers, directors, trustees, etc	216,754.	21,675.		195,079.
14	Other employee salaries and wages	501,527.	28,438.		473,089.
15	Pension plans, employee benefits	15,363.	1,322.		14,041.
16a	Legal fees				
b	Accounting fees	STMT 7 38,080.	28,560.		9,520.
c	Other professional fees	STMT 8 238,452.	222,342.		15,928.
17	Interest	129,154.	128,748.		0.
18	Taxes	STMT 9 227,699.	61,561.		51,138.
19	Depreciation and depletion	536,670.	0.		
20	Occupancy				
21	Travel, conferences, and meetings	22,156.	5,539.		16,617.
22	Printing and publications	74,861.	18,715.		56,146.
23	Other expenses	STMT 10 1,238,295.	571,573.		666,423.
24	Total operating and administrative expenses. Add lines 13 through 23	3,239,011.	1,088,473.		1,497,981.
25	Contributions, gifts, grants paid	2,862,246.			2,862,246.
26	Total expenses and disbursements. Add lines 24 and 25	6,101,257.	1,088,473.		4,360,227.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	256,649.			
b	Net investment income (if negative, enter -0-)		5,280,823.		
c	Adjusted net income (if negative, enter -0-)			N/A	



Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	2,404,863.	9,337,558.	9,337,558.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use	8,321.	4,606.	4,606.
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations	537,937.		
	b Investments - corporate stock			
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 11	122,312,975.	116,444,852.	121,116,788.
	14 Land, buildings, and equipment basis ▶ 21,252,226.			
	Less: accumulated depreciation STMT 12 ▶ 4,732,828.	16,785,859.	16,519,398.	12,492,806.
	15 Other assets (describe ▶ STATEMENT 13)	510,148.	509,272.	433,389.
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	142,560,103.	142,815,686.	143,385,147.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable	4,000,000.	4,000,000.	
	22 Other liabilities (describe ▶ STATEMENT 14)	3,443.	2,377.	
	23 Total liabilities (add lines 17 through 22)	4,003,443.	4,002,377.	
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	138,556,660.	138,813,309.	
28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	0.	0.		
30 Total net assets or fund balances	138,556,660.	138,813,309.		
31 Total liabilities and net assets/fund balances	142,560,103.	142,815,686.		

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	138,556,660.
2 Enter amount from Part I, line 27a	2	256,649.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	138,813,309.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	138,813,309.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a			
b SEE ATTACHED STATEMENTS			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 4,318,286.		545,452.	3,772,834.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			3,772,834.

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	3,772,834.
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3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A
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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 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))
2015	4,612,854.	128,305,045.	.035952
2014	5,095,389.	108,913,095.	.046784
2013	5,439,000.	94,206,320.	.057735
2012	5,987,613.	94,207,249.	.063558
2011	5,162,229.	92,013,271.	.056103

2 Total of line 1, column (d)	2	.260132
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.052026
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	129,586,578.
5 Multiply line 4 by line 3	5	6,741,871.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	52,808.
7 Add lines 5 and 6	7	6,794,679.
8 Enter qualifying distributions from Part XII, line 4	8	4,630,436.

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 instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	105,616.
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		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	105,616.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	105,616.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2016 estimated tax payments and 2015 overpayment credited to 2016	6a 217,089.		
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c 75,000.		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d		7	292,089.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		8	
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	186,473.
11 Enter the amount of line 10 to be: Credited to 2017 estimated tax	186,473. Refunded	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	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	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>GA</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11	X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12	X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>WWW.WATSON-BROWN.ORG</u>	13	X
14 The books are in care of ► <u>THOMAS W. BROWN, JR.</u> Telephone no. ► <u>706-595-8886</u> Located at ► <u>310 TOM WATSON WAY, THOMSON, GA</u> ZIP+4 ► <u>30824-0037</u>		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A		
16 At any time during calendar year 2016, 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? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►	16	X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly): (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input 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 any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016?	1c	X
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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? If "Yes," list the years ► _____, _____, _____ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____, _____, _____	2b	
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 2016 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 2016.) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No

6b

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

X

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No

7b

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation.**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 15		216,754.	0.	0.

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

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

Total number of other employees paid over \$50,000

0

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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	358,793.
b	Average of monthly cash balances	1b	1,677,781.
c	Fair market value of all other assets	1c	129,523,404.
d	Total (add lines 1a, b, and c)	1d	131,559,978.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	131,559,978.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,973,400.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	129,586,578.
6	Minimum investment return. Enter 5% of line 5	6	6,479,329.

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	6,479,329.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	105,616.
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	105,616.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	6,373,713.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	6,373,713.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	6,373,713.

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	4,360,227.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	270,209.
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	4,630,436.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	4,630,436.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				6,373,713.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011	381,670.			
b From 2012	1,391,503.			
c From 2013	848,700.			
d From 2014				
e From 2015				
f Total of lines 3a through e	2,621,873.			
4 Qualifying distributions for 2016 from Part XII, line 4: ► \$	4,630,436.			
a Applied to 2015, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2016 distributable amount				4,630,436.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))	1,743,277.			1,743,277.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	878,596.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	878,596.			
10 Analysis of line 9:				
a Excess from 2012	29,896.			
b Excess from 2013	848,700.			
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

N/A

▶

☐ 4942(j)(3) or ☐ 4942(j)(5)

(4) Gross investment income

2016.04030 WATSON-BROWN FOUNDATION, IN 23016__1

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
STATEMENT C-1 (CONTRIBUTIONS)	N/A	PUBLIC	GENERAL FUNDS	551,767.
STATEMENT C-2 (SCHOLARSHIPS)	N/A	PUBLIC	EDUCATION	2,310,479.
Total			3a	2,862,246.
b Approved for future payment				
NONE				
Total			3b	0.

Form 990-PF (2016)

2016 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

Asset No	Description	Date Acquired	Method	Life	Conv	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
1	SEE SCHEDULE ATTACHED	VARIOUS		.000		HY16	17158275.				17158275.	4,196,159.		536,670.	4,732,829.
2	LAND		L				4,093,951.				4,093,951.			0.	
	* TOTAL 990-PF PG 1 DEPR						21252226.				21252226.	4,196,159.		536,670.	4,732,829.
	CURRENT YEAR ACTIVITY														
	BEGINNING BALANCE						17158275.			0.	17158275.	4,196,159.			4,732,829.
	ACQUISITIONS						4,093,951.			0.	4,093,951.	0.			0.
	DISPOSITIONS						0.			0.	0.	0.			0.
	ENDING BALANCE						21252226.			0.	21252226.	4,196,159.			4,732,829.
	ENDING ACCUM DEPR											4,732,829.			
	ENDING BOOK VALUE											16519397.			

428111 04-01-16

(D) - Asset disposed

* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	PASSTHROUGH-MERCER GLOBAL MULTI-ASSET FUND, LLC	P	VARIOUS	12/31/16
b	PASSTHROUGH-MERCER GLOBAL MULTI-ASSET FUND, LLC	P	VARIOUS	12/31/16
c	PASSTHROUGH-MERCER GLOBAL MULTI-ASSET FUND, LLC-SE	P	VARIOUS	12/31/16
d	PASSTHROUGH-MERCER GLOBAL MULTI-ASSET FUND, LLC-SE	P	VARIOUS	12/31/16
e	PASSTHROUGH-MERCER PIP II FUND, LLC	P	VARIOUS	12/31/16
f	PASSTHROUGH-MERCER PIP II FUND, LLC	P	VARIOUS	12/31/16
g	PASSTHROUGH-MERCER PIP II FUND LLC-SEC 1256	P	VARIOUS	12/31/16
h	PASSTHROUGH-MERCER PIP II FUND LLC-SEC 1256	P	VARIOUS	12/31/16
i	PASSTHROUGH-MERCER PIP II FUND LLC-SEC 1231 LOSS	P	VARIOUS	12/31/16
j	PASSTHROUGH-MONTAUK TRIGUARD FUND V	P	VARIOUS	12/31/16
k	PASSTHROUGH-MONTAUK TRIGUARD FUND V	P	VARIOUS	12/31/16
l	PASSTHROUGH-MONTAUK TRIGUARD FUND V-SEC. 1256	P	VARIOUS	12/31/16
m	PASSTHROUGH-MONTAUK TRIGUARD FUND V-SEC. 1256	P	VARIOUS	12/31/16
n	PASSTHROUGH-MONTAUK TRIGUARD FUND V-SEC. 1231	P	VARIOUS	12/31/16
o	PASSTHROUGH-MERCER PRIVATE INVESTMENT III, LP	P	VARIOUS	12/31/16

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 101,584.			101,584.
b 2,240,594.			2,240,594.
c 361,468.			361,468.
d 542,202.			542,202.
e 961.			961.
f 329,584.			329,584.
g 3,206.			3,206.
h 4,809.			4,809.
i -5,103.			-5,103.
j 33.			33.
k 37,663.			37,663.
l 68.			68.
m 106.			106.
n 7,291.			7,291.
o 10,130.			10,130.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			101,584.
b			2,240,594.
c			361,468.
d			542,202.
e			961.
f			329,584.
g			3,206.
h			4,809.
i			-5,103.
j			33.
k			37,663.
l			68.
m			106.
n			7,291.
o			10,130.

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7
If (loss), enter "-0-" in Part I, line 7 }

2

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):

If gain, also enter in Part I, line 8, column (c).

If (loss), enter "-0-" in Part I, line 8

3

WATSON-BROWN FOUNDATION, INC.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a PASSTHROUGH-MERCER PRIVATE INVESTMENT III, LP		P	VARIOUS	12/31/16
b PASSTHROUGH-MERCER PRIVATE INVESTMENT III, LP-SEC.		P	VARIOUS	12/31/16
c PASSTHROUGH-NB CROSSROADS FUND XX, LP		P	VARIOUS	12/31/16
d PASSTHROUGH-NB CROSSROADS FUND XX, LP		P	VARIOUS	12/31/16
e PASSTHROUGH-NB CROSSROADS FUND XX, LP-SEC. 1231		P	VARIOUS	12/31/16
f PASSTHROUGH-MONTAUK TRIGUARD FUND VI		P	VARIOUS	12/31/16
g PASSTHROUGH-MONTAUK TRIGUARD FUND VI		P	VARIOUS	12/31/16
h PASSTHROUGH-MONTAUK TRIGUARD FUND VI-SEC. 1256		P	VARIOUS	12/31/16
i PASSTHROUGH-MONTAUK TRIGUARD FUND VI-SEC. 1256		P	VARIOUS	12/31/16
j PASSTHROUGH-MONTAUK TRIGUARD FUND VI-SEC. 1231		P	VARIOUS	12/31/16
k PASSTHROUGH-MERCER PIP IV FUND		P	VARIOUS	12/31/16
l U.S. BANK NOMINEE - LITIGATION PROCEEDS		P	VARIOUS	12/31/16
m 250000FV MOUNT PLEASANT SC DTD 3/14/7		D	VARIOUS	12/01/16
n 250000FV SUMTER CNTY SC DTD 8/1/07		D	VARIOUS	06/01/16
o				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 62,474.			62,474.
b -20.			-20.
c 1,602.			1,602.
d 24,274.			24,274.
e 280.			280.
f -4,120.			-4,120.
g 81,634.		7,514.	74,120.
h 768.			768.
i 1,151.			1,151.
j 13,793.			13,793.
k -62.			-62.
l 1,916.			1,916.
m 250,000.		270,943.	-20,943.
n 250,000.		266,995.	-16,995.
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			62,474.
b			-20.
c			1,602.
d			24,274.
e			280.
f			-4,120.
g			74,120.
h			768.
i			1,151.
j			13,793.
k			-62.
l			1,916.
m			-20,943.
n			-16,995.
o			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 }	2	3,772,834.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	}	3	N/A

FORM 990-PF

GAIN OR (LOSS) FROM SALE OF ASSETS

STATEMENT

1

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
PASSTHROUGH-MERCER GLOBAL MULTI-ASSET FUND, LLC	101,584.	0.	0.	PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
PASSTHROUGH-MERCER GLOBAL MULTI-ASSET FUND, LLC	2,240,594.	0.	0.	PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
PASSTHROUGH-MERCER GLOBAL MULTI-ASSET FUND, LLC-SEC. 1256	361,468.	0.	0.	PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PASSTHROUGH-MERCER GLOBAL MULTI-ASSET FUND, LLC-SEC. 1256	542,202.	0.	0.	0.	542,202.

MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PASSTHROUGH-MERCER PIP II FUND, LLC	961.	0.	0.	0.	961.

MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PASSTHROUGH-MERCER PIP II FUND, LLC	329,584.	0.	0.	0.	329,584.

MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PASSTHROUGH-MERCER PIP II FUND LLC-SEC 1256	3,206.	0.	0.	0.	3,206.

MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD	
PASSTHROUGH-MERCER PIP II FUND LLC-SEC 1256	PURCHASED	VARIOUS	12/31/16	
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
4,809.	0.	0.	0.	4,809.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PASSTHROUGH-MERCER PIP II FUND LLC-SEC 1231 LOSS	PURCHASED	VARIOUS	12/31/16

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
-5,103.	0.	0.	0.	-5,103.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD	
PASSTHROUGH-MONTAUK TRIGUARD FUND V	PURCHASED	VARIOUS	12/31/16	
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
33.	0.	0.	0.	33.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD	
PASSTHROUGH-MONTAUK TRIGUARD FUND V	PURCHASED	VARIOUS	12/31/16	
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
37,663.	0.	0.	0.	37,663.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PASSTHROUGH-MONTAUK TRIGUARD FUND V-SEC. 1256	68.	0.	0.	PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PASSTHROUGH-MONTAUK TRIGUARD FUND V-SEC. 1256	106.	0.	0.	0.	106.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PASSTHROUGH-MONTAUK TRIGUARD FUND V-SEC. 1231	7,291.	0.	0.	PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PASSTHROUGH-MERCER PRIVATE INVESTMENT III,LP	10,130.	0.	0.	PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PASSTHROUGH-MERCER PRIVATE INVESTMENT III,LP	PURCHASED	VARIOUS	12/31/16

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
62,474.	0.	0.	0.	62,474.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PASSTHROUGH-MERCER PRIVATE INVESTMENT III,LP-SEC. 1231	PURCHASED	VARIOUS	12/31/16

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
-20.	0.	0.	0.	-20.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD	
PASSTHROUGH-NB CROSSROADS FUND XX,LP	PURCHASED	VARIOUS	12/31/16	
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,602.	0.	0.	0.	1,602.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD	
PASSTHROUGH-NB CROSSROADS FUND XX,LP	PURCHASED	VARIOUS	12/31/16	
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
24,274.	0.	0.	0.	24,274.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PASSTHROUGH-NB CROSSROADS FUND XX,LP-SEC. 1231	280.	0.	0.	0.	280.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PASSTHROUGH-MONTAUK TRIGUARD FUND VI	-4,120.	0.	0.	0.	-4,120.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PASSTHROUGH-MONTAUK TRIGUARD FUND VI	81,634.	0.	0.	0.	81,634.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PASSTHROUGH-MONTAUK TRIGUARD FUND VI-SEC. 1256	768.	0.	0.	0.	768.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PASSTHROUGH-MONTAUK TRIGUARD FUND VI-SEC. 1256	1,151.	0.	0.	0.	1,151.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PASSTHROUGH-MONTAUK TRIGUARD FUND VI-SEC. 1231	13,793.	0.	0.	0.	13,793.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PASSTHROUGH-MERCER PIP IV FUND	-62.	0.	0.	0.	-62.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
U.S. BANK NOMINEE - LITIGATION PROCEEDS	1,916.	0.	0.	0.	1,916.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD	
250000FV MOUNT PLEASANT SC DTD3/14/7	DONATED	VARIOUS	12/01/16	
(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
250,000.	270,943.	0.	0.	-20,943.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
250000FV SUMTER CNTY SC DTD 8/1/07	DONATED	VARIOUS	06/01/16

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
250,000.	266,995.	0.	0.	-16,995.

CAPITAL GAINS DIVIDENDS FROM PART IV

0.

TOTAL TO FORM 990-PF, PART I, LINE 6A

3,780,348.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
SUNTRUST	89.	89.	
TOTAL TO PART I, LINE 3	89.	89.	

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES				STATEMENT	3
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	
PASSTHROUGH - MERCER GLOBAL MULTI-ASSET FUND,	11,399.	0.	11,399.	11,399.		
PASSTHROUGH - MERCER GLOBAL MULTI-ASSET FUND,	1,981,262.	0.	1,981,262.	1,981,262.		
PASSTHROUGH - MERCER PIP IV FUND	406.	0.	406.	406.		
PASSTHROUGH - MERCER PIP IV FUND	600.	0.	600.	600.		
PASSTHROUGH - MERCER PRIVATE INVESTMENT	47,589.	0.	47,589.	47,589.		
PASSTHROUGH - MERCER PRIVATE INVESTMENT	95,261.	0.	95,261.	95,261.		
PASSTHROUGH - MERCER PRIVATE INVESTMENT	19,075.	0.	19,075.	19,075.		
PASSTHROUGH - MERCER PRIVATE INVESTMENT	8,431.	0.	8,431.	8,431.		
PASSTHROUGH - MONTAUK TRIGUARD FUND V,LP	5,561.	0.	5,561.	5,561.		
PASSTHROUGH - MONTAUK TRIGUARD FUND V,LP	2,288.	0.	2,288.	2,288.		
PASSTHROUGH - NB CROSSROADS FUND XX	3,910.	0.	3,910.	3,910.		
PASSTHROUGH - NB CROSSROADS FUND XX	2,228.	0.	2,228.	2,228.		
PASSTHROUGH-H/2 SPECIAL OPP. III, LP	23.	0.	23.	23.		
PASSTHROUGH-H/2 SPECIAL OPP. III, LP	22,923.	0.	22,923.	22,923.		
PASSTHROUGH-MONTAU TRIGUARD FD. VI	9,403.	0.	9,403.	9,403.		
PASSTHROUGH-MONTAU TRIGUARD FD. VI	7,934.	0.	7,934.	7,934.		
PASSTHROUGH-PRINCI AL REAL ESTATE DEBT FUND	74,504.	0.	74,504.	74,504.		
PASSTHROUGH-PRINCI AL REAL ESTATE DEBT FUND	3,753.	0.	3,753.	3,753.		

WATSON-BROWN FOUNDATION, INC.

23-7097393

US BANK - NOMINEE	15,714.	0.	15,714.	15,714.
US BANK-PLEDGE-NOMINEE	225.	0.	225.	225.
VANGUARD INFLATION PROTECTED SEC. FND	173,001.	0.	173,001.	173,001.
TO PART I, LINE 4	2,485,490.	0.	2,485,490.	2,485,490.

FORM 990-PF

RENTAL INCOME

STATEMENT

4

KIND AND LOCATION OF PROPERTY

ACTIVITY
NUMBERGROSS
RENTAL INCOME

BUILDING - HICKORY HILL DR, THOMSON, GA
LAND RENTAL - HICKORY HILL FARM

1 17,060.
2 675.

TOTAL TO FORM 990-PF, PART I, LINE 5A

17,735.

FORM 990-PF

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 5

INCOME

1. GROSS RECEIPTS	513	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		513
4. COST OF GOODS SOLD (LINE 15)	783	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		-270
6. OTHER INCOME		
7. GROSS INCOME (ADD LINES 5 AND 6)		-270

COST OF GOODS SOLD

8. INVENTORY AT BEGINNING OF YEAR	8,321	
9. MERCHANDISE PURCHASED	275	
10. COST OF LABOR		
11. MATERIALS AND SUPPLIES		
12. OTHER COSTS	-3,208	
13. ADD LINES 8 THROUGH 12		5,388
14. INVENTORY AT END OF YEAR	4,605	
15. COST OF GOODS SOLD (LINE 13 LESS LINE 14) . .		783

FORM 990-PF

OTHER INCOME

STATEMENT 6

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
PASSTHROUGH-MERCER PIP II,LP-ORD. INCOME	-585.	-585.	
PASSTHROUGH-MERCER PIP II,LP-RENTAL REAL ESTATE	-114.	-114.	
PASSTHROUGH-MERCER PIP II,LP-ROYALTIES	20,404.	20,404.	
PASSTHROUGH-MERCER PIP II,LP-OTHER PORTFOLIO INC.	1,315.	1,315.	
PASSTHROUGH-MONTAUK TRIGUARD FUND V,LP-ORD. INCOME	-599.	-599.	
PASSTHROUGH-MONTAUK TRIGUARD FUND V,LP-RENTAL REAL ESTATE	-217.	-217.	
PASSTHROUGH-MONTAUK TRIGUARD FUND V,LP-ROYALTIES	35.	35.	
PASSTHROUGH-MONTAUK TRIGUARD FUND V,LP-COD	406.	406.	
PASSTHROUGH-MONTAUK TRIGUARD FUND V,LP-OTHER PORTFOLIO INC.	145.	145.	
PASSTHROUGH-MONTAUK TRIGUARD FUND V,LP-OTHER INCOME	456.	456.	
PASSTHROUGH-MERCER GLOBAL FUND-SEC.988 GAIN(LOSS)	3,101.	3,101.	
PASSTHROUGH-MONTAUK TRIGUARD FUND VI-ORD. INCOME	-11,273.	-11,273.	
PASSTHROUGH-MONTAUK TRIGUARD FUND VI-OTHER PORTFOLIO INCOME	1,304.	1,304.	
PASSTHROUGH-MONTAUK TRIGUARD FUND VI-OTHER INCOME	-699.	-699.	
PASSTHROUGH-MERCER PIP II,LP-ORD. INCOME	1,771.	0.	
PASSTHROUGH-MONTAUK TRIGUARD FUND V,LP-ORD. INCOME	-9,629.	0.	
PASSTHROUGH-MONTAUK TRIGUARD FUND VI-ORD. INCOME	-16,792.	0.	
PASSTHROUGH-MONTAUK TRIGUARD FUND VI-RENTAL REAL ESTATE INCOME	-22,659.	-22,659.	
PASSTHROUGH-NB CROSSROADS FUND XX-OTHER PORTFOLIO	2,657.	2,657.	
PASSTHROUGH-MERCER PRIVATE INVESTMENT III-ORD. INCOME	-1,959.	-1,959.	
PASSTHROUGH-MERCER PRIVATE INVESTMENT III-ORD. INCOME	-214.	0.	
PASSTHROUGH-MERCER PRIVATE INVESTMENT III-RENTAL REAL ESTATE	-444.	-444.	
PASSTHROUGH-MERCER PRIVATE INVESTMENT III-OTHER PORTFOLIO INCOME	114.	114.	

PASSTHROUGH-MERCER PRIVATE INVESTMENT III-SEC. 988	-1,341.	-1,341.
PASSTHROUGH-MERCER PRIVATE INVESTMENT III-OTHER INCOME	7,052.	7,052.
PASSTHROUGH-MERCER PRIVATE INVESTMENT III-ROYALTIES	1,413.	1,413.
PASSTHROUGH-H/2 SPECIAL OPP. III LP-OTHER PORTFOLIO INCOME	1,526.	1,526.
PASSTHROUGH-MERCER PIP II,LP-COD	3.	3.
PASSTHROUGH-MERCER PIP II,LP-TAX EXEMPT	563.	0.
PASSTHROUGH-MERCER PIP II,LP- OTHER INCOME	17,926.	17,926.
PASSTHROUGH-MONTAUK TRIGUARD FUND V,LP-TAX EXEMPT	309.	0.
PASSTHROUGH-MONTAUK TRIGUARD FUND V,LP-GAURANTEED PAYMENT	5.	5.
PASSTHROUGH-NB CROSSROADS FUND XX-OTHER INCOME	238.	238.
PASSTHROUGH-NB CROSSROADS FUND XX-ROYALTIES	69.	69.
PASSTHROUGH-MONTAUK TRIGUARD FUND VI-COD	613.	613.
PASSTHROUGH-MONTAUK TRIGUARD FUND VI-RENTAL REAL ESTATE INCOME	3,301.	0.
PASSTHROUGH-MONTAUK TRIGUARD FUND VI-ROYALTIES	4.	4.
PASSTHROUGH-H/2 SPECIAL OPP. III LP-OTHER INCOME	74,251.	74,251.
PASSTHROUGH-MERCER PIP IV LP FUND-OTHER PORTFOLIO INCOME	1.	1.
HICKORY HILL MUSEUM TOUR	18.	0.
SUMMER CAMPS	1,420.	0.
TOTAL TO FORM 990-PF, PART I, LINE 11	73,895.	93,148.

FORM 990-PF	ACCOUNTING FEES		STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	38,080.	28,560.		9,520.
TO FORM 990-PF, PG 1, LN 16B	38,080.	28,560.		9,520.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MANAGEMENT FEES	222,342.	222,342.		0.	
CONSULTANT FEES	1,978.	0.		1,978.	
APPRAISAL	2,250.	0.		2,250.	
ARCHEOLOGICAL WORK/FELLOWSHIP	11,700.	0.		11,700.	
PHOTOGRAPHY	182.	0.		0.	
TO FORM 990-PF, PG 1, LN 16C	238,452.	222,342.		15,928.	

FORM 990-PF	TAXES			STATEMENT	9
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
PROPERTY TAX	8,302.	2,076.		6,226.	
PAYROLL TAX	48,248.	3,336.		44,912.	
EXCISE TAX	115,000.	0.		0.	
FOREIGN TAXES PAID	56,149.	56,149.		0.	
TO FORM 990-PF, PG 1, LN 18	227,699.	61,561.		51,138.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	10
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
REPAIRS & MAINTENANCE	135,976.	33,994.		101,982.	
TELEPHONE	23,960.	5,990.		17,970.	
SECURITY SYSTEM	2,148.	537.		1,611.	
SUPPLIES	3,316.	829.		2,487.	
DUES & SUBSCRIPTIONS	11,777.	2,944.		8,833.	
PROPERTY INSURANCE	46,860.	11,715.		35,145.	
POSTAGE & DELIVERY	2,498.	625.		1,873.	
CLEANING & LANDSCAPE EXPENSE	131,567.	32,892.		98,675.	
UTILITIES	86,657.	21,664.		64,993.	
MEALS & ENTERTAINMENT (50% DEDUCTIBLE)	3,750.	938.		2,812.	
MEALS & ENTERTAINMENT (50% NONDEDUCTIBLE)	3,749.	0.		3,749.	

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COMPUTER & WEBSITE EXPENSE	12,332.	3,083.	9,249.
EMPLOYMENT SCREENING	151.	0.	151.
OFFICE EXPENSES	16,231.	4,058.	12,173.
GROUPS EQUIPMENT REPAIRS AND MAINT.	20,011.	5,003.	15,008.
INSURANCE	99,343.	10,928.	88,415.
D & O INSURANCE	7,446.	745.	6,701.
TRUCK INSURANCE	3,462.	866.	2,596.
SPECIAL EVENTS - COMMUNITY/SOUTHERN STUDIES/EDUCATIONAL	162,178.	0.	162,178.
UNIFORMS	149.	0.	149.
EDUCATION & SAFETY	42.	0.	42.
BANK FEES	1,075.	269.	806.
NON-DEDUCTABLE EXPENSES	299.	0.	0.
PASSTHROUGH EXPENSES - MERCER PIP II,LLC	91,244.	91,244.	0.
PORTFOLIO FEES - MERCER GLOBAL MUTLI ASSET FUND	189,970.	189,970.	0.
STORAGE/MOVERS	7,114.	0.	7,114.
PASSTHROUGH EXPENSES - MONTAUK TRIGUARD FND V,LP	10,547.	10,547.	0.
CONSERVATION	15,973.	0.	15,973.
PASSTHROUGH EXPENSES - MERCER PIP III,LLC	42,596.	42,596.	0.
PASSTHROUGH EXPENSES - NB CROSSROAD FUND XX	36,298.	36,298.	0.
PASSTHROUGH EXPENSES - MONTAUK TRIGUARD FND VI, LP	26,063.	26,063.	0.
PASSTHROUGH EXPENSES - H/2 SPECIAL OPP. III, LP	36.	36.	0.
PASSTHROUGH EXPENSES - PRINCIPAL REAL ESTATE DEBT FD, LP	4,836.	4,836.	0.
ARCHIVIST & EXHIBITION CONSTRUCTION	5,738.	0.	5,738.
PASSTHROUGH EXPENSES - MERCER PIP IV,LLC	32,903.	32,903.	0.
TO FORM 990-PF, PG 1, LN 23	1,238,295.	571,573.	666,423.

FORM 990-PF

OTHER INVESTMENTS

STATEMENT 11

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
TIMBER	COST	2,233,522.	1,407,938.
LAND	COST	117,913.	144,300.
MERCER GLOBAL MULTI-ASSET FUND, LLC	COST	83,392,377.	83,755,354.
VANGAURD INFLATION MUTUAL FUND	COST	5,028,027.	5,130,876.
MERCER HEDGE FUND INVESTOR	COST	14,000,000.	17,590,270.

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MERCER PRIVATE INVESTMENT PARTNER II, LP	COST	4,046,177.	4,256,340.
MONTAUK TRIGUARD FUND V LP	COST	306,840.	359,502.
PORTFOLIO ADVISORS PRIVATE EQUITY FND VII	COST	1,047,510.	1,351,430.
MERCER PRIVATE INVESTMENT PARTNER III, LP	COST	1,495,564.	1,664,010.
NB CROSSROADS FUND XX	COST	1,059,088.	1,163,294.
NB SECONDARY OPP FUND III	COST	644,991.	1,045,547.
PRINCIPAL REAL ESTATE DEBT FD	COST	1,096,651.	1,081,731.
MONTAUK TRIGUARD FUND VI LP	COST	741,914.	971,262.
H/2 SPECIAL OPP. III, LP	COST	956,267.	911,349.
MERCER PRIVATE INVESTMENT PARTNER IV, LP	COST	278,011.	283,585.
TOTAL TO FORM 990-PF, PART II, LINE 13		116,444,852.	121,116,788.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 12

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
SEE SCHEDULE ATTACHED	17,158,275.	4,732,829.	12,425,446.
LAND	4,093,951.	0.	4,093,951.
TOTAL TO FM 990-PF, PART II, LN 14	21,252,226.	4,732,829.	16,519,397.

FORM 990-PF OTHER ASSETS STATEMENT 13

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ARTWORK	260,388.	260,388.	260,388.
OTHER ASSETS	876.	0.	0.
TIMBER - HARDWOOD	208,883.	208,883.	133,000.
HICKORY HILL LIBRARY	40,001.	40,001.	40,001.
TO FORM 990-PF, PART II, LINE 15	510,148.	509,272.	433,389.

FORM 990-PF	OTHER LIABILITIES	STATEMENT	14
DESCRIPTION	BOY AMOUNT	EOY AMOUNT	
SALES TAX PAYABLE	66.	40.	
PROGRAM PAYABLE	540.	0.	
PAYROLL TAX PAYABLE	2,837.	2,337.	
TOTAL TO FORM 990-PF, PART II, LINE 22	3,443.	2,377.	

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT	15	
NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
R. BYRON ATTRIDGE 191 PEACHTREE STREET, SUITE 4900 ATLANTA, GA 30303	TRUSTEE 2.50	12,000.	0.	0.
THOMAS W. BROWN, JR. 753 BRADBERRY CREEK EVANS, GA 30809	PRESIDENT 50.00	168,754.	0.	0.
WYCHE FOWLER, JR 199 FOURTEENTH ST., APT. 1202 ATLANTA, GA 30309	TRUSTEE 2.50	12,000.	0.	0.
JOHN WOODHAM 159 E. WESLEY RD. ATLANTA, GA 30305	TRUSTEE 2.50	12,000.	0.	0.
JOAB LESESNE P.O. BOX 79 SUNSET, SC 29685	TRUSTEE 2.50	12,000.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		216,754.	0.	0.

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FORM 990 PF – PART XV
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STATEMENT 24

PART XV, LINE d: SCHOLARSHIPS –

THE FOUNDATION SUPPORTS HIGHER EDUCATION BY DIRECTLY ADMINISTERING ITS OWN COLLEGE SCHOLARSHIP PROGRAM. \$3,000 OR \$5,000 SCHOLARSHIPS ARE AWARDED BASED ON BOTH ACADEMIC MERIT AND FINANCIAL NEED. SCHOLARSHIPS ARE GIVEN TO STUDENTS FROM 18 DESIGNATED COUNTIES IN GEORGIA AND SOUTH CAROLINA. TO RENEW THE SCHOLARSHIP, \$3,000 LEVEL RECIPIENTS MUST MAINTAIN A 3.0 CUMULATIVE COLLEGE GPA AND \$5,000 LEVEL RECIPIENTS MUST MAINTAIN A 3.5 CUMULATIVE COLLEGE GPA. ALL RECIPIENTS MUST TAKE AT LEAST 12 CREDIT HOURS PER SEMESTER.

STATEMENT 24