

For calendar year 2019, or tax year beginning 01-01-2019, and ending 12-31-2019

Name of foundation Kenneth and Jean Watson Fund		A Employer identification number 45-5288107	
% Foundation Source			
Number and street (or P.O. box number if mail is not delivered to street address) Foundation Source 501 Silverside Rd	Room/suite	B Telephone number (see instructions) (800) 839-1754	
City or town, state or province, country, and ZIP or foreign postal code Wilmington, DE 198091377		C If exemption application is pending, check here ☐	
G Check all that apply: ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ Name change		D 1. Foreign organizations, check here..... ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ... ☐	
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶\$ 1,404,912	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____ (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 ☐	

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	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	0			
	2 Check ☒ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	467	467		
	4 Dividends and interest from securities	32,737	32,737		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	35,644			
	b Gross sales price for all assets on line 6a 433,216				
	7 Capital gain net income (from Part IV, line 2)		35,644		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances _____				
Operating and Administrative Expenses	b Less: Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	325	325		
	12 Total. Add lines 1 through 11	69,173	69,173		
	13 Compensation of officers, directors, trustees, etc.	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	4,143	0	0	4,143
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)	20,262	20,262		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	669	69		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	11,642	34		11,608
	24 Total operating and administrative expenses. Add lines 13 through 23	36,716	20,365	0	15,751
	25 Contributions, gifts, grants paid	50,000			50,000
	26 Total expenses and disbursements. Add lines 24 and 25	86,716	20,365	0	65,751
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-17,543			
	b Net investment income (if negative, enter -0-)		48,808		
c Adjusted net income (if negative, enter -0-)					

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			
	2 Savings and temporary cash investments	62,745	83,408	83,408
	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 instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ _____ Less: allowance for doubtful accounts ▶ _____			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)	1,211,805	1,173,599	1,321,504
	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)			
	14 Land, buildings, and equipment: basis ▶ _____ Less: accumulated depreciation (attach schedule) ▶ _____			
15 Other assets (describe ▶ _____)				
16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	1,274,550	1,257,007	1,404,912	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶ _____)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow FASB ASC 958, check here ▶ ☐ and complete lines 24, 25, 29 and 30.			
	24 Net assets without donor restrictions			
	25 Net assets with donor restrictions			
	Foundations that do not follow FASB ASC 958, check here ▶ ☒ and complete lines 26 through 30.			
	26 Capital stock, trust principal, or current funds			
	27 Paid-in or capital surplus, or land, bldg., and equipment fund			
	28 Retained earnings, accumulated income, endowment, or other funds	1,274,550	1,257,007	
	29 Total net assets or fund balances (see instructions)	1,274,550	1,257,007	
30 Total liabilities and net assets/fund balances (see instructions) .	1,274,550	1,257,007		

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 29 (must agree with end-of-year figure reported on prior year's return)	1	1,274,550
2 Enter amount from Part I, line 27a	2	-17,543
3 Other increases not included in line 2 (itemize) ▶ _____	3	
4 Add lines 1, 2, and 3	4	1,257,007
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 29 .	6	1,257,007

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.)
1 a Publicly-traded Securities			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 433,216		397,572	35,644
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col.(h))
(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	
a			35,644
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	2	35,644
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?



Yes



No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see 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))
2018	71,805	1,366,708	0.052539
2017	79,498	1,373,952	0.057861
2016	79,353	1,296,558	0.061203
2015	84,245	1,394,559	0.06041
2014	71,390	1,470,767	0.048539

2 Total of line 1, column (d)	2	0.280552
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years	3	0.05611
4 Enter the net value of noncharitable-use assets for 2019 from Part X, line 5	4	1,356,551
5 Multiply line 4 by line 3	5	76,116
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	488
7 Add lines 5 and 6	7	76,604
8 Enter qualifying distributions from Part XII, line 4	8	65,751

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 ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b	1	976
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	976
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	976
6	Credits/Payments:		
a	2019 estimated tax payments and 2018 overpayment credited to 2019	6a	633
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	633
8	Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached.	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ▶	9	343
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ▶	10	
11	Enter the amount of line 10 to be: Credited to 2020 estimated tax ▶ Refunded ▶	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a	No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? (see Instructions for definition). <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>	1b	No
c Did the foundation file Form 1120-POL for this year?	1c	No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	2	No
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>	3	No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	No
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	5	No
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes
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>	7	Yes
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ DE, IL _____		
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>	8b	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 2019 or the taxable year beginning in 2019? See the instructions for Part XIV. <i>If "Yes," complete Part XIV</i>	9	No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>	10	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		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► _____	13	Yes	
14	The books are in care of ► Foundation Source _____ Telephone no. ► (800) 839-1754			
	Located at ► 501 Silverside Road Suite 123 Wilmington DE _____ ZIP+4 ► 198091377			
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 ☐			
16	At any time during calendar year 2019, 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	Yes No	No No

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☒ Yes ☐ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
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 1b ☐		No
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2019? 1c		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 2019, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2019? ☐ Yes ☒ No If "Yes," list the years ► 20____, 20____, 20____, 20____		
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.) 2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 2019 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 2019.) 3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	No
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 2019?	4b	No

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:		Yes	No
(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		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? If "Yes," attach the statement required by Regulations section 53.4945–5(d).	☐ Yes ☐ No		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No	6b	No
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 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?			
8	Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment during the year?	☐ Yes ☒ No		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation. See instructions				
(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
William W Thorsness  Foundation Source 501 Silverside Rd Wilmington, DE 198091377	Pres, Dir, Sec, Treas 2.0	0	0	0
2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."				
(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Total number of other employees paid over \$50,000.				

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Total number of others receiving over \$50,000 for professional services.		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Organizations and other documents covered/ documents covered/ research papers produced, etc.	
1	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

Partnerships and other program-related investments made by the foundation during the tax year or within 2 years after		Amount
1		
2		
All other program-related investments. See instructions.		
3		
Total. Add lines 1 through 3		

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	1,303,240
b	Average of monthly cash balances.	1b	73,969
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	1,377,209
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets.	2	0
3	Subtract line 2 from line 1d.	3	1,377,209
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	20,658
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,356,551
6	Minimum investment return. Enter 5% of line 5.	6	67,828

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	67,828
2a	Tax on investment income for 2019 from Part VI, line 5.	2a	976
b	Income tax for 2019. (This does not include the tax from Part VI.).	2b	
c	Add lines 2a and 2b.	2c	976
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	66,852
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	66,852
6	Deduction from distributable amount (see instructions).	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	7	66,852

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	65,751
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	0
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required).	3a	0
b	Cash distribution test (attach the required schedule).	3b	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	65,751
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b. See instructions.	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	65,751

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 2018	(c) 2018	(d) 2019
1 Distributable amount for 2019 from Part XI, line 7				66,852
2 Undistributed income, if any, as of the end of 2019:				
a Enter amount for 2018 only.			20,806	
b Total for prior years: 2017, 2016, 2015				
3 Excess distributions carryover, if any, to 2019:				
a From 2014.				
b From 2015.				
c From 2016.				
d From 2017.				
e From 2018.				
f Total of lines 3a through e.				
4 Qualifying distributions for 2019 from Part XII, line 4: ▶ \$ <u>65,751</u>				
a Applied to 2018, but not more than line 2a			20,806	
b Applied to undistributed income of prior years (Election required—see instructions).				
c Treated as distributions out of corpus (Election required—see instructions).				
d Applied to 2019 distributable amount.				44,945
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2019. (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0			
b Prior years' undistributed income. Subtract line 4b from line 2b.				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.				
d Subtract line 6c from line 6b. Taxable amount—see instructions.				
e Undistributed income for 2018. Subtract line 4a from line 2a. Taxable amount—see instructions.				
f Undistributed income for 2019. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2020.				21,907
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).				
8 Excess distributions carryover from 2014 not applied on line 5 or line 7 (see instructions).				
9 Excess distributions carryover to 2020. Subtract lines 7 and 8 from line 6a.	0			
10 Analysis of line 9:				
a Excess from 2015.				
b Excess from 2016.				
c Excess from 2017.				
d Excess from 2018.				
e Excess from 2019.	0			

Part XIV

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2019, enter the date of the ruling.

b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 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	Tax year	Prior 3 years			(e) Total
		(a) 2019	(b) 2018	(c) 2017	(d) 2016	

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:					

[illegible]

(1) Value of all assets					
-----------------------------------	--	--	--	--	--

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
---	--	--	--	--

b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed. . . .					
--	--	--	--	--	--

c "Support" alternative test—enter:				
-------------------------------------	--	--	--	--

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)						
--	--	--	--	--	--	--

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii). . . .						
---	--	--	--	--	--	--

(3) Largest amount of support from an exempt organization					
---	--	--	--	--	--

(4) Gross investment income				
-----------------------------	--	--	--	--

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

1 Information Regarding Foundation Managers:

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

NONE

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

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. to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions

a The name, address, and telephone number or email address of the person to whom applications should be addressed:

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

c Any submission deadlines:

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

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)				
a <i>Paid during the year</i> TRINITY CHRISTIAN COLLEGE ASSOCIATION 6601 W COLLEGE DR PALOS HEIGHTS, IL 60463	N/A	PC	PROGRAM IN PARTNERSHIP WITH BY THE HAND CLUB FOR KIDS	50,000
Total			▶ 3a	50,000
b <i>Approved for future payment</i>				
Total			▶ 3b	

Enter gross amounts unless otherwise indicated.

	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	(e) (See instructions.)
1 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments			14	467	
4 Dividends and interest from securities. . . .			14	32,737	
5 Net rental income or (loss) from real estate:					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory			18	35,644	
9 Net income or (loss) from special events:					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a CLASS ACTION LAWSUIT PROCEEDS _____			01	325	
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e). .				69,173	
13 Total. Add line 12, columns (b), (d), and (e). (See worksheet in line 13 instructions to verify calculations.)				69,173	69,173

[illegible]

Part XVII

- | | | | |
|--|--|-----|----|
| | | Yes | No |
|--|--|-----|----|

--	--	--

- | | | |
|-------|--|----|
| 1a(1) | | No |
| 1a(2) | | No |

--	--	--

- | | | |
|--------------|--|-----------|
| 1b(1) | | No |
| 1b(2) | | No |
| 1b(3) | | No |
| 1b(4) | | No |
| 1b(5) | | No |
| 1b(6) | | No |

1c		No
----	--	----

value
ue

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations

described in section 501(c) (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here ***** _____ Signature of officer or trustee	2020-05-04 _____ Date	***** _____ Title
--	--	--

May the IRS discuss this return with the preparer shown below

(see instr.) ☒ **Yes** ☐ **No**

Paid Preparer Use Only	Jeffrey D Haskell				
	Firm's name ► Foundation Source				Firm's EIN ►
	Firm's address ► One Hollow Ln Ste 212 Lake Success, NY 11042				Phone no. (800) 839-1754

TY 2019 Compensation Explanation**Name:** Kenneth and Jean Watson Fund**EIN:** 45-5288107

Person Name	Explanation
William W Thorsness	*WILLIAM W THORSNESS, PRESIDENT OF KENNETH AND JEAN WATSON FUND (THE FOUNDATION), IS A PARTNER AT THE LAW FIRM LILLIG & THORSNESS, LTD, A DISQUALIFIED PERSON WHICH PROVIDES LEGAL SERVICES TO THE FOUNDATION. DURING THE TAXABLE YEAR ENDING DECEMBER 31, 2019, THE FOUNDATION PAID \$4,143 FOR LEGAL SERVICES RENDERED BY SUCH DISQUALIFIED PERSON AS REPORTED IN FORM 990-PF, PART I, LINE 16A. SUCH ADVISORY FIRM BILLED THE FOUNDATION AT THE SAME RATE OR BELOW THE RATE IT CHARGES ITS OTHER CLIENTS.

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

TY 2019 Depreciation Schedule

Name: Kenneth and Jean Watson Fund

EIN: 45-5288107

TY 2019 Investments Corporate Stock Schedule

Name: Kenneth and Jean Watson Fund
 EIN: 45-5288107

Investments Corporation Stock Schedule

Name of Stock	End of Year Book Value	End of Year Fair Market Value
ADOBE SYSTEMS, INC	1,062	3,958
AIR PRODS & CHEM INC	5,083	5,405
ALPHABET INC CL A	3,927	8,036
AMAZON COM	1,222	7,391
AMERICAN BEACON AHL MNGD FUTUR	22,408	21,829
AMERICAN ELECTRIC POWER INC	2,903	3,497
AMERICAN TOWER REIT INC	1,182	2,758
AMG DOUBLELINE CORE PLUS FIXED	43,855	44,333
AMGEN INC	2,032	2,652
APPLE INC	6,425	12,921
AQR RISK PARITY FUND CLASS I	24,766	24,272
AQR STYLE PREMIA ALT FD CL I	25,939	20,732
AT&T, INC	8,769	9,614
BRISTOL-MYERS SQUIBB CO	7,172	7,960
BROADCOM INC	6,303	7,584
CATERPILLAR INC	5,179	5,464
CHEVRON CORP	2,304	2,290
CHIRON CAPITAL ALLOCATION FUND	25,321	23,479
CHUBB LIMITED	5,641	6,849
CISCO SYSTEMS INC	9,801	11,414
CITIGROUP INC	8,429	10,226
COHEN & STEERS LOW DURATION PR	44,994	45,230
COMMUNICAT SVS SLCT SEC SPDR E	15,149	17,591
CONSUMER DISCRETIONARY SELECT	15,513	23,077
COSTCO WHOLESALE CORPORATION	1,787	4,409
CROWN CASTLE INTL	2,648	3,696
D R HORTON	1,301	1,266
DAVIS FINANCIAL FD INC CL Y	36,990	40,396
DIGITAL RLTY TR INC	2,856	3,353
DOMINOS PIZZA INC	1,202	1,469

Investments Corporation Stock Schedule

Name of Stock	End of Year Book Value	End of Year Fair Market Value
DOVER CORP	1,727	3,343
ECOLAB INC	1,641	2,509
EDWARDS LIFESCIENCES	1,315	2,333
ENTERGY CORP	5,394	5,511
ESTEE LAUDER COMPANIES INC	1,305	2,685
EXXON MOBIL CORP	9,865	8,862
FACEBOOK INC	4,905	6,773
FIFTH THIRD BANCORP	4,348	4,580
FINANCIAL SELECT SECTOR SPDR F	5,310	6,433
FIRST TRUST DOW JONES INTERNET	8,553	11,547
FIRST TRUST ISE CLOUD COMPUTIN	8,425	11,470
GEN DYNAMICS CP	1,229	1,411
HARDING LOEVNER INTL EQUITY	23,841	26,963
HARTFORD WORLD BOND FUND CL I	42,705	43,434
HENDERSON STRATEGIC INCOME FD	40,482	43,180
HOME DEPOT INC	4,139	3,931
HONEYWELL INTL	1,417	2,832
INTERCONTINENTAL EXCHANGE, INC	2,781	3,887
INTUIT	3,358	3,929
INTUITIVE SURGICAL	1,065	1,773
ISHARES 20+ YR TREAS BD	11,573	12,600
ISHARES BARCLAYS 1-3 YEAR TREA	79,861	80,399
ISHARES BARCLAYS 3-7 YEAR TREA	38,988	39,863
ISHARES NASDAQ BIOTECHNOLOGY	6,554	7,110
ISHARES US AEROSPACE AND DEFEN	15,443	21,764
JANUS GLOBAL LIFE SCIENCES I S	18,804	20,445
JOHN HANCOCK INTERNATIONAL COR	23,380	27,622
JP MORGAN CHASE	7,085	11,152
KINDER MORGAN INC	4,463	4,594
LOCKHEED MARTIN CORP	2,779	3,504

Investments Corporation Stock Schedule

Name of Stock	End of Year Book Value	End of Year Fair Market Value
LORD ABBETT ULTRA SHORT BOND F	44,741	44,830
LOWES COMPANIES INC	1,637	1,916
MASTERCARD INC	1,497	2,986
MCDONALD'S CORP	1,968	3,162
MEDTRONIC PLC	4,259	4,425
MERCK & CO INC	8,195	10,095
MICROSOFT CORP	9,952	15,928
NETFLIX INC	1,274	2,589
NORTHROP GRUMMAN CORP	2,492	2,408
NVIDIA CORP	2,098	2,824
O'REILLY AUTOMOTIVE INC	3,599	4,383
PAYPAL HOLDINGS, INC	2,211	3,353
PEPSICO INC	3,588	4,373
PFIZER INC	6,417	6,817
PIMCO INCOME FUND P CLASS	46,622	45,205
PROCTER GAMBLE CO	4,339	4,496
PRUDENTIAL FINCL INC	6,518	6,656
REAL ESTATE SELECT SECTOR SPDR	2,187	2,552
ROYAL BANK OF CANADA	4,264	4,435
ROYAL DUTCH SHEL PLC SPONS ADR	7,725	8,156
SALESFORCE.COM	1,725	4,066
SCHRODER INTL MULTI CAP FUND	25,622	24,860
SELECT SECTOR SPDR-HEALTH CARE	8,289	11,408
TARGET CORPORATION	4,127	6,539
THE BLACKSTONE GROUP INC CL A	4,278	4,811
THE COCA-COLA CO	4,405	5,535
THERMO FISHER SCIENTIFIC INC	1,400	3,898
TJX COMPANIES INC	2,933	4,396
TORONTO DOMINION	3,740	4,378
TRUIST FINANCIAL CORPORATION	6,794	7,941

Investments Corporation Stock Schedule

Name of Stock	End of Year Book Value	End of Year Fair Market Value
UNITED PARCEL SERVICE	7,887	7,843
UNITED TECHNOLOGIES CORP	6,500	7,338
UNITEDHEALTH GROUP INC	4,178	4,998
V F CORP	5,484	5,980
VANGUARD CONSUMER STAPLES ETF	5,421	6,932
VANGUARD INDUSTRIALS ETF	7,497	9,694
VANGUARD INFORMATION TECHNOLOG	34,094	53,132
VANGUARD MTRL ETF	2,286	2,817
VERIZON COMMUNICATIONS	5,236	5,587
VISA INC	2,792	4,322
VMWARE INC	2,374	2,429
WAL-MART STORES INC	3,866	4,635
WISDOMTREE FLOATING RATE TREAS	111,883	111,792
WISDOMTREE MIDCAP DIVIDEND F	19,042	22,215
ZOETIS INC	1,265	2,779

TY 2019 Legal Fees Schedule**Name:** Kenneth and Jean Watson Fund**EIN:** 45-5288107

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
General Consultations	4,143			4,143

TY 2019 Other Expenses Schedule**Name:** Kenneth and Jean Watson Fund**EIN:** 45-5288107**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Administrative Fees	10,841			10,841
Bank Charges	34	34		
Indemnification Insurance	727			727
State or Local Filing Fees	40			40

TY 2019 Other Income Schedule

Name: Kenneth and Jean Watson Fund

EIN: 45-5288107

Other Income Schedule

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
Class Action Lawsuit Proceeds	325	325	

TY 2019 Other Professional Fees Schedule**Name:** Kenneth and Jean Watson Fund**EIN:** 45-5288107

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Investment Management Services	20,262	20,262		

TY 2019 Taxes Schedule**Name:** Kenneth and Jean Watson Fund**EIN:** 45-5288107

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
990-PF Estimated Tax for 2019	600			
Foreign Tax Paid	69	69		