







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

Name of foundation DR AND MRS JE WATKINS SCHOLARSHIP TRUST		A Employer identification number 75-1901814	
Number and street (or P.O. box number if mail is not delivered to street address) PO BOX 6100		Room/suite	
City or town, state or province, country, and ZIP or foreign postal code TYLER, TX 75711		B Telephone number (see instructions) (903) 579-8100	
G Check all that apply: <div><input type="checkbox"/> Initial return</div> <div><input type="checkbox"/> Initial return of a former public charity</div> <div><input type="checkbox"/> Final return</div> <div><input type="checkbox"/> Amended return</div> <div><input type="checkbox"/> Address change</div> <div><input type="checkbox"/> Name change</div>		C If exemption application is pending, check here <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		D 1. Foreign organizations, check here..... <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ... <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 12,179,047		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	

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)	2,410			
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	5,298	5,298		
	4 Dividends and interest from securities	288,637	288,637		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10 _____	-25,351			
	b Gross sales price for all assets on line 6a _____				
		1,405,222			
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
Operating and Administrative Expenses	10a Gross sales less returns and allowances _____				
	b Less: Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	 693,206	693,206		
	12 Total. Add lines 1 through 11	964,200	987,141		
	13 Compensation of officers, directors, trustees, etc.	87,861	87,861		
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	 4,599	4,599		
	b Accounting fees (attach schedule)	 5,100	5,100		
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	 58,321	51,167		
	19 Depreciation (attach schedule) and depletion	 103,802	103,802		
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	 19,239	19,239		
	24 Total operating and administrative expenses. Add lines 13 through 23	278,922	271,768		0
	25 Contributions, gifts, grants paid	619,088			619,088
	26 Total expenses and disbursements. Add lines 24 and 25	898,010	271,768		619,088
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	66,190			
	b Net investment income (if negative, enter -0-)		715,373		
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	288,096	376,967	376,967
	3 Accounts receivable ▶ <u>3,301</u>			
	Less: allowance for doubtful accounts ▶ _____	18,964	3,301	3,301
	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	1,382	2,246	2,246
	10a Investments—U.S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)			
	c Investments—corporate bonds (attach schedule)	4,406,485	4,398,491	4,466,660
	11 Investments—land, buildings, and equipment: basis ▶ _____			
Less: accumulated depreciation (attach schedule) ▶ _____				
12 Investments—mortgage loans				
13 Investments—other (attach schedule)	5,560,262	5,664,176	5,877,253	
14 Land, buildings, and equipment: basis ▶ _____				
Less: accumulated depreciation (attach schedule) ▶ _____				
15 Other assets (describe ▶ _____)			1,452,620	
16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	10,275,189	10,445,181	12,179,047	
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	
	Net Assets or Fund Balances	Foundations that follow FASB ASC 958, check here ▶ <input checked="" type="checkbox"/> and complete lines 24, 25, 29 and 30.		
24 Net assets without donor restrictions		10,275,189		
25 Net assets with donor restrictions				
Foundations that do not follow FASB ASC 958, check here ▶ <input type="checkbox"/> 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				
29 Total net assets or fund balances (see instructions)		10,275,189	10,445,181	
30 Total liabilities and net assets/fund balances (see instructions) .	10,275,189	10,445,181		

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	10,275,189
2 Enter amount from Part I, line 27a	2	66,190
3 Other increases not included in line 2 (itemize) ▶ _____	3	103,802
4 Add lines 1, 2, and 3	4	10,445,181
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	10,445,181

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	P	2000-01-01	2019-01-01
b LT Capital Loss From K-1	P	2000-01-01	2019-12-31
c Capital Gain Dividends			
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 1,384,352		1,422,105	-37,753
b		8,468	-8,468
c			20,870
d			
e			

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			-37,753
b			-8,468
c			
d			
e			

2 Capital gain net income or (net capital loss)	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	2	-25,351
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	519,926	12,569,712	0.04136
2017	463,672	10,614,056	0.04369
2016	425,734	9,546,600	0.04460
2015	319,108	8,794,065	0.03629
2014	325,000	7,279,847	0.04464

2 Total of line 1, column (d)	2	0.210574
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	0.042115
4 Enter the net value of noncharitable-use assets for 2019 from Part X, line 5	4	11,710,089
5 Multiply line 4 by line 3	5	493,170
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	7,154
7 Add lines 5 and 6	7	500,324
8 Enter qualifying distributions from Part XII, line 4	8	619,088

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)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	7,154
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	7,154
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	7,154
6	Credits/Payments:		
a	2019 estimated tax payments and 2018 overpayment credited to 2019	6a	9,400
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	9,400
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	2,246
11	Enter the amount of line 10 to be: Credited to 2020 estimated tax ▶ 2,246 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?		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>		No
c Did the foundation file Form 1120-POL for this year?		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>		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>		No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		No
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? <i>If "Yes," attach the statement required by General Instruction T.</i>		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?	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>	Yes	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ TX _____		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation .</i>	Yes	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2019 or the taxable year beginning in 2019? See the instructions for Part XIV. <i>If "Yes," complete Part XIV</i>		No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>		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 ▶ <u>N/A</u>	13	Yes	
14	The books are in care of ▶ <u>JEFF CHEAVENS</u> Telephone no. ▶ <u>(903) 579-8100</u>			

Located at ▶ PO BOX 6100 TYLER TXZIP+4 ▶ 75711

15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —check here ▶ <input type="checkbox"/>			
	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?	16	Yes	No
	See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes", enter the name of the foreign country ▶			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.**

		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	1b	No
	Organizations relying on a current notice regarding disaster assistance check here. ▶ <input type="checkbox"/>		
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.	<input type="checkbox"/>		
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?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
	<i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6b	No
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			
	<i>If "Yes" to 6b, file Form 8870.</i>			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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
TEXAS BANK TRUST PO BOX 6100 TYLER, TX 75711	Trustee 2.00	87,861		
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
NONE				
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
NONE		
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.	Expenses
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.	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	9,876,673
b	Average of monthly cash balances.	1b	553,574
c	Fair market value of all other assets (see instructions).	1c	1,458,168
d	Total (add lines 1a, b, and c).	1d	11,888,415
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	0
2	Acquisition indebtedness applicable to line 1 assets.	2	
3	Subtract line 2 from line 1d.	3	11,888,415
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	178,326
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	11,710,089
6	Minimum investment return. Enter 5% of line 5.	6	585,504

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	585,504
2a	Tax on investment income for 2019 from Part VI, line 5.	2a	7,154
b	Income tax for 2019. (This does not include the tax from Part VI.).	2b	
c	Add lines 2a and 2b.	2c	7,154
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	578,350
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	578,350
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	578,350

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	619,088
b	Program-related investments—total from Part IX-B.	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes.	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
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	619,088
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	7,154
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	611,934

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				578,350
2 Undistributed income, if any, as of the end of 2019:				
a Enter amount for 2018 only.			619,088	
b Total for prior years: 20____, 20____, 20____				
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>619,088</u>				
a Applied to 2018, but not more than line 2a			619,088	
b Applied to undistributed income of prior years (Election required—see instructions).				
c Treated as distributions out of corpus (Election required—see instructions).	0			
d Applied to 2019 distributable amount.				
e Remaining amount distributed out of corpus				
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				
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.				578,350
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.				
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.				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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:					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the 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).)

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> See Additional Data Table				
Total			3a	619,088
b <i>Approved for future payment</i>				
Total			3b	

Enter gross amounts unless otherwise indicated.

Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
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	5,298	
4 Dividends and interest from securities.				
		14	288,637	
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	-16,883	-8,468
9 Net income or (loss) from special events:				
10 Gross profit or (loss) from sales of inventory				
11 Other revenue:				
a <u>Royalty Income From K-1</u>		15	1,193	
b <u>ROYALTY INTEREST</u>		15	692,013	
c _____				
d _____				
e _____				
12 Subtotal. Add columns (b), (d), and (e).				
			970,258	-8,468
13 Total. Add line 12, columns (b), (d), and (e).				
			961,790	

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

Part XVII

		Yes	No
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1a(1)		No
1a(2)		No

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1b(1)	No
--------------	-----------

1b(2)	No
--------------	-----------

1b(3)		No
--------------	--	-----------

1b(4)		No
--------------	--	-----------

1b(5)		No
--------------	--	-----------

1b(6)		No
--------------	--	-----------

1c		No
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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

<p>Sign Here</p> <p>*****</p> <hr/> <p>Signature of officer or trustee</p>	<p>2020-06-04</p> <hr/> <p>Date</p>	<p>*****</p> <hr/> <p>Title</p>
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May the IRS discuss this return with the preparer shown below

(see instr.) ☒ **Yes** ☐ **No**

Paid Preparer Use Only	Kristen L Gusa			
	Firm's name ► Gollob Morgan Peddy PC			
	Firm's address ► 1001 ESE Loop 323 Ste 300 Tyler, TX 757019609			
	Firm's EIN ► 75-2147296			Phone no. (903) 534-0088

May the IRS discuss this return with the preparer shown below

(see instr.) ☒ **Yes** ☐ **No**

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
TYLER JR COLLEGEPO BOX 9020 TYLER, TX 75711	NONE	PC	SCHOLARSHIP FUND	198,108
TULANE UNIVERSITY EDUCATIONAL FUND 1430 TULANE AVE STE 34 NEW ORLEANS, LA 70112	NONE	PC	SCHOLARSHIP FUND	198,108
STEPHEN F AUSTIN STATE UNIVERSITY PO BOX 13052 NACOGDOCHES, TX 75962	NONE	PC	SCHOLARSHIP FUND	111,436
Total ▶ 3a				619,088

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
KILGORE COLLEGE1100 BROADWAY KILGORE, TX 75662	NONE	PC	SCHOLARSHIP FUND	111,436
Total ▶ 3a				619,088

TY 2019 Accounting Fees Schedule**Name:** DR AND MRS JE WATKINS SCHOLARSHIP TRUST**EIN:** 75-1901814**Software ID:** 19009920**Software Version:** 2019v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	5,100	5,100	0	0

TY 2019 Investments Corporate Bonds Schedule

Name: DR AND MRS JE WATKINS SCHOLARSHIP TRUST

EIN: 75-1901814

Software ID: 19009920

Software Version: 2019v5.0

Investments Corporate Bonds Schedule

Name of Bond	End of Year Book Value	End of Year Fair Market Value
VANG INFLATION PROTECTED SEC #5119	462,365	467,645
VANG H/Y CORPORATE FD ADM SHS #529	281,000	282,347
AMERICAN EXPRESS CREDIT MTN 2.7%	97,970	101,679
APPLE INC 2.4%	96,845	101,661
APPLE INC 2%	99,560	100,255
AUTOMATIC DATA PROCESSING 3.375%	103,872	106,626
BB&T CORP 2.15%	99,072	100,284
BANK OF AMERICA 2.625%	100,220	100,916
BERKSHIRE HATHAWAY INC 2.2%	99,764	100,387
BOEING CO 2.125%	98,967	100,268
CATERPILLAR FINL SERVICE MTN 3%	100,000	99,576
CATERPILLAR FINL SVCS MTNS BE 3.3%	103,100	105,152
CHEVRON CORP 2.566%	100,000	102,018
CISCO SYS INC 2.2%	99,000	100,585
COCA COLA CO 3.3%	103,535	102,478
COLGATE PALMOLIVE CO MTNS BE 3.25%	103,436	105,624
COMCAST CORP 2.75%	100,045	102,167
EXXON MOBIL CORP 2.726%	100,890	102,428
HSBC USA INC 2.35%	99,875	100,051
JOHNSON & JOHNSON 2.45%	97,791	101,558

Investments Corporate Bonds Schedule

Name of Bond	End of Year Book Value	End of Year Fair Market Value
MANUFACTURER & TRADERS TRUST CO 2.9%	99,680	102,968
MERCK & CO INC 2.8%	97,984	103,038
MERCK & CO INC 2.35%	100,100	100,999
MICROSOFT CORP 2.65%	100,946	102,416
MICROSFOT CORP 1.55%	96,235	99,868
OCCIDENTAL PETROLEUM CORP 3.125%	100,080	101,768
OCCIDENTAL PETROLEUM CORP 2.6%	99,997	100,756
PFIZER INC 1.95%	98,872	100,465
PRECISION CASTPARTS CORP 2.5%	99,396	101,787
PROCTER & GAMBLE CO 2.3%	99,578	101,355
QUALCOMM INC 2.25%	99,750	100,110
TOYOTA MOTOR CREDIT CORP 2.7%	100,091	102,046
US BANCORP MTNS BK ENT 3.6%	99,275	106,322
WAL-MART STORES INC 3.625%	103,552	100,886
WELLS FARGO & CO 2.6%	100,434	100,382
WELLS FARGO BANK NA MULTI-STEP CPN 2.5%	100,000	100,108
ALLY BANK 2.7%	100,000	102,093
EXCHANGE BANK 2.45%	100,000	101,050
ISHARES TR PFD & INC SECURITIES ETF 2.45	45,214	44,544
WELLS FARGO NATL BK WEST 1.8%	10,000	9,994

TY 2019 Investments - Other Schedule

Name: DR AND MRS JE WATKINS SCHOLARSHIP TRUST

EIN: 75-1901814

Software ID: 19009920

Software Version: 2019v5.0

Investments Other Schedule 2

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
BRANDES INT'L EQUITY FD	AT COST	855,726	811,635
BRANDES EMERGING MKTS	AT COST	575,000	549,830
NUVEEN SMALL CAP	AT COST	246,420	225,134
PIMCO COMMODITY REAL	AT COST	321,849	283,637
VANG EXTENDED	AT COST	161,301	175,654
ALLERGAN PLC	AT COST	16,912	19,117
ACCENTURE PLC	AT COST	63,521	84,228
EATON CORP PLC	AT COST	23,855	28,416
JOHNSON CTLS INTL	AT COST	31,440	32,568
AT&T	AT COST	26,286	27,356
ABBVIE INC	AT COST	21,537	17,708
ALLIANCE DATA SYSTEM CORP	AT COST	25,997	11,220
THE ALLSTATE CORP	AT COST	20,254	22,490
AMERICAN EXPRESS CO	AT COST	19,720	24,898
AMERISOURCEBERGEN CORP	AT COST	18,871	17,004
AMGEN INC	AT COST	37,513	48,214
APACHE CORP	AT COST	36,483	20,472
APPLIED MATERIALS INC	AT COST	48,341	54,936
AUTODESK INC	AT COST	21,843	36,692
BP P L C SPONSORED ADR	AT COST	21,407	18,870
BIOGEN IDEC INC	AT COST	14,734	14,836
CIGNA CORP NEW	AT COST	24,019	28,629
CME GROUP INC	AT COST	30,908	40,144
CARDINAL HEALTH INC	AT COST	25,186	20,232
CHEVRON CORPORATION	AT COST	98,485	96,408
CISCO SYSTEMS INC	AT COST	19,947	23,980
COLGATE PALMOLIVE CO COM	AT COST	69,774	68,840
CONOCO PHILLIPS	AT COST	23,568	26,012
DUKE ENERGY CORP NEW COM	AT COST	24,222	27,363
ECOLAB INC	AT COST	41,454	57,897

Investments Other Schedule 2

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
EMERSON ELECTRIC COMPANY	AT COST	14,301	15,252
EXXON MOBIL CORP	AT COST	52,161	41,868
FORTIVE CORP	AT COST	22,432	22,917
FRANKLIN RESOURCES INC	AT COST	17,902	10,392
GAP INC	AT COST	13,214	7,072
GENERAL MILLS	AT COST	23,132	21,424
GLAXOSMITHKLINE PLC	AT COST	14,794	18,796
INTEL CORP	AT COST	27,015	35,910
INTERCONTINENTAL EXCHANGE	AT COST	28,318	37,020
JP MORGAN CHASE & CO	AT COST	55,349	69,700
JP MORGAN MID CAP GWTH SELECT	AT COST	157,390	168,918
KIMBERLY CLARK CORP	AT COST	23,137	27,510
L BRANDS, INC	AT COST	24,464	9,060
ELI LILLY COMPANY	AT COST	16,765	26,286
LOWES COMPANIES INC	AT COST	20,323	23,952
MASTERCARD INC	AT COST	50,385	89,577
MCDONALDS CORP COM	AT COST	16,173	19,761
MERCK & CO INC NEW COM	AT COST	11,519	18,190
MONDELEZ INTL INC COM	AT COST	25,685	33,048
NEXTERA ENERGY INC COM	AT COST	15,202	24,216
NIKE INC CL B	AT COST	12,811	20,262
NORDSTROM INC	AT COST	21,959	20,465
NUCOR CORP	AT COST	32,514	28,140
ORACLE CORP	AT COST	23,906	26,490
PACCAR INC	AT COST	24,815	26,894
PAYPAL HLDGS INC	AT COST	23,361	32,451
PEPSICO INC COMMON	AT COST	21,841	27,334
PFIZER	AT COST	18,315	19,590
PROCTOR & GAMBLE	AT COST	67,462	99,920
PRUDENTIAL FINANCIAL INC	AT COST	35,323	28,122

Investments Other Schedule 2

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
QUALCOMM INC	AT COST	26,430	35,292
SCHLUMBERGER LIMITED	AT COST	22,783	12,060
THE SOUTHERN COMPANY COMMON	AT COST	9,377	12,740
STARBUCKS CORP	AT COST	17,838	26,376
TEXAS INSTRUMENTS INC	AT COST	32,755	38,487
TRAVELERS COMPANIES INC	AT COST	27,523	27,390
US BANCORP	AT COST	27,277	29,645
UNITED PARCEL SERVICE	AT COST	21,287	23,412
VANGUARD EQUITY INC ADM SH	AT COST	333,895	339,485
YUM BRANDS INC	AT COST	24,965	30,219
ABB LTD	AT COST	23,881	30,112
AFLAC INC	AT COST	23,492	23,805
ALERIAN MLP ETF	AT COST	25,012	21,250
ABBOTT LABS COM	AT COST	14,766	15,635
INVESCO OPPENH INTL GWTH R6 #7063	AT COST	467,351	465,890
ALEXION PHARMACEUTICALS INC	AT COST	15,137	16,222
ALPHABET INC CL A	AT COST	23,558	26,788
APPLE INC	AT COST	24,698	38,174
BHP GROUP LTD ADS	AT COST	28,671	32,826
BOOKING HOLDINGS INC	AT COST	10,153	10,269
CVS HEALTH CORPORATION	AT COST	14,855	16,715
THE COCA-COLA COMPANY	AT COST	18,421	22,140
CUMMINS INC	AT COST	24,094	26,844
DIGITAL REALTY TRUST INC REIT	AT COST	23,579	23,948
DUPONT DE NEMOURS INC	AT COST	22,154	17,077
E*TRADE FINANCIAL CORP	AT COST	14,324	15,880
GENERAL DYNAMICS CORP	AT COST	23,512	24,689
JANUS HENDERSON GLOBAL R/E CL N 1431	AT COST	284,980	319,996
KLA CORPORATION	AT COST	24,765	40,088
MASCO CORPORATION	AT COST	39,434	47,270

Investments Other Schedule 2

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
NORFOLK SOUTHERN CORP	AT COST	14,816	15,530
NVIDIA CORP	AT COST	14,644	17,648
PALO ALTO NETWORKS, INC	AT COST	10,650	11,563
SALESFORCE.COM INC	AT COST	14,463	16,264
VIACOMCBS INC CL B	AT COST	24,250	21,237
VODAFONE GROUP PLC NEW NO PAR	AT COST	15,845	19,330

TY 2019 Legal Fees Schedule**Name:** DR AND MRS JE WATKINS SCHOLARSHIP TRUST**EIN:** 75-1901814**Software ID:** 19009920**Software Version:** 2019v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Legal Fees	4,599	4,599	0	0

TY 2019 Other Expenses Schedule**Name:** DR AND MRS JE WATKINS SCHOLARSHIP TRUST**EIN:** 75-1901814**Software ID:** 19009920**Software Version:** 2019v5.0**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
miscellaneous expense	31	31		
ROYALTY EXPENSE	19,208	19,208		

TY 2019 Other Income Schedule**Name:** DR AND MRS JE WATKINS SCHOLARSHIP TRUST**EIN:** 75-1901814**Software ID:** 19009920**Software Version:** 2019v5.0**Other Income Schedule**

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
Royalty Income From K-1	1,193	1,193	
ROYALTY INTEREST	692,013	692,013	

TY 2019 Other Increases Schedule**Name:** DR AND MRS JE WATKINS SCHOLARSHIP TRUST**EIN:** 75-1901814**Software ID:** 19009920**Software Version:** 2019v5.0

Description	Amount
Depletion in Excess of Basis	103,802

TY 2019 Taxes Schedule**Name:** DR AND MRS JE WATKINS SCHOLARSHIP TRUST**EIN:** 75-1901814**Software ID:** 19009920**Software Version:** 2019v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Excise Tax Payments	7,154			
Foreign Tax Paid	7,656	7,656		
GROSS PRODUCTION TAX	23,384	23,384		
PROPERTY TAXES	20,127	20,127		