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GOVERNMENT COPY

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

Department of the Treasury
Internal Revenue Service

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

For calendar year 2003, or tax year beginning _____, and ending _____

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of organization WATSON-BROWN FOUNDATION, INC. Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 310 TOM WATSON WAY City or town, state, and ZIP code THOMSON, GA 30824-0037	A Employer identification number 23-7097393 B Telephone number (706) 595-8886
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H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 121,915,240.**
 J Accounting method: Cash Accrual Other (specify) _____
 (Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses
 (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)

	(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 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B	104,085,290.			
2 Distributions from split-interest trusts				
3 Interest on savings and temporary cash investments 2,332.	2,332.	2,332.	2,332.	STATEMENT 2
4 Dividends and interest from securities 2,190,312.	2,190,312.	2,190,285.	2,190,312.	STATEMENT 3
5a Gross rents 10,735.	10,735.	10,735.	10,735.	STATEMENT 4
b (Net rental income or (loss) 10,735.)				
6a Net gain or (loss) from sale of assets not on line 10 3,698,919.	3,698,919.			STATEMENT 1
b Gross sales price for all assets on line 6a 115,960,431.				
7 Capital gain net income (from Part IV, line 2) 0.		0.		
8 Net short-term capital gain N/A			N/A	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit or (loss)				
11 Other income				
12 Total. Add lines 1 through 11	109,987,588.	2,203,352.	2,203,379.	
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc. 179,669.	179,669.	44,917.	44,917.	134,752.
14 Other employee salaries and wages 233,119.	233,119.	27,161.	27,161.	205,958.
15 Pension plans, employee benefits 6,093.	6,093.	1,374.	1,374.	4,718.
16a Legal fees				
b Accounting fees STMT 5 18,813.	18,813.	14,110.	14,110.	4,703.
c Other professional fees STMT 6 236,576.	236,576.	236,481.	236,481.	95.
17 Interest				
18 Taxes STMT 7 46,170.	46,170.	6,066.	6,066.	40,104.
19 Depreciation and depletion 153,671.	153,671.	0.	153,671.	
20 Occupancy 92,408.	92,408.	9,241.	9,241.	83,167.
21 Travel, conferences, and meetings 10,290.	10,290.	0.	0.	10,290.
22 Printing and publications 65,517.	65,517.	6,551.	6,551.	58,966.
23 Other expenses STMT 8 287,079.	287,079.	26,484.	26,484.	247,444.
24 Total operating and administrative expenses. Add lines 13 through 23 1,329,405.	1,329,405.	372,385.	526,056.	790,197.
25 Contributions, gifts, grants paid 2,021,921.	2,021,921.			2,021,921.
26 Total expenses and disbursements. Add lines 24 and 25 3,351,326.	3,351,326.	372,385.	526,056.	2,812,118.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements 106,636,262.	106,636,262.			
b Net investment income (if negative, enter -0-) 1,830,967.		1,830,967.		
c Adjusted net income (if negative, enter -0-) 1,677,323.			1,677,323.	

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	675,914.	3,005,140.	3,005,140.	
	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				
	9	Prepaid expenses and deferred charges		31,870.	31,870.	
	10a	Investments - U.S. and state government obligations STMT 10	0.	13,750,389.	13,485,689.	
	b	Investments - corporate stock STMT 11	0.	56,333,854.	68,566,271.	
	c	Investments - corporate bonds STMT 12	0.	15,764,162.	15,665,713.	
	11	Investments - land, buildings, and equipment: basis				
	Less: accumulated depreciation					
12	Investments - mortgage loans					
13	Investments - other STMT 13	0.	17,293,307.	17,455,291.		
14	Land, buildings, and equipment: basis 5,346,705.					
	Less: accumulated depreciation STMT 14	418,500.				
15	Other assets (describe STATEMENT 15)	3,645,055.	4,928,205.	3,655,882.		
		45,458.	49,384.	49,384.		
16	Total assets (to be completed by all filers)	4,366,427.	111,156,311.	121,915,240.		
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				
	22	Other liabilities (describe STATEMENT 16)	893.	4,498.		
	23	Total liabilities (add lines 17 through 22)	893.	4,498.		
Net Assets or Fund Balances	Organizations 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				
	Organizations 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	4,365,534.	111,151,813.		
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	4,365,534.	111,151,813.			
31	Total liabilities and net assets/fund balances	4,366,427.	111,156,311.			

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	4,365,534.
2	Enter amount from Part I, line 27a	2	106,636,262.
3	Other increases not included in line 2 (itemize) SEE STATEMENT 9	3	150,017.
4	Add lines 1, 2, and 3	4	111,151,813.
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	111,151,813.

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 SEE STATEMENT D-1, 2	D	VARIOUS	VARIOUS
b SEE STATEMENT D-2, 1	D	VARIOUS	VARIOUS
c SEE STATEMENT D-3/69	P	VARIOUS	VARIOUS
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 34,963,691.		42,600,744.	-7,637,053.
b 26,380,080.		24,967,681.	1,412,399.
c 54,616,660.		52,318,439.	2,298,221.
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			-7,637,053.
b			1,412,399.
c			2,298,221.
d			
e			

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	-3,926,433.
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	-3,926,433.

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 organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the organization 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))
2002	3,538,864.	4,461,366.	.7932243
2001	7,124,107.	3,348,686.	2.1274336
2000	1,766,182.	1,844,636.	.9574691
1999	248,630.	1,613,798.	.1540651
1998	228,745.	1,445,833.	.1582098

2 Total of line 1, column (d)	2	4.1904019
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	.8380804
4 Enter the net value of noncharitable-use assets for 2003 from Part X, line 5	4	98,727,588.
5 Multiply line 4 by line 3	5	82,741,656.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	18,310.
7 Add lines 5 and 6	7	82,759,966.
8 Enter qualifying distributions from Part XII, line 4 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.	8	2,812,118.

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 letter: _____ (attach copy of ruling letter if necessary-see instructions)		
b	Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	36,619.
c	All other domestic organizations 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	0.
3	Add lines 1 and 2	3	36,619.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	36,619.
6	Credits/Payments:		
a	2003 estimated tax payments and 2002 overpayment credited to 2003	6a	12,313.
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	253,000.
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	265,313.
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	656.
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	228,038.
11	Enter the amount of line 10 to be: Credited to 2004 estimated tax 228,038. Refunded	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
<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 organization in connection with the activities.</i>		
1c		X
d		
e		
2		X
3		X
4a		X
4b		N/A
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X
11	X	
12		
13		N/A

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

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

1a During the year did the organization (either directly or indirectly):
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(6) Agree to pay money or property to a government official?
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 page 19 of the instructions)?
c Did the organization 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 2003?
2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):
a At the end of tax year 2003, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2003?
b Are there any years listed in 2a for which the organization is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income?
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.
3a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
b If "Yes," did it have excess business holdings in 2003 as a result of (1) any purchase by the organization 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?
4a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?
b Did the organization 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 2003?
5a During the year did the organization pay or incur any amount to:
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?
(3) Provide a grant to an individual for travel, study, or other similar purposes?
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?
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)?
c If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant?
6a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?
b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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 17		179,669.	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

3 Five highest-paid independent contractors for professional services. 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 0

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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.		Amount
1	N/A	
2		
All other program-related investments. See instructions.		
3		
Total. Add lines 1 through 3		0.

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	89,094,277.
b	Average of monthly cash balances	1b	5,680,257.
c	Fair market value of all other assets	1c	5,456,520.
d	Total (add lines 1a, b, and c)	1d	100,231,054.
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	100,231,054.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,503,466.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	98,727,588.
6	Minimum investment return. Enter 5% of line 5	6	4,936,379.

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	4,936,379.
2a	Tax on investment income for 2003 from Part VI, line 5	2a	36,619.
b	Income tax for 2003. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	36,619.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	4,899,760.
4a	Recoveries of amounts treated as qualifying distributions	4a	0.
b	Income distributions from section 4947(a)(2) trusts	4b	0.
c	Add lines 4a and 4b	4c	0.
5	Add lines 3 and 4c	5	4,899,760.
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	4,899,760.

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	2,812,118.
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	
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	2,812,118.
5	Organizations 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	2,812,118.

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 2002	(c) 2002	(d) 2003
1 Distributable amount for 2003 from Part XI, line 7				4,899,760.
2 Undistributed income, if any, as of the end of 2002:				
a Enter amount for 2002 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2003:				
a From 1998	157,545.			
b From 1999	169,026.			
c From 2000	1,687,998.			
d From 2001	6,956,673.			
e From 2002	3,315,796.			
f Total of lines 3a through e	12,287,038.			
4 Qualifying distributions for 2003 from Part XII, line 4: ▶ \$	2,812,118.			
a Applied to 2002, 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 2003 distributable amount				2,812,118.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2003 (If an amount appears in column (d), the same amount must be shown in column (a).)	2,087,642.			2,087,642.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	10,199,396.			
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 2002. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2003. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2004				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)	0.			
8 Excess distributions carryover from 1998 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2004. Subtract lines 7 and 8 from line 6a	10,199,396.			
10 Analysis of line 9:				
a Excess from 1999				
b Excess from 2000				
c Excess from 2001	6,883,600.			
d Excess from 2002	3,315,796.			
e Excess from 2003				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2003, 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)

	Tax year				(e) Total
	(a) 2003	(b) 2002	Prior 3 years		
			(c) 2001	(d) 2000	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year-see page 25 of the 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).)

TOM W. BROWN

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.

NONE

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

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

a The name, address, and telephone number of the person to whom applications should be addressed:
MARY ANN CUSONS, 310 TOM WATSON WAY, THOMSON, GA 30824

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

c Any submission deadlines:
APRIL 15

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

SEE STATEMENT 18

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 Paid during the year				
STATEMENT 19 (SCHOLARSHIPS)	N/A	PUBLIC	EDUCATION	1,037,221.
STATEMENT 20 (CONTRIBUTIONS)	N/A	PUBLIC	EDUCATION	984,700.
Total				3a 2,021,921.
b Approved for future payment				
NONE				
Total				3b 0.

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?
a Transfers from the reporting organization to a noncharitable exempt organization of:
(1) Cash
(2) Other assets
b Other transactions:
(1) Sales of assets to a noncharitable exempt organization
(2) Purchases of assets from a noncharitable exempt organization
(3) Rental of facilities, equipment, or other assets
(4) Reimbursement arrangements
(5) Loans or loan guarantees
(6) Performance of services or membership or fundraising solicitations
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees
d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization.

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Content includes 'N/A'.

2a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Content includes 'N/A'.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here
Signature of officer or trustee
Date
Title
Preparer's signature
Date
Check if self-employed
Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code
STEPHEN M. BERMAN & ASSOC., L.L.C.
3475 LENOX ROAD, N.E., SUITE 950
ATLANTA, GEORGIA 30326
EIN
58-1540139
Phone no.
404-262-2181

Schedule B
(Form 990, 990-EZ, or
990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2003

Name of organization

WATSON-BROWN FOUNDATION, INC.

Employer identification number

23-7097393

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General Rule and a Special Rule-see instructions.)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ► \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions
for Form 990 and Form 990-EZ

Schedule B (Form 990, 990-EZ, or 990-PF) (2003)

Name of organization WATSON-BROWN FOUNDATION, INC.	Employer identification number 23-7097393
--	---

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<u>ESTATE OF WALTER J. BROWN</u> <u>C/O SUNTRUST BANK, P.O. BOX 4655,</u> <u>ATLANTA, GA 30302</u>	\$ <u>16,947,403.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	<u>ESTATE OF WALTER J. BROWN</u> <u>C/O SUNTRUST BANK, P.O. BOX 4655,</u> <u>ATLANTA, GA 30302</u>	\$ <u>83,903,532.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	<u>ESTATE OF WALTER J. BROWN</u> <u>C/O SUNTRUST BANK, P.O. BOX 4655,</u> <u>ATLANTA, GA 30302</u>	\$ <u>3,179,125.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	<u>ESTATE OF WALTER J. BROWN</u> <u>C/O SUNTRUST BANK, P.O. BOX 4655,</u> <u>ATLANTA, GA 30302</u>	\$ <u>53,430.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization WATSON-BROWN FOUNDATION, INC.	Employer identification number 23-7097393
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Part II Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	<u>SECURITIES AND BONDS</u> _____ _____ _____	\$ <u>83,903,532.</u>	<u>02/28/03</u>
3	<u>LAND AND TIMBER</u> _____ _____ _____	\$ <u>3,179,125.</u>	<u>VARIOUS</u>
4	<u>FURNITURE</u> _____ _____ _____	\$ <u>53,430.</u>	<u>04/03/03</u>
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
SEE STATEMENT D-1,2				DONATED	VARIOUS	VARIOUS
	34,963,691.	33,267,766.	0.		0.	1,695,925.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
SEE STATEMENT D-2,1				DONATED	VARIOUS	VARIOUS
	26,380,080.	26,675,307.	0.		0.	-295,227.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
SEE STATEMENT D-3/69				PURCHASED	VARIOUS	VARIOUS
	54,616,660.	52,318,439.	0.		0.	2,298,221.

CAPITAL GAINS DIVIDENDS FROM PART IV						0.
TOTAL TO FORM 990-PF, PART I, LINE 6A						3,698,919.

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

SOURCE	AMOUNT
SUNTRUST BANK	2,332.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	2,332.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
SUNTRUST MANAGEMENT - NOMINEE	1,589,683.	0.	1,589,683.
SUNTRUST MANAGEMENT - NOMINEE	600,629.	0.	600,629.
TOTAL TO FM 990-PF, PART I, LN 4	2,190,312.	0.	2,190,312.

FORM 990-PF RENTAL INCOME STATEMENT 4

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
BUILDING - HICKORY HILL DR, THOMSON, GA	1	9,875.
LAND RENTAL - HICKORY HILL FARM	2	860.
TOTAL TO FORM 990-PF, PART I, LINE 5A		10,735.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	18,813.	14,110.	14,110.	4,703.
TO FORM 990-PF, PG 1, LN 16B	18,813.	14,110.	14,110.	4,703.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MANAGEMENT FEES - SUNTRUST	236,481.	236,481.	236,481.	0.	
MARKET SEARCH FEES	95.	0.	0.	95.	
TO FORM 990-PF, PG 1, LN 16C	236,576.	236,481.	236,481.	95.	

FORM 990-PF	TAXES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
PROPERTY TAX	19,481.	1,948.	1,948.	17,533.	
PAYROLL TAX	26,689.	4,118.	4,118.	22,571.	
TO FORM 990-PF, PG 1, LN 18	46,170.	6,066.	6,066.	40,104.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
REPAIRS & MAINTENANCE	46,839.	4,684.	4,684.	42,155.	
STORAGE & MOVING	5,897.	0.	0.	0.	
TELEPHONE	24,685.	2,469.	2,469.	22,216.	
SECURITY SYSTEM	847.	85.	85.	762.	
SUPPLIES	6,410.	641.	641.	5,769.	
GIFTS	3,615.	362.	362.	3,253.	
DUES & SUBSCRIPTIONS	13,178.	0.	0.	13,178.	
PROPERTY INSURANCE	43,194.	4,319.	4,319.	38,875.	
OFFICE EQUIPMENT LEASES	6,892.	689.	689.	6,203.	
POSTAGE & DELIVERY	6,934.	693.	693.	6,241.	
CLEANING & LANDSCAPE EXPENSE	20,586.	2,059.	2,059.	18,527.	
UTILITIES	27,449.	2,745.	2,745.	24,704.	
EXTERMINATION	990.	99.	99.	891.	
MEALS & ENTERTAINMENT (50% DEDUCTIBLE)	7,254.	725.	725.	6,529.	
MEALS & ENTERTAINMENT (50% NONDEDUCTIBLE)	7,254.	0.	0.	0.	
SECRETARY OF STATE	15.	0.	0.	15.	

COMPUTER/WEBSITE EXPENSES	6,295.	630.	630.	5,665.
LAND SURVEY	4,575.	0.	0.	4,575.
DRUG SCREENING	141.	0.	0.	141.
OFFICE EXPENSES	5,876.	588.	588.	5,288.
TRUCK LEASE	1,481.	148.	148.	1,333.
GROUPS EQUIPMENT REPAIRS AND MAINT.	16,349.	1,635.	1,635.	14,714.
INSURANCE	28,212.	3,385.	3,385.	24,827.
D & O INSURANCE	2,111.	528.	528.	1,583.
TO FORM 990-PF, PG 1, LN 23	287,079.	26,484.	26,484.	247,444.

FORM 990-PF OTHER INCREASES IN NET ASSETS OR FUND BALANCES STATEMENT 9

DESCRIPTION	AMOUNT
ADJUSTMENT FROM PRIOR YEAR TO CORRECT THE METHOD OF DEPRECIATION	150,009.
ADJUSTMENT FROM PRIOR YEAR	8.
TOTAL TO FORM 990-PF, PART III, LINE 3	150,017.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 10

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
SUNTRUST - NOMINEE - STATEMENT A 2/3	X		13,750,389.	13,485,689.
TOTAL U.S. GOVERNMENT OBLIGATIONS			13,750,389.	13,485,689.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			13,750,389.	13,485,689.

FORM 990-PF	CORPORATE STOCK		STATEMENT 11
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SUNTRUST - NOMINEE - STATEMENT A1/8	56,333,854.	68,566,271.
TOTAL TO FORM 990-PF, PART II, LINE 10B	56,333,854.	68,566,271.

FORM 990-PF	CORPORATE BONDS		STATEMENT 12
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SUNTRUST - NOMINEE - STATEMENT A 3/7	15,764,162.	15,665,713.
TOTAL TO FORM 990-PF, PART II, LINE 10C	15,764,162.	15,665,713.

FORM 990-PF	OTHER INVESTMENTS		STATEMENT 13
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
COMMONFUND HEDGE INVESTMENTS	7,000,000.	7,814,844.
COMMONFUND REALTY INVESTMENT, LLC	7,000,000.	7,000,000.
TIMBER	2,442,405.	1,767,434.
LAND	347,089.	369,200.
LAND- T.R.R.COBB HOUSE	503,813.	503,813.
TOTAL TO FORM 990-PF, PART II, LINE 13	17,293,307.	17,455,291.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT		STATEMENT 14
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
SEE SCHEDULE ATTACHED	4,596,708.	418,500.	4,178,208.
LAND	749,997.	0.	749,997.
TOTAL TO FM 990-PF, PART II, LN 14	5,346,705.	418,500.	4,928,205.

FORM 990-PF	OTHER ASSETS	STATEMENT	15
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
DOT - DRIVEWAY ESCROW ACCOUNT	300.	300.
ARTWORK	43,704.	43,704.
ACCOUNT RECEIVABLES - EMPLOYEES AND REFUNDS DUE	5,380.	5,380.
TOTAL TO FORM 990-PF, PART II, LINE 15	49,384.	49,384.

FORM 990-PF	OTHER LIABILITIES	STATEMENT	16
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DESCRIPTION	AMOUNT
PAYROLL TAXES PAYABLE	1,229.
OTHER PAYABLE	205.
SIMPLE IRA PLAN PAYABLE	3,064.
TOTAL TO FORM 990-PF, PART II, LINE 22, COLUMN B	4,498.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 17

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 2.5	12,000.	0.	0.
THOMAS W. BROWN, JR. 753 BRADBERRY CREEK EVANS, GA 30809	PRESIDENT 50	132,169.	0.	0.
TOM W. BROWN 2859 PACES FERRY RD., NO. 2150 ATLANTA, GA 30339	TRUSTEE/BOARD CHAIRMAN 2.5	12,000.	0.	0.
JOHN WOODHAM 159 E. WESLEY RD. ATLANTA, GA 30305	TRUSTEE 2.5	11,500.	0.	0.
JOAB LESESNE P.O. BOX 79 SUNSET, SC 29685	TRUSTEE 2.5	12,000.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		179,669.	0.	0.

FORM 990-PF PART XV, LINE 2D AWARD RESTRICTIONS AND LIMITATIONS STATEMENT 18

DESCRIPTION

TO RECEIVE SCHOLARSHIP, APPLICANT NEEDS TO MAINTAIN A 3.0 HIGH SCHOOL GPA AND A 3.0 COLLEGE GPA. APPLICANT MUST BE FROM CENTRAL SAVANNAH RIVER AREA OF SOUTH CAROLINA AND GEORGIA. THE FOUNDATION ALSO AWARDS GRANTS TO SOUTHERN INSTITUTIONS OF HIGHER EDUCATION.

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

FORM **990-PF**

2003

Name WATSON-BROWN FOUNDATION, INC.	Employer identification number 23-7097393
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Note: In most cases, the corporation **does not** need to file Form 2220. (See Part I below for exceptions.) The IRS will figure any penalty owed and bill the corporation. If the corporation does not need to file Form 2220, it may still use it to figure the penalty. Enter the amount from line 36 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Reasons For Filing - Check the boxes below that apply. If any boxes are checked, the corporation must file Form 2220, even if it does not owe the penalty. If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty.

- 1 The corporation is using the adjusted seasonal installment method.
- 2 The corporation is using the annualized income installment method.
- 3 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part II Figuring the Underpayment

4 Total tax (see instructions)	4	36,619.
5a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4	5a	
b Look-back interest included on line 4 under section 460(b)(2) for completed long-term contracts or of section 167(g) for property depreciated under the income forecast method	5b	
c Credit for Federal tax paid on fuels (see instructions)	5c	
d Total. Add lines 5a through 5c	5d	
6 Subtract line 5d from line 4. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	6	36,619.
7 Enter the tax shown on the corporation's 2002 income tax return. Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 6 on line 8	7	
8 Enter the smaller of line 6 or line 7. If the corporation is required to skip line 7, enter the amount from line 6	8	36,619.

	(a)	(b)	(c)	(d)	(e)	
9 Installment due dates. Enter in col (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th mos of the corporation's tax year	9	05/15/03	06/15/03	09/15/03	10/01/03	12/15/03
Exception. If one of your installment due dates is Sept 15, 2003, or Sept 15, 2004, see the instructions.						
10 Required installments. If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 38. If the box on ln 3 (but not 1 or 2) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of ln 8 above in each column	10	9,155.	9,155.	6,866.	2,288.	9,155.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11	12,313.				
Complete lines 12 through 18 of one column before going to the next column.						
12 Enter amount, if any, from line 18 of the preceding column	12		3,158.			
13 Add lines 11 and 12	13		3,158.			
14 Add amounts on lines 16 and 17 of the preceding column	14		5,997.	12,863.	15,151.	
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	12,313.	3,158.	0.	0.	
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		0.	5,997.	12,863.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17		5,997.	6,866.	2,288.	9,155.
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18	3,158.				

Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.

Part III Figuring the Penalty

	(a)	(b)	(c)	(d)	(e)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers; Use 5th month instead of 3rd month.)	19				
20 Number of days from due date of installment on In 9 to the date shown on line 19	20				
21 Number of days on line 20 after 4/15/2003 and before 10/1/2003	21				
22 Underpayment on line 17 x Number of days on line 21 x 5% 365	22	\$	\$	\$	\$
23 Number of days on line 20 after 9/30/2003 and before 1/1/2004	23				
24 Underpayment on line 17 x Number of days on line 23 x 4% 365	24	\$	\$	\$	\$
25 Number of days on line 20 after 12/31/2003 and before 4/1/2004	25				
26 Underpayment on line 17 x Number of days on line 25 x 4% 366	26	\$	\$	\$	\$
27 Number of days on line 20 after 3/31/2004 and before 7/1/2004	27	SEE ATTACHED WORKSHEET			
28 Underpayment on line 17 x Number of days on line 27 x % 366	28	\$	\$	\$	\$
29 Number of days on line 20 after 6/30/2004 and before 10/1/2004	29				
30 Underpayment on line 17 x Number of days on line 29 x % 366	30	\$	\$	\$	\$
31 Number of days on line 20 after 9/30/2004 and before 1/1/2005	31				
32 Underpayment on line 17 x Number of days on line 31 x % 366	32	\$	\$	\$	\$
33 Number of days on line 20 after 12/31/2004 and before 2/16/2005	33				
34 Underpayment on line 17 x Number of days on line 33 x % 365	34	\$	\$	\$	\$
35 Add lines 22, 24, 26, 28, 30, 32, and 34	35	\$	\$	\$	\$

36 Penalty. Add columns (a) through (e), of line 35. Enter the total here and on Form 1120; line 33, Form 1120-A, line 29; or the comparable line for other income tax returns **36** \$ **656.**

* For underpayments paid after March 31, 2004: For lines 28, 30, 32 and 34, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-1040 to get interest rate information.

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box **X**
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Note: Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only **0**
 All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print	Name of Exempt Organization WATSON-BROWN FOUNDATION, INC.	Employer identification number 23-7097393
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 310 TOM WATSON WAY	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. THOMSON, GA 30824-0037	

Check type of return to be filed (file a separate application for each return):

- | | | |
|---|---|------------------------------------|
| <input type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input checked="" type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does **not** have an office or place of business in the United States, check this box **0**
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole** group, check this box **0**. If it is for part of the group, check this box **1** and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until **AUGUST 16, 2004** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 X calendar year **2003** or
 0 tax year beginning _____, and ending _____.

2 If this tax year is for less than 12 months, check reason: **0** Initial return **0** Final return **0** Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ **265,313.**

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ **12,313.**

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ **253,000.**

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ _____ Title ▶ **C.P.A.** Date ▶ _____
 LHA **For Paperwork Reduction Act Notice, see instruction** Form **8868** (12-2000)