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GOVERNMENT COPY

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

**2005**

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 **2005**, 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 <b>WATSON-BROWN FOUNDATION, INC.</b> Number and street (or P.O. box number if mail is not delivered to street address) Room/suite <b>310 TOM WATSON WAY</b> City or town, state, and ZIP code <b>THOMSON, GA 30824-0037</b>	<b>A</b> Employer identification number 23-7097393  <b>B</b> Telephone number (706) 595-8886
<b>H</b> 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		<b>C</b> If exemption application is pending, check here <input type="checkbox"/> <b>D</b> 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ <b>127,088,115.</b> (Part I, column (d) must be on cash basis.)		<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> <b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
<b>J</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Part I Analysis of Revenue and Expenses</b> <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>				
<b>Revenue</b>	1 Contributions, gifts, grants, etc., received	350.		N/A
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B			
	3 Interest on savings and temporary cash investments	875.	875.	STATEMENT 2
	4 Dividends and interest from securities	2,248,837.	2,248,837.	STATEMENT 3
	5a Gross rents	10,950.	10,950.	STATEMENT 4
	b Net rental income or (loss)	10,950.		
	6a Net gain or (loss) from sale of assets not on line 10	6,669,630.		STATEMENT 1
	b Gross sales price for all assets on line 6a	112,229,920.		
	7 Capital gain net income (from Part IV, line 2)		5,309,876.	
	8 Net short-term capital gain			
	9 Income modifications			
	10a Gross sales less returns and allowances	549.		STATEMENT 5
b Less: Cost of goods sold	504.			
c Gross profit or (loss)	45.			
11 Other income	-1,704.	-3,435.	STATEMENT 6	
12 <b>Total.</b> Add lines 1 through 11	8,928,983.	7,567,103.		
<b>Operating and Administrative Expenses</b>	13 Compensation of officers, directors, trustees, etc.	211,119.	52,780.	158,339.
	14 Other employee salaries and wages	323,346.	30,452.	242,863.
	15 Pension plans, employee benefits	6,800.	1,281.	5,519.
	16a Legal fees <b>STMT 7</b>	6,546.	1,636.	4,910.
	b Accounting fees <b>STMT 8</b>	33,713.	25,285.	8,428.
	c Other professional fees <b>STMT 9</b>	397,017.	397,017.	0.
	17 Interest			
	18 Taxes <b>STMT 10</b>	176,420.	7,169.	37,251.
	19 Depreciation and depletion	190,394.	0.	
	20 Occupancy	97,745.	24,436.	73,309.
	21 Travel, conferences, and meetings	20,702.	0.	20,702.
	22 Printing and publications	68,308.	17,077.	51,231.
	23 Other expenses <b>STMT 11</b>	424,601.	69,093.	354,922.
	24 <b>Total operating and administrative expenses.</b> Add lines 13 through 23	1,956,711.	626,226.	957,474.
	25 Contributions, gifts, grants paid	3,543,420.		3,543,420.
26 <b>Total expenses and disbursements.</b> Add lines 24 and 25	5,500,131.	626,226.	4,500,894.	
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	3,428,852.			
b <b>Net investment income</b> (if negative, enter -0-)		6,940,877.		
c <b>Adjusted net income</b> (if negative, enter -0-)			N/A	

LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Form **990-PF** (2005)

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments	2,782,671.	4,249,124.	4,249,124.	
	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		4,091.	4,091.	
	9	Prepaid expenses and deferred charges	34,452.	39,965.	39,965.	
	10a	Investments - U.S. and state government obligations	STMT 12 12,656,694.	10,524,329.	10,428,230.	
	b	Investments - corporate stock	STMT 13 62,579,609.	74,303,980.	80,811,397.	
	c	Investments - corporate bonds	STMT 14 14,196,548.	5,416,295.	5,324,888.	
	11	Investments - land, buildings, and equipment: basis				
	Less: accumulated depreciation					
12	Investments - mortgage loans					
13	Investments - other	STMT 18 16,923,025.	16,725,254.	20,663,124.		
14	Land, buildings, and equipment: basis	6,153,289.				
	Less: accumulated depreciation	STMT 15 793,076.	5,437,171.	5,360,213.		
15	Other assets (describe)	STATEMENT 16 622,620.	2,039,071.	2,039,071.		
16	<b>Total assets</b> (to be completed by all filers)		115,232,790.	118,662,322.	127,088,115.	
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 17 3,848.	4,528.		
23	<b>Total liabilities</b> (add lines 17 through 22)		3,848.	4,528.		
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	115,228,942.	118,657,794.		
	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	<b>Total net assets or fund balances</b>		115,228,942.	118,657,794.		
31	<b>Total liabilities and net assets/fund balances</b>		115,232,790.	118,662,322.		

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	115,228,942.
2	Enter amount from Part I, line 27a	2	3,428,852.
3	Other increases not included in line 2 (itemize)	3	0.
4	Add lines 1, 2, and 3	4	118,657,794.
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	118,657,794.

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

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b SEE ATTACHED STATEMENT				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e 112,229,920.		106,934,315.	5,309,876.	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) 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				
b				
c				
d				
e			5,309,876.	
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	5,309,876.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A	

**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))
2004	3,578,998.	115,766,694.	.030916
2003	2,812,118.	98,727,588.	.028484
2002	3,538,864.	4,461,366.	.793224
2001	7,124,107.	3,348,686.	2.127434
2000	1,766,182.	1,844,636.	.957469
2 Total of line 1, column (d)			3.937527
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			.787505
4 Enter the net value of noncharitable-use assets for 2005 from Part X, line 5			121,368,719.
5 Multiply line 4 by line 3			95,578,473.
6 Enter 1% of net investment income (1% of Part I, line 27b)			69,409.
7 Add lines 5 and 6			95,647,882.
8 Enter qualifying distributions from Part XII, line 4			4,500,894.

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)

Table with 11 rows for excise tax calculations. Includes categories like 'Exempt operating foundations', 'Domestic organizations', 'Tax under section 511', and 'Total credits and payments'. Total tax due is 144,439.

Part VII-A Statements Regarding Activities

Table with 11 rows for activity statements. Includes questions about political campaigns, political expenditures, unrelated business income, and state reporting. Includes 'Yes/No' columns and specific answers like 'GA' and '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 20 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 2005?
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 2005, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2005?
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 2005 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 2005?
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 19		211,119.	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 SCHOLARSHIPS: SEE STATEMENT 23	
	1,333,875.
2 HOUSE MUSEUMS: SEE STATEMENT 23	
	465,123.
3 SYMPOSIA & SEMINARS: SEE STATEMENT 23	
	216,462.
4 COMMUNITY EVENTS: SEE STATEMENT 23	
	171,462.

**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		
<b>Total.</b> 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	108,705,538.
b	Average of monthly cash balances	1b	3,306,958.
c	Fair market value of all other assets	1c	11,204,478.
d	<b>Total</b> (add lines 1a, b, and c)	1d	123,216,974.
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	123,216,974.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,848,255.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	121,368,719.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	6,068,436.

**Part XI Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	6,068,436.
2a	Tax on investment income for 2005 from Part VI, line 5	2a	138,818.
b	Income tax for 2005. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	138,818.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	5,929,618.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	5,929,618.
6	Deduction from distributable amount (see instructions)	6	0.
7	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	5,929,618.

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	4,500,894.
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	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	4,500,894.
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	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	4,500,894.

**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 2004	(c) 2004	(d) 2005
1 Distributable amount for 2005 from Part XI, line 7				5,929,618.
2 Undistributed income, if any, as of the end of 2004:				
a Enter amount for 2004 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2005:				
a From 2000				
b From 2001	4,811,198.			
c From 2002	3,315,796.			
d From 2003				
e From 2004				
f Total of lines 3a through e	8,126,994.			
4 Qualifying distributions for 2005 from Part XII, line 4: ▶ \$	4,500,894.			
a Applied to 2004, 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 2005 distributable amount				4,500,894.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2005 (If an amount appears in column (d), the same amount must be shown in column (a).)	1,428,724.			1,428,724.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	6,698,270.			
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 2004. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2005. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2006				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 2000 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2006. Subtract lines 7 and 8 from line 6a	6,698,270.			
10 Analysis of line 9:				
a Excess from 2001	3,382,474.			
b Excess from 2002	3,315,796.			
c Excess from 2003				
d Excess from 2004				
e Excess from 2005				

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 2005, 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)

Table with 5 columns: (a) 2005, (b) 2004, (c) 2003, (d) 2002, (e) Total. Rows include 2a (Adjusted net income), 2b (85% of line 2a), 2c (Qualifying distributions), 2d (Amounts included in line 2c), 2e (Qualifying distributions made directly), 3 (Alternative tests: Assets, Endowment, Support).

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 26 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).

THOMAS W. BROWN, JR.

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:

THOMAS W. BROWN, JR., 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 20

**Part XV** **Supplementary Information** (continued)

**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a Paid during the year</b>				
STATEMENT 21 (SCHOLARSHIPS)	N/A	PUBLIC	EDUCATION	1,137,000.
STATEMENT 22 (CONTRIBUTIONS)	N/A	PUBLIC	EDUCATION	2,406,420.
<b>Total</b> .....				<b>3a</b> 3,543,420.
<b>b Approved for future payment</b>				
NONE				
<b>Total</b> .....				<b>3b</b> 0.





**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	STATEMENT D-1	P	VARIOUS	VARIOUS
b	STATEMENT D-2	P	VARIOUS	VARIOUS
c	STATEMENT D-3	D	VARIOUS	VARIOUS
d	LAND SALE - LOT 13 BLOCK G	D	VARIOUS	05/25/05
e	PASSTHROUGH-COMMONFUND REALTY, LLC-1231 GAIN		VARIOUS	VARIOUS
f	LITIGATION SETTLEMENT - GECC CAP CORP		VARIOUS	VARIOUS
g	CAPITAL GAINS DIVIDENDS			
h				
i				
j				
k				
l				
m				
n				
o				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	55,977,635.		55,401,383.	576,252.
b	41,519,217.		40,116,319.	1,402,898.
c	13,876,816.		11,400,193.	2,476,623.
d	20,000.		16,420.	3,580.
e				14,267.
f				4.
g	836,252.			836,252.
h				
i				
j				
k				
l				
m				
n				
o				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(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			576,252.
b			1,402,898.
c			2,476,623.
d			3,580.
e			14,267.
f			4.
g			836,252.
h			
i			
j			
k			
l			
m			
n			
o			

2	Capital gain net income or (net capital loss) ..... { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 } .....	2	5,309,876.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 .....	3	N/A



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

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(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
STATEMENT D-1			PURCHASED	VARIOUS	VARIOUS
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
55,977,635.	55,401,383.	0.	0.	576,252.	

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
STATEMENT D-2			PURCHASED	VARIOUS	VARIOUS
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
41,519,217.	40,116,319.	0.	0.	1,402,898.	

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
STATEMENT D-3			DONATED	VARIOUS	VARIOUS
(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
13,876,816.	10,035,263.	0.	0.	3,841,553.	

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
LAND SALE - LOT 13 BLOCK G	DONATED	VARIOUS	05/25/05
(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.
20,000.	21,596.	0.	0.
(F) GAIN OR LOSS			-1,596.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PASSTHROUGH-COMMONFUND REALTY, LLC-1231 GAIN	PURCHASED	VARIOUS	VARIOUS
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.
0.	0.	0.	0.
(F) GAIN OR LOSS			14,267.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
LITIGATION SETTLEMENT - GECC CAP CORP	PURCHASED	VARIOUS	VARIOUS
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.
0.	0.	0.	0.
(F) GAIN OR LOSS			4.

CAPITAL GAINS DIVIDENDS FROM PART IV			836,252.
TOTAL TO FORM 990-PF, PART I, LINE 6A			6,669,630.

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

SOURCE	AMOUNT
SUNTRUST BANK	875.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	875.

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FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	3
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
PASSTHROUGH - COMMONFUND REALTY INVESTORS, LLC	3,485.	0.	3,485.
PASSTHROUGH - COMMONFUND REALTY INVESTORS, LLC	146,845.	0.	146,845.
SUNTRUST MANAGEMENT - NOMINEE	923,782.	0.	923,782.
SUNTRUST MANAGEMENT - NOMINEE	2,010,977.	836,252.	1,174,725.
TOTAL TO FM 990-PF, PART I, LN 4	3,085,089.	836,252.	2,248,837.

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FORM 990-PF	RENTAL INCOME	STATEMENT	4
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KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
BUILDING - HICKORY HILL DR, THOMSON, GA	1	10,450.
LAND RENTAL - HICKORY HILL FARM	2	500.
TOTAL TO FORM 990-PF, PART I, LINE 5A		10,950.

FORM 990-PF

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

STATEMENT 5

INCOME

1. GROSS RECEIPTS . . . . .	549	
2. RETURNS AND ALLOWANCES . . . . .		
3. LINE 1 LESS LINE 2 . . . . .		549
4. COST OF GOODS SOLD (LINE 15) . . . . .	504	
5. GROSS PROFIT (LINE 3 LESS LINE 4). . . . .		45
6. OTHER INCOME . . . . .		
7. GROSS INCOME (ADD LINES 5 AND 6) . . . . .		45

COST OF GOODS SOLD

8. INVENTORY AT BEGINNING OF YEAR . . . . .		
9. MERCHANDISE PURCHASED. . . . .	4,576	
10. COST OF LABOR. . . . .	19	
11. MATERIALS AND SUPPLIES . . . . .		
12. OTHER COSTS. . . . .		
13. ADD LINES 8 THROUGH 12 . . . . .		4,595
14. INVENTORY AT END OF YEAR . . . . .	4,091	
15. COST OF GOODS SOLD (LINE 13 LESS LINE 14). . . . .		504

FORM 990-PF	OTHER INCOME		STATEMENT	6
DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	
PASSTHROUGH-COMMONFUND REALTY INVESTORS, LLC	-3,435.	-3,435.		
HICKORY HILL MUSEUM TOUR	456.	0.		
ARCHAEOLOGY CAMP	1,275.	0.		
TOTAL TO FORM 990-PF, PART I, LINE 11	-1,704.	-3,435.		

FORM 990-PF	LEGAL FEES		STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	6,546.	1,636.		4,910.
TO FM 990-PF, PG 1, LN 16A	6,546.	1,636.		4,910.

FORM 990-PF	ACCOUNTING FEES		STATEMENT	8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	33,713.	25,285.		8,428.
TO FORM 990-PF, PG 1, LN 16B	33,713.	25,285.		8,428.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	9
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MANAGEMENT FEES - SUNTRUST	305,237.	305,237.			0.
MANAGEMENT FEES - COMMONFUND REALTY INVESTORS, LLC	89,558.	89,558.			0.
PROPERTY FEES - ELK RIVER	2,222.	2,222.			0.
TO FORM 990-PF, PG 1, LN 16C	397,017.	397,017.			0.

FORM 990-PF	TAXES			STATEMENT	10
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
PROPERTY TAX	11,467.	2,867.			8,600.
PAYROLL TAX	32,953.	4,302.			28,651.
EXCISE TAX	132,000.	0.			0.
TO FORM 990-PF, PG 1, LN 18	176,420.	7,169.			37,251.

FORM 990-PF	OTHER EXPENSES			STATEMENT	11
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
REPAIRS & MAINTENANCE	19,191.	4,798.			14,393.
TELEPHONE	27,887.	6,972.			20,915.
SECURITY SYSTEM	1,949.	487.			1,462.
SUPPLIES	7,218.	1,804.			5,414.
DUES & SUBSCRIPTIONS	9,775.	2,444.			7,331.
PROPERTY INSURANCE	31,821.	7,955.			23,866.
OFFICE EQUIPMENT LEASES	7,458.	1,864.			5,594.
POSTAGE & DELIVERY	6,255.	1,564.			4,691.
CLEANING & LANDSCAPE EXPENSE	33,602.	8,400.			25,202.
UTILITIES	37,219.	9,305.			27,914.
EXTERMINATION	1,545.	386.			1,159.
MEALS & ENTERTAINMENT (50% DEDUCTIBLE)	2,343.	586.			1,757.
MEALS & ENTERTAINMENT (50% NONDEDUCTIBLE)	2,343.	0.			1,757.

SECRETARY OF STATE	30.	0.	30.
COMPUTER/WEBSITE EXPENSES	7,760.	1,940.	5,820.
DRUG SCREENING	180.	45.	135.
OFFICE EXPENSES	7,147.	1,787.	5,360.
TRUCK LEASE	4,352.	1,088.	3,264.
GROUPS EQUIPMENT REPAIRS AND MAINT.	15,649.	3,912.	11,737.
INSURANCE	35,670.	2,212.	33,458.
D & O INSURANCE	6,065.	1,516.	4,549.
BOARD OF SCHOLARS & FORUM - COMPENSATION	27,950.	0.	27,950.
TURCK INSURANCE	1,727.	0.	1,727.
PORTFOLIO EXPENSES - COMMONFUND REALTY INVESTORS, LLC	7,593.	7,593.	0.
SPECIAL EVENTS - COMMUNITY/SOUTHERN STUDIES/EDUCATIONAL	110,566.	0.	110,566.
UNIFORMS	802.	0.	802.
RESEARCH	9,740.	2,435.	7,305.
EDUCATION & SAFETY	764.	0.	764.
TO FORM 990-PF, PG 1, LN 23	424,601.	69,093.	354,922.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 12

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
SUNTRUST - NOMINEE - STATEMENT A 2	X		10,524,329.	10,428,230.
TOTAL U.S. GOVERNMENT OBLIGATIONS			10,524,329.	10,428,230.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			10,524,329.	10,428,230.

FORM 990-PF CORPORATE STOCK STATEMENT 13

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SUNTRUST - NOMINEE - STATEMENT A1	74,303,980.	80,811,397.
TOTAL TO FORM 990-PF, PART II, LINE 10B	74,303,980.	80,811,397.

FORM 990-PF	CORPORATE BONDS	STATEMENT	14
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
SUNTRUST - NOMINEE - STATEMENT A 3	5,416,295.	5,324,888.	
TOTAL TO FORM 990-PF, PART II, LINE 10C	5,416,295.	5,324,888.	

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	15
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
SEE SCHEDULE ATTACHED	4,878,117.	793,076.	4,085,041.
LAND	1,275,172.	0.	1,275,172.
TOTAL TO FM 990-PF, PART II, LN 14	6,153,289.	793,076.	5,360,213.

FORM 990-PF	OTHER ASSETS	STATEMENT	16
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
ARTWORK	59,556.	59,556.	
ACCOUNT RECEIVABLES - EMPLOYEES AND REFUNDS DUE	9,081.	9,081.	
CONSTRUCTION IN PROGRESS - TRR COBB HOUSE	1,970,434.	1,970,434.	
TOTAL TO FORM 990-PF, PART II, LINE 15	2,039,071.	2,039,071.	

FORM 990-PF	OTHER LIABILITIES	STATEMENT	17
DESCRIPTION	AMOUNT		
PAYROLL TAXES PAYABLE	3,197.		
SIMPLE IRA PLAN PAYABLE	1,320.		
SALES TAX PAYABLE	11.		
TOTAL TO FORM 990-PF, PART II, LINE 22, COLUMN B	4,528.		

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FORM 990-PF	OTHER INVESTMENTS	STATEMENT 18
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
COMMONFUND HEDGE INVESTMENTS	7,000,000.	9,049,868.
COMMONFUND REALTY INVESTMENT, LLC	6,815,162.	8,578,551.
TIMBER	2,233,522.	2,325,519.
LAND	254,913.	381,728.
TIMBER - HARDWOODS	208,883.	116,886.
SUNTRUST - NOMINEE - STATEMENT A 4	212,774.	210,572.
TOTAL TO FORM 990-PF, PART II, LINE 13	16,725,254.	20,663,124.

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FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT 19
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
R. BYRON ATTRIDGE 191 PEACHTREE STREET, SUITE 4900 ATLANTA, GA 30303	TRUSTEE 2.50	12,000.	0.	0.
THOMAS W. BROWN, JR. 753 BRADBERRY CREEK EVANS, GA 30809	PRESIDENT 50.00	162,000.	0.	0.
TOM W. BROWN 2859 PACES FERRY RD., NO. 2150 ATLANTA, GA 30339	TRUSTEE/BOARD CHAIRMAN 2.50	13,119.	0.	0.
JOHN WOODHAM 159 E. WESLEY RD. ATLANTA, GA 30305	TRUSTEE 2.50	12,000.	0.	0.
JOAB LESESNE P.O. BOX 79 SUNSET, SC 29685	TRUSTEE 2.50	12,000.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		211,119.	0.	0.

FORM 990-PF

PART XV, LINE 2D  
AWARD RESTRICTIONS AND LIMITATIONS

STATEMENT 20

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.

If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box

**Note:** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

<b>Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.</b>		
Type or print.  File by the extended due date for filing the return. See instructions.	Name of Exempt Organization <b>WATSON-BROWN FOUNDATION, INC.</b>	Employer identification number <b>23-7097393</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>310 TOM WATSON WAY</b>	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>THOMSON, GA 30824-0037</b>	

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

- Form 990
- Form 990-EZ
- Form 990-T (sec. 401(a) or 408(a) trust)
- Form 1041-A
- Form 5227
- Form 8870
- Form 990-BL
- Form 990-PF
- Form 990-T (trust other than above)
- Form 4720
- Form 6069

**STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in the care of **THOMAS W. BROWN, JR.**  
Telephone No. **706-595-8886** FAX No. \_\_\_\_\_
- If the organization does **not** have an office or place of business in the United States, check this box
- 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 . If it is for **part** of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

- 4** I request an additional 3-month extension of time until **NOVEMBER 15, 2006**.
- 5** For calendar year **2005**, or other tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_.
- 6** If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- 7** State in detail why you need the extension  
**SEE STATEMENT 21**

- 8a** 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 ..... \$ **283,257.**
- b** If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 ..... \$ **382,257.**
- c Balance Due.** Subtract line 8b from line 8a. 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 ..... \$ **0.**

**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

**Notice to Applicant - To Be Completed by the IRS**

- We **have** approved this application. Please attach this form to the organization's return.
- We **have not** approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We **have not** approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We **cannot consider** this application because it was filed after the extended due date of the return for which an extension was requested.
- Other \_\_\_\_\_

Director \_\_\_\_\_ By: \_\_\_\_\_ Date \_\_\_\_\_

**Alternate Mailing Address** - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name <b>STEPHEN M. BERMAN &amp; ASSOC., L.L.C.</b>
	Number and street (include suite, room, or apt. no.) or a P.O. box number <b>3475 LENOX ROAD, N.E., SUITE 950</b>
	City or town, province or state, and country (including postal or ZIP code) <b>ATLANTA, GEORGIA 30326</b>

523832 05-01-05

FORM 8688

EXPLANATION FOR EXTENSION

STATEMENT 21

EXPLANATION

ALL INFORMATION NECESSARY TO PERPARE THE RETURN HAS BEEN RECEIVED WITH THE EXCEPTION OF ASSET VALUES FOR THE YEAR END 12/31/2005. ACCORDINGLY, AN ADDITIONAL EXTENSION OF TIME IS HEREBY REQUESTED TO 11/15/2006.