

Caution: Forms printed from within Adobe Acrobat products may not meet IRS or state taxing agency specifications. When using Acrobat 5.x products, uncheck the "Shrink oversized pages to paper size" and uncheck the "Expand small pages to paper size" options, in the Adobe "Print" dialog. When using Acrobat 6.x and later products versions, select "None" in the "Page Scaling" selection box in the Adobe "Print" dialog.

GOVERNMENT COPY

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

2008

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

For calendar year 2008, 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 foundation 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
-------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------

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) **\$ 98,219,563.** (Part I, column (d) must be on cash basis.)
J Accounting method: Cash Accrual Other (specify) _____

C If exemption application is pending, check here
D 1. Foreign organizations, check here
 2. Foreign organizations meeting the 85% test, check here and attach computation
E If private foundation status was terminated under section 507(b)(1)(A), check here
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>		(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	925.		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	584.	584.		STATEMENT 2
	4 Dividends and interest from securities	2,462,824.	2,462,824.		STATEMENT 3
	5a Gross rents	12,225.	12,225.		STATEMENT 4
	b Net rental income or (loss)	12,225.			
	6a Net gain or (loss) from sale of assets not on line 10	-8,204,416.			STATEMENT 1
	b Gross sales price for all assets on line 6a	159,623,245.			
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances	733.			STATEMENT 5
b Less: Cost of goods sold	482.			STATEMENT 6	
c Gross profit or (loss)	251.				
11 Other income	2,620.	-45.		STATEMENT 7	
12 Total. Add lines 1 through 11	-5,724,987.	2,475,588.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	224,890.	22,489.		202,401.
	14 Other employee salaries and wages	505,391.	21,362.		484,029.
	15 Pension plans, employee benefits	7,897.	1,611.		6,286.
	16a Legal fees STMT 8	1,956.	0.		1,956.
	b Accounting fees STMT 9	61,074.	35,494.		25,580.
	c Other professional fees STMT 10	470,472.	456,439.		14,033.
	17 Interest	439.	0.		439.
	18 Taxes STMT 11	173,653.	6,066.		52,587.
	19 Depreciation and depletion	305,879.	0.		
	20 Occupancy	81,066.	20,267.		60,466.
	21 Travel, conferences, and meetings	43,890.	0.		43,890.
	22 Printing and publications	60,990.	15,248.		45,742.
	23 Other expenses STMT 12	699,249.	154,176.		544,914.
	24 Total operating and administrative expenses. Add lines 13 through 23	2,636,846.	733,152.		1,482,323.
	25 Contributions, gifts, grants paid	3,331,336.			3,331,336.
26 Total expenses and disbursements. Add lines 24 and 25	5,968,182.	733,152.		4,813,659.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-11,693,169.				
b Net investment income (if negative, enter -0-)		1,742,436.			
c Adjusted net income (if negative, enter -0-)			N/A		

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments	6,189,801.	4,524,716.	4,524,716.	
	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	6,504.	7,387.	7,387.	
	9	Prepaid expenses and deferred charges	8,319.	2,523.	2,523.	
	10a	Investments - U.S. and state government obligations STMT 13	4,488,260.	2,418,067.	2,537,063.	
	b	Investments - corporate stock STMT 14	91,716,471.	87,083,941.	55,853,130.	
	c	Investments - corporate bonds STMT 15	7,105,426.	4,131,925.	4,031,174.	
	11	Investments - land, buildings, and equipment: basis				
	Less: accumulated depreciation					
12	Investments - mortgage loans					
13	Investments - other STMT 16	15,967,045.	15,686,026.	21,400,920.		
14	Land, buildings, and equipment: basis 10,022,301.					
	Less: accumulated depreciation STMT 17	1,574,058.	8,448,243.	9,590,029.		
15	Other assets (describe STATEMENT 18)	354,580.	370,980.	272,621.		
16	Total assets (to be completed by all filers)	134,369,173.	122,673,808.	98,219,563.		
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	8,517.	5,674.		
	22	Other liabilities (describe STATEMENT 19)	9,423.	10,070.		
23	Total liabilities (add lines 17 through 22)	17,940.	15,744.			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds	134,351,233.	122,658,064.		
	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	134,351,233.	122,658,064.			
31	Total liabilities and net assets/fund balances	134,369,173.	122,673,808.			

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	134,351,233.
2	Enter amount from Part I, line 27a	2	-11,693,169.
3	Other increases not included in line 2 (itemize)	3	0.
4	Add lines 1, 2, and 3	4	122,658,064.
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	122,658,064.

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 159,623,245.		167,823,061.	-8,199,816.		
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			-8,199,816.		
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	-8,199,816.
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 foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2007	4,967,222.	132,490,449.	.037491
2006	4,354,888.	125,934,885.	.034580
2005	6,032,930.	121,368,719.	.049707
2004	4,297,077.	115,766,694.	.037118
2003	2,812,118.	98,727,588.	.028484
2 Total of line 1, column (d)			.187380
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			.037476
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5		112,242,144.	
5 Multiply line 4 by line 3			4,206,387.
6 Enter 1% of net investment income (1% of Part I, line 27b)			17,424.
7 Add lines 5 and 6			4,223,811.
8 Enter qualifying distributions from Part XII, line 4			5,035,013.

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 sub-rows 6a-6d for credits and payments. Total tax due is 88,170.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Columns for Yes/No. Includes questions about political campaigns, unrelated business income, and state reporting.

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13		X
Website address ► WWW.WATSON-BROWN.ORG				
14	The books are in care of ► THOMAS W. BROWN, JR. Telephone no. ► 706-595-8886			
Located at ► 310 TOM WATSON WAY, THOMSON, GA ZIP+4 ► 30824-0037				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here	15		N/A
and enter the amount of tax-exempt interest received or accrued during the year				

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	1b	X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2008?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ►		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2008 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008.)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008?	4b	X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

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

Organizations relying on a current notice regarding disaster assistance check here Yes No

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No **N/A** 7b

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No 7b

If you answered "Yes" to 6b, also file Form 8870.

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No **N/A**

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 20		224,890.	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

Part VIII

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

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 25	2,172,549.
2 HOUSE MUSEUM AND RESTORATION: SEE STATEMENT 25	723,494.
3 SYMPOSIA & SEMINARS: SEE STATEMENT 25	219,295.
4 COMMUNITY EVENTS: SEE STATEMENT 25	229,286.

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		
3 All other program-related investments. See instructions.		
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	95,782,311.
b	Average of monthly cash balances	1b	5,949,704.
c	Fair market value of all other assets	1c	12,219,400.
d	Total (add lines 1a, b, and c)	1d	113,951,415.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	113,951,415.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,709,271.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	112,242,144.
6	Minimum investment return. Enter 5% of line 5	6	5,612,107.

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	5,612,107.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	17,424.
b	Income tax for 2008. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	17,424.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	5,594,683.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	5,594,683.
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	5,594,683.

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	4,813,659.
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	221,354.
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	5,035,013.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	17,424.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	5,017,589.

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 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				5,594,683.
2 Undistributed income, if any, as of the end of 2007:				
a Enter amount for 2007 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2008:				
a From 2003				
b From 2004				
c From 2005				103,312.
d From 2006				
e From 2007				
f Total of lines 3a through e	103,312.			
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ \$	5,035,013.			
a Applied to 2007, 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 2008 distributable amount				5,035,013.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a).)	103,312.			103,312.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		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 2007. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				456,358.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2004				
b Excess from 2005				
c Excess from 2006				
d Excess from 2007				
e Excess from 2008				

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 2008, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	
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 foundation had \$5,000 or more in assets at any time during the year-see 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).)

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 foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation 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:

APPLICATIONS ARE WEB BASED AND PROVIDED BY FOUNDATION AS NEEDED

c Any submission deadlines:

GRANTS DUE APRIL 15/SHCOLORSHIPS DUE FEBRUARY 15

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

SEE STATEMENT 24

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 C-1 (CONTRIBUTIONS)	N/A	PUBLIC	EDUCATION	1,400,514.
STATEMENT C-2 (SCHOLARSHIPS)	N/A	PUBLIC	EDUCATION	1,930,822.
Total				3a 3,331,336.
b Approved for future payment				
NONE				
Total				3b 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	D	VARIOUS	VARIOUS
c	STATEMENT D-3	P	VARIOUS	VARIOUS
d	PASSTHROUGH - COMMONDFUND REALTY INVESTMENT, LLC	P	VARIOUS	12/31/08
e	TERMINATION OF COLLAR	P	VARIOUS	VARIOUS
f	SALE OF EQUIPMENT	P	VARIOUS	11/21/08
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	60,884,268.		65,845,237.	-4,960,969.
b	30,877.		27,552.	3,325.
c	97,995,782.		101,609,278.	-3,613,496.
d	38,019.			38,019.
e	386,257.		340,994.	45,263.
f	675.			675.
g	287,367.			287,367.
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			-4,960,969.
b			3,325.
c			-3,613,496.
d			38,019.
e			45,263.
f			675.
g			287,367.
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	-8,199,816.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

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

(A) DESCRIPTION OF PROPERTY			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	
60,884,268.	65,845,237.	0.	0.	-4,960,969.	

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
STATEMENT D-2			DONATED	VARIOUS	VARIOUS
(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
30,877.	32,152.	0.	0.	-1,275.	

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
STATEMENT D-3			PURCHASED	VARIOUS	VARIOUS
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
97,995,782.	101,609,278.	0.	0.	-3,613,496.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
PASSTHROUGH - COMMONFUND REALTY INVESTMENT, LLC	38,019.	0.	0.	PURCHASED	VARIOUS	12/31/08

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
TERMINATION OF COLLAR	386,257.	340,994.	0.	PURCHASED	VARIOUS	VARIOUS

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
SALE OF EQUIPMENT	675.	0.	0.	PURCHASED	VARIOUS	11/21/08

CAPITAL GAINS DIVIDENDS FROM PART IV						287,367.
TOTAL TO FORM 990-PF, PART I, LINE 6A						-8,204,416.

SOURCE	AMOUNT
FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT	2
SUNTRUST BANK	584.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	584.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES		STATEMENT	3
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT	
GUILD FUND MANAGEMENT -SUNTRUST - NOMINEE	52,746.	0.	52,746.	
GUILD FUND MANAGMENT - SUNTRUST - NOMINEE	43,791.	0.	43,791.	
LESS: PURCH. INTEREST RECEIVED PASSTHROUGH - COMMONFUND REALTY INVESTORS, LLC	-129,098.	0.	-129,098.	
SUNTRUST MANAGEMENT - NOMINEE	605,155.	0.	605,155.	
SUNTRUST MANAGEMENT - NOMINEE	2,173,310.	287,367.	1,885,943.	
TOTAL TO FM 990-PF, PART I, LN 4	2,750,191.	287,367.	2,462,824.	

FORM 990-PF	RENTAL INCOME		STATEMENT	4
KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME		
BUILDING - HICKORY HILL DR, THOMSON, GA	1	11,550.		
LAND RENTAL - HICKORY HILL FARM	2	675.		
TOTAL TO FORM 990-PF, PART I, LINE 5A		12,225.		

FORM 990-PF

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

STATEMENT 5

INCOME		
1. GROSS RECEIPTS	733	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		733
4. COST OF GOODS SOLD (LINE 15)	482	
5. GROSS PROFIT (LINE 3 LESS LINE 4).		251
6. OTHER INCOME		
7. GROSS INCOME (ADD LINES 5 AND 6)		251
COST OF GOODS SOLD		
8. INVENTORY AT BEGINNING OF YEAR	6,504	
9. MERCHANDISE PURCHASED.	1,286	
10. COST OF LABOR.		
11. MATERIALS AND SUPPLIES		
12. OTHER COSTS.	79	
13. ADD LINES 8 THROUGH 12		7,869
14. INVENTORY AT END OF YEAR	7,387	
15. COST OF GOODS SOLD (LINE 13 LESS LINE 14).		482

FORM 990-PF	COST OF GOODS SOLD - OTHER COSTS	STATEMENT	6
DESCRIPTION			AMOUNT
COMMISSION			79.
TOTAL OTHER COSTS			79.

FORM 990-PF	OTHER INCOME			STATEMENT	7
DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME		
PASSTHROUGH-COMMONFUND REALTY INVESTORS, LLC	-2,132.	-2,132.			
PASSTHROUGH - PERMIAN BASIN ROYALTY TRUST	2,087.	2,087.			
HICKORY HILL MUSEUM TOUR	325.	0.			
ARCHAEOLOGY CAMP	1,530.	0.			
FESTIVALS	810.	0.			
TOTAL TO FORM 990-PF, PART I, LINE 11	2,620.	-45.			

FORM 990-PF	LEGAL FEES				STATEMENT	8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES		
LEGAL FEES	1,956.	0.		1,956.		
TO FM 990-PF, PG 1, LN 16A	1,956.	0.		1,956.		

FORM 990-PF	ACCOUNTING FEES			STATEMENT	9
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ACCOUNTING FEES	61,074.	35,494.		25,580.	
TO FORM 990-PF, PG 1, LN 16B	61,074.	35,494.		25,580.	

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	10
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MANAGEMENT FEES - SUNTRUST	325,743.	325,743.		0.	
PROFESSIONAL FEES	12,126.	0.		12,126.	
CONSULTING FEES	621.	0.		621.	
APPRAISAL	1,715.	429.		1,286.	
COMMONFUND REALTY INVESTORS, LLC	130,267.	130,267.		0.	
TO FORM 990-PF, PG 1, LN 16C	470,472.	456,439.		14,033.	

FORM 990-PF	TAXES			STATEMENT	11
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
PROPERTY TAX	8,664.	2,166.		6,498.	
PAYROLL TAX	48,669.	2,580.		46,089.	
EXCISE TAX	115,000.	0.		0.	
FOREIGN TAXES PAID	1,320.	1,320.		0.	
TO FORM 990-PF, PG 1, LN 18	173,653.	6,066.		52,587.	

FORM 990-PF

OTHER EXPENSES

STATEMENT 12

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
REPAIRS & MAINTENANCE	61,788.	15,447.		46,341.
TELEPHONE	31,898.	7,975.		23,923.
SECURITY SYSTEM	2,866.	717.		2,149.
SUPPLIES	14,478.	3,620.		10,858.
DUES & SUBSCRIPTIONS	8,898.	2,225.		6,673.
PROPERTY INSURANCE	29,358.	7,340.		22,018.
OFFICE EQUIPMENT LEASES	6,874.	1,719.		5,155.
POSTAGE & DELIVERY	8,379.	2,095.		6,284.
CLEANING & LANDSCAPE EXPENSE	65,228.	16,307.		48,921.
UTILITIES	74,881.	18,720.		56,161.
EXTERMINATION	9,362.	2,341.		7,021.
MEALS & ENTERTAINMENT (50% DEDUCTIBLE)	638.	159.		479.
MEALS & ENTERTAINMENT (50% NONDEDUCTIBLE)	638.	0.		479.
COMPUTER & WEBSITE EXPENSE	7,968.	1,992.		5,976.
DRUG SCREENING	100.	25.		75.
OFFICE EXPENSES	15,607.	3,902.		11,705.
GROUPS EQUIPMENT REPAIRS AND MAINT.	16,286.	4,072.		12,214.
INSURANCE	56,341.	3,380.		52,961.
D & O INSURANCE	6,185.	619.		5,566.
TURCK INSURANCE	1,281.	320.		961.
PORTFOLIO EXPENSES - COMMONFUND REALTY INVESTORS, LLC	60,132.	60,132.		0.
SPECIAL EVENTS - COMMUNITY/SOUTHERN STUDIES/EDUCATIONAL	215,714.	0.		215,714.
UNIFORMS	241.	60.		181.
LIBRARY PURCHASES	1,502.	376.		1,126.
EDUCATION & SAFETY	49.	12.		37.
BANK FEES	23.	0.		23.
MISCELLANEOUS FARM EXPENSE	2,486.	621.		1,865.
MISCELLANEOUS EXPENSE	48.	0.		48.
TO FORM 990-PF, PG 1, LN 23	699,249.	154,176.		544,914.

FORM 990-PF **U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS** **STATEMENT 13**

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
SUNTRUST - NOMINEE - STATEMENT A-2	X		1,855,810.	1,966,083.
STATEMENT A-5		X	562,257.	570,980.
TOTAL U.S. GOVERNMENT OBLIGATIONS			1,855,810.	1,966,083.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			562,257.	570,980.
TOTAL TO FORM 990-PF, PART II, LINE 10A			2,418,067.	2,537,063.

FORM 990-PF **CORPORATE STOCK** **STATEMENT 14**

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SUNTRUST - NOMINEE - STATEMENT A-1	81,668,783.	50,203,446.
GUILD FUND MANAGMENT -NOMINEE- STATEMENT A-4	5,415,158.	5,649,684.
TOTAL TO FORM 990-PF, PART II, LINE 10B	87,083,941.	55,853,130.

FORM 990-PF **CORPORATE BONDS** **STATEMENT 15**

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SUNTRUST - NOMINEE - STATEMENT A-3	4,131,925.	4,031,174.
TOTAL TO FORM 990-PF, PART II, LINE 10C	4,131,925.	4,031,174.

FORM 990-PF **OTHER INVESTMENTS** **STATEMENT 16**

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
COMMONFUND HEDGE INVESTMENTS	COST	7,000,000.	9,573,184.
COMMONFUND REALTY INVESTMENT, LLC	COST	6,334,591.	10,398,355.
TIMBER	COST	2,233,522.	1,283,131.
LAND	COST	117,913.	146,250.
TOTAL TO FORM 990-PF, PART II, LINE 13		15,686,026.	21,400,920.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 17

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
SEE SCHEDULE ATTACHED	8,728,350.	1,574,059.	7,154,291.
LAND	1,293,951.	0.	1,293,951.
TOTAL TO FM 990-PF, PART II, LN 14	10,022,301.	1,574,059.	8,448,242.

FORM 990-PF OTHER ASSETS STATEMENT 18

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ARTWORK	90,513.	119,926.	119,926.
OTHER ASSETS	15,183.	2,170.	2,170.
TIMBER - HARDWOOD	208,883.	208,883.	110,524.
HICKORY HILL LIBRARY	40,001.	40,001.	40,001.
TO FORM 990-PF, PART II, LINE 15	354,580.	370,980.	272,621.

FORM 990-PF OTHER LIABILITIES STATEMENT 19

DESCRIPTION	BOY AMOUNT	EOY AMOUNT
PAYROLL TAXES PAYABLE	2,133.	8,174.
SIMPLE IRA PLAN PAYABLE	1,390.	1,885.
OTHER PAYABLE	5,900.	11.
TOTAL TO FORM 990-PF, PART II, LINE 22	9,423.	10,070.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS STATEMENT 20
 TRUSTEES AND FOUNDATION MANAGERS

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	12,750.	0.	0.
THOMAS W. BROWN, JR. 753 BRADBERRY CREEK EVANS, GA 30809	PRESIDENT 50.00	176,640.	0.	0.
WYCHE FOWLER, JR 199 FOURTEENTH ST., APT. 1202 ATLANTA, GA 30309	TRUSTEE 2.50	11,500.	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		224,890.	0.	0.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **X**

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).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).		
Type or print <small>File by the extended due date for filing the return. See instructions.</small>	Name of Exempt Organization WATSON-BROWN FOUNDATION, INC.	Employer identification number 23-7097393
	Number, street, and room or suite no. If a P.O. box, see instructions. 310 TOM WATSON WAY	For IRS use only
	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):

- 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.

THOMAS W. BROWN, JR.

• The books are in the care of **▶ 310 TOM WATSON WAY - THOMSON, GA 30824-0037**
 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, 2009.**
- 5** For calendar year **2008**, 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 ATTACHMENT**

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.	8a	\$	75,594.
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.	8b	\$	105,594.
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.	8c	\$	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 **▶** _____