

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
MODIFIED CASH BASIS

	December 31,	
	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 529,343	\$ 1,161,592
Prepaid excise tax	7,756	-
Investments at market values:		
Cash and cash equivalents	702,321	930,213
U.S. treasury bills	2,996,060	3,499,880
Stocks	18,965,782	15,828,770
Mutual funds	30,913,227	21,618,552
Private investment funds	48,325,045	53,837,803
Fixed assets - net of depreciation	819,642	863,797
 Total assets	 \$ 103,259,176	 \$ 97,740,607
 LIABILITIES AND NET ASSETS		
Accrued taxes	\$ 3,210	\$ 12,015
Grant commitments outstanding	235,000	203,000
 Total liabilities	 238,210	 215,015
 Net assets (uncommitted)	 103,020,966	 97,525,592
 Total liabilities and net assets	 \$ 103,259,176	 \$ 97,740,607

NOTES

The Foundation maintains its accounts on the cash basis of accounting, with the exception of accrual of federal excise tax and unrelated business tax, which is in conformity with modified cash basis of accounting.

The financial information shown in this report has been summarized by the Foundation from its financial records. Audited financial statements of The Hyde and Watson Foundation are available for inspection at 31-F Mountain Boulevard, Warren, New Jersey 07059.

The Foundation has twelve members, the names and addresses are on record at the Foundation office.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
MODIFIED CASH BASIS

	<u>2016</u>	<u>2015</u>
REVENUES		
Dividends	\$ 327,521	\$ 382,845
Interest	327	2,041
Private investment funds - net income	277,363	46,918
Net realized gains on investments	3,024,834	6,675,499
Total revenue	<u>3,630,045</u>	<u>7,107,303</u>
EXPENDITURES AND CHANGES IN NET ASSETS		
Investment related expenditures:		
Expenditures incurred in the production of income	389,825	395,406
Federal excise tax	32,244	67,007
Federal and state unrelated business tax	3,210	2,440
Sub-total	<u>425,279</u>	<u>464,853</u>
Balance of revenue	<u>3,204,766</u>	<u>6,642,450</u>
Qualifying distributions and balance of depreciation:		
Grants	4,791,650	4,989,650
General and administrative expenditures	864,912	830,735
Balance of depreciation	42,706	42,492
Sub-total	<u>5,699,268</u>	<u>5,862,877</u>
Net (decrease) increase before unrealized appreciation on investments	(2,494,502)	779,573
Increase (decrease) in unrealized appreciation of investments	<u>8,021,876</u>	<u>(8,494,092)</u>
Increase (decrease) in net assets for the year	5,527,374	(7,714,519)
Net assets at beginning of year	<u>97,728,592</u>	<u>105,443,111</u>
Net assets at end of year (excluding grant commitments outstanding)	<u>\$ 103,255,966</u>	<u>\$ 97,728,592</u>