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Form **990-PF**

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No 1545-0052

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

- ▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

For calendar year 2015 or tax year beginning

, and ending 11/09

Name of foundation

KINGS DAUGHTERS & SONS CIRCLE NO 2

Number and street (or P.O. box number if mail is not delivered to street address)

Room/suite

P O BOX 932

City or town

State

ZIP code

GREENVILLE

MS

38701

Foreign country name

Foreign province/state/country

Foreign postal code

A Employer identification number

64-0303080

B Telephone number (see instructions)

(662) 378-2286

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name change

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) ▶ \$ 3,752,627
 J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____ (Part I, column (d) must be on cash basis)

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 (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

SCANNED

Operating and Administrative Expenses

- 1 Contributions, gifts, grants, etc., received (attach schedule)
 2 Check ☐ if the foundation is not required to attach Sch. B
 3 Interest on savings and temporary cash investments
 4 Dividends and interest from securities
 5a Gross rents
 b Net rental income or (loss)
 6a Net gain or (loss) from sale of assets not on line 10
 b Gross sales price for all assets on line 6a 4,154,410
 7 Capital gain net income (from Part IV, line 2)
 8 Net short-term capital gain
 9 Income modifications
 10a Gross sales less returns and allowances
 b Less Cost of goods sold
 c Gross profit or (loss) (attach schedule)
 11 Other income (attach schedule)
 12 Total. Add lines 1 through 11

5

5

5

106,699

106,699

106,699

259,763

4,154,410

259,763

2,440

2,440

2,440

2,440

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- 13 Compensation of officers, directors, trustees, etc
 14 Other employee salaries and wages
 15 Pension plans, employee benefits
 16a Legal fees (attach schedule)
 b Accounting fees (attach schedule)
 c Other professional fees (attach schedule)
 17 Interest
 18 Taxes (attach schedule) (see instructions)
 19 Depreciation (attach schedule) and depletion
 20 Occupancy
 21 Travel, conferences, and meetings
 22 Printing and publications
 23 Other expenses (attach schedule)
 24 Total operating and administrative expenses. Add lines 13 through 23
 25 Contributions, gifts, grants paid
 26 Total expenses and disbursements. Add lines 24 and 25

2,000

2,000

2,500

2,500

18,611

18,611

18,611

5,052

5,052

3,940

3,940

32,103

32,103

18,611

0

158,095

158,095

158,095

190,198

32,103

18,611

158,095

27 Subtract line 26 from line 12

a Excess of revenue over expenses and disbursements

178,709

b Net investment income (if negative, enter -0-)

334,364

c Adjusted net income (if negative, enter -0-)

90,533

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2015)

HTA

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	28,506	582,144	582,144
	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 (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)	50,160	100,748	110,151
	b Investments—corporate stock (attach schedule)	2,155,547	2,803,267	2,792,484
	c Investments—corporate bonds (attach schedule)	908,828	147,856	157,696
	11 Investments—land, buildings, and equipment basis ▶			
Less accumulated depreciation (attach schedule) ▶				
12 Investments—mortgage loans				
13 Investments—other (attach schedule)	422,285	110,020	110,152	
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	3,565,326	3,744,035	3,752,627	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	3,565,326	3,744,035	
	30 Total net assets or fund balances (see instructions)	3,565,326	3,744,035	
	31 Total liabilities and net assets/fund balances (see instructions)	3,565,326	3,744,035	

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	3,565,326
2 Enter amount from Part I, line 27a	2	178,709
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	3,744,035
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	3,744,035

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 <u>SCHEDULE ATTACHED</u>				
b				
c				
d				
e Capital Gains Distributions				
(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			<u>230,226</u>	
b				
c				
d				
e			<u>29,537</u>	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
a				
b				
c				
d				
e			<u>29,537</u>	
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	<u>259,763</u>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 }			3	<u>5,068</u>

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 the 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))
2014			0.000000
2013			0.000000
2012			0.000000
2011			0.000000
2010			0.000000
2 Total of line 1, column (d)			2 0.000000
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 0.000000
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5			4
5 Multiply line 4 by line 3			5
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 0
7 Add lines 5 and 6			7 0
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 0

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	6,687	
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0	
3	Add lines 1 and 2	3	6,687	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	6,687	
6	Credits/Payments			
a	2015 estimated tax payments and 2014 overpayment credited to 2015	6a		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7	0	
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	39	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	6,726	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0	
11	Enter the amount of line 10 to be: Credited to 2016 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	0	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶	13	X	
14	The books are in care of ▶ CLARKE BRADLEY BAKER & CO LLP Telephone no ▶ (662) 348-2286 Located at ▶ 1604 SOUTH MAIN ST GREENVILLE MS ZIP+4 ▶ 38701			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			
16	At any time during calendar year 2015, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶	16	Yes	No
				X

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 type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	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 2015?	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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions)	2b	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 ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2015 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 2015)	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 2015?	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 4945(d)(4)(A)? (see instructions) ☐ 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
- Organizations relying on a current notice regarding disaster assistance check here ☐
- 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
- 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
- b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
- If "Yes" to 6b, 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

5b N/A

6b

7b 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 (see instructions).**

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

2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services

**Part IX-A** Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 GRANTS TO OTHER 501(C)(3) ORGANIZATIONS	
	158,095
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3	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	3,665,913
b	Average of monthly cash balances	1b	4,437
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	3,670,350
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	3,670,350
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	55,055
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,615,295
6	Minimum investment return. Enter 5% of line 5	6	180,765

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	180,765
2a	Tax on investment income for 2015 from Part VI, line 5	2a	6,687
b	Income tax for 2015 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	6,687
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	174,078
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	174,078
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	174,078

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	158,095
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	158,095
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	158,095

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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				174,078
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only			0	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2015				
a From 2010	9,225			
b From 2011	323			
c From 2012	317			
d From 2013				
e From 2014				
f Total of lines 3a through e	9,865			
4 Qualifying distributions for 2015 from Part XII, line 4 ▶ \$ 158,095				
a Applied to 2014, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2015 distributable amount				158,095
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a))	9,865			9,865
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				
d Subtract line 6c from line 6b Taxable amount—see instructions				
e Undistributed income for 2014 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2015 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2016				6,118
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2011				
b Excess from 2012				
c Excess from 2013				
d Excess from 2014				
e Excess from 2015				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2015, 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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2015	(b) 2014	(c) 2013	(d) 2012	
				0
b 85% of line 2a				0
c Qualifying distributions from Part XII, line 4 for each year listed				0
d Amounts included in line 2c not used directly for active conduct of exempt activities				0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c				0
3 Complete 3a, b, or c for the alternative test relied upon				
a "Assets" alternative test—enter				
(1) Value of all assets				0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				0
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)				0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				0
(3) Largest amount of support from an exempt organization				0
(4) Gross investment income				0

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see instructions.)**1 Information Regarding Foundation Managers:**

- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))
-
- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest
-

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

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

- a** The name, address, and telephone number or e-mail address of the person to whom applications should be addressed
-
- b** The form in which applications should be submitted and information and materials they should include
-
- c** Any submission deadlines
-
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
-

Part XV **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i> SCHEDULE ATTACHED				158,095
Total			3a	158,095
b <i>Approved for future payment</i>				
Total			3b	0

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					2,440
3	Interest on savings and temporary cash investments					5
4	Dividends and interest from securities					106,699
5	Net rental income or (loss) from real estate					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory					259,763
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue a					
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)		0		0	368,907
13	Total. Add line 12, columns (b), (d), and (e)					368,907

(See worksheet in line 13 instructions to verify calculations)

[illegible]

Part I, Line 16c (990-PF) - Other Professional Fees

		18,611	18,611	18,611	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	INVESTMENT ADVISORY FEES	18,611	18,611	18,611	0

Part I, Line 18 (990-PF) - Taxes

		5,052	5,052	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	EXCISE TAXES	2,574	2,574		
2	FOREIGN TAXES	2,478	2,478		

Part I, Line 23 (990-PF) - Other Expenses

		3,940	3,940	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	STATE DUES	2,215	2,215		
2	INSURANCE	1,199	1,199		
3	OFFICE & MISCELLANEOUS	526	526		

KINGS DAUGHTERS AND SONS CIRCLE NO. 2
FISCAL YEAR ENDED SEPTEMBER 30, 2016

DESCRIPTION	DATE PURCHASED	DATE SOLD	GROSS PROCEEDS	BASIS	SHORT TERM GAIN (LOSS)	LONG TERM GAIN (LOSS)
NORTHERN EMERGING MARKETS EQUITY	Var	08/24/16	191,341 65	202,280 39		(10,938 74)
NORTHERN GLOBAL REAL ESTATE INDEX	Var	08/24/16	243,809 82	205,999 78		37,810 04
NORTHERN HIGH YIELD FIXED INCOME	Var	08/24/16	417,530 95	451,689 37		(34,158 42)
NORTHERN INTERNATIONAL EQUITY INDEX	Var	08/24/16	747,637 41	776,107 97		(28,470 56)
NORTHERN MID CAP INDEX	Var	08/24/16	211,175 49	114,185 78		96,989 71
NORTHERN SMALL CAP INDEX	Var	08/24/16	116,243 90	64,319 26		51,924 64
NORTHERN STOCK INDEX UNSOLICITED ORDER	Var	08/24/16	1,103,805 13	952,707 48		151,097 65
FLEXSHARES TRUST MORNINGSTAR GLOBAL	Var	08/24/16	177,972 67	215,421 66		(37,448 99)
FLEXSHARES TRUST IBOX 3 YR TARGET	Var	08/24/16	79,356 71	80,410 76		(1,054 05)
FLEXSHARES TRUST STOXX GLOBAL BROAD	Var	08/24/16	82,237 65	81,198 00		1,039 65
FIDELITY MSCI INFORMATION	08/31/16	09/26/16	475,363 45	470,309 69	5,053 76	
FHLMC NORTHERN TRUST 4 75% BONDS	11/16/07	11/17/15	50,000 00	50,160 25		(160 25)
NORTHERN BOND INDEX FUND	01/14/15	06/21/16	227,428 79	228,901 63		(1,472 84)
NORTHERN BOND INDEX FUND	06/21/16	06/21/16	969 55	955 17	14 38	
			4,124,873 17	3,894,647 19	5,068.14	225,157.84

KINGS DAUGHTERS AND SONS CIRCLE NO. 2

INVESTMENTS

SEPTEMBER 30, 2016

	BEGINNIG OF YEAR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
GOVERNMENT OBLIGATIONS:			
FEDERAL HOME LN MTG CORP	50,160	-	-
SMALL BUSINESS ADMIN	-	100,748	110,151
	50,160	100,748	110,151
CORPORATE STOCKS:			
MFB NORTHERN MID CAP INDEX FD	102,322	-	-
MFB NORTHERN SMALL CAP INDEX FD	58,940	-	-
MFB NORTHERN INTL EQUITY INDEX FD	776,108	-	-
MFB NORTHERN FDS STK INDEX FD	934,699	-	-
MFB FLEXSHARES GLOBAL BROAD INFRASTRUCTURE INDEX FD	81,198	-	-
MFB NORTHERN FDS EMERGING MKTS EQUITY INDEX FD	202,280	-	-
MFS INTERNATIONAL VALUE FUND	-	130,000	131,750
MATTHEWS ASIAN GROWTH & INCOME FUND	-	130,000	130,894
FIDELITY MSCI INFORMATION	-	470,310	478,438
ISHARES CORE S&P 500 ETF	-	836,638	826,728
ISHARES CORE MID-CAP ETF	-	522,113	513,637
ISHARES CORE SMALL-CAP ETF	-	522,613	520,809
ISHARES TR US PFD STK ETF	-	94,980	93,615
HANCOCK HOLDING PFD STK	-	96,613	96,613
	2,155,547	2,803,267	2,792,484
CORPORATE BONDS:			
LILLY ELI & CO	49,488	49,488	50,943
WAL-MART STORES INC	50,558	50,588	53,412
MCDONALDS CORP	47,780	47,780	53,341
MFB NORTHERN FDS BD INDEX FD	228,902	-	-
MFB NORTHERN HIGH YIELD FIXED INCOME FD	451,689	-	-
MFC FLEXSHARES IBOX 3 YR TARGET TIPS INDEX FD	80,411	-	-
	908,828	147,856	157,696
OTHER:			
MFB NORTHERN FDS GLOBAL REAL ESTATE INDEX FD	206,863	-	-
MFC FLEXSHARES TR MORNINGSTAR GLOBAL UPSTREAM NAT RES INDEX FD	215,422	-	-
MISSISSIPPI DEV BK SPL OBLIG	-	50,540	50,642
HATTIESBURG MISS TAX INCREMENT LTD OBLIG	-	24,797	24,659
PIKE CNTY MISS GO INDL PK BDS SER	-	34,683	34,851
	422,285	110,020	110,152

KINGS DAUGHTERS AND SONS CIRCLE NO. 2**FISCAL YEAR ENDED SEPTEMBER 30, 2016****Part VIII -- Page 6**

Name	Office	Address	Compensation
Lottie Mae Dawkins	President	245 Gamwyn Park Dr Greenville MS 38701	0
Betsy Dyer	Secretary	521 N Plantation Dr Greenville MS 38701	0
William Baird	Treasurer	1932 McClain St Greenville MS 38701	0
Martha Weissinger	Vice-president	1132 East Gamwyn Dr Greenville MS 38701	0
Jan Engel	Board of Directors	153 Bayou Road Greenville MS 38701	0
Jane Simmons	Board of Directors	64 Leo Williams Road Hollandale, MS 38748	0
Merrill Greenlee	Board of Directors	359 Crittenden Greenville MS 38701	0
Mary Sferruzza	Board of Directors	230 Arnold Ave Greenville MS 38701	0
Charles Tindall	Board of Directors	244 Woodlawn Greenville MS 38701	0
Docia England	Board of Directors	225 Woodlawn Greenville MS 38701	0
Brenda Kretchmar	Ex-officio	238 Taylor St Greenville MS 38701	0

KINGS DAUGHTERS AND SONS CIRCLE NO. 2

FISCAL YEAR ENDED SEPTEMBER 30, 2016

Part XV -- Page 11

Grant recipient	Purpose	Amount
Boys & Girls Clubs	Youth programs	10,000
C2k Ministries	Youth programs	7,000
Camp Looking Glass	Handicapped youth camp	10,000
Cleveland Music Foundation	Arts	4,200
Community Counseling Center	Counseling services	18,000
Delta Arts Alliance	Promotion of the arts	5,000
Delta Branch of Mississippi Kidney Foundation	Medical assistance to needy	5,000
Delta Childrens Museum	Youth programs	8,000
Delta Cotton Belles	Breast cancer research	18,000
Delta Grace	Youth programs	7,000
Delta State University	Nursing scholarships	6,000
Delta State Foundation	Education	2,000
Greenville Christian School	Education	4,000
Greenville Habitat for Humanity	Housing	7,000
Greenville Arts Council	Arts	3,000
Greenville Renaissance Scholars	Youth scholarship programs	2,000
Guachoya Cultural Arts Center	Arts	2,000
Leland Chamber of Commerce/Frog Fest	Arts & youth programs	1,000
Mississippi Delta Community College	Nursing scholarships	2,000
Rosedale Freedom Project	Youth programs	2,800
St Vincent de Paul Society	Assistance for low income	10,000
St Joseph Catholic School	Education	3,000
Sunflower County Freedom Project	Youth programs	1,000
Teach for America	Youth scholarship	10,000
United Way Housing Initiative	Housing	5,000
Washington Day School	Education	2,795
Washington County Library System	Education	3,000
Women's Resource Center	Women's programs	1,300
Prior year grant returned		(2,000)
		<u>158,095</u>