



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Return of Private Foundation

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

► 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 2016 or tax year beginning

, and ending

Name of foundation

THE KGR FOUNDATION, INC.

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

528 N. MAIN STREET

A Employer identification number

56-1852393

City or town, state or province, country, and ZIP or foreign postal code

WAKE FOREST, NC 27587

G Check all that apply: Initial return Initial return of a former public charity
 Final return Amended return
 Address change Name changeH Check type of organization: Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at end of year **J Accounting method:** Cash Accrual
(from Part II, col (c), line 16) Other (specify) **► \$ 1,271,423.** (Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	Interest on savings and temporary cash investments	6.	6.		Statement 1
	4 Dividends and interest from securities	32,304.	32,304.		Statement 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	59,199.			
	b Gross sales price for all assets on line 6a	134,917.			
	7 Capital gain net income (from Part IV, line 2)		59,199.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	1,494.	1,494.		Statement 3
	12 Total. Add lines 1 through 11	93,003.	93,003.		
	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees Stmt 4	896.	896.		0.
	b Accounting fees Stmt 5	1,500.	1,500.	MAR 2021	0.
	c Other professional fees Stmt 6	6,170.	6,170.		0.
	17 Interest				
	18 Taxes Stmt 7	1,688.	1,688.	OCDE	0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses				
	24 Total operating and administrative expenses. Add lines 13 through 23	10,254.	10,254.		0.
	25 Contributions, gifts, grants paid	60,022.			60,022.
	26 Total expenses and disbursements Add lines 24 and 25	70,276.	10,254.		60,022.
	27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements b Net investment income (if negative, enter -0-) c Adjusted net income (if negative, enter -0-)	22,727.	82,749.	N/A	

Assets	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
1	Cash - non-interest-bearing				
2	Savings and temporary cash investments		18,436.	13,720.	13,720.
3	Accounts receivable ►				
	Less: allowance for doubtful accounts ►				
4	Pledges receivable ►				
	Less: allowance for doubtful accounts ►				
5	Grants receivable				
6	Receivables due from officers, directors, trustees, and other disqualified persons				
7	Other notes and loans receivable ►				
	Less: allowance for doubtful accounts ►				
8	Inventories for sale or use				
9	Prepaid expenses and deferred charges				
10a	Investments - U.S. and state government obligations				
b	Investments - corporate stock	Stmt 8	1,153,752.	1,257,703.	1,257,703.
c	Investments - corporate bonds				
11	Investments - land, buildings, and equipment basis ►				
	Less accumulated depreciation ►				
12	Investments - mortgage loans				
13	Investments - other				
14	Land, buildings, and equipment: basis ►				
	Less accumulated depreciation ►				
15	Other assets (describe ►)				
16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		1,172,188.	1,271,423.	1,271,423.
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 ►)				
23	Total liabilities (add lines 17 through 22)		0.	0.	
Liabilities	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				
Net Assets or Fund Balances	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		1,172,188.	1,271,423.	
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		1,172,188.	1,271,423.	
31	Total liabilities and net assets/fund balances		1,172,188.	1,271,423.	

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	1,172,188.
2	Enter amount from Part I, line 27a	2	22,727.
3	Other increases not included in line 2 (itemize) ► <u>INCREASE IN THE FMV OF ASSETS</u>	3	76,508.
4	Add lines 1, 2, and 3	4	1,271,423.
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	1,271,423.

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 1,700 SHS INTEL			P	01/31/94	02/12/16
b 800 SHS JOHNSON CONTROLS INC			P	03/07/13	06/01/16
c 1,500 SHS KINDER MORGAN INC			P	12/04/15	06/01/16
d 200 SHS PRAXAIR			P	05/10/10	08/26/16
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 48,428.		6,986.	41,442.		
b 35,514.		26,465.	9,049.		
c 26,692.		25,958.	734.		
d 24,283.		16,309.	7,974.		
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a			41,442.		
b			9,049.		
c			734.		
d			7,974.		
e					
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2		59,199.
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 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))
2015	62,040.	1,230,120.	.050434
2014	54,592.	1,297,257.	.042083
2013	41,389.	1,148,601.	.036034
2012	19,165.	980,693.	.019542
2011	7,669.	926,748.	.008275

2 Total of line 1, column (d)

.156368

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

.031274

4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5

1,200,716.

5 Multiply line 4 by line 3

37,551.

6 Enter 1% of net investment income (1% of Part I, line 27b)

827.

7 Add lines 5 and 6

38,378.

8 Enter qualifying distributions from Part XII, line 4

60,022.

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)

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)	1	827.
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b			
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-)			
3	Add lines 1 and 2	2	0.	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	3	827.	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	4	0.	
6	Credits/Payments:	5	827.	
a	2016 estimated tax payments and 2015 overpayment credited to 2016	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	24.	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	851.	
10	Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11	Enter the amount of line 10 to be: Credited to 2017 estimated tax ► Refunded ►	11		

Part VII-A Statements Regarding Activities

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?	Yes	No
1a		X	
1b		X	
1c		X	
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>	2	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>	3	X
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year? b If "Yes," has it filed a tax return on Form 990-T for this year?	4a	X
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>	4b	
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?	5	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>	6	X
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► <u>NC</u>	7	X
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>	8b	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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9	X
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	X

Part VII-A Statements Regarding Activities (continued)

	Yes	No
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 ► N/A	13	X
14 The books are in care of ► GEORGE C. MACKIE, JR. Telephone no. ► (919) 219-7281 Located at ► 528 NORTH MAIN STREET, WAKE FOREST, NC ZIP+4 ► 27587		
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	N/A
16 At any time during calendar year 2016, 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 X No

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

	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	X No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	X No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	X No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	X 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	X 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	X 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	N/A	
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 2016?	►	
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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016?	<input type="checkbox"/> Yes	X 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.)	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. ► _____, _____, _____, _____	2b	
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	X No
b If "Yes," did it have excess business holdings in 2016 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 2016)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	3b	
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 2016?	4a	X
	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)?

N/A

5b

►

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? N/A 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

6b

X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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 Nob If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A

7b

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
JAMES MACKIE HAVERFORD, PA	VICE PRES 0.00	0.	0.	0.
GEORGE C. MACKIE, JR. WAKE FOREST, NC	SEC/TREAS 0.00	0.	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 DIRECT CONTRIBUTIONS TO 501(C)(3) CHARITABLE ORGANIZATIONS

60,022.

2

3

4

Part IX-B Summary of Program-Related Investments

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

Amount

1 NONE

0.

2

All other program-related investments. See instructions.

3

Total. Add lines 1 through 3

Form 990-PF (2016)

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	1,167,195.
b Average of monthly cash balances	1b	51,806.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	1,219,001.
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	1,219,001.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	18,285.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,200,716.
6 Minimum investment return. Enter 5% of line 5	6	60,036.

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	60,036.
2a Tax on investment income for 2016 from Part VI, line 5	2a	827.
b Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	827.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	59,209.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	59,209.
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	59,209.

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	60,022.
b Program-related investments - total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	60,022.
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	827.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	59,195.

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				59,209.
2 Undistributed income, if any, as of the end of 2016			59,847.	
a Enter amount for 2015 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f Total of lines 3a through e		0.		
4 Qualifying distributions for 2016 from Part XII, line 4: ► \$ 60,022.			59,847.	
a Applied to 2015, but not more than line 2a				
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 2016 distributable amount				175.
e Remaining amount distributed out of corpus		0.		0.
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))				
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 2015. Subtract line 4a from line 2a. Taxable amount - see instr.				0.
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				59,034.
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)		0.		
8 Excess distributions carryover from 2011 not applied on line 5 or line 7		0.		
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a		0.		
10 Analysis of line 9:				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

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
a Paid during the year				
THE CHILDREN'S CENTER 8 NATURE'S WAY HILTON HEAD, SC 29926			OPERATING SUPPORT	3,750.
WAKE FOREST BAPTIST CHURCH 107 E. SOUTH AVENUE WAKE FOREST, NC 27587			OPERATING SUPPORT	13,000.
WEST PHILADELPHIA ALLIANCE FOR CHILDREN 5070 PARKSIDE AVENUE, SUITE 1412 PHILADELPHIA, PA 19131			OPERATING SUPPORT	4,000.
GIGI'S PLAYHOUSE 2887 JONES FRANKLIN ROAD RALEIGH, NC 27606			OPERATING SUPPORT	3,000.
INTERSTITIAL CYSTITIS ASSOCIATION 7918 JONES BRANCH DRIVE, SUITE 300 MCLEAN, VA 22102			OPERATING SUPPORT	12,807.
Total	See continuation sheet(s)			► 3a 60,022.
b Approved for future payment				
None				
Total				► 3b 0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		(e) Related or exempt function income
		(a) Business code	(b) Amount	
1 Program service revenue:				
a				
b				
c				
d				
e				
f				
g Fees and contracts from government agencies				
2 Membership dues and assessments				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities				
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				
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.	93,003.
13 Total Add line 12, columns (b), (d), and (e)			13	93,003.
(See worksheet in line 13 instructions to verify calculations.)				

Relationship of Activities to the Accomplishment of Exempt Purposes

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

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of:

(1) Cash
(2) Other assets
b Other transactions

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

**Sign
Here**

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

May the IRS discuss this
return with the preparer
shown below (see instr.)?

Signature of officer or trustee

Date _____

Tutte

Signature of filer or trustee		Date	File No.		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	J. Graham Clements	<i>J. Graham Clements</i>	3/1/17		P00204576
	Firm's name ► Koonce, Wooten & Haywood, LLP			Firm's EIN ► 56-0517823	
Firm's address ► P. O. Box 17806 Raleigh, NC 27619-7806			Phone no. 919-782-9265		

THE KGR FOUNDATION, INC.

56-1852393

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

Source	(a) Revenue Per Books	(b) Net Investment Income	(c) Adjusted Net Income
MERRILL LYNCH	6.	6.	
Total to Part I, line 3	6.	6.	

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income
MERRILL LYNCH	32,304.	0.	32,304.	32,304.	
To Part I, line 4	32,304.	0.	32,304.	32,304.	

Form 990-PF Other Income Statement 3

Description	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income
MERRILL LYNCH	1,494.	1,494.	
Total to Form 990-PF, Part I, line 11	1,494.	1,494.	

Form 990-PF Legal Fees Statement 4

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
LEGAL FEES	896.	896.		0.
To Fm 990-PF, Pg 1, ln 16a	896.	896.		0.

Form 990-PF

Accounting Fees

Statement 5

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ACCOUNTING FEES	1,500.	1,500.		0.
To Form 990-PF, Pg 1, ln 16b	1,500.	1,500.		0.

Form 990-PF

Other Professional Fees

Statement 6

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
INVESTMENT ADVISORY FEES	6,170.	6,170.		0.
To Form 990-PF, Pg 1, ln 16c	6,170.	6,170.		0.

Form 990-PF

Taxes

Statement 7

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FEDERAL EXCISE TAX	1,688.	1,688.		0.
To Form 990-PF, Pg 1, ln 18	1,688.	1,688.		0.

Form 990-PF

Corporate Stock

Statement 8

Description	Book Value	Fair Market Value
MERRILL LYNCH ATTACHED	1,257,703.	1,257,703.
Total to Form 990-PF, Part II, line 10b	1,257,703.	1,257,703.

EMA® Fiscal Statement

KGR FOUNDATION INC

CURRENT PORTFOLIO SUMMARY

Quantity	Security Description	Date Acquired	Total/Adj Cost Basis	Fiscal Year Value 12/31/16	Unrealized Gain or (Loss)	Est Accrued Interest	Est Annual Income
Cash and Money Funds							
	CASH		339.41	339.41			
13,381	ML BANK DEPOSIT PROGRAM	06/12/00	13,381.00	13,381.00			1.34
	Total Cash and Money Funds		13,720.41	13,720.41			1.34

CURRENT PORTFOLIO SUMMARY

Quantity	Security Description	Date Acquired	Total/Adj Cost Basis	Fiscal Year Value 12/31/16	Unrealized Gain or (Loss)	Est Annual Income
Equities						
500	ABBOTT LABS	01/31/94	3,341.56	19,205.00	15,863.44	530.00
250	ACCENTURE PLC SHS	02/12/16	23,780.50	29,282.50	5,502.00	606.00
800	AT&T INC	11/13/13	28,093.48	34,024.00	5,930.52	1,568.00
250	APPLE INC	12/04/15	29,784.59	28,955.00	(829.59)	571.00
300	BECTON DICKINSON CO	05/11/10	22,515.57	49,665.00	27,149.43	876.00
600	CVS HEALTH CORP	05/11/10	21,696.00	47,346.00	25,650.00	1,200.00
900	CARNIVAL CORP PAIRED SHS	11/13/13	31,890.75	46,854.00	14,963.25	1,260.00
700	CHEVRON CORP	01/31/94	15,343.62	82,390.00	67,046.38	3,024.00
400	CATERPILLAR INC DEL	11/26/08	14,890.15	37,096.00	22,205.85	1,232.00
PLEASE SEE REVERSE SIDE Page 5 of 20				Statement Period Year Ending 12/31/16	Account No 778-04B60	
x	99999999					



Fiscal Statement

KGR FOUNDATION INC

CURRENT PORTFOLIO SUMMARY

Quantity	Security Description	Date Acquired	Total/Adj Cost Basis	Fiscal Year Value 12/31/16	Unrealized Gain or (Loss)	Est Annual Income
Equities						
Equities						
450	COLGATE PALMOLIVE	12/04/15	29,941.48	29,448.00	(493.48)	703.00
300	DIAGEO PLC SPSD ADR NEW	05/11/10	19,669.38	31,182.00	11,512.62	935.00
125	GOLDMAN SACHS GROUP INC	10/20/10	19,577.23	29,931.25	10,354.02	325.00
1,200	GENERAL ELECTRIC	10/20/10	19,217.35	37,920.00	18,702.65	1,153.00
600	HALLIBURTON COMPANY	10/20/10	20,147.83	32,454.00	12,306.17	432.00
500	JPMORGAN CHASE & CO	05/11/10	21,099.35	43,145.00	22,045.65	961.00
1,000	JOHNSON AND JOHNSON COM	01/20/95	13,695.48	115,210.00	101,514.52	3,200.00
400	MARRIOTT INTL INC NEW A	12/04/15	28,450.50	33,072.00	4,621.50	481.00
400	MEDTRONIC PLC SHS	12/12/16	29,655.48	28,492.00	(1,163.48)	688.00
700	MICROSOFT CORP	05/11/10	20,481.23	43,498.00	23,016.77	1,093.00
300	PROCTER & GAMBLE CO	05/11/10	18,924.00	25,224.00	6,300.00	804.00
500	STATE STREET CORP	05/11/10	21,784.20	38,860.00	17,075.80	760.00
400	SCHLUMBERGER LTD	12/04/15	29,864.00	33,580.00	3,716.00	801.00
1,000	SPECTRA ENERGY CORP	07/18/13	36,201.20	41,090.00	4,888.80	1,621.00
900	SYNCHRONY FINL COM	07/11/16	25,020.00	32,643.00	7,623.00	468.00
300	UNITED TECHS CORP COM	11/13/13	31,980.00	32,886.00	906.00	792.00
800	VERIZON COMMUNICATIONS COM	03/07/14	37,727.00	42,704.00	4,977.00	1,849.00
		PLEASE SEE REVERSE SIDE Statement Period Page		Year Ending 12/31/16	Account No.	
x	99999999	x	6 of 20	778-04B60		

EMA™ Fiscal Statement

KGR FOUNDATION INC

CURRENT PORTFOLIO SUMMARY

Quantity	Security Description	Date Acquired	Total/Adj Cost Basis	Fiscal Year Value 12/31/16	Unrealized Gain or (Loss)	Est Annual Income
Equities						
350	VISA INC CL A SHRS	02/12/16	24,705.28	27,307.00	2,601.72	231.00
900	BLACKSTONE GROUP LP COM UNIT REPSTG L P	12/04/15	27,669.78	24,327.00	(3,342.78)	1,494.00
400	WAL-MART STORES INC	03/07/14	29,892.96	27,648.00	(2,244.96)	800.00
2,400	WELLS FARGO & CO NEW DEL	10/06/95	19,656.64	132,264.00	112,607.36	3,648.00
Total Equities			716,696.59	1,257,702.75		
					<u>541,006.16</u>	<u>34,106.00</u>

PLEASE SEE REVERSE SIDE
Page 7 of 20 Statement Period
Year Ending 12/31/16 Account No.
778-04B60