

Return of Organization Exempt From Income Tax

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public Inspection

A For the 2006 calendar year, or tax year beginning

and ending

- B** Check if applicable:
- Address change
 - Name change
 - Initial return
 - Final return
 - Amended return
 - Application pending

C Name of organization
KINGSWAY CHARITIES, INC.

D Employer identification number
54-1668650

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
1119 COMMONWEALTH AVENUE

City or town, state or country, and ZIP + 4
BRISTOL, VA 24201

E Telephone number
(276) 466-3014

F Accounting method: Cash Accrual
 Other (specify) _____

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

- H and I are not applicable to section 527 organizations.*
- H(a)** Is this a group return for affiliates? Yes No
- H(b)** If "Yes," enter number of affiliates **N/A**
- H(c)** Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
- H(d)** Is this a separate return filed by an organization covered by a group ruling? Yes No
- I** Group Exemption Number **N/A**

G Website: WWW.KINGBF.ORG

J Organization type (check only one) 501(c)(3) (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **154,080,826.**

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

		1a		1b		1c		1d		1e	
1 Contributions, gifts, grants, and similar amounts received:											
a Contributions to donor advised funds											
b Direct public support (not included on line 1a)				138,096,107.							
c Indirect public support (not included on line 1a)											
d Government contributions (grants) (not included on line 1a)											
e Total (add lines 1a through 1d) (cash \$ 148,217. noncash \$ 137,947,890.)										138,096,107.	
2 Program service revenue including government fees and contracts (from Part VII, line 93)										3,000.	
3 Membership dues and assessments											
4 Interest on savings and temporary cash investments											
5 Dividends and interest from securities										403,980.	
6 a Gross rents		6a									
b Less: rental expenses		6b									
c Net rental income or (loss). Subtract line 6b from line 6a										6c	
7 Other investment income (describe _____)										7	
8 a Gross amount from sales of assets other than inventory		(A) Securities		(B) Other							
		15,577,145.		8a							
b Less: cost or other basis and sales expenses		13,143,428.		8b		30.					
c Gain or (loss) (attach schedule)		2,433,717.		8c		<30.>					
d Net gain or (loss). Combine line 8c, columns (A) and (B)		STMT 1		STMT 2						8d 2,433,687.	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>											
a Gross revenue (not including \$ _____ of contributions reported on line 1b)		9a									
b Less: direct expenses other than fundraising expenses		9b									
c Net income or (loss) from special events. Subtract line 9b from line 9a										9c	
10 a Gross sales of inventory, less returns and allowances		10a		193.							
b Less: cost of goods sold		10b									
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a				STMT 3						10c 193.	
11 Other revenue (from Part VII, line 103)										11 401.	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11										12 140,937,368.	
13 Program services (from line 44, column (B))										13 156,257,550.	
14 Management and general (from line 44, column (C))										14 1,067,396.	
15 Fundraising (from line 44, column (D))											
16 Payments to affiliates (attach schedule)											
17 Total expenses. Add lines 16 and 44, column (A)										17 157,324,946.	
18 Excess or (deficit) for the year. Subtract line 17 from line 12										18 <16,387,578.>	
19 Net assets or fund balances at beginning of year (from line 73, column (A))										19 53,412,706.	
20 Other changes in net assets or fund balances (attach explanation)						SEE STATEMENT 4				20 34,319.	
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20										21 37,059,447.	

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0, noncash \$ 0. If this amount includes foreign grants, check here <input type="checkbox"/>)				
22b Other grants and allocations (attach schedule) (cash \$ 150,000, noncash \$ 154,165,129. If this amount includes foreign grants, check here <input type="checkbox"/>)			STATEMENT 7	STATEMENT 8
23 Specific assistance to individuals (attach schedule)	22b 154,315,129.	154,315,129.		
24 Benefits paid to or for members (attach schedule)	23			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	24			
b Compensation of former officers, directors, key employees, etc. listed in Part V-B STMT 6	25a 0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25b 34,437.	34,437.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	25c			
27 Pension plan contributions not included on lines 25a, b, and c	26 879,975.	424,539.	455,436.	
28 Employee benefits not included on lines 25a - 27	27 14,673.	6,990.	7,683.	
29 Payroll taxes	28 273,190.	135,172.	138,018.	
30 Professional fundraising fees	29 69,087.	34,544.	34,543.	
31 Accounting fees	30			
32 Legal fees	31 31,223.		31,223.	
33 Supplies	32			
34 Telephone	33 52,104.	26,052.	26,052.	
35 Postage and shipping	34 19,253.	19,253.		
36 Occupancy	35 649,266.	649,266.		
37 Equipment rental and maintenance	36 117,892.	117,892.		
38 Printing and publications	37 99,085.	99,085.		
39 Travel	38 5,420.	2,710.	2,710.	
40 Conferences, conventions, and meetings	39 47,812.		47,812.	
41 Interest	40			
42 Depreciation, depletion, etc. (attach schedule)	41 1,493.	1,493.		
43 Other expenses not covered above (itemize):	42 133,291.	66,646.	66,645.	
a	43a			
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g SEE STATEMENT 5	43g 581,616.	324,342.	257,274.	
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 157,324,946.	156,257,550.	1,067,396.	0.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;

(iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? SEE ATTACHED STATEMENT #15	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a THE FACE OF GOD - FOR 2006, PROVIDED SERVICES OF FOOD, CLOTHING, TOYS, AND TOILETRIES TO 51 LOCAL CHURCH MINISTRIES AND 32 REGIONAL CHILDREN'S HOMES, COMMUNITY ORGANIZATIONS, AND INTERNATIONAL ORPHANAGES. CLOTHING AND SUPPLIES WERE ALSO PROVIDED FOR FAMILIES OF DISASTERS SUCH AS HOUSE FIRES AND FLOODS.	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	667,021.
b THE LORD'S STOREHOUSE - FOR 2006, PROVIDED 13.1 MILLION LBS OF FOOD TO NEARLY 125 DIFFERENT MINISTRIES, CHURCHES AND ORGANIZATIONS. THEY ARE DISTRIBUTING THIS FOOD TO HELP FEED THOUSANDS OF FAMILIES EACH MONTH.	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	19,656,825.
c INT'L BENEVOLENT FUND - FOR 2006, PROVIDED MEDICATION AND MEDICAL SUPPLIES FOR 1094 SHIPMENTS/MEDICAL MISSION TRIPS TO MORE THAN 75 THIRD WORLD COUNTRIES. THESE DEDICATED MISSIONARIES TRAVELED AND REACHED OUT TO THE POOR IN THE MOST REMOTE COUNTRIES.	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	134,095,259.
d MISC. GRANTS/ALLOCATIONS AND RELATED SVCS. PROVIDED TO IRC SECTION 501(C)(3) CHARITIES AND/OR MINISTRIES IN FURTHERANCE OF THE ORGANIZATION'S EXEMPT PURPOSE. FOR 2006, VOLUNTEERS DONATED 26,542 HRS. OF SERVICE IN SUPPORT OF ALL OF THE ORGANIZATIONS PROGRAMS.	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	1,838,445.
e Other program services (attach schedule) SEE STATEMENT 9	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	156,257,550.

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	70,710.	45	28,821.
	46 Savings and temporary cash investments	2,017,979.	46	815,040.
	47 a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	2,566.	47c
	48 a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b		48c
	49 Grants receivable			49
	50 a Receivables from current and former officers, directors, trustees, and key employees			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)			50b
	51 a Other notes and loans receivable	51a		
	b Less: allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use	32,057,351.	52	16,019,787.
	53 Prepaid expenses and deferred charges			53
	54 a Investments - publicly-traded securities STMT 11 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	17,178,801.	54a	18,070,802.
	b Investments - other securities			54b
55 a Investments - land, buildings, and equipment: basis STMT 10	55a			
b Less: accumulated depreciation	55b		55c	
56 Investments - other			56	
57 a Land, buildings, and equipment: basis	57a 3,560,327.			
b Less: accumulated depreciation STMT 12	57b 1,454,179.	2,091,098.	57c 2,106,148.	
58 Other assets, including program-related investments (describe CONSTRUCTION IN PROGRESS)		23,601.	58 33,502.	
59 Total assets (must equal line 74). Add lines 45 through 58		53,442,106.	59 37,074,100.	
Liabilities	60 Accounts payable and accrued expenses	1,400.	60	653.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable STMT 13	28,000.	64b	14,000.
	65 Other liabilities (describe CONSTRUCTION IN PROGRESS)		65	
66 Total liabilities. Add lines 60 through 65		29,400.	66 14,653.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	53,267,173.	67	37,059,447.
	68 Temporarily restricted	145,533.	68	0.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	53,412,706.	73	37,059,447.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	53,442,106.	74	37,074,100.	

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	140,974,107.
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1	34,319.	
2	Donated services and use of facilities	b2	12,062.	
3	Recoveries of prior year grants	b3		
4	Other (specify):	b4		
	Add lines b1 through b4			b 46,381.
c	Subtract line b from line a			c 140,927,726.
d	Amounts included on Part I, line 12, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1	9,642.	
2	Other (specify):	d2		
	Add lines d1 and d2			d 9,642.
e	Total revenue (Part I, line 12). Add lines c and d			e 140,937,368.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements		a	157,327,366.
b	Amounts included on line a but not on Part I, line 17:			
1	Donated services and use of facilities	b1	12,062.	
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4		
	Add lines b1 through b4			b 12,062.
c	Subtract line b from line a			c 157,315,304.
d	Amounts included on Part I, line 17, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1	9,642.	
2	Other (specify):	d2		
	Add lines d1 and d2			d 9,642.
e	Total expenses (Part I, line 17). Add lines c and d			e 157,324,946.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the 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 & deferred compensation plans	(E) Expense account and other allowances
JOHN M. GREGORY 1119 COMMONWEALTH AVENUE BRISTOL, VA 24201	PRESIDENT 1.00	0.	0.	0.
JOAN P. GREGORY 1119 COMMONWEALTH AVENUE BRISTOL, VA 24201	VICE PRESIDENT 1.00	0.	0.	0.
MARY ANN BLESSING 1119 COMMONWEALTH AVENUE BRISTOL, VA 24201	TREASURER 1.00	0.	0.	0.
HERSCHEL BLESSING 1119 COMMONWEALTH AVENUE BRISTOL, VA 24201	DIRECTOR 1.00	0.	0.	0.
CAROL SHRADER 1119 COMMONWEALTH AVENUE BRISTOL, VA 24201	DIRECTOR 1.00	0.	0.	0.
BRENDA VIARS 1119 COMMONWEALTH AVENUE BRISTOL, VA 24201	DIRECTOR 1.00	0.	0.	0.

Part VI Other Information (continued) Yes No

82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	<input checked="" type="checkbox"/>	
	b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b		12,062.
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	<input checked="" type="checkbox"/>	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b		N/A
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		<input checked="" type="checkbox"/>
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b		N/A
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c	Dues, assessments, and similar amounts from members	85c		N/A
d	Section 162(e) lobbying and political expenditures	85d		N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a		N/A
	b Gross receipts, included on line 12, for public use of club facilities	86b		N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a		N/A
	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b		N/A
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a		<input checked="" type="checkbox"/>
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b		<input checked="" type="checkbox"/>
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="text" value="0."/> ; section 4912 <input type="text" value="0."/> ; section 4955 <input type="text" value="0."/>			
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		<input checked="" type="checkbox"/>
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization			0.
e	<i>All organizations.</i> At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e		<input checked="" type="checkbox"/>
f	<i>All organizations.</i> Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f		<input checked="" type="checkbox"/>
g	<i>For supporting organizations and sponsoring organizations maintaining donor advised funds.</i> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g		<input checked="" type="checkbox"/>
90 a	List the states with which a copy of this return is filed NONE			
b	Number of employees employed in the pay period that includes March 12, 2006	90b		23
91 a	The books are in care of THE ORGANIZATION Telephone no. (276) 466-3014 Located at 1119 COMMONWEALTH AVENUE, BRISTOL, VA ZIP + 4 24201			
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country N/A	91b		<input checked="" type="checkbox"/>
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			

Part VI Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No
 If "Yes," enter the name of the foreign country N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a GOOD NEWS MINISTRY			16	3,000.	
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	403,980.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	2,433,687.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					193.
103 Other revenue:					
a MISCELLANEOUS INCOME			03	401.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		2,841,068.	193.
105 Total (add line 104, columns (B), (D), and (E))					2,841,261.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
102	SALE OF ITEMS BEARING THE ORGANIZATION'S LOGO PROMOTES
102	AWARENESS OF THE ORGANIZATION, AND PROVIDES ADDITIONAL FUNDS USED TO
102	PROMOTE THE ORGANIZATION'S EXEMPT PURPOSE ACTIVITIES

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). **N/A**

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
a	----- ----- -----					
b	----- ----- -----					
c	----- ----- -----					
Totals						

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
a	----- ----- -----					
b	----- ----- -----					
c	----- ----- -----					
Totals						

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

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 officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer _____ Date _____

Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature **CHARLES S. BOWLES** Date **03/20/07** Check if self-employed Preparer's SSN or PTIN (See Gen. Inst. X) _____

Firm's name (or yours if self-employed), address, and ZIP + 4 **BROWN, EDWARDS & COMPANY, L.L.P.**
1969 LEE HIGHWAY
BRISTOL, VA 24201

EIN _____ Phone no. **276.466.5248**

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

2006

Name of the organization **KINGSWAY CHARITIES, INC.** Employer identification number **54 1668650**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 2 of the instructions. List each one. If there are 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 & deferred compensation	(e) Expense account and other allowances
<u>ALBERT HESTER</u> 1119 COMMONWEALTH AVENUE, BRISTOL, VA	DIR. OF OPER. 40.00	84,290.	5,305.	45.
<u>JOHN REED, JR.</u> 1119 COMMONWEALTH AVENUE, BRISTOL, VA	MANAGER 40.00	61,809.	0.	477.
<u>MARY REYNOLDS</u> 1119 COMMONWEALTH AVENUE, BRISTOL, VA	MANAGER 40.00	66,874.	4,191.	110.
<u>ART YANNUCCIELLO</u> 1119 COMMONWEALTH AVENUE, BRISTOL, VA	MANAGER 40.00	59,337.	5,234.	326.
<u>JIM JOHNSTON</u> 1119 COMMONWEALTH AVENUE, BRISTOL, VA	MANAGER 40.00	53,764.	0.	9,647.
Total number of other employees paid over \$50,000 ▶	0			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>STEWARDSHIP PARTNERS INVESTMENT COUNSEL</u> P.O. BOX 157, MATTHEWS, NC 28106-0157	INVESTMENT	189,256.

Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>PRIME, INC</u> P.O. BOX 802226, KANSAS CITY, MO 64180-2226	TRANSPORTATION	254,404.
<u>SHOUN TRUCKING</u> 1247 HIGHWAY 126, BRISTOL, TN 37620	TRANSPORTATION	106,164.
<u>JAMES W. WORLEY</u> 1105 WEST STATE STREET, BRISTOL, VA 24201	CONTRACTOR	73,149.

Total number of other contractors receiving over \$50,000 for other services ▶	0	

Part III Statements About Activities (See page 2 of the instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e	Transfer of any part of its income or assets?		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b	Did the organization have a section 403(b) annuity plan for its employees?	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966?		X
c	Did the organization make a distribution to a donor, donor advisor, or related person?		X
d	Enter the total number of donor advised funds owned at the end of the tax year ▶		0
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶		0.
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶		0.
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year ▶		0.

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					▶

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**
Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	249,354,652.	187,931,949.	432,848,505.	252,756,371.	1,122,891,477.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	221.	857.	475.	1,053.	2,606.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	339,222.	211,882.	177,132.	499,463.	1,227,699.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	50,459.	50,000.	SEE STATEMENT 15 54,607.	46,285.	201,351.
23 Total of lines 15 through 22	249,744,554.	188,194,688.	433,080,719.	253,303,172.	1,124,323,133.
24 Line 23 minus line 17	249,744,333.	188,193,831.	433,080,244.	253,302,119.	1,124,320,527.
25 Enter 1% of line 23	2,497,446.	1,881,947.	4,330,807.	2,533,032.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 22486411.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 588,955,102.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 1,124,320,527.
d Add: Amounts from column (e) for lines: 18 1,227,699. 19 201,351. 26b 588955102.					26d 590384152.
e Public support (line 26c minus line 26d total)					26e 533936375.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 47.4897%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
(2005) (2004) (2003) (2002)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
(2005) (2004) (2003) (2002)					
c Add: Amounts from column (e) for lines: 15 16 17 20 21					27e N/A
d Add: Line 27a total and line 27b total					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					NONE

Part V Private School Questionnaire (See page 9 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			

33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			

34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended?		
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -			
The lobbying nontaxable amount is -			
Not over \$500,000	20% of the amount on line 40	} 41	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c** Media advertisements
- d** Mailings to members, legislators, or the public
- e** Publications, or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i** Total lobbying expenditures (Add lines c through h.)

Yes	No	Amount
		0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 1

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
FIRST TN INVESTMENTS	15,577,145.	13,143,428.	0.	2,433,717.
TO FORM 990, PART I, LINE 8	15,577,145.	13,143,428.	0.	2,433,717.

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
JUNKED FURNITURE	VARIOUS	02/28/06	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	5,278.	0.	5,248.	<30.>

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
JUNKED EQUIPMENT	VARIOUS	02/28/06	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	94,427.	0.	94,427.	0.
TO FM 990, PART I, LN 8		99,705.	0.	99,675.	<30.>

FORM 990

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

STATEMENT 3

INCOME

1. GROSS RECEIPTS	193	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		193
<hr/>		
4. COST OF GOODS SOLD (LINE 13)		
5. GROSS PROFIT (LINE 3 LESS LINE 4)		193
<hr/> <hr/>		

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR		
7. MERCHANDISE PURCHASED		
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		
<hr/>		
12. INVENTORY AT END OF YEAR		
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12)		
<hr/> <hr/>		

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	4
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DESCRIPTION	AMOUNT
UNREALIZED GAINS/(LOSSES)	34,319.
TOTAL TO FORM 990, PART I, LINE 20	34,319.

FORM 990	OTHER EXPENSES	STATEMENT	5
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DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
PROPERTY TAXES AND LICENSES	16,144.		16,144.	
PAYROLL PROCESSING	6,183.	3,091.	3,092.	
EMPLOYEE TRAINING	0.			
ADVERTISING	48,154.	48,154.		
INSURANCE	48,458.	24,229.	24,229.	
VOLUNTEER EXPENSES	46,110.	46,110.		
DUES & SUBSCRIPTIONS INDEPENDENT CONTRACTOR	1,587. 189,256.		1,587. 189,256.	
INTERNATIONAL ASSISTANCE	137,991.	137,991.		
FOOD PURCHASES	60,000.	60,000.		
MEMBERSHIP FEES	944.		944.	
COMPUTER FEES	9,534.	4,767.	4,767.	
PROFESSIONAL FEES	3,639.		3,639.	
MISCELLANEOUS EXPENSES	3,974.		3,974.	
INVESTMENT EXPENSES	9,642.		9,642.	
TOTAL TO FM 990, LN 43	581,616.	324,342.	257,274.	

FORM 990

NONCASH GRANTS AND ALLOCATIONS

STATEMENT 7

CLASS OF ACTIVITY: FOOD, CLOTHING, DRUGS & MEDICAL SUPPLIES

DONEE'S NAME AND ADDRESS

AVAILABLE ON REQUEST

<u>RELATIONSHIP OF DONEE</u>	<u>DESCRIPTION OF PROPERTY</u>	<u>DATE OF GIFT</u>
NONE	FOOD, CLOTHING, DRUGS & MEDICAL SUPPLIES	VARIOUS

METHOD USED TO DETERMINE BOOK VALUE

AVERAGE WHOLESALE PRICE

METHOD USED TO DETERMINE FAIR MARKET VALUE

AVERAGE WHOLESALE PRICE

BOOK VALUE

154,165,129.

AMOUNT GIVEN

154,165,129.

TOTAL INCLUDED ON FORM 990, PART II, LINE 22B

154,165,129.

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 8
 APPROVED BUT NOT PAID BY FILING DEADLINE

CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
POVERTY EDUCATION SCHOLARSHIPS AVAILABLE ON REQUEST	NONE	150,000.

TOTAL INCLUDED ON FORM 990, PART II, LINE 22B 150,000.

FORM 990 OTHER PROGRAM SERVICES STATEMENT 9

DESCRIPTION OF OTHER PROGRAM SERVICES	GRANTS AND ALLOCATIONS	EXPENSES
TOTAL TO FORM 990, PART III, LINE E		

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 10

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
FIRST TN INVESTMENTS	FMV	15427986.			15427986.
KING STOCK FIRST 100	FMV	1,592.			1,592.
TO FORM 990, LINE 54A, COL B		15429578.			15429578.

FORM 990	GOVERNMENT SECURITIES	STATEMENT 11
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DESCRIPTION	COST/FMV	U.S. GOVERNMENT	STATE AND LOCAL GOV'T	TOTAL GOV'T SECURITIES
FIRST TN INVESTMENTS	FMV	2,641,224.		2,641,224.
TOTAL TO FORM 990, LINE 54A, COL B		2,641,224.		2,641,224.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT 12
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND	234,753.	0.	234,753.
BUILDINGS	859,970.	457,109.	402,861.
BUILDING IMPROVEMENTS	2,051,885.	703,232.	1,348,653.
FURNITURE & FIXTURES	64,062.	53,524.	10,538.
COMPUTERS	71,453.	48,724.	22,729.
MEDIA EQUIPMENT	52,534.	25,787.	26,747.
VEHICLES	72,344.	43,710.	28,634.
OFFICE EQUIPMENT	47,697.	42,185.	5,512.
WAREHOUSE & MAINTENANCE EQUIPMENT	105,629.	79,908.	25,721.
TOTAL TO FORM 990, PART IV, LN 57	3,560,327.	1,454,179.	2,106,148.

FORM 990

OTHER NOTES AND LOANS PAYABLE

STATEMENT 13

LENDER'S NAME

TERMS OF REPAYMENT

CAROLINA TURKEYS OF VIRGINIA

PAYABLE IN 10 ANNUAL INSTALLMENTS OF \$14,000 PLUS INTEREST

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
05/30/97	05/30/07	140,000.	8.00%

SECURITY PROVIDED BY BORROWER

PURPOSE OF LOAN

PROPERTY

PURCHASE OF PROPERTY LOCATED AT 1119 COMMONWEALTH AVENUE, BRISTOL, VA 24201

RELATIONSHIP OF LENDER

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
	0.	14,000.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B		14,000.

FORM 990

EXPLANATION OF RELATIONSHIP
PART V-A, LINE 75B

STATEMENT 14

INDIVIDUAL'S NAME

TITLE OR ROLE

JOHN M. GREGORY

PRESIDENT

INDIVIDUAL'S NAME

TITLE OR ROLE

JOAN P. GREGORY

VICE PRESIDENT

EXPLANATION OF RELATIONSHIP

SPOUSES

INDIVIDUAL'S NAME

TITLE OR ROLE

JOHN M. GREGORY

PRESIDENT

INDIVIDUAL'S NAME

TITLE OR ROLE

MARY ANN BLESSING

TREASURER

EXPLANATION OF RELATIONSHIP

SIBLINGS

<u>INDIVIDUAL'S NAME</u>	<u>TITLE OR ROLE</u>
MARY ANNE BLESSING	TREASURER

<u>INDIVIDUAL'S NAME</u>	<u>TITLE OR ROLE</u>
HERSCHEL BLESSING	DIRECTOR

EXPLANATION OF RELATIONSHIP
SPOUSES

SCHEDULE A	OTHER INCOME			STATEMENT 15
<u>DESCRIPTION</u>	<u>2005 AMOUNT</u>	<u>2004 AMOUNT</u>	<u>2003 AMOUNT</u>	<u>2002 AMOUNT</u>
OTHER REVENUE	50,459.	50,000.	54,607.	46,285.
TOTAL TO SCHEDULE A, LINE 22	50,459.	50,000.	54,607.	46,285.

KINGSWAY CHARITIES, INC.
FEIN# 54-1668650

Statement 15

FORM 990, PART III – ORGANIZATION’S PRIMARY EXEMPT PURPOSE

KINGSWAY CHARITIES, INC DELIVERS MEDICAL SUPPLIES AND OTHER HEALTH CARE RELATED PRODUCTS TO NEEDY COMMUNITIES AND FAMILIES IN UNDERPRIVILEGED FOREIGN COUNTRIES. MOST OF THE CONTRIBUTIONS RECEIVED CONSIST OF MEDICAL SUPPLIES, INCLUDING EYEGASSES, SURGICAL SUPPLIES, TOPICAL OINTMENTS, INTERNAL MEDICATIONS AND OTHER PHARMACEUTICAL PRODUCTS. DUE TO THE UNIQUE NATURE OF THESE TYPES OF DONATIONS, KINGSWAY CHARITIES RELIES ON A SMALL GROUP OF PHARMACEUTICAL AND SIMILAR COMPANIES FOR A MAJORITY OF ITS INVENTORY. KINGSWAY CHARITIES ALSO OPERATES A FOOD BANK WHICH COLLECTS AND DISTRIBUTES LARGE QUANTITIES OF FOOD TO VARIOUS MINISTRIES WITHIN A 77 MILE RADIUS OF BRISTOL, VA. THESE MINISTRIES IN TURN DISTRIBUTE THE FOOD TO NEEDY FAMILIES IN THEIR AREA. KINGSWAY CHARITIES ALSO PROVIDES ASSISTANCE TO NEEDY WIDOWS IN THE SURROUNDING COMMUNITY. IN ADDITION, KINGSWAY CHARITIES PROVIDES ASSISTANCE TO NEEDY CHILDREN THROUGH ITS CHILDRENS MINISTRY.

**ARTICLES OF AMENDMENT OF THE AMENDED ARTICLES OF
INCORPORATION**

OF

KING BENEVOLENT FUND, INC.

The Corporation Identification Number is 0406353

Pursuant to the provisions of Section 13.1-888 of the Code of Virginia, as amended, King Benevolent Fund, Inc., a Virginia non-stock corporation (the "Corporation"), hereby adopts the following amendment to the Corporation's Amended Articles of Incorporation:

- I. The name of the corporation is **KING BENEVOLENT FUND, INC.**
- II. The text of the amendment adopted is:

Article 1 of the Corporation's Amended Articles of Incorporation shall be deleted and the following inserted in lieu thereof:

1. The name of the corporation shall be Kingsway Charities, Inc., hereinafter referred to as "the Corporation".

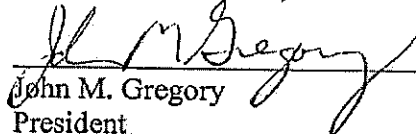
III. The amendment was duly adopted on November 28, 2006.

IV. The amendment was adopted unanimously by the Corporation's Board of Directors without member action because the Corporation has no members pursuant to its Amended Articles of Incorporation.

The undersigned, being the President of the Corporation, declares that the facts herein stated are true as of this the 23^d day of January 2007.

KINGSWAY CHARITIES, INC.

By:

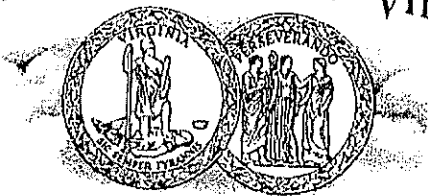

John M. Gregory
President

THEODORE V. MORRISON, JR.
CHAIRMAN

MARK C. CHRISTIE
COMMISSIONER

JUDITH WILLIAMS JAGDMANN
COMMISSIONER

COMMONWEALTH OF VIRGINIA



JOEL H. PECK
CLERK OF THE COMMISSION
P.O. BOX 1197
RICHMOND, VIRGINIA 23218-1197

STATE CORPORATION COMMISSION Office of the Clerk

February 15, 2007

LISA C WHITE
1119 COMMONWEALTH AVE
BRISTOL, VA 24201

RE: Kingsway Charities, Inc.
(formerly King Benevolent Fund, Inc.)
ID: 0406353 - 3
DCN: 07-01-29-0091

Dear Customer:

This is your receipt for \$25.00, covering the fees for filing the following with this office:
articles of amendment to change the corporate name

The effective date of the certificate of amendment is February 15, 2007.

If you have any questions, please call (804) 371-9733 or toll-free in Virginia, 1-866-722-2551.

Sincerely,

Joel H. Peck
Clerk of the Commission

AMENACPT
CIS0436

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, FEBRUARY 15, 2007

The State Corporation Commission has found the accompanying articles submitted on behalf of
Kingsway Charities, Inc. (formerly King Benevolent Fund, Inc.)

to comply with the requirements of law, and confirms payment of all required fees. Therefore, it
is ORDERED that this

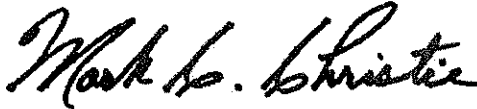
CERTIFICATE OF AMENDMENT

be issued and admitted to record with the articles of amendment in the Office of the Clerk of the
Commission, effective February 15, 2007.

The corporation is granted the authority conferred on it by law in accordance with the articles,
subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By



Commissioner