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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****2009**Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning , 2009, and ending

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation The Kelsey Family Foundation		A Employer identification number 13-7107820
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite PO Box 127		B Telephone number (see the instructions) (772) 234-1652
	City or town State ZIP code Rumson NJ 07760		C If exemption application is pending, check here ☐
			D 1 Foreign organizations, check here ☐ 2 Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 2,921,031.		J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (att sch)		371,550.			
2 Ck ☐ if the foundn is not req to att Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		68,267.	68,267.		
5a Gross rents					
b Net rental income or (loss)					
6a Net gain/(loss) from sale of assets not on line 10		10,862.			
b Gross sales price for all assets on line 6a 830,050.					
7 Capital gain net income (from Part IV, line 2)			10,862.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit/(loss) (att sch)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11		450,679.	79,129.		
13 Compensation of officers, directors, trustees, etc					
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
b Accounting fees (attach sch) L-16b Stmt		4,200.	2,100.		2,100.
c Other prof fees (attach sch)					
17 Interest					
18 Taxes (attach schedule) (see instr) Tax on investment		2,842.	2,842.		
19 Depreciation (attach sch) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule) NJ registration fees		30.	15.		15.
24 Total operating and administrative expenses. Add lines 13 through 23		7,072.	4,957.		2,115.
25 Contributions, gifts, grants paid		130,500.			130,500.
26 Total expenses and disbursements. Add lines 24 and 25		137,572.	4,957.		132,615.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		313,107.			
b Net investment income (if negative, enter -0-)			74,172.		
c Adjusted net income (if negative, enter -0-)					

SCANNED MAY 19 2010

REVENUE

ADMINISTRATIVE AND EXPENSES

1497

Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments	535,578.	788,030.	788,030.
	3 Accounts receivable			
	Less allowance for doubtful accounts			
	4 Pledges receivable			
	Less allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U S and state government obligations (attach schedule) L-10a Stmt	1,347,703.	598,515.	620,765.
	b Investments — corporate stock (attach schedule) L-10b Stmt	541,885.	843,385.	578,777.
	c Investments — corporate bonds (attach schedule) L-10c Stmt	400,663.	908,974.	933,459.
	11 Investments — land, buildings, and equipment basis			
Less accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule)				
14 Land, buildings, and equipment basis				
Less accumulated depreciation (attach schedule)				
15 Other assets (describe)				
16 Total assets (to be completed by all filers—see instructions. Also, see page 1, item I)	2,825,829.	3,138,904.	2,921,031.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)			
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ☐			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ☒			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	2,825,829.	3,138,904.	
	30 Total net assets or fund balances (see the instructions)	2,825,829.	3,138,904.	
	31 Total liabilities and net assets/fund balances (see the instructions)	2,825,829.	3,138,904.	

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	2,825,829.
2 Enter amount from Part I, line 27a	2	313,107.
3 Other increases not included in line 2 (itemize) <u>Difference due to rounding</u>	3	65.
4 Add lines 1, 2, and 3	4	3,139,001.
5 Decreases not included in line 2 (itemize) <u>Nondeductible expenses</u>	5	97.
6 Total net assets or fund balances at end of year (line 4 minus line 5)— Part II, column (b), line 30	6	3,138,904.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	\$100000 US Tsy Note 3% 2/15/09	P	02/11/04	02/15/09
b	\$100000 US Tsy Note 3.875% 5/15/09	P	05/12/04	05/15/09
c	\$100000 US Tsy Note 3.5% 5/15/09	P	08/11/04	08/15/09
d	\$200000 US Tsy Note 4.875% 5/15/09	P	08/07/06	08/15/09
e	See Columns (a) thru (d)			

(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 100,000.		99,867.	133.
b 50,000.		49,918.	82.
c 100,000.		99,914.	86.
d 100,000.		99,942.	58.
e See Columns (e) thru (h)		469,547.	10,503.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			133.
b			82.
c			86.
d			58.
e See Columns (i) thru (l)			10,503.

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	10,862.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8		3	

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 (column (b) divided by column (c))
2008		2,715,721.	
2007	113,912.	2,629,334.	0.043324
2006	102,687.	2,033,364.	0.050501
2005	100,847.	1,804,110.	0.055898
2004	81,280.	1,550,196.	0.052432

2 Total of line 1, column (d)	2	0.202155
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.050539
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	2,577,898.
5 Multiply line 4 by line 3	5	130,284.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	742.
7 Add lines 5 and 6	7	131,026.
8 Enter qualifying distributions from Part XII, line 4	8	132,615.

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter 'N/A' on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary - see instr.)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	742.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0.
3 Add lines 1 and 2		3	742.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	742.
6 Credits/Payments			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	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		
8 Enter any penalty for underpayment of estimated tax Check here ☒ if Form 2220 is attached	8		19.
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9		761.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		0.
11 Enter the amount of line 10 to be Credited to 2010 estimated tax ☐ Refunded ☒	11		

Part VI-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ☐ \$ _____ (2) On foundation managers ☐ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) NJ - New Jersey		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>John L. Kelsey</u> Telephone no. <u>(772) 234-1652</u> Located at <u>460 Coconut Palm Road Vero Beach FL</u> ZIP + 4 <u>32963-3709</u>			
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 <u>15</u>			

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

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

	Yes	No
1 a 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?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ 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)?	☐ Yes ☒ 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	☐ Yes ☒ 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐	1 b	
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 2009?	1 c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>	☐ Yes ☒ No	
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 the instructions)	2 b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No	
b If 'Yes,' did it have excess business holdings in 2009 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 2009.)	3 b	
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4 b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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)?

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?☐ Yes ☐ No

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

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

6b

If 'Yes' to 6b, file Form 8870

X

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

7b

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
John L Kelsey 460 Coconut Palm Road Vero Beach FL 32963	Trustee 0.50	0.	0.	0.
Anne H P Kelsey 460 Coconut Palm Road Vero Beach FL 32963	Trustee 0.10	0.	0.	0.
Grayson Kelsey Hardman 1119 West Enclave Circle Louisville CO 30027	Trustee 0.10	0.	0.	0.
Jonathan C Kelsey 101 Avon Road Narbeth PA 19072	Trustee 0.10	0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
None				
0				
0				
0				
0				

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

None

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services		None

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	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	

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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	1,836,390.
b	Average of monthly cash balances	1b	780,765.
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	2,617,155.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	2,617,155.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	39,257.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,577,898.
6	Minimum investment return. Enter 5% of line 5	6	128,895.

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	128,895.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	742.
b	Income tax for 2009. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	742.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	128,153.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	128,153.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	128,153.

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	132,615.
b	Program-related investments— total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	132,615.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	742.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	131,873.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				128,153.
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			132,944.	
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009:				
a From 2004	81,462.			
b From 2005	101,562.			
c From 2006	102,687.			
d From 2007	113,912.			
e From 2008	132,147.			
f Total of lines 3a through e	531,770.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 132,615.				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2009 distributable amount				
e Remaining amount distributed out of corpus	132,615.			
5 Excess distributions carryover applied to 2009 (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	664,385.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a Taxable amount — see instructions			132,944.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				128,153.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	81,462.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a.	582,923.			
10 Analysis of line 9				
a Excess from 2005	101,562.			
b Excess from 2006	102,687.			
c Excess from 2007	113,912.			
d Excess from 2008	132,147.			
e Excess from 2009	132,615.			

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

N/A

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling

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

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

[illegible]

Part XV **Supplementary Information** (Complete this part only if the organization had \$5,000 or more in assets at any time during the year – see instructions.)

1 Information Regarding Foundation Managers:

- a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

N/A

- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

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

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

- a** The name, address, and telephone number of the person to whom applications should be addressed

- b** The form in which applications should be submitted and information and materials they should include

- c Any submission deadlines

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

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

Recipient Name and address (home or business)	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				
One West 54th Street Foundation One West 54th Street New York NY 10019		None	General purpose	5,000.
Vero Beach Museum of Art 3001 Riverside Park Drive Vero Beach FL 32963		None	General purrpose	5,000.
The Wharton Fund 3733 Spruce Street Philadelphia PA 19104		None	General purpose	25,000.
Indiana University Foundation 1500 North State Road Bloomington IN 47408		None	General purpose	10,000.
Childcare Resources of Indian River 1801 24th Street Vero Beach FL 32960		None	General purpose	40,000.
Save the Children 54 Wilton Road Wilton CT 06880		None	General purpose	5,000.
Habitat for Humanity 121 Habitat Street Americus GA 31709		None	General purpose	5,000.
Americares 88 Hamilton Avenue Stamford CT 06902		None	General purpose	5,000.
VNA & Hospice Foundation 1110 35th Lane Vero Beach FL 32960		None	General purpose	5,000.
See Line 3a statement				25,500.
Total			3a	130,500.
b Approved for future payment				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	68,267.	
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			18	10,862.	
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)				79,129.	
13 Total. Add line 12, columns (b), (d), and (e)				13	79,129.

(See worksheet in the instructions for line 13 to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► **Attach to Form 990, 990-EZ, or 990-PF**

OMB No 1545-0047

2009

Name of the organization

The Kelsey Family Foundation

Employer identification number

13-7107820

Organization type (check one)

Filers of:

Form 990 or 990-EZ

Section:

- ☐ 501(c)(____) (enter number) organization
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
☐ 527 political organization

Form 990-PF

- ☒ 501(c)(3) exempt private foundation
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule –

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules –

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of 1 \$5,000 or 2 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ► \$ _____

Caution: An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization

Employer identification number

The Kelsey Family Foundation

13-7107820

Part Contributors (see instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	John L Kelsey 460 Coconut Palm Road Vero Beach FL 32963-3709	\$ 371,550.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

The Kelsey Family Foundation

13-7107820

Part I Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	10000 share CIGNA Corporation common	\$ 371,550.	12/21/09
	stock		
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

BAA

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name The Kelsey Family Foundation	Employer Identification Number 13-7107820
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Asset Information:

Description of Property		<u>\$100000 US Tsy Note 3% 2/15/09</u>
Date Acquired	<u>02/11/04</u>	How Acquired: <u>Purchased</u>
Date Sold:	<u>02/15/09</u>	Name of Buyer: _____
Sales Price:	<u>100,000.</u>	Cost or other basis (do not reduce by depreciation) <u>99,867.</u>
Sales Expense:	_____	Valuation Method _____
Total Gain (Loss):	<u>133.</u>	Accumulation Depreciation: _____

Description of Property:		<u>\$100000 US Tsy Note 3.875% 5/15/09</u>
Date Acquired	<u>05/12/04</u>	How Acquired <u>Purchased</u>
Date Sold	<u>05/15/09</u>	Name of Buyer _____
Sales Price	<u>50,000.</u>	Cost or other basis (do not reduce by depreciation) <u>49,918.</u>
Sales Expense	_____	Valuation Method _____
Total Gain (Loss)	<u>82.</u>	Accumulation Depreciation _____

Description of Property		<u>\$100000 US Tsy Note 3.5% 8/15/09</u>
Date Acquired	<u>08/11/04</u>	How Acquired. <u>Purchased</u>
Date Sold	<u>08/15/09</u>	Name of Buyer _____
Sales Price	<u>100,000.</u>	Cost or other basis (do not reduce by depreciation) <u>99,914.</u>
Sales Expense	_____	Valuation Method _____
Total Gain (Loss)	<u>86.</u>	Accumulation Depreciation: _____

Description of Property		<u>\$100000 US Tsy Note 4.875%</u>
Date Acquired	<u>08/07/06</u>	How Acquired: <u>Purchased</u>
Date Sold	<u>08/15/09</u>	Name of Buyer: _____
Sales Price	<u>100,000.</u>	Cost or other basis (do not reduce by depreciation) <u>99,942.</u>
Sales Expense:	_____	Valuation Method _____
Total Gain (Loss)	<u>58.</u>	Accumulation Depreciation: _____

Description of Property		<u>\$100000 US Tsy Note 4.75% 2/28/09</u>
Date Acquired	<u>02/21/07</u>	How Acquired: <u>Purchased</u>
Date Sold	<u>02/28/09</u>	Name of Buyer _____
Sales Price	<u>100,000.</u>	Cost or other basis (do not reduce by depreciation) <u>99,854.</u>
Sales Expense	_____	Valuation Method _____
Total Gain (Loss)	<u>146.</u>	Accumulation Depreciation _____

Description of Property		<u>\$100000 US Tsy Note 4.5% 4/30/09</u>
Date Acquired	<u>04/25/07</u>	How Acquired. <u>Purchased</u>
Date Sold	<u>04/30/09</u>	Name of Buyer _____
Sales Price	<u>100,000.</u>	Cost or other basis (do not reduce by depreciation) <u>99,805.</u>
Sales Expense	_____	Valuation Method _____
Total Gain (Loss).	<u>195.</u>	Accumulation Depreciation _____

Description of Property		<u>\$200000 US Tsy Note 4.875% 6/30/09</u>
Date Acquired	<u>06/26/07</u>	How Acquired . <u>Purchased</u>
Date Sold:	<u>06/30/09</u>	Name of Buyer. _____
Sales Price	<u>200,000.</u>	Cost or other basis (do not reduce by depreciation) <u>199,888.</u>
Sales Expense	_____	Valuation Method _____
Total Gain (Loss):	<u>112.</u>	Accumulation Depreciation: _____

Description of Property		<u>5000 sh CIGNA Corp</u>
Date Acquired	<u>12/31/99</u>	How Acquired <u>Donated</u>
Date Sold	<u>02/26/09</u>	Name of Buyer _____
Sales Price.	<u>80,050.</u>	Cost or other basis (do not reduce by depreciation) <u>70,000.</u>
Sales Expense	_____	Valuation Method _____
Total Gain (Loss):	<u>10,050.</u>	Accumulation Depreciation _____

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (a) thru (d)

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
\$100000 US Tsy Note 4.75% 5/15/09	P	02/21/07	02/28/09
\$100000 US Tsy Note 4.5% 5/15/09	P	04/25/07	04/30/09
\$100000 US Tsy Note 4.875% 5/15/09	P	06/26/07	06/30/09
5000 sh CIGNA Corp	D	12/31/99	02/26/09

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (e) thru (h)

(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)
100,000.		99,854.	146.
100,000.		99,805.	195.
200,000.		199,888.	112.
80,050.		70,000.	10,050.
Total		469,547.	10,503.

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (i) thru (l)

Complete only for assets showing gain in column (h) and owned
by the foundation on 12/31/69

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h))
			146.
			195.
			112.
			10,050.
Total			10,503.

Form 990-PF, Page 11, Part XV, line 3a

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
<u>Indian River Medical Center Foundation</u>			<u>General purpose</u>	Person or ☐
<u>1000 36th Street</u>				Business ☒
<u>Vero Beach FL 32960</u>		None		10,000.
<u>Doctors Without Borders</u>			<u>General purpose</u>	Person or ☐
<u>PO Box 5030</u>				Business ☒
<u>Hagerstown MD 21741</u>		None		5,000.
<u>Stuart Country Day School of the Sacred</u>			<u>General purpose</u>	Person or ☐
<u>1200 Stuart Road</u>				Business ☒
<u>Princeton NJ 08540</u>		None		500.
<u>Kingswood-Oxford School</u>			<u>General purpose</u>	Person or ☐
<u>170 Kingswood Road</u>				Business ☒
<u>West Hartford CT 06118</u>		None		500.
<u>The Loomis Chaffee School</u>			<u>General purpose</u>	Person or ☐
<u>4 Batchelder Road</u>				Business ☒
<u>Windsor CT 06095</u>		None		500.
<u>Belmont Hill School</u>			<u>General purpose</u>	Person or ☐
<u>350 Prospect Street</u>				Business ☒
<u>Belmont MA 02478</u>		None		500.
<u>Sweet Briar College</u>			<u>General purpose</u>	Person or ☐
<u>Box G</u>				Business ☒
<u>Sweet Briar VA 24595</u>		None		1,000.
<u>Riverview Medical Center Foundation</u>			<u>General purpose</u>	Person or ☐
<u>1 Riverview Plaza</u>				Business ☒
<u>Red Bank NJ 07701</u>		None		1,000.
<u>Dartmouth Parents and Grandparents Fund</u>			<u>General purpose</u>	Person or ☐
<u>6066 Development Office</u>				Business ☒
<u>Hanover NH 03755</u>		None		1,000.
<u>University of Colorado Foundation</u>			<u>General purpose</u>	Person or ☐
<u>4740 Walnut Street</u>				Business ☒
<u>Boulder CO 80301</u>		None		1,000.
<u>National Cathedral School for Girls</u>			<u>General purpose</u>	Person or ☐
<u>Mount Saint Alban</u>				Business ☒
<u>Washington DC 20016</u>		None		500.
<u>YMCA Red Bank</u>			<u>General purpose</u>	Person or ☐
<u>113 Tindall Road</u>				Business ☒
<u>Middletown NJ 07748</u>		None		1,000.
<u>Eden Autism Services</u>			<u>General purpose</u>	Person or ☐
<u>One Eden Way</u>				Business ☒
<u>Princeton NJ 08540</u>		None		1,000.
<u>McKee Botanical Gardens</u>			<u>General purpose</u>	Person or ☐
<u>350 US 1</u>				Business ☒
<u>Vero Beach FL 32962</u>		None		1,000.
<u>Environmental Learning Center</u>			<u>General purpose</u>	Person or ☐
<u>255 Live Oak Drive</u>				Business ☒
<u>Vero Beach FL 32963</u>		None		1,000.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				

Total

25,500.

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
James E Velten, CPA	Accounting & tax prepa	4,200.	2,100.		2,100.
Total		<u>4,200.</u>	<u>2,100.</u>		<u>2,100.</u>

Form 990-PF, Page 2, Part II, Line 10a

L-10a Stmt

Line 10a - Investments - US and State Government Obligations:	End of Year		End of Year	
	State and Local Obligations Book Value	State and Local Obligations FMV	US Government Obligations Book Value	US Government Obligations FMV
UBS Financial Services - US Governm			598,515.	620,765.
Total			<u>598,515.</u>	<u>620,765.</u>

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
UBS Financial Services - Equities	843,385.	578,777.
Total	<u>843,385.</u>	<u>578,777.</u>

Form 990-PF, Page 2, Part II, Line 10c

L- 10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
<u>UBS Financial Services - Corporate Bonds and Notes</u>	<u>908,974.</u>	<u>933,459.</u>
Total	<u><u>908,974.</u></u>	<u><u>933,459.</u></u>