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Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

2010

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

For calendar year 2010, or tax year beginning

, and ending

G Check all that apply

 Initial return Initial return of a former public charity Final return Amended return Address change Name change

Name of foundation

TED AND DEBBIE KELLY FOUNDATION, INC
C/O O'BRIEN & ASSOCIATES

A Employer identification number

27-1510984

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

10 KEARNEY ROAD, SUITE 305

Room/suite

City or town, state, and ZIP code

NEEDHAM, MA 02494

H Check type of organization Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at end of year J Accounting method Cash Accrual
(from Part II, col. (c), line 16) Other (specify)
► \$ 20,375,307. (Part I, column (d) must be on cash basis.)

B Telephone number

(781) 444-8400

C If exemption application is pending, check here ► D 1. Foreign organizations, check here ► 2. Foreign organizations meeting the 85% test, check here and attach computation ► E If private foundation status was terminated under section 507(b)(1)(A), check here ► F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ►

Part I Analysis of Revenue and Expenses

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

		(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	10,000,000.		N/A	
2	Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	217,587.	217,587.		STATEMENT 1
4	Dividends and interest from securities				
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10				
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)			0.	
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss)				
11	Other income				
12	Total. Add lines 1 through 11	10,217,587.	217,587.		
13	Compensation of officers, directors, trustees, etc		0.	0.	0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees				
b	Accounting fees				
c	Other professional fees	36,152.	35,927.		225.
17	Interest				
18	Taxes				
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses				
24	Total operating and administrative expenses. Add lines 13 through 23	36,152.	35,927.		225.
25	Contributions, gifts, grants paid	0.			0.
26	Total expenses and disbursements. Add lines 24 and 25	36,152.	35,927.		225.
27	Subtract line 26 from line 12	10,181,435.			
a	Excess of revenue over expenses and disbursements				
b	Net investment income (if negative, enter -0-)		181,660.		
c	Adjusted net income (if negative, enter -0-)			N/A	

023501
12-07-10 LHA For Paperwork Reduction Act Notice, see the instructions.

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of year
			(a) Book Value	(b) Book Value
	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments			693,666.
	3 Accounts receivable ►			
	Less allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ►			
	Less allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations	STMT 3	0.	9,487,769.
	b Investments - corporate stock			
	c Investments - corporate bonds	STMT 4	10,117,332.	10,117,332.
	11 Investments - land, buildings, and equipment basis ►			
	Less accumulated depreciation ►			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ►			
	Less accumulated depreciation ►			
	15 Other assets (describe ►)			
	16 Total assets (to be completed by all filers)		10,117,332.	20,298,767.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ►)			
	23 Total liabilities (add lines 17 through 22)		0.	0.
	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds		0.	0.
	28 Paid-in or capital surplus, or land, bldg , and equipment fund		0.	0.
	29 Retained earnings, accumulated income, endowment, or other funds		10,117,332.	20,298,767.
	30 Total net assets or fund balances		10,117,332.	20,298,767.
	31 Total liabilities and net assets/fund balances		10,117,332.	20,298,767.

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	10,117,332.
2 Enter amount from Part I, line 27a	2	10,181,435.
3 Other increases not included in line 2 (itemize) ►	3	0.
4 Add lines 1, 2, and 3	4	20,298,767.
5 Decreases not included in line 2 (itemize) ►	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	20,298,767.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)			(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	NONE				
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(I) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (I) over col (j), if any			
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2		
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8			3		

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 instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	0.	54,605.	.000000
2008			
2007			
2006			
2005			
2 Total of line 1, column (d)			2 .000000
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 .000000
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 10,279,829.
5 Multiply line 4 by line 3			5 0.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,817.
7 Add lines 5 and 6			7 1,817.
8 Enter qualifying distributions from Part XII, line 4			8 225.

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

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Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)1a Exempt operating foundations described in section 4940(d)(2), check here ► and enter "N/A" on line 1

Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)

b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► and enter 1% of Part I, line 27b

c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)

5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-

6 Credits/Payments

a 2010 estimated tax payments and 2009 overpayment credited to 2010

b Exempt foreign organizations - tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

6a	
6b	
6c	4,750.
6d	

7 Total credits and payments Add lines 6a through 6d

8 Enter any penalty for underpayment of estimated tax Check here if Form 2220 is attached

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be Credited to 2011 estimated tax ►

1,117. Refunded ►

7	4,750.
8	
9	
10	1,117.
11	0.

Part VII-A Statements Regarding Activities

1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

	Yes	No
1a		X
1b		X

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?
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.

c Did the foundation file Form 1120-POL for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year

1c		X
----	--	---

(1) On the foundation ► \$ 0. (2) On foundation managers ► \$ 0.

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ 0.

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

2	X
---	---

If "Yes," attach a detailed description of the activities.

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? If "Yes," attach a conformed copy of the changes

3	X
4a	X
4b	

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

5	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?

6	X
7	X

If "Yes," attach the statement required by General Instruction T.

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either

8b	X
----	---

● 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?

9	X
10	X

If "Yes," complete Part II, col. (c), and Part XV.

8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► MA

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 General Instruction G? If "No," attach explanation

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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

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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?

13 X

Website address ► **N/A**

14 The books are in care of ► **TIMOTHY R. O'BRIEN, ESQ** Telephone no ► **781 444-8400**
 Located at ► **10 KEARNEY ROAD, SUITE 305, NEEDHAM, MA** ZIP+4 ► **02494**

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

► **15** | ► **N/A**

16 At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?

16 Yes No
 X

See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1. If "Yes," enter the name of the foreign country ►

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.

1a During the year did the foundation (either directly or indirectly)

(1) Engage in the sale or exchange, or leasing of property with a disqualified person?

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 page 22 of the instructions)?

N/A

Organizations relying on a current notice regarding disaster assistance check here

►

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 2010?

1c X

2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))

a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?

Yes No

If "Yes," list the years ► _____

b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions)

2b

c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here

► _____

3a 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 2010 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 2010)

3b

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?

4a

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 2010?

4b

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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

Yes No

Yes No

Yes No

Yes No

Yes No

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?
- (3) Provide a grant to an individual for travel, study, or other similar purposes?
- (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)?
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

►

5b

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

Yes No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

Yes No

6b

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

If "Yes" to 6b, file Form 8870.

Yes No

N/A

7b

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

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.

(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
SEE STATEMENT 6		0.	0.	0.

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

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

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

►

0

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

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

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

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

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

Expenses

1	N/A	
2		
3		
4		

Part IX-B **Summary of Program-Related Investments**

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

Amount

1	N/A	
2		
3		

All other program-related investments. See instructions

3		

Total. Add lines 1 through 3 ► 0.

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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	10,312,672.
b Average of monthly cash balances	1b	123,703.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	10,436,375.
e Reduction claimed for blockage or other factors reported on lines 1a and		
1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	10,436,375.
4 Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	156,546.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	10,279,829.
6 Minimum investment return. Enter 5% of line 5	6	513,991.

Part XI Distributable Amount (see instructions) (Section 4942(l)(3) and (l)(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	513,991.
2a Tax on investment income for 2010 from Part VI, line 5	2a	3,633.
b Income tax for 2010 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	3,633.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	510,358.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	510,358.
6 Deduction from distributable amount (see instructions)	6	0.
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	510,358.

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	225.
b Program-related investments - total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	225.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	225.

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				510,358.
2 Undistributed income, if any, as of the end of 2010			105.	
a Enter amount for 2009 only				
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4 ► \$ 225.			105.	
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount	0.			120.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				510,238.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
NONE				
Total			► 3a	0.
<i>b Approved for future payment</i>				
NONE				
Total			► 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

	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	
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					217,587.
4 Dividends and interest from securities					
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0.		0.	217,587.
13 Total Add line 12, columns (b), (d), and (e)					217,587.

Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes)
3	INTEREST INCOME ON FOUNDATION INVESTMENTS

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

2010**Name of the organization**TED AND DEBBIE KELLY FOUNDATION, INC
C/O O'BRIEN & ASSOCIATES**Employer identification number**

27-1510984

Organization type (check one):**Filers of:** **Section:**Form 990 or 990-EZ 501(c)() (enter number) organization 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation 527 political organizationForm 990-PF 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundationCheck 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) and 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 an *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 its 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).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

TED AND DEBBIE KELLY FOUNDATION, INC
C/O OBRIEN & ASSOCIATES

Employer identification number

27-1510984

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	EDMUND F. & DEBORAH M. KELLY 315 WELLESLEY STREET WESTON, MA 02493	\$ 10,000,000.	<input checked="" type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>
		\$ _____	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>
		\$ _____	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>
		\$ _____	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>
		\$ _____	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>
		\$ _____	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>
		\$ _____	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>
		\$ _____	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>
		\$ _____	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>

Name of organization

TED AND DEBBIE KELLY FOUNDATION, INC
C/O OBRIEN & ASSOCIATES

Employer identification number

27-1510984

Part II Noncash Property (see instructions)

(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
		\$ _____	_____

Name of organization

TED AND DEBBIE KELLY FOUNDATION, INC
C/O O'BRIEN & ASSOCIATES

Employer identification number

27-1510984

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ► \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held						
	(e) Transfer of gift		Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee				
				(e) Transfer of gift		Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
				(e) Transfer of gift					
				(e) Transfer of gift		Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
				(e) Transfer of gift		Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
				(e) Transfer of gift		Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
BANK OF AMERICA	87.
CITIGROUP INC. BOND INTEREST	14,375.
CITIGROUP INC. BOND INTEREST	14,375.
GENERAL ELECTRIC CAPITAL CORP. BOND INTEREST	9,000.
GENERAL ELECTRIC CAPITAL CORP. BOND INTEREST	11,250.
GENERAL ELECTRIC CAPITAL CORP. BOND INTEREST	9,000.
GENERAL ELECTRIC CAPITAL CORP. BOND INTEREST	11,250.
GOLDMAN SACHS GROUP, INC. BOND INTEREST	16,250.
GOLDMAN SACHS GROUP, INC. BOND INTEREST	16,250.
JOHN DEERE CAP. CORP. BOND INTEREST	14,375.
JOHN DEERE CAP. CORP. BOND INTEREST	14,375.
JP MORGAN CHASE & CO BOND INTEREST	16,500.
JP MORGAN CHASE & CO BOND INTEREST	16,500.
MORGAN STANLEY BOND INETERST	16,250.
MORGAN STANLEY BOND INETERST	16,250.
STATE STREET CAP. TRUST BOND INTEREST	10,750.
STATE STREET CAP. TRUST BOND INTEREST	10,750.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	217,587.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	2	
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK/IAS FEES	36,152.	35,927.		225.
TO FORM 990-PF, PG 1, LN 16C	36,152.	35,927.		225.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS			STATEMENT	3
DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE	
\$2,500,000 U.S. TREAS BILL DTD 9/23/10 DUE 9/22/11	X		2,496,016.	2,496,000.	
\$2,000,000 U.S. TREAS BILL DTD 12/16/10 DUE 12/15/11	X		1,994,775.	1,994,960.	
\$2,500,000 U.S. TREAS BILL DTD 9/23/10 DUE 3/24/11	X		2,499,385.	2,499,350.	
\$2,500,000 U.S. TREAS BILL DTD 7/1/10 DUE 6/30/11	X		2,497,593.	2,497,700.	
TOTAL U.S. GOVERNMENT OBLIGATIONS			9,487,769.	9,488,010.	
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS					
TOTAL TO FORM 990-PF, PART II, LINE 10A			9,487,769.	9,488,010.	
FORM 990-PF	CORPORATE BONDS			STATEMENT	4
DESCRIPTION	BOOK VALUE		FAIR MARKET VALUE		
\$1,000,000 JP MORGAN CHASE, FDIC GTD, DTD 2/23/09, 1.65%, DUE 2/23/11			1,001,710.	1,007,777.	
\$1,000,000 JP MORGAN CHASE, FDIC GTD, DTD 2/23/09, 1.65%, DUE 2/23/11			1,011,630.	1,007,776.	
\$1,000,000 GENERAL ELEC. CAP CORP, FDIC GTD, DTD 3/12/09, 1.80%, DUE 3/11/11			1,004,060.	1,008,430.	
\$1,000,000 GOLDMAN SACHS GRP INC, FDIC GTD, DTD 1/21/09, 1.625%, DUE 7/15/11			1,009,170.	1,014,643.	
\$1,000,000 GOLDMAN SACHS GRP INC, FDIC GTD, DTD 1/21/09, 1.625%, DUE 7/15/11			998,312.	1,014,643.	
\$1,000,000 MORGAN STANLEY, FDIC GTD, DTD 12/2/08, 3.25%, DUE 12/1/11			1,034,570.	1,028,728.	
\$1,000,000 CITIGROUP INC, FDIC GTD, DTD 12/9/08, 2.875%, DUE 12/9/11			1,022,120.	1,024,837.	
\$1,000,000 GENERAL ELEC. CAP CORP, FDIC GTD, DTD 3/12/09, 2.25%, DUE 3/12/12			1,004,690.	1,027,973.	
\$1,000,000 STATE STREET CAP TR, FDIC GTD, DTD 3/6/09, 2.15%, DUE 4/30/12			1,005,180.	1,024,533.	
\$1,000,000 JOHN DEERE CAP CORP, SER D, DTD 12/19/08, 2.875%, DUE 6/19/12			1,025,890.	1,034,291.	
TOTAL TO FORM 990-PF, PART II, LINE 10C	10,117,332.			10,193,631.	

FORM 990-PF

LIST OF SUBSTANTIAL CONTRIBUTORS
PART VII-A, LINE 10

STATEMENT 5

NAME OF CONTRIBUTOR

ADDRESS

EDMUND F. AND DEBORAH M. KELLY

315 WELLESLEY STREET
WESTON, MA 02493

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 6

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
EDMUND F. KELLY 315 WELLESLEY STREET WESTON, MA 02493	PRESIDENT 0.00	0.	0.	0.
DEBORAH M. KELLY 315 WELLESLEY STREET WESTON, MA 02493	TREASURER 0.00	0.	0.	0.
EDMUND F. KELLY 315 WELLESLEY STREET WESTON, MA 02493	CLERK 0.00	0.	0.	0.
EDMUND F. KELLY 315 WELLESLEY STREET WESTON, MA 02493	DIRECTOR 0.00	0.	0.	0.
DEBORAH M. KELLY 315 WELLESLEY STREET WESTON, MA 02493	DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.