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

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

2012

For calendar year 2012 or tax year beginning

, and ending

Name of foundation

KELLY FAMILY 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

B Telephone number

(781) 444-8400

City or town, state, and ZIP code

NEEDHAM, MA 02494

C If exemption application is pending, check here ► 

G Check all that apply

<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change

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 foundationE 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 ► 

I Fair market value of all assets at end of year

J Accounting method

(from Part II, col (c), line 16)

X Cash  Accrual

► \$ 28,806,319. (Part I, column (d) must be on cash basis.)

 Other (specify) \_\_\_\_\_

## 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			N/A	
2	Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	20,673.	20,673.		STATEMENT 1
4	Dividends and interest from securities	47,762.	47,762.		STATEMENT 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	-35,760.			
b	Gross sales price for all assets on line 6a	3,000,000.			
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	32,500.	0.	0.	
c	Gross profit or (loss)	0.			
11	Other income				
12	Total. Add lines 1 through 11	32,675.	68,435.		
13	Compensation of officers, directors, trustees, etc				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees	STMT 3	4,760.	0.	0.
b	Accounting fees	STMT 4	2,750.	0.	0.
c	Other professional fees	STMT 5	88,011.	0.	0.
17	Interest				
18	Taxes	STMT 6	5,545.	0.	0.
19	Depreciation and depletion		2,827.	0.	
20	Occupancy		17,035.	0.	0.
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses	STMT 7	35,486.	0.	0.
24	Total operating and administrative expenses. Add lines 13 through 23		188,914.	0.	0.
25	Contributions, gifts, grants paid		996,000.		996,000.
26	Total expenses and disbursements. Add lines 24 and 25		1,184,914.	0.	996,000.
27	Subtract line 26 from line 12		-1,152,239.		
a	Excess of revenue over expenses and disbursements				
b	Net investment income (if negative, enter -0-)		68,435.		
c	Adjusted net income (if negative, enter -0-)			N/A	

POSTMARK DATE NOV 15 2013

SCANNED MAY 22 2013

KELLY FAMILY FOUNDATION, INC  
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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	(c) Fair Market Value
	1	Cash - non-interest-bearing	-1.		
	2	Savings and temporary cash investments	26,759,274.	26,140,051.	26,275,654.
Assets	3	Accounts receivable ►			
		Less allowance for doubtful accounts ►			
	4	Pledges receivable ►			
		Less allowance for doubtful accounts ►			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons			
	7	Other notes and loans receivable ►			
		Less allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U S and state government obligations			
	b	Investments - corporate stock	STMT 8 0.	1,450,568.	1,474,539.
	c	Investments - corporate bonds	STMT 9 3,035,760.	1,052,285.	1,051,334.
	11	Investments - land, buildings and equipment basis ►			
		Less accumulated depreciation ►			
	12	Investments - mortgage loans			
	13	Investments - other			
	14	Land, buildings, and equipment basis ►	6,604.		
		Less accumulated depreciation	STMT 10 3,085.	4,902.	3,519.
	15	Other assets (describe ►) STATEMENT 11)		0.	1,273.
	16	Total assets (to be completed by all filers)		29,799,935.	28,647,696.
	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ►)			
	23	Total liabilities (add lines 17 through 22)		0.	0.
Liabilities	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	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		29,799,935.	28,647,696.
	30	Total net assets or fund balances		29,799,935.	28,647,696.
Net Assets or Fund Balances	31	Total liabilities and net assets/fund balances		29,799,935.	28,647,696.

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	29,799,935.
2	Enter amount from Part I, line 27a	2	-1,152,239.
3	Other increases not included in line 2 (itemize) ►	3	0.
4	Add lines 1, 2, and 3	4	28,647,696.
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	28,647,696.

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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.)
<b>1a</b> \$1,000,000 GENERAL ELECTRIC CAPITAL CORP					
<b>b</b> 2.25%			P	03/25/09	03/12/12
<b>c</b> \$1,000,000 STATE STREET CAPITAL TRUST	2.15%		P	04/03/09	04/30/12
<b>d</b> \$1,000,000 JOHN DEERE CAPIATL CORP	2.875%		P	04/03/09	06/19/12
<b>e</b>					
(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)	
<b>a</b>					
<b>b</b> 1,000,000.		1,004,690.		-4,690.	
<b>c</b> 1,000,000.		1,005,180.		-5,180.	
<b>d</b> 1,000,000.		1,025,890.		-25,890.	
<b>e</b>					
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) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any			
<b>a</b>					
<b>b</b>				-4,690.	
<b>c</b>				-5,180.	
<b>d</b>				-25,890.	
<b>e</b>					
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	-35,760.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8			3	N/A	

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	538,519.	20,393,858.	.026406
2010	225.	10,279,829.	.000022
2009	0.	54,605.	.000000
2008			
2007			

- 2 Total of line 1, column (d) 2 .026428
- 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 .008809
- 4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5 4 28,553,190.
- 5 Multiply line 4 by line 3 5 251,525.
- 6 Enter 1% of net investment income (1% of Part I, line 27b) 6 684.
- 7 Add lines 5 and 6 7 252,209.
- 8 Enter qualifying distributions from Part XII, line 4 8 996,000.

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 ► <input type="checkbox"/> and enter "N/A" on line 1	<div style="display: flex; justify-content: space-between;"> <div style="flex: 1;"> <p>Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)</p> <p>b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b</p> <p>c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)</p> </div> <div style="flex: 1; text-align: right;"> <p>1 684.</p> <p>2 0.</p> <p>3 684.</p> <p>4 0.</p> <p>5 684.</p> </div> </div>	
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 2012 estimated tax payments and 2011 overpayment credited to 2012		6a 4,636.
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 4,636.	
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10 3,952.	
11 Enter the amount of line 10 to be Credited to 2013 estimated tax ►	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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<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>	
1c Did the foundation file Form 1120-POL for this year?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
1d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year	
(1) On the foundation ► \$ 0. (2) On foundation managers ► \$ 0.	0.
1e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ 0.	0.
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<i>If "Yes," attach a detailed description of the activities</i>	
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	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
b If "Yes," has it filed a tax return on Form 990-T for this year?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<i>If "Yes," attach the statement required by General Instruction T.</i>	
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either	
● By language in the governing instrument, or	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
● 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?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
7 Did the foundation have at least \$5,000 in assets at any time during the year?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<i>If "Yes," complete Part II, col (c), and Part XV.</i>	
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	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
10 Did any persons become substantial contributors during the tax year? If "Yes" attach a schedule listing their names and addresses	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

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**Part VII-A Statements Regarding Activities (continued)**

11		
12		X
13	X	
Website address ► N/A		
14	Telephone no ► 781 444-8400	
Located at ► 10 KEARNEY ROAD, SUITE 305, NEEDHAM, MA ZIP+4 ► 02494		
15	► 15	N/A
16	Yes	No
See 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.

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	X No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	X No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	X No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	X No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	X No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	X No
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	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 2012?	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	<input type="checkbox"/> Yes	X No
If "Yes," list the years ►		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions)	N/A	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	X No
b If "Yes," did it have excess business holdings in 2012 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 2012.)	3b N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a X	
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b 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)?  Yes  No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?  Yes  No

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

N/A

►

5b

Organizations relying on a current notice regarding disaster assistance check here

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

Yes  No

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

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

Yes  No

6b

X

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

If "Yes" to 6b, file Form 8870

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

Yes  No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

**Part VIII | Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 12		32,500.	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		
<b>Total.</b> 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	27,845,579.
b Average of monthly cash balances	1b	1,137,639.
c Fair market value of all other assets	1c	4,792.
d Total (add lines 1a, b, and c)	1d	28,988,010.
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	28,988,010.
4 Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	434,820.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	28,553,190.
6 Minimum investment return Enter 5% of line 5	6	1,427,660.

**Part XI Distributable Amount** (see instructions) (Section 4942(i)(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	1,427,660.
2a Tax on investment income for 2012 from Part VI, line 5	2a	684.
b Income tax for 2012 (This does not include the tax from Part VI )	2b	
c Add lines 2a and 2b	2c	684.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	1,426,976.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	1,426,976.
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	1,426,976.

**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	996,000.
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	996,000.
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	684.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	995,316.

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

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**Part XIII Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				1,426,976.
2 Undistributed income, if any, as of the end of 2012			988,450.	
a Enter amount for 2011 only				
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2012				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4 ► \$ 996,000.			988,450.	
a Applied to 2011, 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 2012 distributable amount				7,550.
e Remaining amount distributed out of corpus	0.			0.
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				1,419,426.
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 2007 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling ►

4942(j)(3) or  4942(j)(5)

Tax year	Prior 3 years			(e) Total
	(a) 2012	(b) 2011	(c) 2010	
a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed				
b 85% of line 2a				
c Qualifying distributions from Part XII, line 4 for each year listed				
d Amounts included in line 2c not used directly for active conduct of exempt activities				
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c				
3 Complete 3a, b, or c for the alternative test relied upon				
a "Assets" alternative test - enter				
(1) Value of all assets				
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				
c "Support" alternative test - enter				
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
(3) Largest amount of support from an exempt organization				
(4) Gross investment income				

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

**1 Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

a The name, address, and telephone number or e-mail 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

KELLY FAMILY FOUNDATION, INC  
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**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
<b>a Paid during the year</b>				
BOSTON BALLET 19 CLARENDON STREET BOSTON, MA 02116	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	25,000.
BOY SCOUTS OF AMERICA 411 UNUITY ROAD MILTON, MA 02186	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	15,000.
GIRL SCOUTS OF EASTERN MASSACHUSETTS 95 BERKELEY STREET BOSTON, MA 02116	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	15,000.
INNER CITY SCOLARSHIP FUND 1011 FIRST AVENUE, 14TH FLOOR NEW YORK, NY 10022	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	50,000.
MASS MENTORING PARTNERSHIP 105 CHAUNCY STREET, STE. 300 BOSTON, MA 02111	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	300,000.
<b>Total</b>	<b>SEE CONTINUATION SHEET(S)</b>			► 3a 996,000.
<b>b Approved for future payment</b>				
NONE				
<b>Total</b>				► 3b 0.

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**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		
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			14	20,673.
4 Dividends and interest from securities			14	47,762.
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	-35,760.
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.		32,675.
13 Total. Add line 12, columns (b), (d), and (e)			13	32,675.
(See worksheet in line 13 instructions to verify calculations )				

**Part XVI-B 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
8	GAIN/LOSS FROM THE SALE OF FOUNDATION INVESTMENTS
4	DIVIDEND INCOME ON FOUNDATION INVESTMENTS

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

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of		
(1)	Cash ..	1a(1)	X
(2)	Other assets	1a(2)	X
b	Other transactions		
(1)	Sales of assets to a noncharitable exempt organization	1b(1)	X
(2)	Purchases of assets from a noncharitable exempt organization	1b(2)	X
(3)	Rental of facilities, equipment, or other assets	1b(3)	X
(4)	Reimbursement arrangements	1b(4)	X
(5)	Loans or loan guarantees	1b(5)	X
(6)	Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received		

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

Yes  No

b. If "Yes," complete the following schedule

B	C	If "Yes," complete the following schedule
(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

<b>Sign Here</b>	<p>Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.</p> <p>► <i>Sonya M. Kelly</i>      111/12/13      ► <i>President</i></p> <p>Signature of officer or trustee      Date      Title</p>		<p>May the IRS discuss this return with the preparer shown below (see Instr.)?</p> <p><input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No</p>
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<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	J. O'Brien		11/12/13		
	Firm's name ► O'BRIEN & ASSOCIATES		Firm's EIN ► 04-2706569		
Firm's address ► 10 KEARNEY ROAD, SUITE 305 NEEDHAM, MA 02494		Phone no			

**Part XV | Supplementary Information**

**3 Grants and Contributions Paid During the Year (Continuation)**

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
SUNSET POINT CAMP 2 TENTH STREET HULL, MA 02045	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	10,000.
WOMENADE BOSTON 112 PLEASANT STREET NEWTON CENTRE, MA 02459	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	5,000.
WHITTIER STREET HEALTH CENTER 290 TREMONT STREET ROXBURY, MA 02120	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	25,000.
BOSTON PARTNERS IN EDUCATION 44 FARNSWORTH STREET BOSTON, MA 02210	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	5,000.
CAMP HARBOR VIEW 2 DEARBORN STREET BOSTON, MA 02119	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	75,000.
BOSTON SCHOLAR ATHLETES PROGRAM 65 ALLERTON STREET BOSTON, MA 02119	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	100,000.
SAINT ANDREWS 40 WALK HILL STREET BOSTON, MA 02130	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	25,000.
BOSTON SYMPHONY ORCHESTRA 301 MASSACHUSETTS AVENUE BOSTON, MA 02115	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	100,000.
OYSTER HARBOR SCHOLARSHIP FUND P.O. BOX 2067 GRAND ISLAND ROAD OYSTER HARBOR, MA 02655	NONE	IRC SEC 170(B)(1)(A)(VI) ORG	CHARITABLE CONTRIBUTION UNRESTRICTED	1,000.
CAPE COD HEALTHCARE FOUNDATION 297 NORTH STREET, SUITE 333 HYANNIS, MA 02601	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	200,000.
<b>Total from continuation sheets</b>				<b>591,000.</b>

**Part XV** **Supplementary Information**

### **3 Grants and Contributions Paid During the Year (Continuation)**

**Total from continuation sheets**

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

SOURCE	AMOUNT
BANK OF AMERICA MONEY MARKET	20,673.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	20,673.

## FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
BECTON DICKENSON & CO	54.	0.	54.
GENERAL ELECTRIC CAPITAL CORP.			
BOND INTEREST	11,250.	0.	11,250.
HARBOR INTERNATIONAL FUND	3,424.	0.	3,424.
ISHARES DOW JONES SELECT	939.	0.	939.
ISHARES MSCI EMERGING MARKET INDEX	1,038.	0.	1,038.
ISHARES RUSSELL 2000 INDEX FUND	2,489.	0.	2,489.
ISHARES RUSSELL MID CAP GROWTH	926.	0.	926.
JOHN DEERE CAP. CORP. BOND			
INTEREST	14,375.	0.	14,375.
JOHN HANCOCK FUNDS III			
DISCIPLINED VALUE	982.	0.	982.
OCCIDENTAL PETROLEUM CORP	97.	0.	97.
STANLEY BLACK & DECKER BOND			
INTEREST	1,438.	0.	1,438.
STATE STREET CAP. TRUST BOND			
INTEREST	10,750.	0.	10,750.
TOTAL TO FM 990-PF, PART I, LN 4	47,762.	0.	47,762.

## FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
O'BRIEN & ASSOCIATES	4,760.	0.		0.
TO FM 990-PF, PG 1, LN 16A	4,760.	0.		0.

FORM 990-PF

ACCOUNTING FEES

STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DONOVAN, SULLIVAN & RYAN	2,750.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	2,750.	0.		0.

FORM 990-PF

OTHER PROFESSIONAL FEES

STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK/IAS FEES	83,485.	0.		0.
GRSPHIC DESIGN FEES	4,526.	0.		0.
TO FORM 990-PF, PG 1, LN 16C	88,011.	0.		0.

FORM 990-PF

TAXES

STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX	5,000.	0.		0.
FOREIGN TAX PAID	545.	0.		0.
TO FORM 990-PF, PG 1, LN 18	5,545.	0.		0.

FORM 990-PF

OTHER EXPENSES

STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
UTILITIES	2,083.	0.		0.
OFFICE EXPENSE	1,447.	0.		0.
CONTRACT LABOR	26,453.	0.		0.
DUES & SUBSCRIPTIONS	1,195.	0.		0.
CLEANING & MAINTENANCE	490.	0.		0.

KELLY FAMILY FOUNDATION, INC C/O O'BRIEN

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POSTAGE	120.	0.	0.
INSURANCE	2,698.	0.	0.
MASSACHUSETTS ANNUAL REPORT	1,000.	0.	0.
TO FORM 990-PF, PG 1, LN 23	35,486.	0.	0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED STATEMENT (#6420)	1,450,568.	1,474,539.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,450,568.	1,474,539.

FORM 990-PF	CORPORATE BONDS	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
\$1,000,000 GENERAL ELEC. CAP CORP, FDIC GTD, DTD 3/12/09, 2.25%, DUE 3/12/12	0.	0.
\$1,000,000 STATE STREET CAP TR, FDIC GTD, DTD 3/6/09, 2.15%, DUE 4/30/12	0.	0.
\$1,000,000 JOHN DEERE CAP CORP, SER D, DTD 12/19/08, 2.875%, DUE 6/19/12	0.	0.
SEE ATTACHED STATEMENT (#6420)	1,052,285.	1,051,334.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,052,285.	1,051,334.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	10
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
OFFICE EQUIPMENT	5,160.	2,219.	2,941.
OFFICE EQUIPMENT	1,444.	866.	578.
TOTAL TO FM 990-PF, PART II, LN 14	6,604.	3,085.	3,519.

FORM 990-PF

OTHER ASSETS

STATEMENT 11

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ACCRUED INTEREST PURCHASED	0.	1,225.	1,225.
DIVIDEND RECEIVABLE	0.	48.	48.
TO FORM 990-PF, PART II, LINE 15	0.	1,273.	1,273.

FORM 990-PF

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

STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
SONJA KELLY FARMER 3 JOHN HAZLITT LANE HINGHAM, MA 02043	PRESIDENT 25.00	32,500.	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		32,500.	0.	0.

The Kelly Family Foundation, Inc.  
 2012 Form 990-PF  
 Balance Sheet Attachment

Equities		(2) Industry Sector Codes	CND = Consumer Discretionary CNS = Consumer Staples ENR = Energy	FIN = Financials HEA = Health Care IND = Industrials	IFT = Information Technology MAT = Materials OEQ = Other Equities	TEL = Telecommunication Services UTL = Utilities
<b>U.S. Large Cap</b>						
140,000	AIR PRODS & CHEMS INC Ticker: APD	009158106 MAT	\$11,762.80 84,020	\$89.60 0.00	\$11,480.60 82,004	\$282.20 -432.06
25,000	APPLE INC. Ticker: AAPL	037823100 IFT	13,304.32 532.173	0.00 80.48	13,736.38 549,455	265.00 -72.08
185,000	AUTOMATIC DATA PROCESSING INC Ticker: ADP	053015103 IFT	10,532.05 56,930	0.00 0.00	10,604.13 57,320	321.90 338.51
180,000	BAXTER INTL INC Ticker: BAX	071813109 HEA	11,998.80 66,660	0.00 0.00	11,660.29 64,779	324.00 79.75
110,000	BECTON DICKINSON & CO Ticker: BDX	075887109 HEA	8,600.90 78,190	0.00 0.00	8,521.15 77,465	217.80 270.00
45,000	BLACKROCK INC CL A Ticker: BLK	09247X101 FIN	9,301.95 206,710	0.00 0.00	8,655.08 192,335	646.87 2.70
185,000	CHUBB CORP Ticker: CB	171232101 FIN	13,934.20 75,320	75.85 0.00	14,366.18 77,655	-431.98 303.40

(1) Market Value in the Portfolio Detail section does not include Accrued Income

7/58 6001731 001/002 7/32 0062167 01-003 505 B

**Portfolio Detail**

Jan. 01, 2012 through Dec. 31, 2012

Units	Description	CUSIP	Market Value(1)	Accrued Income	Tax Cost/Average Unit Cost	Unrealized Gain/Loss	Estimated Annual Income	Cur Yld/VM
Equities (cont)		Sector (2)	Market Pnce					

**U.S. Large Cap (cont)**

495,000	CISCO SYS INC Ticker: CSCO	17275R102 IFT	9,726.45 19,649	0.00	9,575.78 19,345	150.67	277.20	2.85
195,000	COACH INC Ticker: COH	18975J104 CND	10,824.45 55,510	0.00	11,193.98 57,405	-369.53	234.00	2.16
300,000	COCA COLA CO Ticker: KO	191216100 CNS	10,815.00 36,250	0.00	11,218.50 37,395	-343.50	306.00	2.81
500,000	CORNING INC Ticker: GLW	219350105 IFT	6,310.00 12,620	0.00	6,216.00 12,432	94.00	180.00	2.85
135,000	DEERE & CO Ticker: DE	244199105 IND	11,666.70 86,420	62.10	11,400.08 84,445	266.62	248.40	2.12
180,000	EMERSON ELEC CO Ticker: EMR	291011104 IND	9,532.80 52,960	0.00	9,161.10 50,895	371.70	295.20	3.09
240,000	EXXON MOBIL CORP Ticker: XOM	302316102 ENR	20,772.00 86,550	0.00	21,115.01 87,979	-343.01	547.20	2.63
175,000	HONEYWELL INTL INC Ticker: HON	438516106 IND	11,107.25 63,470	0.00	10,754.63 61,455	352.62	287.00	2.58
70,000	INTERNATIONAL BUSINESS MACHS Ticker: IBM	459200101 IFT	13,408.50 191,550	0.00	13,222.64 188,895	185.86	238.00	1.77
145,000	JOHNSON & JOHNSON Ticker: JNJ	478160104 HEA	10,164.50 70,100	0.00	10,176.83 70,185	-12.33	353.80	3.48
190,000	KRAFT FOODS GROUP INC Ticker: KFT	500760106 CNS	8,639.30 45,470	95.00	8,773.25 46,175	-133.95	380.00	4.39
130,000	MCDONALDS CORP Ticker: MCD	580135101 CND	11,467.30 88,210	0.00	11,358.76 87,221	128.54	400.40	3.49
285,000	MONDELEZ INTL INC Ticker: MDLZ	600207105 CNS	7,254.16 25,453	37.05	7,317.89 25,677	-63.73	148.20	2.04
180,000	OCCIDENTAL PETE CORP DEL Ticker: OXY	674599105 ENR	13,789.80 76,610	0.00	13,452.30 74,735	337.50	388.80	2.81
160,000	PEPSICO INC Ticker: PEP	713448108 CNS	10,948.80 68,430	0.00	11,178.40 69,865	-229.60	344.00	3.14
155,000	PHILIP MORRIS INTL INC Ticker: PM	718172109 CNS	12,964.20 83,640	131.75	13,769.43 88,835	-805.23	527.00	4.06

## Portfolio Detail

Jan. 01, 2012 through Dec 31, 2012

### KELLY FAMILY FOUNDATION, INC

Units	Description	CUSIP Sector (2)	Market Value(1)/ Market Price	Accrued Income	Average Unit Cost	Tax Cost/ Gain/Loss	Estimated Annual Income	Cur Yld/ YTM
<b>U.S. Large Cap (cont)</b>								
150,000	PROCTER & GAMBLE CO Ticker: PG	742718109 CNS	10,183.50 67,890	0.00	10,452.75 69,685	-269.25	337.20	3.31
180,000	QUALCOMM INC Ticker: QCOM	747525103 IFT	11,134.73 61,860	0.00	11,495.70 63,865	-360.97	180.00	1.61
170,000	SCHLUMBERGER LTD NETHERLANDS ANTILLES Ticker: SLB	806957108 ENR	11,780.76 69,299	0.00	12,132.05 71,365	-351.29	187.00	1.58
165,000	TARGET CORP Ticker: TGT	87612E106 CND	9,763.05 59,170	0.00	10,192.39 61,772	-429.34	237.60	2.43
130,000	UNITED PARCEL SVC INC CLB Ticker: UPS	911312106 IND	9,584.90 73,730	0.00	9,537.45 73,365	47.45	296.40	3.09
530,000	WELLSFARGO & CO NEW COM Ticker: WFC	949746101 FIN	18,115.40 34,180	0.00	17,511.04 33,040	604.36	466.40	2.57
280,000	WEYERHAEUSER CO Ticker: WY	962166104 FIN	7,789.60 27,820	0.00	7,480.20 26,715	309.40	190.40	2.44
115,000	3M CO Ticker: MMM	88579Y101 IND	10,677.75 92,850	0.00	10,472.48 91,065	205.27	271.40	2.54
<b>Total U.S. Large Cap</b>			<b>\$347,915.92</b>	<b>\$571.83</b>	<b>\$348,162.45</b>	<b>-\$246.53</b>	<b>\$9,382.10</b>	<b>2.69%</b>
<b>U.S. Mid Cap</b>								
135,000	CULLEN/FROST BANKERS INC Ticker: CFR	229899109 FIN	\$7,326.45 54,270	\$0.00	\$7,270.43 53,855	\$56.02	\$259.20	3.53%
120,000	DIAMOND OFFSHORE DRILLING INC Ticker: DO	25271C102 ENR	8,155.20 67,960	0.00	8,271.00 68,925	-115.80	60.00	0.73
2,280,000	ISHARES RUSSELL MIDCAP GROWTH INDEX FUND Ticker: IWP	464287481 0EQ	143,184.00 62,800	0.00	140,922.92 61,808	2,261.08	1,883.28	1.31
11,583,012	JOHN HANCOCK FDS III DISCIPLINED VALUE MID CAP FUND Ticker: JVMI X	47803W406 0EQ	154,054.06 13,300	0.00	150,000.00 12,950	4,054.06	277.99	0.18

\*10852905300\*

Trade Date



## Portfolio Detail

IM KELLY FAMILY FOUNDATION, INC.

Units	Description	CUSIP	Market Value(1)/ Sector (2)	Market Price	Accrued Income	Tax Cost/ Average Unit Cost	Unrealized Gain/Loss	Estimated Annual Income	Cur Yd/ YTM
<b>Equities (cont)</b>									
<b>U.S. Mid Cap (cont)</b>									
130,000	SMUCKER J M CO NEW COM Ticker: SJM	832696405 CNS	11,211.20 86,240	0.00		11,517.95 88,600	-306.75	270.40	2.41
165,000	STANLEY BLACK & DECKER INC Ticker: SWK	854502101 IND	12,205.05 73,970	0.00		11,646.18 70,583	555.87	323.40	2.65
	<b>Total U.S. Mid Cap</b>		<b>\$336,135.96</b>	<b>\$0.00</b>		<b>\$329,628.48</b>		<b>\$6,507.48</b>	<b>\$3,074.27</b>
<b>U.S. Small Cap</b>									
3,425,000	ISHARES RUSSELL 2000 INDEX FUND Ticker: IWM	464287655 OEO	\$288,788.47 84,318	\$0.00		\$281,456.92 82,177	\$7,331.55	\$5,777.98	2.00%
	<b>Total U.S. Small Cap</b>		<b>\$288,788.47</b>	<b>\$0.00</b>		<b>\$281,456.92</b>		<b>\$7,331.55</b>	<b>\$5,777.98</b>
<b>International Developed</b>									
165,000	ACCENTURE PLC CLACOM IRELAND Ticker: ACN	61151C101 IFT	\$10,972.50 66,500	\$0.00		\$11,487.31 69,620	-\$514.81	\$267.30	2.43%
2,434,670	HARBOR INTERNATIONAL FUND INSTL CL	411511306 OEQ	151,241.70 62,120	0.00		150,000.00 61,610	1,241.70	3,057.95	2.02
4,290,000	ISHARES DOW JONES EPAC SELECT DIVIDEND INDEX FUND Ticker: IDV	464288448 OEQ	144,444.30 33,670	0.00		142,204.92 33,148	2,239.38	6,984.12	4.83
190,000	NESTLE SA SPONSORED ADR SWITZERLAND Ticker: NSRG Y	641069406 CNS	12,371.28 65,112	0.00		12,421.25 65,375	-49.97	336.68	2.72
205,000	NOVARTIS AG SPONSORED ADR SWITZERLAND Ticker: NVS	66987V109 HEA	12,976.50 63,300	0.00		12,817.63 62,525	158.87	431.73	3.32

Jan. 01, 2012 through Dec. 31, 2012

**Portfolio Detail**

Jan 01, 2012 through Dec. 31, 2012

Units	Description	CUSIP	Market Value(1)/ Market Price	Accrued Income	Tax Cost/ Average Unit Cost	Unrealized Gain/Loss	Estimated Annual Income	Cur Ytd/ YTM
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**Equities (cont.)****IM KELLY FAMILY FOUNDATION, INC**

<b>International Developed (cont)</b>								
160,000	ROCHE HLDG LTD SPONSORED ADR SWITZERLAND	771195104 HEA	8,040.64 50.254	0.00	7,847.20 49.045	193.44	246.72	3.06
325,000	TE CONNECTIVITY LTD SWITZERLAND Ticker: TEL	H84989104 IFT	12,064.00 37.120	0.00	11,577.12 35.622	486.88	273.00	2.26
	<b>Total International Developed</b>		<b>\$352,110.92</b>	<b>\$0.00</b>	<b>\$348,355.43</b>	<b>\$3,755.49</b>	<b>\$11,597.50</b>	<b>3.29%</b>
<b>Emerging Markets</b>								
3,360,000	ISHARES MSCI EMERGING MKTS INDEX FUND Ticker: EEM	46428734 0EQ	\$149,016.00 44.350	\$0.00	\$142,964.30 42.549	\$6,051.70	\$2,503.20	1.68%
	<b>Total Emerging Markets</b>		<b>\$149,016.00</b>	<b>\$0.00</b>	<b>\$142,964.30</b>	<b>\$6,051.70</b>	<b>\$2,503.20</b>	<b>1.68%</b>
	<b>Total Equities</b>		<b>\$1,473,967.27</b>	<b>\$571.83</b>	<b>\$1,450,567.58</b>	<b>\$23,399.69</b>	<b>\$32,335.05</b>	<b>2.19%</b>
	<b>Fixed Income</b>							
<b>Investment Grade Taxable</b>								
125,000,000	2013 HEWLETT PACKARD CO SR UNSECD GLOBAL NT DTD 09/13/10 1.250% DUE 09/13/13 Moody's BAA1 S&P BBB+	428236BB8	\$124,998.75 99.999	\$468.75	\$124,793.75 99.835	\$205.00	\$1,562.50	1.25%
125,000,000	2017 DISNEYWALT CO NEW SR UNSECD MTN DTD 11/30/12 1.100% DUE 12/01/17 Moody's A2 S&P A	25468PCV6	125,262.50 100.210	118.40	125,580.00 100.464	-317.50	1,375.00	1.09



## Portfolio Detail

KELLY FAMILY FOUNDATION, INC.

Jan. 01, 2012 through Dec. 31, 2012

Units	Description	CUSIP	Market Value(1)/ Market Price	Accrued Income	Tax Cost/ Average Unit Cost	Unrealized Gain/Loss	Estimated Annual Income	Cur Yld/ YTM
<b>Fixed Income (cont)</b>								

### Investment Grade Taxable (cont)

125,000.000	<b>2019</b> DEERE JOHN CAP CORP UNSECD MTN DTD 04/17/12 2.250% DUE 04/17/19 Moody's: A2 S&P: A	24422ERR2	128,652.50 102,922	578.12	130,157.50 104,126	-1,505.00	2,812.50	2.18 1.89
125,000.000	<b>2021</b> XEROX CORP SR UNSECD NT DTD 05/18/11 4.500% DUE 05/15/21 Moody's: BAA2 S&P: BBB	984121CD3	132,356.25 105,885	718.75	132,266.25 105,813	90.00	5,625.00	4.25 3.73
4,000.000	<b>2025</b> STANLEY BLACK & DECKER INC JR SUB DEB PFD 5.750% Moody's: BAA2 S&P: BBB+	854502705	103,800.00 25,950	0.00	105,120.00 26,280	-1,320.00	5,752.00	5.54
4,000.000	<b>2061</b> DTE ENERGY CO PFD JR SUB DEB 6.500% Moody's: BAA3 S&P: BBB	233331602	109,160.00 27,290	0.00	109,406.06 27,352	-246.06	6,500.00	5.95
4,000.000	JPMORGAN CHASE & CO DEPOSITORY SHS REPSTG 1/400 8.625% Moody's: A1 S&P: BBB	46825H621	103,880.00 25,970	0.00	104,668.40 26,167	-788.40	8,624.00	8.30
4,000.000	KIMCO RLTY CORP PFD REITS DEPOSITORY SH REPSTG 1/1000TH SER 16.000% Moody's: BAA2 S&P: NAVL	49446R794	102,440.00 25,610	1,500.00	103,512.40 25,878	-1,072.40	6,000.00	5.85
4,000.000	WELLSFARGO & CO NEW PFD DEP SHS SER J Moody's: A3 S&P: BBB+	949746B79	117,400.00 29,350	0.00	116,782.00 29,196	618.00	8,000.00	6.81
<b>Total Investment Grade Taxable</b>			<b>\$1,047,950.00</b>	<b>\$3,384.02</b>	<b>\$1,052,286.36</b>	<b>-\$4,336.36</b>	<b>\$46,251.00</b>	<b>4.41%</b>
<b>Total Fixed Income</b>			<b>\$1,047,950.00</b>	<b>\$3,384.02</b>	<b>\$1,052,286.36</b>	<b>-\$4,336.36</b>	<b>\$46,251.00</b>	<b>4.41%</b>

Form 4562

Department of the Treasury  
Internal Revenue Service (99)Depreciation and Amortization 990-PF  
(Including Information on Listed Property)

► See separate instructions. ► Attach to your tax return.

OMB No 1545-0172

2012

Attachment  
Sequence No 179

Name(s) shown on return

KELLY FAMILY FOUNDATION, INC  
C/O O'BRIEN & ASSOCIATES

Business or activity to which this form relates

FORM 990-PF PAGE 1

Identifying number  
27-1510984

## Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I

1 Maximum amount (see instructions)	1	500,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4 Reduction in limitation. Subtract line 3 from line 2 If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost	

7 Listed property. Enter the amount from line 29	7		
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8		
9 Tentative deduction. Enter the smaller of line 5 or line 8	9		
10 Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10		
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5	11		
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12		
13 Carryover of disallowed deduction to 2013 Add lines 9 and 10, less line 12 ►	13		

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

## Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	722.
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

## Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

## Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2012	17	1,961.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ► <input type="checkbox"/>		

## Section B - Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		722.	5 YRS.	HY	200DB	144.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

## Section C - Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year	/		40 yrs	MM	S/L	

## Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	2,827.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

**KELLY FAMILY FOUNDATION, INC**  
**C/O O'BRIEN & ASSOCIATES**

Form 4562 (2012)

27-1510984 Page 2

**Part V** **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)  
**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)**

**24a** Do you have evidence to support the business/investment use claimed?  Yes  No **24b** If "Yes," is the evidence written?  Yes  No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
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**25** Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use

25

**26** Property used more than 50% in a qualified business use:

	%		
	%		
	%		

**27** Property used 50% or less in a qualified business use

	%		
	%		
	%		

**28** Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1

28

**29** Add amounts in column (i), line 26. Enter here and on line 7, page 1

29

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

30	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
Total business/investment miles driven during the year (do not include commuting miles)						
Total commuting miles driven during the year						
Total other personal (noncommuting) miles driven						
Total miles driven during the year. Add lines 30 through 32						
Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
Was the vehicle used primarily by a more than 5% owner or related person?						
Is another vehicle available for personal use?						

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37	Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38	Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39	Do you treat all use of vehicles by employees as personal use?		
40	Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41	Do you meet the requirements concerning qualified automobile demonstration use?		

**Note:** If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

**Part VI** **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
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**42** Amortization of costs that begins during your 2012 tax year:

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**43** Amortization of costs that began before your 2012 tax year

43

**44** Total. Add amounts in column (f). See the instructions for where to report

44