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Form 990-PF

Return of Private Foundation

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

OMB No 1545-0052

2014

Department of the Treasury
Internal Revenue ServiceDo not enter social security numbers on this form as it may be made public.
Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

Open to Public Inspection

For calendar year 2014 or tax year beginning

and ending

Name of foundation KELLY FAMILY FOUNDATION, INC.		A Employer identification number 39-2030686
Number and street (or P.O. box number if mail is not delivered to street address) 401 CHARMANY DRIVE	Room/suite 320	B Telephone number 608-274-4789
City or town, state or province, country, and ZIP or foreign postal code MADISON, WI 53719		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ 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 foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 87,768.	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	203,422.		N/A	
	2 Check ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	1,638.	1,593.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain (or loss) from sale of assets not on line 10	8,180.			STATEMENT 1
	b Gross sales price for all assets on line 6a	329,681.			
	7 Capital gain net income (from Part IV, line 2)		132,258.		
	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	213,240.	133,851.			
Operating and Administrative Expenses	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 STMT 3	3,000.	3,000.		0.
	c Other professional fees STMT 4	1,242.	1,242.		0.
	17 Interest				
	18 Taxes STMT 5	1,128.	8.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 6	34.	0.		0.
	24 Total operating and administrative expenses. Add lines 13 through 23	5,404.	4,250.		0.
25 Contributions, gifts, grants paid	211,080.			211,080.	
26 Total expenses and disbursements. Add lines 24 and 25	216,484.	4,250.		211,080.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-3,244.				
b Net investment income (if negative, enter -0-)		129,601.			
c Adjusted net income (if negative, enter -0-)			N/A		

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LHA For Paperwork Reduction Act Notice, see instructions

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Part II Balance Sheets		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash - non-interest-bearing	1,204.			
	2 Savings and temporary cash investments				
	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 7	49,214.	30,372.	30,828.	
	c Investments - corporate bonds STMT 8	39,224.	57,193.	56,754.	
	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 ▶ STATEMENT 9)	69.	186.	186.		
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	89,711.	87,751.	87,768.		
Liabilities	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 ▶ OTHER LIABILITIES)	0.	1,284.			
23 Total liabilities (add lines 17 through 22)	0.	1,284.			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐				
	24 Unrestricted and complete lines 24 through 26 and lines 30 and 31.				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ ☒				
	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	89,711.	86,467.		
	30 Total net assets or fund balances	89,711.	86,467.		
	31 Total liabilities and net assets/fund balances	89,711.	87,751.		

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	89,711.
2 Enter amount from Part I, line 27a	2	-3,244.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	86,467.
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	86,467.

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					
b	SEE ATTACHED STATEMENT				
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	329,681.	197,423.	132,258.		
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
a					
b					
c					
d					
e			132,258.		
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	132,258.
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))
2013	185,915.	190,482.	.976024
2012	161,759.	106,653.	1.516685
2011	112,457.	58,518.	1.921751
2010	301,876.	248,655.	1.214036
2009	115,447.	200,776.	.575004

2 Total of line 1, column (d)	2	6.203500
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	1.240700
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	82,442.
5 Multiply line 4 by line 3	5	102,286.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,296.
7 Add lines 5 and 6	7	103,582.
8 Enter qualifying distributions from Part XII, line 4	8	211,080.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate
See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ 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	1	1,296.
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-)	2	0.
3	Add lines 1 and 2	3	1,296.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	1,296.
6	Credits/Payments:		
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a	560.
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	560.
8	Enter any penalty for underpayment of estimated tax. Check here ☒ 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	736.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be: Credited to 2015 estimated tax ☐ Refunded ☒	11	

Part VII-A Statements Regarding Activities

	Yes	No
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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the 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		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 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? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>WI</u>		
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	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	X	

N/A

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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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► N/A

14 The books are in care of ► TERRY KELLY Telephone no. ► 608-274-4789
 Located at ► 401 CHARMANY DRIVE, SUITE 320, MADISON, WI ZIP+4 ► 53719

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 2014, 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 the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly 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?	☐ 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 instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
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 2014?		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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014?	☐ 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.)	N/A	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 2014 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 2014)	N/A	3b
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 2014?		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 4945(d)(4)(A)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

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

N/A

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

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

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?

N/A

5b

6b

7b

X

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
TERRY KELLY	SECRETARY/TREASURER			
401 CHARMANY DRIVE, SUITE, 320				
MADISON, WI 53719	0.50	0.	0.	0.
MARY KELLY	PRESIDENT			
401 CHARMANY DRIVE, SUITE, 320				
MADISON, WI 53719	0.50	0.	0.	0.
CHRISTOPHER KELLY	VICE-PRESIDENT			
401 CHARMANY DRIVE, SUITE, 320				
MADISON, WI 53719	0.50	0.	0.	0.
MATTHEW KELLY	VICE-PRESIDENT			
401 CHARMANY DRIVE, SUITE, 320				
MADISON, WI 53719	0.50	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.	
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	57,769.
b	Average of monthly cash balances	1b	25,928.
c	Fair market value of all other assets	1c	0.
d	Total (add lines 1a, b, and c)	1d	83,697.
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	83,697.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,255.
5	Net value of noncharitable-use assets Subtract line 4 from line 3. Enter here and on Part V, line 4	5	82,442.
6	Minimum investment return. Enter 5% of line 5	6	4,122.

Part XI**Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	4,122.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	1,296.
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,296.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,826.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	2,826.
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	2,826.

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	211,080.
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	211,080.
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	1,296.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	209,784.

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				2,826.
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2014:				
a From 2009	108,514.			
b From 2010	302,077.			
c From 2011	114,378.			
d From 2012	161,977.			
e From 2013	185,915.			
f Total of lines 3a through e	872,861.			
4 Qualifying distributions for 2014 from Part XII, line 4 ▶ \$	211,080.			
a Applied to 2013, but not more than line 2a			0.	
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 2014 distributable amount				2,826.
e Remaining amount distributed out of corpus	208,254.			
5 Excess distributions carryover applied to 2014 (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:	1,081,115.			
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 2013. Subtract line 4a from line 2a. Taxable amount - see instructions			0.	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7	108,514.			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	972,601.			
10 Analysis of line 9:				
a Excess from 2010	302,077.			
b Excess from 2011	114,378.			
c Excess from 2012	161,977.			
d Excess from 2013	185,915.			
e Excess from 2014	208,254.			

N/A

- | | | | |
|--|---------------|--|------------|
| | 4942(j)(3) or | | 4942(j)(5) |
|--|---------------|--|------------|

- (4) Gross investment income

[illegible]

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

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
SEE ATTACHED	NONE	PC	GENERAL OPERATING EXPENSES	211,080.
Total			3a	211,080.
b Approved for future payment				
NONE				
Total			3b	0.

Schedule B

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

Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and
its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Name of the organization

Employer identification number

KELLY FAMILY FOUNDATION, INC.

39-2030686

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 organization

Form 990-PF

☒

501(c)(3) exempt private foundation

☐

4947(a)(1) nonexempt charitable trust treated as a private foundation

☐

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions**General Rule**☒

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules☐

For an organization described in section 501(c)(3) 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), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions 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 an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.☐For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled 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 totaling \$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 its Form 990-PF, Part I, line 2, 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) (2014)

Name of organization	Employer identification number
KELLY FAMILY FOUNDATION, INC.	39-2030686

Part I Contributors (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	TERENCE F. & MARY W. KELLY 1007 HILLSIDE AVE MADISON, WI 53705	\$ 203,422.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

Employer identification number

39-2030686

[illegible]

Name of organization

Employer identification number

KELLY FAMILY FOUNDATION, INC.

39-2030686

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. 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 info once) ▶ \$

Use duplicate copies of Part III if additional space is needed

(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		
	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 GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PUBLICLY TRADED SECURITIES			PURCHASED		
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
55,811.	55,002.	0.	0.		809.

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PUBLICLY TRADED SECURITIES-WASH SALES ADJUSTMENT			PURCHASED		
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
103.	0.	0.	0.		103.

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PUBLICLY TRADED SECURITIES			PURCHASED		
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
69,242.	63,077.	0.	0.		6,165.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD	
719 BOTTLE VINTAGE WINE COLLECTION	DONATED			
(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
203,422.	203,422.	0.	0.	0.
CAPITAL GAINS DIVIDENDS FROM PART IV				1,103.
TOTAL TO FORM 990-PF, PART I, LINE 6A				8,180.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
US BANK-CAPITAL GAIN DISTRIBUTIONS	1,103.	1,103.	0.	0.	
US BANK-DIVIDENDS	1,591.	0.	1,591.	1,591.	
US BANK-INTEREST	2.	0.	2.	2.	
US BANK-NON-DIVIDEND DISTRIBUTIONS	45.	0.	45.	0.	
TO PART I, LINE 4	2,741.	1,103.	1,638.	1,593.	

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BAKER TILLY VIRCHOW KRAUSE, LLP - TAX RETURN PREPARATION AND BOOKKEEPING	3,000.	3,000.		0.
TO FORM 990-PF, PG 1, LN 16B	3,000.	3,000.		0.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
US BANK-INVESTMENT FEES AND TAX LETTER	1,242.	1,242.		0.
TO FORM 990-PF, PG 1, LN 16C	1,242.	1,242.		0.

FORM 990-PF	TAXES			STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES EXPENSE FROM INVESTMENTS	8.	8.		0.
DEPARTMENT OF TREASURY-2013 FORM 990PF EXCISE TAX BALANCE DUE	560.	0.		0.
DEPARTMENT OF TREASURY-2014 FORM 990PF EXCISE TAX ESTIMATED TAX	560.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,128.	8.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
WI DEPT OF FINANCIAL INSTITUTIONS-ANNUAL FILING FEE	10.	0.		0.
US BANK-CHECK PRINTING CHARGE	24.	0.		0.
TO FORM 990-PF, PG 1, LN 23	34.	0.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
US BANK STOCKS - EQUITY INVESTMENTS	30,372.	30,828.
TOTAL TO FORM 990-PF, PART II, LINE 10B	30,372.	30,828.

FORM 990-PF	CORPORATE BONDS	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
US BANK BONDS - EQUITY INVESTMENTS	57,193.	56,754.
TOTAL TO FORM 990-PF, PART II, LINE 10C	57,193.	56,754.

FORM 990-PF	OTHER ASSETS	STATEMENT	9
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DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
DIVIDENDS RECEIVABLE	69.	186.	186.
TO FORM 990-PF, PART II, LINE 15	69.	186.	186.

FORM 990-PF

LIST OF SUBSTANTIAL CONTRIBUTORS
PART VII-A, LINE 10

STATEMENT 10

NAME OF CONTRIBUTOR

ADDRESS

TERENCE KELLY

1007 HILLSIDE AVE
MADISON, WI 53705

MARY KELLY

1007 HILLSIDE AVE
MADISON, WI 53705

FORM 990-PF: Part XV Supplementary Information**STATEMENT 11****3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Association of Fundraising Professionals 4300 Wilson Boulevard, Suite 300 Arlington, VA 22203	N/A	PC	General operating expenses	1,000
Aldo Leopold Nature Center 300 Femnte Drive Monona, WI 53716	N/A	PC	General operating expenses	85,000
American Player's Theatre 5950 Golf Course Road Spring Green, WI 53588	N/A	PC	General operating expenses	2,500
CARE 151 Ellis Street NE Atlanta, GA 30303	N/A	PC	General operating expenses	5,000
Future Traditions Foundation 2911 La Combadura Santa Barbara, CA 93105	N/A	PC	General operating expenses	5,000
Madison Children's Museum 100 N Hamilton Street Madison, WI 53703	N/A	PC	General operating expenses	2,000
Molly's Miracle Makers, Inc 49160 851st Road Ewing, NE 68735	N/A	PC	General operating expenses	20,000
Nuclear Age Peace Foundation 1187 Coast Village Road, Suite 1 Santa Barbara, CA 93108	N/A	PC	General operating expenses	5,000
Overture Foundation 201 State Street Madison, WI 53703	N/A	PC	General operating expenses	25,000
Porchlight 306 N Brooks Street Madison, WI 53715	N/A	PC	General operating expenses	10,000
Project HOPE PO Box 96340 Washington, DC 20090	N/A	PC	General operating expenses	5,000
Recovery Foundation 5005 University Avenue, Suite 100 Madison, WI 53705	N/A	PC	General operating expenses	5,000
Save The Children 54 Wilton Road Westport, CT 06880	N/A	PC	General operating expenses	7,500
UNICEF 125 Maiden Lane New York NY 10038	N/A	PC	General operating expenses	10,000
United Way 2059 Atwood Avenue Madison, WI 53704	N/A	PC	General operating expenses	16,000
Wisconsin Chamber Orchestra 321 E Main Street Madison, WI 53703	N/A	PC	General operating expenses	7,080
				211,080

KELLY FAMILY FOUNDATION INC AGY TR

January 1, 2014 to December 31, 2014

Equity

U.S. Equity

J.P. Morgan Chase Co - JPM

11 000 62 5800 688 38 439 56 248 82

Midcap Spdr Trust Series I E T F - MDY

17 000 263 9700 4 487 49 4 284 03 203 46

Spdr S&p 500 Etf Trust - SPY

44 000 205 5400 9 043 76 8 483 24 560 52

T Rowe Price Growth Stock #40 - PRGFX

99 045 51 9500 5 145 39 5 384 24 -238 85

Vanguard Equity Income Adm - VEIRX
#565

76 540 65 4100 5 006 48 5 107 94 -101 46

Total U.S. Equity

\$24,371.50 \$23,699.01 \$672.49

KELLY FAMILY FOUNDATION INC AGY TR

January 1, 2014 to December 31, 2014

PORTFOLIO DETAIL (continued)

Security Description	Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss
Developed Foreign					
Vanguard International Growth Fund - VWILX CI Adm #581	63 275	68 4700	4,332.44	4,515.77	-183.33
Total Developed Foreign			\$4,332.44	\$4,515.77	-\$183.33
Total Equity			\$28,703.94	\$28,214.78	\$489.16
Fixed Income-Taxable					
Taxable U.S.					
Doubleline Total Ret Bd I - DBLTX Standard & Poor's Rating: N/A	1,315 420	10 9700	14,430.16	14,456.47	-26.31
Ishares Barclays Interm Govt Credit - GVI Bond Etf Standard & Poor's Rating: N/R	50.000	110 6500	5,532.50	5,554.50	-22.00
Nuveen Short Term Bond Fund CII - FLTIX Standard & Poor's Rating: N/A	1,461.283	9 9300	14,510.54	14,583.60	-73.06
Nuveen Strategic Income I - FCBYX Standard & Poor's Rating: N/A	1,987.580	11 2100	22,280.77	22,598.78	-318.01
Total Taxable U.S.			\$56,753.97	\$57,193.35	-\$439.38
Total Fixed Income-Taxable			\$56,753.97	\$57,193.35	-\$439.38

KELLY FAMILY FOUNDATION INC AGY TR

January 1, 2014 to December 31, 2014

PORTFOLIO DETAIL (continued)

Security Description	Quantity	Market Price	Market Value	Cost Basis	Unrealized Gain/Loss
Real Estate					
U.S. Listed Real Estate					
Nuveen Real Estate Secs I - FARCX	88 139	24 1000	2,124.15	2,157.52	-33.37
Total U.S. Listed Real Estate			\$2,124.15	\$2,157.52	-\$33.37
Total Real Estate			\$2,124.15	\$2,157.52	-\$33.37
Total Assets			\$94,713.86	\$94,697.45	\$16.41

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 PUBLICLY TRADED SECURITIES		P		
b PUBLICLY TRADED SECURITIES-WASH SALES ADJUSTMENT		P		
c PUBLICLY TRADED SECURITIES		P		
d 719 BOTTLE VINTAGE WINE COLLECTION		D		
e CAPITAL GAINS DIVIDENDS				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

(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 55,811.		55,002.	809.
b 103.			103.
c 69,242.		63,174.	6,068.
d 203,422.		79,247.	124,175.
e 1,103.			1,103.
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

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

(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	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			809.
b			103.
c			6,068.
d			124,175.
e			1,103.
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

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	132,258.
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