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EXTENDED TO AUGUST 15, 2016
Return of Private Foundation

Form 990-PF

Department of the Treasury
Internal Revenue Service

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Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

OMB No 1545-0052

2015

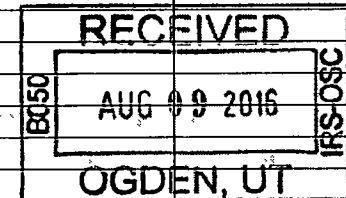
Open to Public Inspection

For calendar year 2015 or tax year beginning

, and ending

Name of foundation FRANK AND RITA KELLY FOUNDATION C/O MSGR. JOSEPH P. KELLY, PRESIDENT		A Employer identification number 20-1281379
Number and street (or P O box number if mail is not delivered to street address) 33 EAST NORTHAMPTON ST	Room/suite	B Telephone number 570-876-2300
City or town, state or province, country, and ZIP or foreign postal code WILKES-BARRE, PA 18701		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) \$ 218,827.	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			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	4,370.	4,370.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	2,375.			
	b Gross sales price for all assets on line 6a	20,557.			
	7 Capital gain net income (from Part IV, line 2)		2,375.		
	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	6,745.	6,745.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	2,551.	2,551.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees	STMT 2	1,000.	0.	1,000.
	c Other professional fees				
	17 Interest				
	18 Taxes	STMT 3	426.	426.	0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses				
	24 Total operating and administrative expenses. Add lines 13 through 23		3,977.	2,977.	1,000.
	25 Contributions, gifts, grants paid		30,500.		30,500.
26 Total expenses and disbursements. Add lines 24 and 25		34,477.	2,977.	31,500.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<27,732.>			
b Net investment income (if negative, enter -0-)			3,768.		
c Adjusted net income (if negative, enter -0-)			N/A		



gla

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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
Assets	1 Cash - non-interest-bearing					
	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 4			180,790.	162,568.	214,484.
	c Investments - corporate bonds					
Liabilities	11 Investments - land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation ▶					
	12 Investments - mortgage loans					
	13 Investments - other STMT 5			12,487.	4,343.	4,343.
	14 Land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation ▶					
	15 Other assets (describe ▶)					
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item i)			193,277.	166,911.	218,827.
	17 Accounts payable and accrued expenses					
	18 Grants payable					
Net Assets or Fund Balances	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons				1,366.	
	21 Mortgages and other notes payable					
	22 Other liabilities (describe ▶)					
	23 Total liabilities (add lines 17 through 22)			0.	1,366.	
	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 ▶ ☒					
	and complete lines 27 through 31.					
	27 Capital stock, trust principal, or current funds			105,219.	105,219.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds			88,058.	60,326.	
	30 Total net assets or fund balances			193,277.	165,545.	
	31 Total liabilities and net assets/fund balances			193,277.	166,911.	

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	193,277.
2 Enter amount from Part I, line 27a	2	<27,732.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	165,545.
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	165,545.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
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 20,557.		18,182.	2,375.

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			2,375.

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	2,375.
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))
2014	17,675.	248,715.	.071065
2013	22,450.	230,332.	.097468
2012	27,609.	220,124.	.125425
2011	13,950.	193,785.	.071987
2010	18,784.	105,150.	.178640

2 Total of line 1, column (d)	2	.544585
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	.108917
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	240,821.
5 Multiply line 4 by line 3	5	26,230.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	38.
7 Add lines 5 and 6	7	26,268.
8 Enter qualifying distributions from Part XII, line 4	8	31,500.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)	1	38.
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b	2	0.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).	3	38.
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
3	Add lines 1 and 2	5	38.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	6a	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	6b	
6	Credits/Payments:	6c	
a	2015 estimated tax payments and 2014 overpayment credited to 2015	6d	
b	Exempt foreign organizations - tax withheld at source	7	0.
c	Tax paid with application for extension of time to file (Form 8868)	8	
d	Backup withholding erroneously withheld	9	38.
7	Total credits and payments. Add lines 6a through 6d	10	
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	11	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		
11	Enter the amount of line 10 to be: Credited to 2016 estimated tax ☐ Refunded ☐		

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
1b 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
1c 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>PA</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 2015 or the taxable year beginning in 2015 (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)

	Yes	No
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)		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)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	X	
14 The books are in care of ► PNC BANK, N.A. Telephone no. ► 570-821-6933 Located at ► 11 WEST MARKET STREET, WILKES-BARRE, PA ZIP+4 ► 18701		
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 2015, 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? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►		X

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 2015?	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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? ☐ 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 c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►	2b	
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 2015 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 2015.) 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 2015?	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

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

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

6b

X

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
MONSIGNOR JOSEPH P. KELLY	PRESIDENT			
33 NORTHAMPTON ST				
WILKES-BARRE, PA 18701	1.00	0.	0.	0.
PNC BANK, NA	AGENT FOR TRUSTEE			
11 WEST MARKET STREET				
WILKES-BARRE, PA 18701	0.00	2,551.	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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Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

(c) Compensation

NONE

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

Expenses

1	N/A
---	-----

2

3

4

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

Amount

1	N/A
---	-----

2

All other program-related investments. See instructions.

3

Total. Add lines 1 through 3

0.

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	244,488.
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	244,488.
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	244,488.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	3,667.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	240,821.
6	Minimum investment return. Enter 5% of line 5	6	12,041.

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	12,041.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	38.
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	38.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	12,003.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	12,003.
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	12,003.

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	31,500.
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	31,500.
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	38.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	31,462.

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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				12,003.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2015:				
a From 2010	13,684.			
b From 2011	13,950.			
c From 2012	27,650.			
d From 2013	11,219.			
e From 2014	5,605.			
f Total of lines 3a through e	72,108.			
4 Qualifying distributions for 2015 from Part XII, line 4: ► \$	31,500.			
a Applied to 2014, 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 2015 distributable amount				12,003.
e Remaining amount distributed out of corpus	19,497.			
5 Excess distributions carryover applied to 2015 (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:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	91,605.			
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 2014. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				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 2010 not applied on line 5 or line 7	13,684.			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	77,921.			
10 Analysis of line 9:				
a Excess from 2011	13,950.			
b Excess from 2012	27,650.			
c Excess from 2013	11,219.			
d Excess from 2014	5,605.			
e Excess from 2015	19,497.			

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:

FRANK AND RITA KELLY FOUNDATION

C/O MSGR. JOSEPH P. KELLY, PRESIDENT

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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				
SCRANTON CATHOLIC SOCIAL SERVICES 516 FIG STREET SCRANTON, PA 18505	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	500.
CATHOLIC SOCIAL SERVICES - HAZLETON CENTURY CLUB 214 WEST WALNUT ST HAZLETON, PA 18201	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	1,000.
SHEPHERD'S MATERNITY HOME 724 PHILLIPS ST SUITE A STROUDSBURG, PA 18360	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	600.
CATHOLIC SOCIAL SERVICES - NATIVITY PLACE 414 CHURCH STREET HONESDALE, PA 18431	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	7,000.
UNITED WAY OF HAZLETON 134 SOUTH WYOMING STREET HAZLETON, PA 18201	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	500.
Total			SEE CONTINUATION SHEET(S) ▶ 3a	30,500.
b Approved for future payment				
NONE				
Total			▶ 3b	

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 | | X |
| | (2) Other assets | | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | | X |
| | (2) Purchases of assets from a noncharitable exempt organization | | X |
| | (3) Rental of facilities, equipment, or other assets | | X |
| | (4) Reimbursement arrangements | | X |
| | (5) Loans or loan guarantees | | X |
| | (6) Performance of services or membership or fundraising solicitations | | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | 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. | | |

[illegible]

- 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.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

**Sign
Here**

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.

Signature of officer or trustee M. Sgt. Joseph P. Kelly

Date 8/2/16

PRESIDENT
Title

May the IRS discuss this return with the preparer shown below (see instr)?

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

PETER D. ARVONIO JR,
CPA

Preparer's signature

Date	
------	--

07/27/16

Check ☐ if
self-employed

PTIN

Firm's name ► **ROBERT ROSSI & CO**

Firm's EIN ► 23-2385520

Firm's address ▶ 299 MAIN ST - 2ND FLOOR
OLYPHANT, PA 18447-2326

Phone no. (570) 876-2300

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 18.460 HARBOR INTERNATIONAL FUND		P	07/18/14	05/01/15
b 9 ISHARES TR RUSSELL MIDCAP INDEX FD		P	07/10/14	05/01/15
c 8 ISHARES SELECT DIVIDEND ETF		P	05/05/11	05/01/15
d 25 ISHARES TR RUSSELL1000VAL		P	06/11/13	05/01/15
e 31 ISHARES TR RUSSELL 1000 GROWTH INDEX FD		P	06/11/13	05/01/15
f 15 ISHARES TR RUSSELL 2000		P	07/10/06	05/01/15
g 901.328 VIRTUS EMERGING MARKETS OPPORTUNITY FUND		P	07/18/14	12/04/15
h VANGUARD REIT		P	07/10/14	12/31/15
i CAPITAL GAINS DIVIDENDS				
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 1,335.		1,351.	<16.>
b 1,554.		1,445.	109.
c 629.		428.	201.
d 2,616.		2,110.	506.
e 3,103.		2,295.	808.
f 1,823.		1,068.	755.
g 8,238.		9,500.	<1,262.>
h		<15.>	15.
i 1,259.			1,259.
j			
k			
l			
m			
n			
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(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	
a			<16.>
b			109.
c			201.
d			506.
e			808.
f			755.
g			<1,262.>
h			15.
i			1,259.
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	2,375.
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

FRANK AND RITA KELLY FOUNDATION
C/O MSGR. JOSEPH P. KELLY, PRESIDENT

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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
UNITED WAY OF LACKAWANNA/WAYNE 615 JEFFERSON AVENUE SCRANTON, PA 18503	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	1,000.
SCRANTON DIOCESAN ANNUAL APPEAL 300 WYOMING AVENUE SCRANTON, PA 18503	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	1,500.
SCRANTON PREPARATORY SCHOOL 1000 WYOMING AVENUE SCRANTON, PA 18509	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	1,200.
ST. FRANCIS OF ASSISI KITCHEN 500 PENN AVENUE SCRANTON, PA 18509	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	11,000.
ST. VINCENT DEPAUL KITCHEN 39 EAST JACKSON ST WILKES-BARRE, PA 18701	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	1,000.
WYOMING VALLEY CATHOLIC SOCIAL SERVICES 33 E. NORTHHAMPTON STREET WILKES-BARRE, PA 18701	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	1,500.
CATHOLIC SOCIAL SERVICES 400 WYOMING AVENUE SCRANTON, PA 18503	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	3,000.
BOYS TOWN 14100 CRAWFORD STREET BOYS TOWN, NE 68010	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	200.
UNITED WAY OF WYOMING VALLEY 100 N PENNSYLVANIA AVENUE WILKES-BARRE, PA 18701	N/A	PUBLIC CHARITY	GENERAL USE OF THE ORGANIZATION	500.
Total from continuation sheets				20,900.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
PNC INVESTMENTS	5,629.	1,259.	4,370.	4,370.	
TO PART I, LINE 4	5,629.	1,259.	4,370.	4,370.	

FORM 990-PF	ACCOUNTING FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARATION FEES	1,000.	0.		1,000.
TO FORM 990-PF, PG 1, LN 16B	1,000.	0.		1,000.

FORM 990-PF	TAXES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES PAID	60.	60.		0.
TAXES	366.	366.		0.
TO FORM 990-PF, PG 1, LN 18	426.	426.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	4
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
EQUITY SECURITIES	162,568.	214,484.
TOTAL TO FORM 990-PF, PART II, LINE 10B	162,568.	214,484.

FORM 990-PF

OTHER INVESTMENTS

STATEMENT 5

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CASH EQUIVALENTS	COST	4,343.	4,343.
TOTAL TO FORM 990-PF, PART II, LINE 13		4,343.	4,343.

FRANK & RITA KELLY FOUNDATION
STATEMENT OF INVESTMENTS
AS OF 12/31/15

	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
<u>PAGE 2, PART II - BALANCE SHEETS</u>		
Line 10b Investments - Corporate Stock		
105 Ishares Select Dividend	5,553	7,890
110 Ishares Russell Midcap Inde Fd ETF	13,220	17,620
703 Ishares Russell 1000 Value Index Fd ETF	49,642	68,796
764 Ihsares Russell 1000 Growth Index Fd ETF	48,505	76,003
67 Ishares TR Russell 2000 Index Fd ETF	4,770	7,546
41 Vanguard REIT	3,076	3,269
413.598 Harbor International Fd Class Ins	27,102	24,580
517.408 Mainstay EPOCH Global Equity	10,700	8,780
	<u>162,568</u>	<u>214,484</u>
Line 10b Investments - Other		
4,339.96 Blackrock Liquidity Funds Tempfund	<u>4,340</u>	<u>4,340</u>