Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

▶ Do 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.

OMB No. 1545-0052

2015

Open to Public Inspection

For calendar year 2015 or tax year beginning October 1, 2015, and ending September 30, 20 16

Name of foundation: KELLY FOUNDATION

A Employer identification number: 68-0175739

Number and street (or P.O. box number if mail is not delivered to street address): 2020 W EL CAMINO AVE

Room/suite: 120

B Telephone number (see instructions): 916-978-4892

City or town, state or province, country, and ZIP or foreign postal code: SACRAMENTO, CA 95833

C If exemption application is pending, check here ▶ ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ 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)* ▶ $ 8987814

J Accounting method: ☐ Cash ☑ Accrual ☐ Other (specify) ____________ *(Part I, column (d) must be on cash basis.)*

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here . . ▶ ☐

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)*

	Line	Description	(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 (attach schedule)	100000			
	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	329500	329500		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-13891			
	b	Gross sales price for all assets on line 6a 530000				
	7	Capital gain net income (from Part IV, line 2)		0		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	415609	329500		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	NONE			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	1900			
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	0			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	1527			1527
	22	Printing and publications				
	23	Other expenses (attach schedule)	5935			5935
	24	**Total operating and administrative expenses.** Add lines 13 through 23	9362	0		7462
	25	Contributions, gifts, grants paid	443100			443100
	26	**Total expenses and disbursements.** Add lines 24 and 25	452462	0		450562
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	-36853			
	b	**Net investment income** (if negative, enter -0-)		329500		
	c	**Adjusted net income** (if negative, enter -0-)				

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Part II	Balance Sheets — Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets				
1	Cash—non-interest-bearing	6830	14772	14772
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 (attach schedule) (see instructions)			
7	Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges	6708	3204	3204
10a	Investments—U.S. and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)			
c	Investments—corporate bonds (attach schedule)			
11	Investments—land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule) STMT 5	8578977	8969838	8969838
14	Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	8592515	8987814	8987814
Liabilities				
17	Accounts payable and accrued expenses	0	1900	
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)		1900	
Net Assets or Fund Balances				
	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds	8592515	8985914	
28	Paid-in or capital surplus, or land, bldg., and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds			
30	**Total net assets or fund balances** (see instructions)	8592515	8985914	
31	**Total liabilities and net assets/fund balances** (see instructions)	8592515	8987814	

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	8592515
2	Enter amount from Part I, line 27a	2	-36853
3	Other increases not included in line 2 (itemize) ▶ STMT 6	3	430252
4	Add lines 1, 2, and 3	4	8985914
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	8985914

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	STMT 7			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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	
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 }	2	-13891
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2014	451131	9252086	.0487599229
2013	409206	9169735	.04462571710
2012	350818	7906026	.04437349434
2011	358923	7101140	.05054441963
2010	359546	7362006	.04883804767

2	**Total** of line 1, column (d)	2	.23714160164
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	.04742832
4	Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	8493599
5	Multiply line 4 by line 3	5	402837
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	3295
7	Add lines 5 and 6	7	406132
8	Enter qualifying distributions from Part XII, line 4	8	452462

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	3295
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	3295
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	3295
6	Credits/Payments:		
a	2015 estimated tax payments and 2014 overpayment credited to 2015 — 6a: 8665		
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	8665
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	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	5370
11	Enter the amount of line 10 to be: **Credited to 2016 estimated tax** ▶ 5370 **Refunded** ▶	11	0

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?	1a		✔
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?	1b		✔
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		✔
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ NONE **(2)** On foundation managers. ▶ $ NONE			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ NONE			
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.*	2		✔
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		✔
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✔
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		✔
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?	6	✔	
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*	7	✔	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ CALIFORNIA			
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*	8b	✔	
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*	9		✔
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✔

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

		Line	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)	11		✓
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		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ KELLYFOUNDATIONSACRAMENTO.ORG	13	✓	
14	The books are in care of ▶ Bea Barbee Telephone no. ▶ 916-978-4892 Located at ▶ 2020 W. El Camino Ave. #120, Sacramento, CA ZIP+4 ▶ 95833-1871			
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			
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?	16		✓
	See the instructions for exceptions and filing requirements for FinCEN Form 114. 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.	Line	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)?	1b		
	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 2015?	1c		✓
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 ▶ 20___ , 20___ , 20___ , 20___			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20___ , 20___ , 20___ , 20___			
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.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		✓
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2015?	4b		✓

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)?			5b	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?			6b	✔ (No)
	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?			7b	N/A

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
STATEMENT 8		0	0	0

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

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

Total number of other employees paid over $50,000 ▶ NONE

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

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

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

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 NONE	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 NONE	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	NONE

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	8551949
b	Average of monthly cash balances	1b	70994
c	Fair market value of all other assets (see instructions)	1c	NONE
d	**Total** (add lines 1a, b, and c)	1d	8622943
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation). 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	8622943
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	129344
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8493599
6	**Minimum investment return.** Enter 5% of line 5	6	424680

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	424680
2a	Tax on investment income for 2015 from Part VI, line 5	2a	3295		
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	3295
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	421385
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	421385
6	Deduction from distributable amount (see instructions)			6	NONE
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	421385

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	452462
b	Program-related investments—total from Part IX-B	1b	NONE
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	452462
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	3295
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	449167

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					421385
2 Undistributed income, if any, as of the end of 2015:					
a Enter amount for 2014 only				442166	
b Total for prior years: 20___,20____,20____					
3 Excess distributions carryover, if any, to 2015:					
a From 2010					
b From 2011					
c From 2012					
d From 2013					
e From 2014					
f Total of lines 3a through e					
4 Qualifying distributions for 2015 from Part XII, line 4: ▶ $ 452462					
a Applied to 2014, but not more than line 2a				442166	
b Applied to undistributed income of prior years (Election required—see instructions)					
c Treated as distributions out of corpus (Election required—see instructions)					
d Applied to 2015 distributable amount					10296
e Remaining amount distributed out of corpus					
5 Excess distributions carryover applied to 2015 *(If an amount appears in column (d), the same amount must be shown in column (a).)*					NONE
6 **Enter the net total of each column as indicated below:**					
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5					
b Prior years' undistributed income. Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d Subtract line 6c from line 6b. Taxable amount—see instructions					
e Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount—see instructions					
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016					411089
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)					
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions)					
9 **Excess distributions carryover to 2016.** Subtract lines 7 and 8 from line 6a					
10 Analysis of line 9:					
a Excess from 2011					
b Excess from 2012					
c Excess from 2013					
d Excess from 2014					
e Excess from 2015					

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2015, enter the date of the ruling . . . . . . ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2015	(b) 2014	(c) 2013	(d) 2012	
2a 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).)

JON S. KELLY AND GREGORY G. KELLY, MEMBERS OF J.S. KELLY LLC & G.G. KELLY, LLC

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.

N/A

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 address of the person to whom applications should be addressed:

ONLINE SUBMITTALS ONLY - KELLYFOUNDATIONSACRAMENTO.ORG

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

ONLINE SUBMITTAL AND INSTRUCTIONS

c Any submission deadlines:

STATEMENT 9 (also listed online)

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

STATEMENT 9 (also listed online)

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*				
STATEMENT 10				
Total . . . . ▶ **3a**				443100
b *Approved for future payment*				
NONE				
Total . . . . ▶ **3b**				NONE

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 (See instructions.)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue:					
	a					
	b					
	c					
	d					
	e					
	f					
	g Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments					
4	Dividends and interest from securities			14	329500	
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	-13891	
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)					

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 315609

(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). (See instructions.)
	N/A

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

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.

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

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

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.

Scott Nichols | 12-1-17 | Treasurer

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☑ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
ALFRED A. PEGUERO	Alf A Peguero	11/30/17		P01344099

Firm's name ▶ PRICEWATERHOUSECOOPERS LLP — Firm's EIN ▶ 13-4008324

Firm's address ▶ 3 EMBARCADERO CTR, SAN FRANCISCO CA94111 — Phone no. 415-498-5000

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

2015

Name of the organization	Employer identification number
KELLY FOUNDATION	68-0175739

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).

Name of organization	Employer identification number
KELLY FOUNDATION	68-0175739

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	River City Bank 2485 Natomas Park Dr. #100 Sacramento, CA 95833	$ 100000	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.)

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Tax return fees/consulting	$ 1,900	-		
Total	$ 1,900	$ -	$ -	$ -

Statement 4
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Association Dues	$ 750			$ 750
License Subscription	3,504			3,504
Insurance-Liability/D&O	1,431			1,431
Office Expense	250			250
Total	$ 5,935	$ -	$ -	$ 5,935

Statement 5
Form 990-PF, Part II, Line 13
Investments-Other

	Valuation Method	Book Value	Fair Market Value
DFA- Short Term Government	Mkt Value	$ 115,877	$ 115,877
DFA-One Year Fixed Income	Mkt Value	1,025,047	1,025,047
DFA-US Large Company	Mkt Value	1,075,440	1,075,440
DFA-US Micro Cap	Mkt Value	1,732,555	1,732,555
Dodge & Cox-Income Fund	Mkt Value	1,479,868	1,479,868
Dodge & Cox-International Fund	Mkt Value	1,817,304	1,817,304
Dodge & Cox-Stock Fund	Mkt Value	1,276,800	1,276,800
Paydenfunds-Global Fixed Income Fund	Mkt Value	446,947	446,947
	Total	$ 8,969,838	$ 8,969,838

Statement 6
Form 990-PF, Part III, Line 3
Other Increases

Unrealized Gain on Investments	$ 430,252
Total	$ 430,252

KELLY FOUNDATION Capital Gains - STATEMENT 7

10/1/2015 through 9/30/2016

Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/Loss
SHORT TERM						
DFA-One Year Fixed Inc	42.560	10/8/2015	8/23/2016	439.22	439.22	0.00
DFA-One Year Fixed Inc	69.490	6/29/2016	8/23/2016	717.14	717.14	0.00
DFA-One Year Fixed Inc	65.701	7/28/2016	8/23/2016	678.03	678.03	0.00
DFA Short-Term Government	49.271	12/15/2014	11/12/2015	527.20	525.23	1.97
DFA Short-Term Government	4.568	12/15/2014	11/12/2015	48.88	48.70	0.18
DFA Short-Term Government	28.735	12/15/2014	11/12/2015	307.46	306.31	1.15
DFA Short-Term Government	23.451	3/9/2015	11/12/2015	250.93	249.99	0.94
DFA Short-Term Government	37.252	6/8/2015	11/12/2015	398.60	398.22	0.38
DFA Short-Term Government	39.799	9/9/2015	11/12/2015	425.85	426.64	-0.79
DFA-US Micro Cap	71.910	3/9/2015	2/8/2016	1,116.76	1,396.49	-279.73
DFA-US Micro Cap	186.958	6/8/2015	2/8/2016	2,903.46	3,742.90	-839.44
Dodge & Cox Income Fund	765.377	3/26/2015	2/8/2016	10,148.90	10,569.86	-420.96
Dodge & Cox Income Fund	16.113	3/26/2015	2/8/2016	213.66	222.52	-8.86
Dodge & Cox Income Fund	8.056	3/26/2015	2/8/2016	106.82	111.26	-4.44
Dodge & Cox Income Fund	783.287	6/25/2015	2/8/2016	10,386.39	10,644.87	-258.48
Dodge & Cox Income Fund	448.036	9/25/2015	2/8/2016	5,940.96	5,999.20	-58.24
Dodge & Cox Income Fund	394.641	9/25/2015	2/9/2016	5,221.10	5,284.25	-63.15
Dodge & Cox Income Fund	965.829	12/21/2015	2/9/2016	12,777.92	12,845.52	-67.60
Dodge & Cox Income Fund	42.736	12/21/2015	2/9/2016	565.40	568.39	-2.99
Dodge & Cox Stock Fund	37.095	3/26/2015	2/8/2016	5,305.70	6,516.13	-1,210.43
Dodge & Cox Stock Fund	59.658	3/26/2015	2/8/2016	8,532.88	10,479.47	-1,946.59
Dodge & Cox Stock Fund	25.741	6/25/2015	2/8/2016	3,681.74	4,735.30	-1,053.56
Dodge & Cox Stock Fund	24.409	9/25/2015	2/8/2016	3,491.22	3,972.15	-480.93
Dodge & Cox Stock Fund	23.878	12/21/2015	2/8/2016	3,415.27	3,828.34	-413.07
Dodge & Cox Stock Fund	178.796	12/21/2015	2/8/2016	25,573.19	28,666.40	-3,093.21
Dodge & Cox Stock Fund	123.819	12/21/2015	2/8/2016	17,709.82	19,851.93	-2,142.11
				120,884.50	**133,224.46**	**-12,339.96**
LONG TERM						
DFA-One Year Fixed Inc	19.447	2/8/2012	8/23/2016	200.69	200.69	0.00
DFA-One Year Fixed Inc	48.824	12/12/2012	8/23/2016	503.86	503.86	0.00
DFA-One Year Fixed Inc	63.471	12/12/2012	8/23/2016	655.02	655.02	0.00
DFA-One Year Fixed Inc	43.942	12/12/2012	8/23/2016	453.48	453.48	0.00
DFA-One Year Fixed Inc	308.450	1/11/2013	8/23/2016	3,183.20	3,186.29	-3.09
DFA-One Year Fixed Inc	10.648	2/8/2013	8/23/2016	109.89	109.99	-0.10
DFA-One Year Fixed Inc	15.975	3/8/2013	8/23/2016	164.86	165.02	-0.16

KELLY FOUNDATION Capital Gains - STATEMENT 7

10/1/2015 through 9/30/2016

Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/Loss
DFA-One Year Fixed Inc	21.306	4/9/2013	8/23/2016	219.88	220.09	-0.21
DFA-One Year Fixed Inc	15.985	5/8/2013	8/23/2016	164.97	165.13	-0.16
DFA-One Year Fixed Inc	16.006	6/10/2013	8/23/2016	165.18	165.18	0.00
DFA-One Year Fixed Inc	16.011	7/9/2013	8/23/2016	165.23	165.23	0.00
DFA-One Year Fixed Inc	16.015	8/8/2013	8/23/2016	165.27	165.27	0.00
DFA-One Year Fixed Inc	16.035	9/10/2013	8/23/2016	165.48	165.32	0.16
DFA-One Year Fixed Inc	21.365	10/8/2013	8/23/2016	220.49	220.49	0.00
DFA-One Year Fixed Inc	10.677	11/8/2013	8/23/2016	110.19	110.29	-0.10
DFA-One Year Fixed Inc	37.412	12/11/2013	8/23/2016	386.09	386.09	0.00
DFA-One Year Fixed Inc	16.034	12/11/2013	8/23/2016	165.47	165.47	0.00
DFA-One Year Fixed Inc	26.723	12/11/2013	8/23/2016	275.78	275.78	0.00
DFA-One Year Fixed Inc	5,475.864	1/8/2014	8/23/2016	56,510.92	56,456.16	54.76
DFA-One Year Fixed Inc	3,875.969	1/22/2014	8/23/2016	40,000.00	40,000.00	0.00
DFA-One Year Fixed Inc	11.270	2/10/2014	8/23/2016	116.31	116.33	-0.02
DFA-One Year Fixed Inc	35.024	3/10/2014	8/23/2016	361.45	361.45	0.00
DFA-One Year Fixed Inc	25.073	4/8/2014	8/23/2016	258.75	258.75	0.00
DFA-One Year Fixed Inc	28.035	5/8/2014	8/23/2016	289.32	289.32	0.00
DFA-One Year Fixed Inc	27.713	6/9/2014	8/23/2016	286.00	286.00	0.00
DFA-One Year Fixed Inc	27.391	7/8/2014	8/23/2016	282.68	282.67	0.01
DFA-One Year Fixed Inc	25.425	8/8/2014	8/23/2016	262.39	262.39	0.00
DFA-One Year Fixed Inc	31.789	9/9/2014	8/23/2016	328.06	328.06	0.00
DFA-One Year Fixed Inc	31.249	10/8/2014	8/23/2016	322.49	322.49	0.00
DFA-One Year Fixed Inc	23.032	11/7/2014	8/23/2016	237.69	237.69	0.00
DFA-One Year Fixed Inc	34.761	4/9/2015	8/23/2016	358.73	358.73	0.00
DFA-One Year Fixed Inc	34.349	5/8/2015	8/23/2016	354.48	354.48	0.00
DFA-One Year Fixed Inc	33.409	6/8/2015	8/23/2016	344.78	344.78	0.00
DFA-One Year Fixed Inc	36.485	7/9/2015	8/23/2016	376.53	376.53	0.00
DFA Short-Term Government	589.568	6/8/1999	11/12/2015	6,308.37	5,925.15	383.22
DFA Short-Term Government	1,402.178	12/20/1999	11/12/2015	15,003.30	13,951.67	1,051.63
DFA Short-Term Government	172.938	6/8/2000	11/12/2015	1,850.44	1,720.74	129.70
DFA Short-Term Government	1,697.302	12/18/2000	11/12/2015	18,161.13	16,989.99	1,171.14
DFA Short-Term Government	151.890	6/10/2008	11/12/2015	1,625.22	1,523.46	101.76
DFA Short-Term Government	89.281	9/9/2008	11/12/2015	955.31	921.38	33.93
DFA Short-Term Government	135.257	12/10/2008	11/12/2015	1,447.25	1,456.72	-9.47
DFA Short-Term Government	56.794	3/10/2009	11/12/2015	607.70	608.83	-1.13
DFA Short-Term Government	92.204	6/9/2009	11/12/2015	986.58	983.82	2.76
DFA Short-Term Government	91.319	9/9/2009	11/12/2015	977.11	989.90	-12.79
DFA Short-Term Government	126.794	12/9/2009	11/12/2015	1,356.70	1,373.18	-16.48

KELLY FOUNDATION Capital Gains - STATEMENT 7

10/1/2015 through 9/30/2016

Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/Loss
DFA Short-Term Government	117.041	12/9/2009	11/12/2015	1,252.34	1,267.55	-15.21
DFA Short-Term Government	55.269	3/9/2010	11/12/2015	591.38	598.01	-6.63
DFA Short-Term Government	91.853	6/8/2010	11/12/2015	982.83	1,000.28	-17.45
DFA Short-Term Government	84.288	9/8/2010	11/12/2015	901.88	928.85	-26.97
DFA Short-Term Government	109.838	12/9/2010	11/12/2015	1,175.27	1,182.95	-7.68
DFA Short-Term Government	46.247	12/9/2010	11/12/2015	494.84	498.08	-3.24
DFA Short-Term Government	176.318	12/9/2010	11/12/2015	1,886.60	1,898.94	-12.34
DFA Short-Term Government	50.328	3/8/2011	11/12/2015	538.51	540.52	-2.01
DFA Short-Term Government	68.703	6/8/2011	11/12/2015	735.12	749.55	-14.43
DFA Short-Term Government	55.280	9/8/2011	11/12/2015	591.50	608.63	-17.13
DFA Short-Term Government	65.538	12/12/2011	11/12/2015	701.26	707.16	-5.90
DFA Short-Term Government	41.706	12/12/2011	11/12/2015	446.25	450.01	-3.76
DFA Short-Term Government	257.686	12/12/2011	11/12/2015	2,757.24	2,780.43	-23.19
DFA Short-Term Government	27.369	3/8/2012	11/12/2015	292.85	295.86	-3.01
DFA Short-Term Government	39.563	6/8/2012	11/12/2015	423.32	428.07	-4.75
DFA Short-Term Government	37.957	9/10/2012	11/12/2015	406.14	412.59	-6.45
DFA Short-Term Government	46.034	12/12/2012	11/12/2015	492.56	496.25	-3.69
DFA Short-Term Government	136.569	12/12/2012	11/12/2015	1,461.29	1,472.21	-10.92
DFA Short-Term Government	4.603	12/12/2012	11/12/2015	49.25	49.62	-0.37
DFA Short-Term Government	21.786	3/8/2013	11/12/2015	233.11	234.20	-1.09
DFA Short-Term Government	32.906	6/10/2013	11/12/2015	352.09	351.76	0.33
DFA Short-Term Government	31.697	9/10/2013	11/12/2015	339.16	335.67	3.49
DFA Short-Term Government	37.858	12/11/2013	11/12/2015	405.08	403.57	1.51
DFA Short-Term Government	4.733	12/11/2013	11/12/2015	50.64	50.45	0.19
DFA Short-Term Government	31.548	12/11/2013	11/12/2015	337.56	336.30	1.26
DFA Short-Term Government	17.952	3/10/2014	11/12/2015	192.09	191.19	0.90
DFA Short-Term Government	29.405	6/30/2014	11/12/2015	314.63	313.46	1.17
DFA Short-Term Government	33.380	9/9/2014	11/12/2015	357.17	355.16	2.01
DFA-US Micro Cap	256.392	12/12/2013	2/8/2016	3,981.77	4,876.58	-894.81
DFA-US Micro Cap	256.392	12/12/2013	2/8/2016	3,981.77	4,876.58	-894.81
DFA-US Micro Cap	3,433.925	12/12/2013	2/8/2016	53,328.86	65,313.25	-11,984.39
DFA-US Micro Cap	19.976	3/10/2014	2/8/2016	310.23	410.10	-99.87
DFA-US Micro Cap	155.780	6/9/2014	2/8/2016	2,419.26	3,146.75	-727.49
DFA-US Micro Cap	126.072	9/9/2014	2/8/2016	1,957.90	2,493.71	-535.81
Dodge & Cox Income Fund	782.688	9/25/2013	2/8/2016	10,378.44	10,574.11	-195.67
Dodge & Cox Income Fund	905.412	12/19/2013	2/8/2016	12,005.76	12,250.23	-244.47
Dodge & Cox Income Fund	862.570	3/26/2014	2/8/2016	11,437.68	11,817.21	-379.53
Dodge & Cox Income Fund	337.186	3/26/2014	2/8/2016	4,471.09	4,619.45	-148.36

KELLY FOUNDATION Capital Gains - STATEMENT 7

10/1/2015 through 9/30/2016

Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/Loss
Dodge & Cox Income Fund	783.758	6/25/2014	2/8/2016	10,392.63	10,862.89	-470.26
Dodge & Cox Income Fund	712.528	9/25/2014	2/8/2016	9,448.12	9,847.14	-399.02
Dodge & Cox Income Fund	696.286	12/19/2014	2/8/2016	9,232.75	9,580.89	-348.14
Dodge & Cox Income Fund	80.033	12/19/2014	2/8/2016	1,061.24	1,101.25	-40.01
Dodge & Cox Income Fund	360.148	12/19/2014	2/8/2016	4,775.56	4,955.63	-180.07
Dodge & Cox Income Fund	1,620.226	1/19/2005	2/9/2016	21,435.59	20,819.90	615.69
Dodge & Cox Stock Fund	505.420	1/13/2004	2/8/2016	72,290.18	59,624.40	12,665.78
				409,115.51	410,666.75	-1,551.24
				530,000.01	543,891.21	-13,891.20

Statement 8
Form 990-PF, Part VIII, Line 1
List of Officers, Directors and Trustees

Name and Address	Title	Avg hours/wk	Compensation	Contrib to EBP & DC	Expense Account
Jon S. Kelly 2020 W. El Camino Ave. #120 Sacramento, CA 95833	Dir/Pres	0.15	NONE	NONE	NONE
Scott G. Nichols 2020 W. El Camino Ave. #120 Sacramento, CA 95833	Dir/Treas.	0 50	NONE	NONE	NONE
Bea Ann Barbee 2020 W. El Camino Ave. #120 Sacramento, CA 95833	Asst. Treas.	0.50	NONE	NONE	NONE
Shawn L. Devlin 2020 W. El Camino Ave. #120 Sacramento, CA 95833	Dir/COB	0.50	NONE	NONE	NONE
P. D. Asp 2020 W. El Camino Ave. #120 Sacramento, CA 95864	Secretary	2.50	NONE	NONE	NONE
Gregory G. Kelly 2020 W. El Camino Ave. #120 Sacramento, CA 95833	Director	0.15	NONE	NONE	NONE
Kelly Brothers 2020 W. El Camino Ave. #120 Sacramento, CA 95833	Director	0.15	NONE	NONE	NONE
Bob Woods 2020 W. El Camino Ave. #120 Sacramento, CA 95833	Director	0.15	NONE	NONE	NONE
Anker Christensen 2020 W. El Camino Ave. #120 Sacramento, CA 95833	Director	0.15	NONE	NONE	NONE
Amber Holwell 2020 W. El Camino Ave. #120 Sacramento, CA 95833	Director	0.15	NONE	NONE	NONE
Mike Newell 2020 W. El Camino Ave. #120 Sacramento, CA 95833	Director	0.15	NONE	NONE	NONE
Stephen Fleming 2020 W. El Camino Ave. #120 Sacramento, CA 95833	Director	0 15	NONE	NONE	NONE
Stephen H. Johanson 2020 W. El Camino Ave. #120 Sacramento, CA 95864	Director	0.15	NONE	NONE	NONE

KELLY FOUNDATION GRANT DISTRIBUTION GUIDELINES

BACKGROUND

Kelly Broadcasting Company's KCRA-TV (Sacramento-Stockton-Modesto, CA) went on the air on September 5, 1955. As Sacramento's leading news broadcaster, it's slogan, *"Where the News Comes First,"* more than speaks to the KCRA-TV dedication to the community in this area.

For decades, the Kelly family has reached out to the community to enhance quality of life through charitable contributions. The owners of Kelly Broadcasting Co. established the Kelly Foundation in December 1988 as the formal vehicle for structuring charitable contributions to help meet the challenges of its social responsibilities.

The Kelly family sold KCRA-TV in 1999 and will continue the Kelly Foundation. The Kelly Foundation is an expression of the importance the Kelly family places on being a good neighbor and citizen in all the regions where they do business.

GRANT DISTRIBUTION GUIDELINES

1. Kelly Foundation intends to actively seek projects to sponsor, as well as to be responsive to grant applications.

2. Kelly Foundation will consider grant requests in the following categories:

   A. Health and human services;

   B. Education; and

   C. Culture and civic improvement.

   The Foundation directors may also, from time to time, identify areas for special emphasis when emerging needs require extraordinary attention.

3. When deciding how much to grant to whom, the Foundation will give careful consideration to:

   A. How many people will benefit from the project;

B. How many local volunteers are supporting the organization and the project;

C. The commitment and composition of the organization's Board of Directors or Board of Trustees;

D. The extent to which the applicant complements the services of other community organizations;

E. The organization's fiscal responsibility and management qualifications;

F. The ability of the organization to provide ongoing funding after the term of the grant;

G. The extent to which the program addresses underlying causes, rather than just symptoms of specific problems; and

H. How well the organization plans to monitor and evaluate the results of the projects.

4. Grants are generally made for one (1) year only, though a limited number of multi-year grants may be made available.

5. The Kelly Foundation will not consider grants to the following types of organizations or for the following purposes:

A. Religious organizations for explicit religious activities, as distinguished from social or educational activities;

B. Political organizations or political campaigns;

C. Fraternal organizations, labor, societies, or orders;

D. Telephone solicitations; and

E. National fund-raising efforts.

6. The application procedure is described on the application form. An agency funded by the Foundation must agree to submit a timely report on the use of the grant, based on its proposal. The Foundation should be informed of any major changes in the program or staff.

7. The Distribution Committee meets quarterly to consider applications and make grants. However, **an organization may apply only once a year, regardless of what action is taken.**

The annual deadline dates for submission of an application are:

APPLICATION DEADLINE	DECISION DATE
October 15	November 15
January 15	February 15
April 15	May 15
July 15	August 15

Statement 10
2015 Form 990-PF
Part XV Line 3a

Supplementary Information/Grants and Contriubtions Paid During the Year

Recipient	Status	Purpose	Amount
B Street Theatre 2711 B St. Sacramento, CA 95816	PC	B Street Theater School Tour Project	$ 5,000.00
City Year Sacramento 1414 K Street, Suite 100 Sacramento, CA 95814	PC	Grant - Whole School Whole Child service model	$ 5,000.00
Kiwanis Family House 2875 50th St. Sacramento, CA 95817	PC	Sponsor a Family During Medical Crisis Project	$ 10,000.00
KVIE Public Television 2030 West El Camino Aveenu Sacramento, CA 95833	PC	Ready to Learn & Odd Squad Camp	$ 5,000.00
Mercy Housing California 2512 River Plaza Dr., Suite 200 Sacramento, CA 95833	PC	The Leataata Floyd Student & Family Community Center	$ 5,000.00
Opening Doors, Inc. 1111 Howe Ave., Suite 125 Sacramento, CA 95825	PC	Spanish-Language Financial Empowerment	$ 5,000.00
The Poet Tree, Inc., DBA 916 Ink P.O. Box 162605 Sacramento, CA 95816	PC	916 Ink's Literacy Revolution at the Imaginarium Project	$ 4,500.00
River City Food Bank P.O. Box 160204 Sacramento, CA 95816	PC	Filling the Food Gap, with a Focus on Hunger Relief for Sacramento Seniors Project	$ 5,000.00
Sacramento Children's Home 2750 Sutterville Rd. Sacramento, CA 95820	PC	Crisis Nursery Program	$ 10,000.00
Sacramento Steps Forward 1331 Garden Highway, Suite 100 Sacramento, CA 95833	PC	Sacramento Winter Sanctuary Program	$ 10,000.00
Teen Center USA, Elk Grove 8978 Elk Grove Blvd. Sacramento, CA 95624	PC	Teen Center, USA	$ 5,000.00
Yolo Crisis Nursery, Inc. 1477 Drew Avenue, Suite 103 Davis, Ca 95618	PC	Emergency Childcare and Wrap-Around Services for Yolo County Families in Crisis	$ 12,500.00
Young Life Capernaum Greater Sacramento Area 4354 Town Center Bld., #114-201 El Dorado Hills, CA 95762	PC	Special Needs Camp Experience Project	$ 10,000.00
3 Strands Global, Inc. 3941 Park Drive, Suite 20-200 El Dorado Hills, CA 95762	PC	3Strands Break Free Education Progam	$ 10,000.00

Statement 10
2015 Form 990-PF
Part XV Line 3a

Supplementary Information/Grants and Contriubtions Paid During the Year

Recipient	Status	Purpose	Amount
ALS Association Greater Sacramento Chapter 2717 Cottage Way, Suite 17 Sacramento, CA 95825	PC	The Durable Medical Equipment Loan Program	$ 5,000.00
CCHAT Center - Sacramento 11100 Coloma Rd. Rancho Cordova, CA 95670	PC	Play It Safe Project	$ 15,000.00
Kids First 124 Main Street Roseville, CA 95678	PC	KidsFirst 18th Annual Child Abuse Prevention Luncheon	$ 10,000.00
Ride to Walk 720 Sunrise Ave. Suite D110 Roseville, CA 95661	PC	Therapeutic Horseback Riding Program for Children with Disabilities	$ 5,000.00
Sacramento Food Bank & Family Services 3333 Third Ave Sacramento, CA 95817	PC	Emergency Food Assistance Project	$ 10,000.00
Sacramento Life Center 930 Alhambra Blvd. Sacramento, CA 95816	PC	Expanding Clinic for Low-Income Women and Teen Girls Project	$ 5,000.00
Sacramento Public Library Foundation P.O. Box 0547 Sacramento, CA 95816	PC	Summer Reading Program	$ 10,000.00
Sacramento Tree Foundation 191 Lathrop Way, Suite D Sacramento, CA 95815	PC	Native Tree Propagation Project	$ 5,000.00
Special Olympics Northern California, Inc. 1401 Halyard Dr., Suite 100 West Sacramento, CA 95691	PC	SONC Greater Sacramento Area Basketball Program	$ 5,000.00
UC Davis 4900 Broadway, Suite 1150 Sacramento, CA 95820	PC	IPad Program for the MIND Institute Autism Phenome Project Middle Childhood Study	$ 5,000.00
Volunteers of America Northern California and Northern Nevada 3434 Marconi Ave. Sacramento, Ca 958221	PC	Volunteers of America Residential Family Shelter Project	$ 5,000.00
Canine Companions for Independence 2965 Dutton Ave. P.O. Box 446 Santa Rosa, CA 95407	PC	Program Support	$ 5,000.00
Center For Community Health & Well-Being, Inc. 4625 44th St, Suite 13 Sacramento, CA 95820	PC	Leadership & Empowerment Institue for Young Girls & Women	$ 5,000.00
Cristo Rey High School Sacramento 6200 McMahon Dr. Sacramento, CA 95824	PC	CRHS Sacramento Work-Study, Inc.	$ 10,000.00

Statement 10
2015 Form 990-PF
Part XV Line 3a

Supplementary Information/Grants and Contriubtions Paid During the Year

Recipient	Status	Purpose	Amount
Girl Scouts Heart of Central California 6601 Elvas Ave. Sacramento, CA 95819	PC	Girl Scouts Financial Assistance Program	$ 5,000.00
Junior Achievement of Sacramento, Inc. 3800 Watt Ave., Suite 285 Sacramento, CA 95821	PC	Financial Litracy Knowledge & Soft Skills Matery: Tools for Career Success	$ 5,000.00
Meristem 9200 Fair Oaks Blvd. Fair Oaks, CA 95628	PC	Vocational Training Program	$ 10,000.00
Muscular Dystrophy Association - Sacramento 3010 Lava Ridge, Suite 160 Roseville, CA 95661	PC	Send a Child to Camp Project	$ 1,600.00
NorCal Services for the Deaf & Hard of Hearing 4708 Roseville Rd., Suite 111 North Highlands, CA 95660	PC	Camp Grizzly Leadership Program	$ 5,000.00
Placer ARC 522 Vernon St. Roseville, CA 95678	PC	On the Go Program	$ 5,000.00
PRIDE Industries 10030 Foothills Blvd. Roseville, CA 95747	PC	Youth Employment Program	$ 5,000.00
Runnin' for Rhett 5117 Worchester Way Elk Grove, CA 95758	PC	Runnin' for Rhett Youth Fitness Program	$ 5,000.00
Sacramento Loaves & Fishes 1321 No. C Street P.O. Box 13495 Sacramento, CA 95813-3495	PC	Mustard Seed School for Homeless Children	$ 7,500.00
Southside Art Center 8583 Elder Creek Rd. Sacramento, CA 95828	PC	Trailer Replacement Project	$ 5,000.00
Communicare Health Centers P.O. Box 1260 Davis, CA 95617	PC	Davis Community Clinic Renovation	$ 10,000 00
Special Olympics Northern California, Inc. 1401 Halyard Dr. Suite 100 West Sacramento, CA 95691	PC	Opportunity to full support Special Olympics in Sacramento Are Community	$ 95,000.00
Boys & Girls Clubs of Greater Sacramento 5212 Lemon Hill Ave. Sacramento, CA 95824	PC	Great Futures Start Now	$ 5,000.00
Big Brothers & Big Sisters of El Dorado County 3461 Robin Lane, Suite 2 Cameron Park, CA 95682	PC	Youth Mentoring in El Dorado County	$ 4,000.00

Statement 10
2015 Form 990-PF
Part XV Line 3a

Supplementary Information/Grants and Contriubtions Paid During the Year

Recipient	Status	Purpose	Amount
California Lawyers for the Arts and the Sacramento Mediation Center 2015 J Street, Suite 204 Sacramento, CA 95811	PC	Youth Mediators in Schools	$ 3,000.00
Center for Equine Health One Shields Ave. UC Davis Davis, CA 95616	PC	Large Animal Disaster Preparedness Training for California	$ 5,000.00
CHP 11-99 Foundation 2244 N. State College Blvd. Fullerton, CA 92831	PC	Education Program	$ 5,000 00
Habitat of Humanity of Greater Sacramento 819 North 10th St. Sacramento, CA 95811	PC	Neal Road New Home Development - House #4	$ 10,000.00
Powerhouse Science Center 3615 Auburn Blvd. Sacramento, CA 95821	PC	Kelly Stem Summer Camp Scholarships	$ 5,000.00
Sacramento Children's Museum 2701 Prospect Park Dr. Rancho Cordova, CA 95670	PC	Early Childhood Education Programs at Sacramento Children's Museum	$ 5,000.00
Sacramento Neighborhood Housing Services 2400 Alhambra Blvd. Sacramento, CA 95817	PC	2016 Homebuyer Education/Counseling & Financial Fitness	$ 5,000.00
Sierra Forever Families 8928 Volunteer Lane, Suite 100 Sacramento, CA 95826	PC	Destination Family	$ 10,000.00
Soil Born Farms 2140 Chase Dr. Rancho Cordova, CA 95670	PC	Youth Education Program	$ 5,000.00
Sonoma County Children's Charities P.O. Box 1945 Windsor, CA 95492	PC	2017 Schultz Celebrity Golf Classic	$ 10,000.00
Stanford Settlement, Inc. 450 West El Camino Ave. Sacramento, CA 95833	PC	Teen Center	$ 10,000.00
		Total	**$ 443,100.00**