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For calendar year 2016 or tax year beginning

, and ending

Name of foundation

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

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

10 KEARNEY ROAD, SUITE 305

A Employer identification number

27-1510984

B Telephone number

(781) 444-8400

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

City or town, state or province, country, and ZIP or foreign postal code

NEEDHAM, MA 02494

G Check all that apply:

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

H Check type of organization:  Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundationI Fair market value of all assets at end of year J Accounting method:  Cash  Accrual

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

(Part I, column (d) must be on cash basis.)

► \$ 25,282,934.

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c) and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
Interest on savings and temporary cash investments		38,073.	38,073.		STATEMENT 1
4 Dividends and interest from securities		465,487.	465,487.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		143,423.			
b Gross sales price for all assets on line 6a	19,637,808.				
7 Capital gain net income (from Part IV, line 2)			143,423.		
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		-286.	-286.		STATEMENT 3
12 Total. Add lines 1 through 11		646,697.	646,697.		
13 Compensation of officers, directors, trustees, etc.		80,000.	0.		80,000.
14 Other employee salaries and wages		36,931.	0.		36,931.
15 Pension plans, employee benefits		3,754.	0.		3,754.
16a Legal fees	STMT 4	22,460.	0.		12,400.
b Accounting fees	STMT 5	3,400.	0.		0.
c Other professional fees	STMT 6	121,548.	121,548.		0.
17 Interest					
18 Taxes	STMT 7	32,742.	22,694.		9,524.
19 Depreciation and depletion		577.	0.		
20 Occupancy		10,304.	0.		10,304.
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses	STMT 8	12,326.	0.		4,771.
24 Total operating and administrative expenses. Add lines 13 through 23		324,042.	144,242.		157,684.
25 Contributions, gifts, grants paid		1,362,500.			1,362,500.
26 Total expenses and disbursements. Add lines 24 and 25		1,686,542.	144,242.		1,520,184.
27 Subtract line 26 from line 12:		-1,039,845.			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)		502,455.			
c Adjusted net income (if negative, enter -0-)				N/A	

626  
1/16

**KELLY FAMILY FOUNDATION, INC**  
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<b>Part II Balance Sheets</b>		Attached schedules and amounts in the description column should be for end-of-year amounts only	<b>Beginning of year</b>	<b>End of year</b>
			<b>(a) Book Value</b>	<b>(b) Book Value</b>
	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments		724,409.	395,554.
	3 Accounts receivable ►			
	Less: allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less: allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ►			
	Less: allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations	STMT 9	900,794.	1,179,425.
	b Investments - corporate stock	STMT 10	23,606,466.	22,310,849.
	c Investments - corporate bonds	STMT 11	781,510.	1,097,722.
	11 Investments - land, buildings, and equipment basis	►		
	Less accumulated depreciation	►		
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ►	6,604.		
	Less accumulated depreciation	STMT 12 ►	6,562.	619.
	15 Other assets (describe ►)			42.
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		26,013,798.	24,983,592.
				25,282,934.
	17 Accounts payable and accrued expenses		7,194.	5,373.
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ►)			
	23 Total liabilities (add lines 17 through 22)		7,194.	5,373.
	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds		0.	0.
	28 Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.
	29 Retained earnings, accumulated income, endowment, or other funds		26,006,604.	24,978,219.
	30 Total net assets or fund balances		26,006,604.	24,978,219.
	31 Total liabilities and net assets/fund balances		26,013,798.	24,983,592.

**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 26,006,604.
2 Enter amount from Part I, line 27a	2 -1,039,845.
3 Other increases not included in line 2 (itemize) ► <u>BOOK TO TAX DIFFERENCES</u>	3 11,460.
4 Add lines 1, 2, and 3	4 24,978,219.
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 24,978,219.

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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	19,637,808.	19,494,385.	143,423.		
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					143,423.
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	143,423.	
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))
2015	1,670,765.	27,115,205.	.061617
2014	1,611,561.	28,249,340.	.057048
2013	1,615,418.	28,231,815.	.057220
2012	995,316.	28,553,190.	.034858
2011	538,519.	20,393,858.	.026406

- 2 Total of line 1, column (d) 2 .237149
- 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 .047430
- 4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5 4 25,060,224.
- 5 Multiply line 4 by line 3 5 1,188,606.
- 6 Enter 1% of net investment income (1% of Part I, line 27b) 6 5,025.
- 7 Add lines 5 and 6 7 1,193,631.
- 8 Enter qualifying distributions from Part XII, line 4 8 1,520,184.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ►  and enter "N/A" on line 1.

Date of ruling or determination letter: \_\_\_\_\_ (attach copy of letter if necessary-see instructions)

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

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

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

3 Add lines 1 and 2

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

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

6 Credits/Payments:

a 2016 estimated tax payments and 2015 overpayment credited to 2016

6a 8,879.

b Exempt foreign organizations - tax withheld at source

6b

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

6c 8,000.

d Backup withholding erroneously withheld

6d

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

7 16,879.

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 11,854.

11 Enter the amount of line 10 to be: Credited to 2017 estimated tax ►

11,854. | Refunded ►

11 0.

## Part VII-A | Statements Regarding Activities

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

	Yes	No
1a	X	
1b	X	

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

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

1c	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?

2	X
---	---

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

3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes

3	X
---	---

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

4a	X
----	---

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?

5	X
---	---

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

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

6	X
---	---

• By language in the governing instrument, or

• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

7	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

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

MA

8b	X
----	---

b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation

9	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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? If "Yes," complete Part XIV

10	X
----	---

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

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Website address ► <b>N/A</b>		
14	The books are in care of ► <b>TIMOTHY R. O'BRIEN, ESO</b> Located at ► <b>10 KEARNEY ROAD, SUITE 305, NEEDHAM, MA</b>	Telephone no. ► <b>781 444-8400</b> ZIP+4 ► <b>02494</b>
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	► <b>15</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16	At any time during calendar year 2016, 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 ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**

<b>File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.</b>		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
1a	During the year did the foundation (either directly or indirectly):	
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did <b>any</b> 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	<b>N/A</b> ► <input type="checkbox"/>
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 2016?	<b>1c</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the foundation is <b>not</b> 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 <b>all</b> years listed, answer "No" and attach statement - see instructions.)	<b>N/A</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
c	If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here. ►	<b>2b</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2016 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 2016.)	<b>N/A</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	<b>3b</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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 2016?	<b>4a</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<b>4b</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
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		
If "Yes," attach the statement required by Regulations section 53.4945-5(d)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	7b	

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 13		80,000.	0.	0.

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

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

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

► 0

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
MORGAN STANLEY	INVESTMENT ADVISORY SERVICES	121,489.

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

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

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

	Expenses
1 N/A	
2	
3	
4	

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

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3 ►

0.

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**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:	
a	Average monthly fair market value of securities	1a <u>25,056,143.</u>
b	Average of monthly cash balances	1b <u>385,709.</u>
c	Fair market value of all other assets	1c <u></u>
d	<b>Total</b> (add lines 1a, b, and c)	1d <u>25,441,852.</u>
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e <u>0.</u>
2	Acquisition indebtedness applicable to line 1 assets	2 <u>0.</u>
3	Subtract line 2 from line 1d	3 <u>25,441,852.</u>
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4 <u>381,628.</u>
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5 <u>25,060,224.</u>
6	<b>Minimum investment return.</b> Enter 5% of line 5	6 <u>1,253,011.</u>

**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 <u>1,253,011.</u>
2a	Tax on investment income for 2016 from Part VI, line 5	2a <u>5,025.</u>
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b <u></u>
c	Add lines 2a and 2b	2c <u>5,025.</u>
3	Distributable amount before adjustments. Subtract line 2c from line 1	3 <u>1,247,986.</u>
4	Recoveries of amounts treated as qualifying distributions	4 <u>0.</u>
5	Add lines 3 and 4	5 <u>1,247,986.</u>
6	Deduction from distributable amount (see instructions)	6 <u>0.</u>
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7 <u>1,247,986.</u>

**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 <u>1,520,184.</u>
b	Program-related investments - total from Part IX-B	1b <u>0.</u>
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2 <u></u>
3	Amounts set aside for specific charitable projects that satisfy the:	
a	Suitability test (prior IRS approval required)	3a <u></u>
b	Cash distribution test (attach the required schedule)	3b <u></u>
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4 <u>1,520,184.</u>
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 <u>5,025.</u>
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6 <u>1,515,159.</u>

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

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## KELLY FAMILY FOUNDATION, INC

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C/O O'BRIEN &amp; ASSOCIATES

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

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				1,247,986.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			647,054.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f Total of lines 3a through e		0.		
4 Qualifying distributions for 2016 from Part XII, line 4: ► \$ 1,520,184.			647,054.	
a Applied to 2015, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)		0.		
d Applied to 2016 distributable amount				873,130.
e Remaining amount distributed out of corpus		0.		
5 Excess distributions carryover applied to 2016 (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		0.		
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instr.		0.		
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017			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)				374,856.
8 Excess distributions carryover from 2011 not applied on line 5 or line 7		0.		
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a		0.		
10 Analysis of line 9:				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				



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

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**Part XV** **Supplementary Information (continued)**

**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
ASPIRE C/O MASS GENERAL HOSPITAL 100 CAMBRIDGE ST, SUITE 1310 BOSTON, MA 02114	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	10,000.
BECKER COLLEGE 61 SEVER STREET WORCESTER, MA 01609	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	10,000.
BIG SISTER ASSOCIATION OF GREATER BOSTON 20 PARK PLAZA #1420 BOSTON, MA 02116	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	25,000.
BOSTON BALLET 19 CLARENDON STREET BOSTON, MA 02116	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	30,000.
BOSTON PRIVATE INDUSTRY COUNCIL 2 OLIVER STREET BOSTON, MA 02109	NONE	PUBLIC CHARITY	CHARITABLE CONTRIBUTION UNRESTRICTED	5,000.
<b>Total</b>	<b>SEE CONTINUATION SHEET(S)</b>			► 3a 1,362,500.
<i>b Approved for future payment</i>				
NONE				
<b>Total</b>				► 3b 0.

KELLY FAMILY FOUNDATION, INC  
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## Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

**12 Subtotal. Add columns (b), (d), and (e)**

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

(See worksheet in line 13 instructions to verify calculations.)

## **Relationship of Activities to the Accomplishment of Exempt Purposes**

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).
3	<b>INTEREST INCOME ON FOUNDATION INVESTMENTS</b>
8	<b>GAIN/LOSS FROM THE SALE OF FOUNDATION INVESTMENTS</b>
4	<b>DIVIDEND INCOME ON FOUNDATION INVESTMENTS</b>
7	<b>OTHER INVESTMENT INCOME ON FOUNDATION INVESTMENTS</b>



**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>PARTNERSHIP INVESTMENTS</b>	P	VARIOUS	VARIOUS
b	<b>PARTNERSHIP INVESTMENTS</b>	P	VARIOUS	VARIOUS
c	<b>PARTNERSHIP INVESTMENTS</b>	P	VARIOUS	VARIOUS
d	<b>SEE ATTACHED MORGAN STANLEY STMT #9440</b>	P	VARIOUS	VARIOUS
e	<b>SEE ATTACHED MORGAN STANLEY STMT #9440</b>	P	VARIOUS	VARIOUS
f	<b>SEE ATTACHED MORGAN STANLEY STMT #9440</b>	P	VARIOUS	VARIOUS
g	<b>SEE ATTACHED MORGAN STANLEY STMT #9440</b>	P	VARIOUS	VARIOUS
h	<b>8 SHS PRARIESKY RTY LTD</b>	P	VARIOUS	06/21/16
i	<b>CAPITAL GAINS DIVIDENDS</b>			
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			238.	-238.
b	2,128.			2,128.
c			1.	-1.
d	10,231,569.		10,165,153.	66,416.
e	133,977.		134,052.	-75.
f	9,056,845.		9,038,329.	18,516.
g	199,866.		156,612.	43,254.
h	150.			150.
i	13,273.			13,273.
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				-238.
b				2,128.
c				-1.
d				66,416.
e				-75.
f				18,516.
g				43,254.
h				150.
i				13,273.
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 }		2 143,423.
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

**Kelly Family Foundation, Inc.**  
**2016 Form 990-PF, Part II**  
**Balance Sheet**  
**Investment Summary**  
**December 31, 2016**

	<u>MS #9439</u>	<u>MS #9440</u>	<u>Total</u>
Temp Cash Inv	78,311	317,243	395,554
US/Government Bonds- FMV	1,118,761	1,118,761	
US/Government Bonds- Cost	1,179,425	1,179,425	
Corporate Bonds - FMV	1,090,898	1,090,898	
Corporate Bonds - Cost	1,097,722	1,097,722	
Corporate Stocks - FMV	22,677,679	22,677,679	
Corporate Stocks - Cost	22,310,849	22,310,849	
Other Investments - FMV	0	0	
Other Investments - Cost	0	0	
<b>Total FMV</b>	<b><u>78,311</u></b>	<b><u>25,204,581</u></b>	<b><u>25,282,892</u></b>
<b>Total Cost</b>	<b><u>78,311</u></b>	<b><u>24,905,239</u></b>	<b><u>24,983,550</u></b>
<b>Unrealized Gain/Loss</b>	<b><u>-</u></b>	<b><u>299,342</u></b>	<b><u>299,342</u></b>
	Total Investments FMV	24,887,338	
	Total Investments Cost	24,587,996	

**SEE ATTACHED STATEMENTS WITH**  
**DETAILED LISTING OF INVESTMENTS BY ACCOUNT**

Total Bond Cost	-	2,277,147	2,277,147
Total Equity Cost	-	22,310,849	22,310,849

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

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
MORGAN STANLEY #9439	29.	29.	
MORGAN STANLEY #9440	38,033.	38,033.	
POWERSHARES DB G10 COMMODITY			
IDX TRACKING FUND	1.	1.	
POWERSHARES DB G10 CURRENCY			
HARVEST FUND	10.	10.	
TOTAL TO PART I, LINE 3	38,073.	38,073.	

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

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
MORGAN STANLEY #9440	478,760.	13,273.	465,487.	465,487.	
TO PART I, LINE 4	478,760.	13,273.	465,487.	465,487.	

## FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
MORGAN STANLEY PARTNERSHIP INVESTMENTS	14. -300.	14. -300.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-286.	-286.	

KELLY FAMILY FOUNDATION, INC C/O OBRIEN

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FORM 990-PF

LEGAL FEES

STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
O'BRIEN & ASSOCIATES	22,460.	0.		12,400.
TO FM 990-PF, PG 1, LN 16A	22,460.	0.		12,400.

FORM 990-PF

ACCOUNTING FEES

STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DONOVAN, SULLIVAN & RYAN	3,400.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	3,400.	0.		0.

FORM 990-PF

OTHER PROFESSIONAL FEES

STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK/IAS FEES	121,489.	121,489.		0.
IAS FEES - PARTNERSHIP INVESTMENTS	59.	59.		0.
TO FORM 990-PF, PG 1, LN 16C	121,548.	121,548.		0.

FORM 990-PF

TAXES

STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX PAID	22,694.	22,694.		0.
PAYROLL TAXES	9,783.	0.		9,524.
MASSACHUSETTS TAXES & FEES	265.	0.		0.
TO FORM 990-PF, PG 1, LN 18	32,742.	22,694.		9,524.

## FORM 990-PF

## OTHER EXPENSES

## STATEMENT

8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
UTILITIES	471.	0.		471.
MARKETING	5,000.	0.		0.
OFFICE EXPENSE	4,300.	0.		4,300.
INSURANCE	2,555.	0.		0.
TO FORM 990-PF, PG 1, LN 23	12,326.	0.		4,771.

## FORM 990-PF

## U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS

## STATEMENT

9

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED STATEMENTS	X		1,179,425.	1,118,761.
TOTAL U.S. GOVERNMENT OBLIGATIONS			1,179,425.	1,118,761.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			1,179,425.	1,118,761.

## FORM 990-PF

## CORPORATE STOCK

## STATEMENT

10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED STATEMENTS	22,310,849.	22,677,679.
TOTAL TO FORM 990-PF, PART II, LINE 10B	22,310,849.	22,677,679.

KELLY FAMILY FOUNDATION, INC C/O OBRIEN

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FORM 990-PF

CORPORATE BONDS

STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED STATEMENTS	1,097,722.	1,090,898.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,097,722.	1,090,898.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 12

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
OFFICE EQUIPMENT	5,160.	5,160.	0.
OFFICE EQUIPMENT	1,444.	1,402.	42.
TOTAL TO FM 990-PF, PART II, LN 14	6,604.	6,562.	42.

FORM 990-PF

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

STATEMENT 13

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN EXPENSE CONTRIB ACCOUNT
SONJA KELLY 3 JOHN HAZLITT LANE HINGHAM, MA 02043	PRESIDENT 25.00	80,000.	0. 0.
DEBORAH M. KELLY 315 WELLESLEY STREET WESTON, MA 02493	TREASURER 0.00	0.	0. 0.
EDMUND F. KELLY 315 WELLESLEY STREET WESTON, MA 02493	CLERK 0.00	0.	0. 0.
EDMUND F. KELLY 315 WELLESLEY STREET WESTON, MA 02493	DIRECTOR 0.00	0.	0. 0.
DEBORAH M. KELLY 315 WELLESLEY STREET WESTON, MA 02493	DIRECTOR 0.00	0.	0. 0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		80,000.	0. 0.