

990-PF

Form  
Department of the Treasury  
Internal Revenue ServiceReturn of Private Foundation  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation

OMB No 1545-0052

2007

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

For calendar year 2007, or tax year beginning 07/01, 2007, and ending 06/30/2008  
G Check all that apply Initial return Final return Amended return Address change Name changeUse the IRS  
label.  
Otherwise,  
print  
or type.  
See Specific  
Instructions.

Name of foundation

DONALD P. AND BYRD M. KELLY FOUNDATION

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

Room/suite

701 HARGER ROAD

City or town, state, and ZIP code

OAK BROOK, IL 60523

A Employer identification number

36-3444536

B Telephone number (see page 10 of the instructions)

(603) 571-0129

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

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 (from Part II, col (c), line 16) \$ 5,328,217.  
J Accounting method ☒ Cash ☐ Accrual  
☐ Other (specify) \_\_\_\_\_  
(Part I, column (d) must be on cash basis)

## 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 page 11 of the instructions))

	(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 (attach schedule)	216,631.			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	36,169.	36,169.		
4 Dividends and interest from securities	212,281.	212,281.		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	-61,646.			
b Gross sales price for all assets on line 6a	1,992,645.			
7 Capital gain net income (from Part IV, line 2)				
8 Net short-term capital gain				
9 Internal revenue modifications and adjustments				
10 a Less: Internal revenue modifications and adjustments				
b Less: Internal revenue modifications and adjustments				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	403,435.	248,450.		
13 Compensation of officers, directors, trustees, etc.				
14 Other employee salaries and wages				
15 Pension plan employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) *	5,200.			
19 Depreciation (attach schedule) and depletion	1,383.			
20 Occupancy				
21 Travel, conferences, and meetings	21.			21.
22 Printing and publications				
23 Other expenses (attach schedule) STMT. 2	15,099.			15,099.
24 Total operating and administrative expenses. Add lines 13 through 23	21,703.			15,120.
25 Contributions, gifts, grants paid	597,843.			597,843.
26 Total expenses and disbursements. Add lines 24 and 25	619,546.			612,963.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-216,111.			
b Net investment income (if negative, enter -0-)		248,450.		
c Adjusted net income (if negative, enter -0-)			-0-	

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions. \*\* STMT 1

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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	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash - non-interest-bearing . . . . .	46,146.	23,394.	23,394.
	2 Savings and temporary cash investments . . . . .	691,754.	1,570,358.	1,570,358.
	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 page 16 of the 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 . . . . .			
	10 a Investments - U S and state government obligations (attach schedule) .			
	b Investments - corporate stock (attach schedule) . . . . .	732,455.	1,239,064.	1,499,646.
	c Investments - corporate bonds (attach schedule). . . . .	3,313,923.	1,702,660.	1,644,214.
	11 Investments - land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans . . . . .			
	13 Investments - other (attach schedule) . . . . .	531,718.	585,119.	585,119.
	14 Land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶	32,820. 27,334.	6,869. 5,486.	5,486.
15 Other assets (describe ▶ STMT 3 )	28.	NONE	NONE	
16 <b>Total assets</b> (to be completed by all filers - see the instructions Also, see page 1, item I) . . . . .	5,322,893.	5,126,081.	5,328,217.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses . . . . .	-53.	NONE	
	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 <b>Total liabilities</b> (add lines 17 through 22) . . . . .	-53.	NONE	
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/></b> <b>and complete lines 24 through 26 and lines 30 and 31.</b>			
	24 Unrestricted . . . . .	5,322,946.	5,126,081.	
	25 Temporarily restricted . . . . .			
	26 Permanently restricted . . . . .			
	<b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input type="checkbox"/></b>			
	27 Capital stock, trust principal, or current funds . . . . .			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund . . . . .			
	29 Retained earnings, accumulated income, endowment, or other funds . .			
	30 <b>Total net assets or fund balances</b> (see page 17 of the instructions) . . . . .	5,322,946.	5,126,081.	
31 <b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions) . . . . .	5,322,893.	5,126,081.		

**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	5,322,946.
2 Enter amount from Part I, line 27a . . . . .	2	-216,111.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 4 . . . . .	3	19,299.
4 Add lines 1, 2, and 3 . . . . .	4	5,126,134.
5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 5 . . . . .	5	53.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 . . . . .	6	5,126,081.



**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)			(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
<b>1a</b> SEE PART IV SCHEDULE					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>2</b> Capital gain net income or (net capital loss) . . . . .			2	-61,646.	
<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">           { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7         </div> </div>					
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)			3		
<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">           { If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8.         </div> </div>					

**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 page 18 of 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))
2006	550,414.	5,505,813.	0.099970
2005	618,044.	5,501,943.	0.112332
2004	661,926.	5,826,815.	0.113600
2003	423,440.	5,830,403.	0.072626
2002	450,791.	5,362,032.	0.084071
<b>2</b> Total of line 1, column (d) . . . . .			2 0.482599
<b>3</b> 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 0.096520
<b>4</b> Enter the net value of noncharitable-use assets for 2007 from Part X, line 5 . . . . .			4 5,297,264.
<b>5</b> Multiply line 4 by line 3 . . . . .			5 511,292.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b) . . . . .			6 2,485.
<b>7</b> Add lines 5 and 6 . . . . .			7 513,777.
<b>8</b> Enter qualifying distributions from Part XII, line 4 . . . . .			8 612,963.

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 on page 18.



**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)**

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 . . . . .		1	2,485.
Date of ruling letter _____ (attach copy of ruling letter if necessary - see instructions) . . . . .			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b . . . . .			
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b) . . . . .		2	2,485.
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-) . . . . .		4	NONE
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0- . . . . .		5	2,485.
6 Credits/Payments		6a	7,870.
a 2007 estimated tax payments and 2006 overpayment credited to 2007 . . . . .			
b Exempt foreign organizations-tax withheld at source . . . . .			
c Tax paid with application for extension of time to file (Form 8868) . . . . .			
d Backup withholding erroneously withheld . . . . .		6d	5,500.
7 Total credits and payments Add lines 6a through 6d . . . . .		7	13,370.
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached . . . . .		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed . . . . .		9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid . . . . .		10	10,885.
11 Enter the amount of line 10 to be Credited to 2008 estimated tax <input checked="" type="checkbox"/> 2,488. Refunded <input checked="" type="checkbox"/> . . . . .		11	8,397.

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . . . .		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? . . . . .		X
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? . . . . .		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input checked="" type="checkbox"/> \$ _____ (2) On foundation managers <input checked="" type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . .		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 . . . . .		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .		X
b If "Yes," has it filed a tax return on Form 990-T for this year? . . . . .		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . . . .		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 • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? . . . . .	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV . . . . .	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input checked="" type="checkbox"/> IL, _____		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation . . . . .	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2007 or the taxable year beginning in 2007 (see instructions for Part XIV)? If "Yes," complete Part XIV. . . . .		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses . . . . .	X	

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

11a	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 page 20 of the instructions) . . . . .	11a		X
b	If "Yes," did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in the attachment for line 11a? . . . . .	11b		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract? . . . . .	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . .	13	X	
Website address ▶ N/A				
14	The books are in care of ▶ LAURA K. SMITH Telephone no ▶ (630) 571-0129			
Located at ▶ 701 HARGER ROAD, OAK BROOK, ILLINOIS ZIP + 4 ▶ 60523				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-F in lieu of Form 1041 - Check here . . . . . N/A	▶ <input type="checkbox"/>		
and enter the amount of tax-exempt interest received or accrued during the year . . . . .		▶ 15		

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . . <input type="checkbox"/> Yes <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 checked="" type="checkbox"/> Yes <input 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 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 page 22 of the instructions)? . . . . .	1b	X
Organizations relying on a current notice regarding disaster assistance check here . . . . . ▶ <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 2007? . . . . .	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2007, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2007? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If "Yes," list the years ▶		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see page 22 of the instructions) . . . . .	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2007 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 2007) . . . . .	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . .	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2007? . . . . .	4b	X

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

**5 a** During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the 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 page 22 of the instructions)? ☐ **5 b** 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? ☐ Yes ☐ No

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

**6 a** 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? ☐ Yes ☒ No **6 b** X

If you answered "Yes" to 6b, also file Form 8870

**7 a** 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? ☐ Yes ☒ No **7 b** X

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see page 23 of the 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
SEE ATTACHED SCHEDULE		NONE	NONE	NONE

**2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the 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

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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** (see page 23 of the 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 NOT APPLICABLE	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments** (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NOT APPLICABLE	
2	
All other program-related investments See page 24 of the instructions	
3 NONE	
<b>Total.</b> Add lines 1 through 3 . . . . .	

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**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	4,347,322.
b	Average of monthly cash balances	1b	1,030,611.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	NONE
d	<b>Total</b> (add lines 1a, b, and c)	1d	5,377,933.
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	5,377,933.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	80,669.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,297,264.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	264,863.

**Part XI Distributable Amount** (see page 25 of the 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	264,863.
2a	Tax on investment income for 2007 from Part VI, line 5	2a	2,485.
b	Income tax for 2007 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	2,485.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	262,378.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	262,378.
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	262,378.

**Part XII Qualifying Distributions** (see page 26 of the 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	612,963.
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	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	612,963.
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 page 26 of the instructions)	5	2,485.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	610,478.

**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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2006	(c) 2006	(d) 2007
<b>1</b> Distributable amount for 2007 from Part XI, line 7 . . . . .				262,378.
<b>2</b> Undistributed income, if any, as of the end of 2006				
<b>a</b> Enter amount for 2006 only . . . . .				
<b>b</b> Total for prior years . . . . .				
<b>3</b> Excess distributions carryover, if any, to 2007				
<b>a</b> From 2002 . . . . .	195,797.			
<b>b</b> From 2003 . . . . .	142,887.			
<b>c</b> From 2004 . . . . .	374,797.			
<b>d</b> From 2005 . . . . .	348,859.			
<b>e</b> From 2006 . . . . .	281,289.			
<b>f</b> Total of lines 3a through e . . . . .	1,343,629.			
<b>4</b> Qualifying distributions for 2007 from Part XII, line 4 ► \$ 612,963.				
<b>a</b> Applied to 2006, but not more than line 2a . . . .				
<b>b</b> Applied to undistributed income of prior years (Election required - see page 27 of the instructions) . . . . .				
<b>c</b> Treated as distributions out of corpus (Election required - see page 27 of the instructions) . . . .				
<b>d</b> Applied to 2007 distributable amount . . . . .				262,378.
<b>e</b> Remaining amount distributed out of corpus . . .	350,585.			
<b>5</b> Excess distributions carryover applied to 2007. (If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,694,214.			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b . . . . .				
<b>c</b> 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 . . . . .				
<b>d</b> Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions . . . . .				
<b>e</b> Undistributed income for 2006 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions . . . . .				
<b>f</b> Undistributed income for 2007 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2008 . . . . .				
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions) . . . . .				
<b>8</b> Excess distributions carryover from 2002 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .	195,797.			
<b>9</b> Excess distributions carryover to 2008. Subtract lines 7 and 8 from line 6a . . . . .	1,498,417.			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2003 . . . . .	142,887.			
<b>b</b> Excess from 2004 . . . . .	374,797.			
<b>c</b> Excess from 2005 . . . . .	348,859.			
<b>d</b> Excess from 2006 . . . . .	281,289.			
<b>e</b> Excess from 2007 . . . . .	350,585.			



**Part XIV Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9) **NOT APPLICABLE**

**1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2007, 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) 2007	(b) 2006	(c) 2005	(d) 2004	
<b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test - enter					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
<b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
<b>c</b> "Support" alternative test - enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
<b>(3)</b> Largest amount of support from an exempt organization . . . . .					
<b>(4)</b> 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 page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

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

NONE

**b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

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

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

**a** The name, address, and telephone number of the person to whom applications should be addressed

SEE STATEMENT 6

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

SEE APPLICATION ATTACHED

**c** Any submission deadlines

SEPTEMBER 1 FOR OCTOBER 31, FEBRUARY 1 FOR MARCH 31 APPROVAL

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

SEE STATEMENT 7



**Part XV** **Supplementary Information (continued)****3 Grants and Contributions Paid During the Year or Approved for Future Payment**

<div>Recipient</div> <div>Name and address (home or business)</div>	<div>If recipient is an individual, show any relationship to any foundation manager or substantial contributor</div>	<div>Foundation status of recipient</div>	<div>Purpose of grant or contribution</div>	<div>Amount</div>
<b>a</b> <i>Paid during the year</i> SEE ATTACHED STATEMENT				597,843.
<b>Total</b> . . . . .			<b>▶ 3a</b>	597,843.
<b>b</b> <i>Approved for future payment</i>				
<b>Total</b> . . . . .			<b>▶ 3b</b>	



## Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income	Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions )
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
<b>1</b> Program service revenue					
<b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>f</b> _____					
<b>g</b> Fees and contracts from government agencies					
<b>2</b> Membership dues and assessments . . . . .					
<b>3</b> Interest on savings and temporary cash investments			14	36,169.	
<b>4</b> Dividends and interest from securities . . . . .			14	212,281.	
<b>5</b> Net rental income or (loss) from real estate					
<b>a</b> Debt-financed property . . . . .					
<b>b</b> Not debt-financed property . . . . .					
<b>6</b> Net rental income or (loss) from personal property .					
<b>7</b> Other investment income . . . . .					
<b>8</b> Gain or (loss) from sales of assets other than inventory			18	-61,646.	
<b>9</b> Net income or (loss) from special events . . . . .					
<b>10</b> Gross profit or (loss) from sales of inventory . .					
<b>11</b> Other revenue <b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>12</b> Subtotal. Add columns (b), (d), and (e) . . . . .				186,804.	
<b>13</b> Total. Add line 12, columns (b), (d), and (e) . . . . .				186,804.	

(See worksheet in line 13 instructions on page 29 to verify calculations )

## Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]





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

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

[illegible]

**2 a** 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 or fiduciary) is based on all information of which preparer has any knowledge.			
	 Signature of officer or trustee		Date <u>5/11/09</u>	
Paid Preparer's Use Only	 Preparer's signature		Date <u>5/10/09</u>	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP code <u>FRIEDMAN &amp; HUEY ASSOC. LLP</u> <u>1313 WEST 175TH STREET</u> <u>HOMEWOOD, IL 60430</u>		Preparer's SSN or PTIN (See Signature on page 30 of the instructions) <u>338010765</u> EIN <u>36-3382360</u> Phone no <u>708-799-6800</u>	



**2007**

Name of organization

DONALD P. AND BYRD M. KELLY FOUNDATION

Employer identification number

36-3444536

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 organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II )

**Special Rules -**

☐ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 $\frac{1}{3}$  % support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II )

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III )

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to 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 of \$5,000 or more during the year ) . . . . . ► \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)



Name of organization DONALD P. AND BYRD M. KELLY FOUNDATION

Employer identification number

36-3444536

**Part I Contributors** (See Specific Instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	KMK & ASSOCIATES 701 HARGER ROAD OAK BROOK, IL 60523	\$ 116,615.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
2	DONALD P KELLY 701 HARGER ROAD OAK BROOK, IL 60523	\$ 100,016.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)



Name of organization DONALD P. AND BYRD M. KELLY FOUNDATION

Employer identification number

36-3444536

**Part II** Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
<u>1</u>	<u>2,353 SHS WAL-MART STORES INC STOCK.</u> _____ _____ _____	\$ <u>116,615.</u>	<u>02/15/2008</u>
<u>2</u>	<u>1,465 SHS NORTHERN TRUST CORP STOCK</u> _____ _____ _____	\$ <u>100,016.</u>	<u>03/11/2008</u>
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____



## FORM 990PF, PART I - TAXES

=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS
-----	-----
EXCISE TAXES	5,200.
	-----
TOTALS	5,200.
	=====



## FORM 990PF, PART I - OTHER EXPENSES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	CHARITABLE PURPOSES -----
OFFICE SUPPLIES	840.	840.
STATE FILING FEES	120.	120.
BANK SERVICE CHARGES	105.	105.
ADMINISTRATIVE SUPPORT	14,034.	14,034.
	-----	-----
TOTALS	15,099.	15,099.
	=====	=====



**DONALD P. AND BYRD M. KELLY FOUNDATION**  
**FORM 990-PF OF A PRIVATE FOUNDATION**  
**FISCAL YEAR ENDED JUNE 30 2008**

**Page 2, Part II, Line 10b - Investments - Corporate Stock**

	Beginning of Year	End of Year	Fair Market Value
AT&T Inc 6 375% Senior Note	\$ 100,000	\$ 100,000	\$ 100,040
Conagra, Inc	1,904	1,904	1,350
CSX Corp	29,915	29,915	160,166
CVS Caremark Corp	-	49,871	50,452
Danaher Corp	-	51,700	54,110
Goldman Sachs 6 20% PFD	-	98,346	94,512
Halliburton Co Holding	-	48,590	68,991
Health Care REIT Inc	-	50,524	51,175
Hub Group Inc CI A	59,628	-	-
Intel	57,656	57,656	64,440
Johnson & Johnson	-	49,975	47,290
Kayne Anderson MLP Inv't	127,524	119,813	109,760
Masters Select	-	75,000	66,491
Nike Inc Class B	-	49,847	44,708
Plum Creek Timber Co	41,646	41,646	59,794
Southern UN Co	69,638	40,717	65,253
Staples Inc	29,300	29,300	71,250
Supervalu Inc	13,300	13,300	14,055
Tortoise Energy Infrastructure Corp	89,067	81,789	112,402
Tortoise Energy Capital	112,877	106,389	101,000
Transocean Inc New	-	49,956	57,146
Wal-mart Stores, Inc	-	92,826	105,263
	<u>\$ 732,455</u>	<u>\$ 1,239,064</u>	<u>\$ 1,499,646</u>

**Page 2, Part II, Line 10c - Investments - Corporate Bonds**

	Beginning of Year	End of Year	Fair Market Value
Applied Matls Inc Senior Notes 6 75% Due 10/15/2007	\$ 200,938	\$ -	\$ -
CIT Group Inc 4 750% 12/15/10	254,620	253,370	213,125
Citicorp Sub Notes 7 25% Due 09/01/2008	209,851	203,346	200,878
Cooper Industries 5 250% Due 7/01/07	252,280	-	-
Federal Home Loan Bank 3 00% Due 12/10/2010	248,953	249,241	258,897
Federal Home Loan Bank 5 05% Due 3/20/2009	200,000	-	-
Federal Home Loan Bank 5 625% Due 12/15/2011	200,000	-	-
Federal Home Loan Bank 5 50% Due 10/01/2014	-	249,322	251,600
FFCB 4 81% Due 9/7/2010	198,290	-	-
First Data Corp 4 50% Due 6/15/2010	196,140	197,361	159,500
FLP Group 7 375% Due 06/01/2009	99,121	99,121	103,186
Lehman Brothers Holdings 7 875% Due 11/01/2009	249,547	249,547	255,333
Northern Trust Medium Term Senior Notes 6 25% Due 6/2/	251,314	-	-
Suntrust Bks Inc 6 250% Due 6/01/08	255,978	-	-
TRW Inc Medium Term Senior Notes 6 38% Due 5/19/200	295,198	-	-
Verizon PA Inc 5 650% Due 11/15/2011	201,693	201,352	201,695
	<u>\$ 3,313,923</u>	<u>\$ 1,702,660</u>	<u>\$ 1,644,214</u>

**Page 2, Part II, Line 13 - Other Investments**

	Beginning of Year	End of Year	Fair Market Value
Denali Trust CLO II, Ltd	39,687	-	-
Denali Trust CLO III, Ltd	229,875	-	-
Denali Trust CLO V, Ltd	262,156	229,119	229,119
AEI Clean Tech Fund	-	106,000	106,000
13 Partners Offshore Fund	-	250,000	250,000
	<u>\$ 531,718</u>	<u>\$ 585,119</u>	<u>\$ 585,119</u>



## FORM 990PF, PART II - OTHER ASSETS

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
PRUCHASED INTEREST	28.	NONE	NONE
	-----	-----	-----
TOTALS	28.	NONE	NONE
	=====	=====	=====



FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES  
=====

DESCRIPTION -----	AMOUNT -----
EXCESS FAIR MARKET VALUE OVER CARRYING VALUE OF STOCK GIVEN TO VARIOUS CHARITABLE GRANTEES ROUNDING	19,296.    3.
TOTAL	----- 19,299. =====



FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES  
=====

DESCRIPTION -----	AMOUNT -----
PRIOR PERIOD ADJUSTMENT	53.
	-----
TOTAL	53.
	=====



**DONALD P. AND BYRD M. KELLY FOUNDATION**  
**FORM 990-PF OF A PRIVATE FOUNDATION**  
**FISCAL YEAR ENDED JUNE, 30 2007**

Page 5, Part VIII, 1- **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees and Contractors**

	<u>Title &amp; Avg Hrs Per Week Devoted To Position</u>	<u>Compensation</u>	<u>Contributions to Employee Benefit Plans</u>	<u>Expense Account and Other Allowances</u>
Byrd M Kelly 701 Harger Road #190 Oak Brook, IL 60523	President/Part	None	None	None
Patrick J Kelly 701 Harger Road #190 Oak Brook, IL 60523	Vice-President Director/Part	None	None	None
Thomas N Kelly 701 Harger Road #190 Oak Brook, IL 60523	Secretary Director/Part	None	None	None
Laura K Smith 701 Harger Road #190 Oak Brook, IL 60523	Treasurer Director/Part	None	None	None



**DONALD P. AND BYRD M. KELLY FOUNDATION**  
**FORM 990-PF OF A PRIVATE FOUNDATION**  
**FISCAL YEAR ENDED JUNE 30 2008**

**Part XV, Line 3a - Grants and Contributions**

<u>PAYEE</u>					<u>AMOUNT</u>
Adler Planetarium	1300 S. Lake Shore Drive	Chicago	IL	60605	1,500
All Saints Catholic Academy	1155 Aurora Ave.	Naperville	IL	60540	1,500
Amate House	3600 S. Seeley Ave	Chicago	IL	60609	5,000
America Scores Chicago	222 S. Morgan St	Chicago	IL	60607	1,000
American Cancer Society	P.O. Box 22718	Oklahoma City	OK	73123	200
American Red Cross	2025 E. St. NW	Washington	DC	20006	1,000
Associated Colleges of Illinois	20 N. Wacker Dr., Suite 1456	Chicago	IL	60606	2,500
Association House of Chicago	1116 N. Kedzie Avenue	Chicago	IL	60651	2,000
Baker Demonstration School, Inc.	201 Sheridan Rd	Wilmette	IL	60091	5,000
Better Boys Foundation	1512 S. Pulaski Rd	Chicago	IL	60623	1,500
Big Brothers Big Sisters of McHenry County	1600 N. Industrial Dr	McHenry	IL	60050	2,000
Big Brothers Big Sisters of Metro Chicago	560 W. Lake St., 5th Floor	Chicago	IL	60661	1,000
Big Shoulders Fund	One First National Plaza, Ste. 2500	Chicago	IL	60603	804
Brookfield Zoo	3300 Golf Road	Bartlett	IL	60103	5,000
Cabrini-Green Tutoring Program	1515 N. Halsted	Chicago	IL	60622	2,000
Camp of Dreams	1235A N. Clybourn, Suite 362	Chicago	IL	60610	1,500
Catholic Theological Union	5401 S. Cornell	Chicago	IL	60615	5,000
Center for Companies that Care	500 N. Dearborn, Ste. 200	Chicago	IL	60654	2,500
Center For Enriched Living	280 Saunders Road	Riverwoods	IL	60015	1,000
Charlie's Gift	920 York Rd	Hinsdale	IL	60521	2,500
Chicago Children's Museum	700 E. Grand Ave	Chicago	IL	60611	1,000
Chicago Jesuit Academy at Marillac Social Ctr	212 S. Francisco	Chicago	IL	60612	12,000
Chicago Lights	126 E. Chestnut St.	Chicago	IL	60611	1,500
Children's Literacy Initiative	2314 Market St, 3rd Floor	Philadelphia	PA	19103	2,000
Christ the King Jesuit College Prep High School	5088 W. Jackson Blvd	Chicago	IL	60644	5,000
Christopher House	2507 N. Greenview	Chicago	IL	60614	2,500
Circle of Friends	709 48th St	Western Springs	IL	60558	3,000
Community Support Services, Inc	9021 Ogden Ave	Brookfield	IL	60513	1,000
Congregation of the Mission Midwest Province	13663 Rider Trail North	Earth City	MO	63045	5,000
Devin Shafron Memorial Book Fund	758 Deerfield Rd, Suite G	Deerfield	IL	60015	5,000
Donka Inc	400 N. County Farm Road	Wheaton	IL	60187	1,428
Driscoll Catholic High School	555 N. Lombard Road	Addison	IL	60101	5,000
Dupage Children's Museum	301 North Washington Street	Naperville	IL	60540	1,000
Elim Christian Services	13020 S. Central	Palos Heights	IL	60463	1,000
Erie Elementary Charter School	2510 W. Cortez St.	Chicago	IL	60622	1,000
Erikson Institute	420 N. Wabash Ave	Chicago	IL	60611	5,000
Experimental Station	6100 S. Blackstone	Chicago	IL	60637	2,500
Fairfield University	1073 N. Benson Rd.	Fairfield	CT	6824	10,000
Family Matters	7731 N. Marshfield Avenue	Chicago	IL	60626	2,500
Founders Fund, Inc.	707 Gulf Park Drive	Naples	FL	34108	5,000
Friedman Place	5527 N. Maplewood	Chicago	IL	60625	2,000
GADS Hill Center	1919 W. Cullerton	Chicago	IL	60608	2,000
Gilda's Club Chicago	537 N. Wells St.	Chicago	IL	60610	2,000
Glenkirk Foundation	3504 Commercial Ave.	Northbrook	IL	60062	1,500
Glenwood School For Boys and Girls	41 W. 400 Silver Glen Rd	St. Charles	IL	60175	7,500
Highsight	1107 N. Orleans St.	Chicago	IL	60610	3,000
Holy Cross Church & School	724 Elder Lane	Deerfield	IL	60015	5,000
Holy Family Ministries	790 Frontage Rd #415	Northfield	IL	60093	2,500
Horizons for Youth	703 W. Monroe St	Chicago	IL	60661	5,000
Illinois Institute of Technology	10 W. 35th St., Suite 1700	Chicago	IL	60616	7,500
Ingalls Development Foundation	One Ingalls Drive	Harvey	IL	60426	20,189
John Paul II Newman Center	700 S. Morgan St	Chicago	IL	60607	2,500
La Rabida Children's Hospital	East 65th St at Lake Michigan	Chicago	IL	60649	2,000
Lawrence Hall Youth Services	4833 N. Francisco Ave	Chicago	IL	60625	2,000
Lexington College	310 S. Peoria	Chicago	IL	60607	2,000
Little Sisters of the Poor	80 W. Northwest Hwy	Palatine	IL	60067	5,000
Madonna Foundation	1055 W. 175th St, Suite 202	Homewood	IL	60430	2,500
Marine Corps Law Enforcement Foundation	P.O. Box 37	Mountain Lakes	NJ	07046	20,000
Maywood Fine Arts Association	25 N. Fifth Avenue	Maywood	IL	60153	2,000
Mercy Home for Boys and Girls	1140 W. Jackson Blvd	Chicago	IL	60607	250
Metropolitan Family Services	One N. Dearborn, 10th Floor	Chicago	IL	60602	2,000
Midtown Educational Foundation	718 S. Loomis	Chicago	IL	60607	2,500
Misericordia Heart of Mercy	6300 N. Ridge	Chicago	IL	60660	1,542



Montini Catholic High School	16 W. 070 17th St	Lombard	IL	60148	2,500
Museum of Science and Industry	57th Street & Lake Shore Drive	Chicago	IL	60637	5,000
Nobel Street Charter School	1010 N Noble Street	Chicago	IL	60622	2,500
Noblesville Schools Educational Foundation	P O. Box 724	Noblesville	IN	46061	5,000
Northwestern University	2020 Ridge Avenue	Evanston	IL	60308	5,050
Notre Dame High School For Boys	7655 W Dempster St.	Niles	IL	60714	6,000
Our Lady of Tepeyac High School	2228 S Whipple St.	Chicago	IL	60623	3,000
Pacific Garden Mission	646 S State St.	Chicago	IL	60605	3,000
Pactt Learning Center	P O. Box 492	Oak Park	IL	60303	6,000
Project Exploration	5521 S. Blackstone Avenue	Chicago	IL	60637	1,500
Queen Of Peace High School	7659 South Linder	Burbank	IL	60459	2,500
Roseland Training Center	235 E. 136th Pl.	Chicago	IL	60827	1,500
Sacred Heart School	6250 N Sheridan Road	Chicago	IL	60660	2,500
San Miguel Schools	1949 W. 48th St	Chicago	IL	60609	15,000
Sisters of St. Joseph of La Grange	1515 W. Ogden Ave	La Grange Park	IL	60526	5,000
Special Education Advocacy Center	1935 S Plum Grove Rd PMB #274	Palatine	IL	60067	1,500
St Augustine College	1345 W. Argyle St	Chicago	IL	60640	2,000
St Benedict School	2324 New St	Blue Island	IL	60406	5,000
St. Dorothy School	7740 S. Eberhart Ave	Chicago	IL	60619	5,000
St. Gregory The Great High School	1677 W. Bryn Mawr Ave	Chicago	IL	60660	3,000
St. Ignatius College Prep	1076 W. Roosevelt Rd	Chicago	IL	60608	3,000
St. James Catholic School	140 North Avenue	Highwood	IL	60040	5,000
St. John Berchmans Parish	2511 W Logan Blvd	Chicago	IL	60647	3,799
St. Joseph College Seminary	6551 N. Sheridan Rd.	Chicago	IL	60626	5,000
St. Martin de Porres High School	501 S. Martin Luther King Ave	Waukegan	IL	60085	2,500
St. Patrick High School	5900 W. Belmont Ave	Chicago	IL	60634	2,500
St. Paul Lutheran School	846 N Menard	Chicago	IL	60651	1,680
St. Scholastica Academy	7416 N. Ridge Blvd.	Chicago	IL	60645	3,000
St. Vincent DePaul Center	2145 N. Halsted St	Chicago	IL	60614	2,500
St. Xavier University	3700 W. 103rd St	Chicago	IL	60655	5,000
Start with the Heart	P O. Box 3859	Lisle	IL	60532	250
Tax Assistance Program	233 S Wacker Dr , Suite 9100	Chicago	IL	60606	2,500
Thresholds	4101 N Ravenswood	Chicago	IL	60613	1,000
Union Avenue Community Outreach	4350 S. Union Ave	Chicago	IL	60609	1,500
University of St. Mary of the lake/Mundelein Sem	1000 E. Maple Ave	Mundelein	IL	60060	3,000
Visitation Scholarship Fund	900 West Garfield Boulevard	Chicago	IL	60609	10,000
Wellness House	131 N. County Line Road	Hinsdale	IL	60521	5,000
WTTW Channel 11	5400 N. St. Louis Avenue	Chicago	IL	60625	3,000
Youth Crossroads, Inc	6412 W. 27th St	Berwyn	IL	60402	2,000
Youth Job Center of Evanston, Inc.	1114 Church St.	Evanston	IL	60201	2,000

**TOTAL CONTRIBUTIONS**

**\$ 366,193**

**PROPERTY CONTRIBUTION**

	<u>Description of Property</u>	<u>Method to Determine Book Value</u>	<u>Method to Determine FMV</u>	<u>Date of Gift</u>	<u>FMV</u>
St. Matthias Parish 2310 W. Aimsle Chicago, IL 60625	1,678 Shs Southern Union Co	Average price on date received as determined by the mean value - New York Stock Exchange.	Average price on date contributed as determined by the mean value - New York Stock Exchange.	11/1/2007	\$ 52,664
Big Shoulders Fund One First National Plaza, Suite 2500 Chicago, IL 60603	936 Shs Hub Group Inc CL A	Average price on date received as determined by the mean value - New York Stock Exchange.	Average price on date contributed as determined by the mean value - New York Stock Exchange.	11/1/2007	\$ 23,035



Big Shoulders Fund One First National Plaza, Suite 2500 Chicago, IL 60603	37 Shs Southern Union Co	Average price on date received as determined by the mean value - New York Stock Exchange	Average price on date contributed as determined by the mean value - New York Stock Exchange	11/1/2007	\$ 1,161
Misericordia Home 6300 N Ridge Chicago, IL 60660	981 Shs Hub Group Inc. CL A	Average price on date received as determined by the mean value - New York Stock Exchange.	Average price on date contributed as determined by the mean value - New York Stock Exchange	11/1/2007	\$ 24,142
Marianjoy Foundation 26W171 Roosevelt Road Wheaton, IL 60187	1,465 Shs Northern Trust Corp	Average price on date received as determined by the mean value - New York Stock Exchange	Average price on date contributed as determined by the mean value - New York Stock Exchange	4/2/2008	\$ 104,513
Nazareth Academy 1209 W. Ogden Avenue LaGrange Park, IL 60526	480 Shs Wal-Mart Stores, Inc.	Average price on date received as determined by the mean value - New York Stock Exchange.	Average price on date contributed as determined by the mean value - New York Stock Exchange.	4/2/2008	\$ 26,134

TOTAL CONTRIBUTIONS

\$ 597,843

STATEMENT OF PURPOSE OF ABOVE CONTRIBUTION

The above-listed contributions were made to the general fund of each organization for their exempt purposes

STATEMENT OF FOUNDATION STATUS OF RECIPIENT

All of the above-listed entities are public charities Therefore, none of the recipients are private foundations



FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS  
=====

ATTN: LAURA K. SMITH  
SEE APPLICATION ATTACHED



990PF, PART XV - RESTRICTIONS OR LIMITATIONS ON AWARDS  
=====

GRANTS ARE MADE PRIMARILY TO EDUCATIONAL ORGANIZATIONS IN THE  
CHICAGO AREA.



# The Donald P. & Byrd M. Kelly Foundation

The Donald P. and Byrd M. Kelly Foundation was established in 1987 to provide financial assistance to organizations and institutions for individuals who are involved in providing or seeking formal education. The Foundation concentrates its efforts in the Chicago Metropolitan area.

Those wishing to request a grant must complete this application and submit it, along with the information requested.

The Foundation makes grants semi-annually on March 31st and October 31st of each year.

Requests for grants on these dates must be submitted no later than February 1st and September 1st, respectively. Clear, concise statement of objectives will receive priority consideration.

## APPLICATION FOR GRANT

1. Name, Address & Telephone Of Organization

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Federal Tax Identification No

2. Person To Receive Communications Regarding This Application

Name & Title

3. Form Of Organization

(Corporation, Association, Trust)

4. Brief Description Of Organization

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5. Year Organized

6. Summary Of Grant Request (answer in space provided)

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7. Amount Of Grant Request

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8. Total Endowment Funds \$ As Of [date]

9. For The Latest Fiscal Year: Total Contributions \$  
Other Revenues\$ Total Expenses

10 List Other Private & Public Funding Sources For This  
Particular Request. [please use additional sheets if needed]

 Applicant Organization: \_\_\_\_\_

11. Required Attachments

- a. Grant Proposal. [1-2 pages]
- b. Current Year's Detailed Budget Including Both Projected Expenses & Revenues. Categorize Expenses Under Program, General & Administrative, & Fundraising Project Budget [if available]
- c. Audited Financial Statements For The Latest Fiscal Year
- d. Current List Of Principal Officers & Directors  
Percentage Of Directors/Trustees Contributing For Latest Fiscal Year Board Meeting Dates For Latest Fiscal Year.
- e. Copy of Internal Revenue Service Determination That Applicant Is An Exempt Organization Under Section 501(C)3.
- f. Qualifications Of Professional Program Staff [if Applicable]
- g. Be Sure Application Is Signed & Items 5,6 &7 are Answered Completely On Face Of Application.

Dated \_\_\_\_\_ By. \_\_\_\_\_  
Signature

Print Name & Title \_\_\_\_\_

12. The Undersigned Executive Officer Hereby Certifies that

- a. The Information Set Forth In This Application & Supporting Documents Is Correct To The Best Of His Or Her Information & Belief
- b. The Internal Revenue Service Determination Referred To in 11(C) Above Has Not Been Revoked, Canceled Or Modified.
- c. No Funds Received Pursuant To This Application Will Be Used For Activities Prohibited By The Internal Revenue Code Of 1986, As Amended

Return Application &  
Supporting Documents To:  
Donald P. & Byrd M. Kelly Foundation  
701 Harger Road, Suite 190  
Oak Brook, Illinois 60523  
(630) 575-2344







**FORM 990-PF - PART IV**  
**CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		TOTAL CAPITAL GAIN DISTRIBUTIONS					2,352.	
250,000.		250,000 COOPER INDUSTRIES 5.250% PROPERTY TYPE: SECURITIES 250,000.				P	12/03/2005	07/01/2007
200,000.		200,000 APPLIED MATLS INC. SENIOR NOTES PROPERTY TYPE: SECURITIES 200,000.				P	11/19/2001	10/15/2007
200,000.		200,000 FEDERAL FARM CREDIT BANK 4.81% PROPERTY TYPE: SECURITIES 198,516.				P	11/30/2005	12/31/2007
200,000.		200,000 FEDERAL HOME LOAN BANK 5.625% PROPERTY TYPE: SECURITIES 200,000.					12/12/2006	12/17/2007
200,000.		200,000 FEDERAL HOME LOAN BANK 5.05% PROPERTY TYPE: SECURITIES 200,000.				P	03/20/2007	03/20/2008
300,000.		300,000 TRW INC. MEDIUM TERM SENIOR NOTE PROPERTY TYPE: SECURITIES 300,000.				P	07/11/2001	05/19/2008
250,000.		250,000 SUNTRUST BANKS 6.25% PROPERTY TYPE: SECURITIES 250,000.				P	07/20/2004	06/01/2008
250,000.		250,000 NORTHERN TRUST MEDIUM TERM SENIO PROPERTY TYPE: SECURITIES 250,000.				P	11/20/2001	06/02/2008
40,302.		2,500 NUVEEN REAL ESTATE INC. FUND PROPERTY TYPE: SECURITIES 52,910.				P	09/17/2007	02/22/2008
22,791.		600 SHS BANK OF AMERICA CORP PROPERTY TYPE: SECURITIES 25,306.				P	02/11/2008	04/09/2008
							-12,608.	
							-2,515.	



**FORM 990-PF - PART IV**  
**CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
77,200.		1,600 SHS BRIGHT HORIZONS FAMILY PROPERTY TYPE: SECURITIES 70,291.				P	02/11/2008	05/29/2008
							6,909.	
NONE		DENALI CAPITAL CLO II PROPERTY TYPE: SECURITIES 22,240.				P	01/01/2005	06/30/2008
							-22,240.	
NONE		DENALI CAPITAL CLO III PROPERTY TYPE: SECURITIES 35,028.				P	07/15/2003	06/30/2008
							-35,028.	
TOTAL GAIN (LOSS) .....							----- -61,646. =====	