Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

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

OMB No 1545-0052

2010

For calendar year 2010, of tax year beginning , and ending

G Check all that apply [ ] Initial return [ ] Initial return of a former public charity [ ] Final return
[ ] Amended return [ ] Address change [ ] Name change

Name of foundation
RICHARD KALVELAGE GIFT TRUST
JAMES J. MCNALLY, TRUSTEE

Number and street (or P O box number if mail is not delivered to street address) Room/suite
PO BOX 164

City or town, state, and ZIP code
NELIGH NE 68756-0164

A Employer identification number
47-6234969

B Telephone number (see page 10 of the instructions)
402-887-5022

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
[X] Section 4947(a)(1) nonexempt charitable trust [ ] Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 1,799,221

J Accounting method [ ] Cash [X] 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)
Revenue 1	Contributions, gifts, grants, etc , received (attach schedule)				
2	Check ▶ [X] if the foundation is **not** required to attach Sch B				
3	Interest on savings and temporary cash investments	619	619		
4	Dividends and interest from securities	13,920	13,920		
5a	Gross rents	155,962	155,962		
b	Net rental income or (loss) -83,183				
6a	Net gain or (loss) from sale of assets not on line 10	87,771			
b	Gross sales price for all assets on line 6a 362,462				
7	Capital gain net income (from Part IV, line 2)		87,771		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns & allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule) Stmt 1	12,058	12,058		
12	**Total.** Add lines 1 through 11	270,330	270,330	0	
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc	30,000			
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule) See Stmt 2	12,938	12,938		
b	Accounting fees (attach schedule) Stmt 3	7,200	1,200		
c	Other professional fees (attach schedule) Stmt 4	18,673	17,263		
17	Interest	9	9		
18	Taxes (attach schedule) (see page 14 of the instructions) Stmt 5	24,734	22,439		
19	Depreciation (attach schedule) and depletion Stmt 6	42,233	42,233		
20	Occupancy	3,000			
21	Travel, conferences, and meetings	8,527	8,527		
22	Printing and publications				
23	Other expenses (att sch) Stmt 7	134,536	134,536		
24	**Total operating and administrative expenses.** Add lines 13 through 23	281,850	239,145	0	0
25	Contributions, gifts, grants paid	93,655			93,655
26	**Total expenses and disbursements.** Add lines 24 and 25	375,505	239,145	0	93,655
27	Subtract line 26 from line 12				
a	**Excess of revenue over expenses and disbursements**	-105,175			
b	**Net investment income** (if negative, enter -0-)		31,185		
c	**Adjusted net income** (if negative, enter -0-)			0	

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For Paperwork Reduction Act Notice, see page 30 of the instructions.

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Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets					
1	Cash—non-interest-bearing		613	1,071	1,071
2	Savings and temporary cash investments		107,364	243,267	243,267
3	Accounts receivable ▶	9,594			
	Less allowance for doubtful accounts ▶	0	13,989	9,594	9,594
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 15 of the instructions)				
7	Other notes and loans receivable (att schedule) ▶ See Wrk	170,476			
	Less allowance for doubtful accounts ▶	0	179,245	170,476	170,476
8	Inventories for sale or use				
9	Prepaid expenses and deferred charges				
10a	Investments—U S and state government obligations (attach schedule)				
b	Investments—corporate stock (attach schedule) See Stmt 8		59,071	2,896	2,896
c	Investments—corporate bonds (attach schedule)				
11	Investments—land, buildings, and equipment basis ▶				
	Less accumulated depreciation (attach sch) ▶				
12	Investments—mortgage loans				
13	Investments—other (attach schedule) See Statement 9		2,031	3,666	3,666
14	Land, buildings, and equipment basis ▶	1,521,533			
	Less accumulated depreciation (attach sch) ▶ Stmt 10	202,827	1,559,568	1,318,706	1,320,000
15	Other assets (describe ▶ See Statement 11)		6,511	48,251	48,251
16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)		1,928,392	1,797,927	1,799,221
Liabilities					
17	Accounts payable and accrued expenses		28,918	3,628	
18	Grants payable				
19	Deferred revenue				
20	Loans from officers, directors, trustees, and other disqualified persons				
21	Mortgages and other notes payable (attach schedule)				
22	Other liabilities (describe ▶)				
23	**Total liabilities** (add lines 17 through 22)		28,918	3,628	
Net Assets or Fund Balances					
	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.				
24	Unrestricted				
25	Temporarily restricted				
26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.				
27	Capital stock, trust principal, or current funds		1,899,474		
28	Paid-in or capital surplus, or land, bldg , and equipment fund				
29	Retained earnings, accumulated income, endowment, or other funds			1,794,299	
30	**Total net assets or fund balances** (see page 17 of the instructions)		1,899,474	1,794,299	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)		1,928,392	1,797,927	

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	1,899,474
2	Enter amount from Part I, line 27a	2	-105,175
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,794,299
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,794,299

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	1 QUARTER LAND & IRRIGATION EQUIP.	P	03/01/07	06/15/10
b	1684 SHARES PROFAC	P	10/01/92	12/21/00
c	563 SHARES PROFAC	P	01/01/92	03/15/10
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	306,000	31,408	249,707	87,701
b	42,387		42,317	70
c	14,075		14,075	
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				87,701
b				70
c				
d				
e				

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	87,771
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see 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))
2009	111,374	1,944,464	0.057277
2008	126,016	2,216,351	0.056857
2007	126,959	2,432,442	0.052194
2006	113,429	2,783,724	0.040747
2005	148,193	2,036,400	0.072772

2 **Total** of line 1, column (d)	2	0.279847
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	0.055969
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	1,738,718
5 Multiply line 4 by line 3	5	97,314
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	312
7 Add lines 5 and 6	7	97,626
8 Enter qualifying distributions from Part XII, line 4	8	93,655

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 ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	624
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0
3	Add lines 1 and 2	3	624
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	624
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a		
b	Exempt foreign organizations—tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments Add lines 6a through 6d	7	
8	Enter any **penalty** for underpayment of estimated tax Check here ☒ if Form 2220 is attached	8	17
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	641
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ Refunded ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		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)?	1b		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?	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? If "Yes," attach a detailed description of the activities	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	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? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	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	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ NE			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	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 ▶ JAMES J. MCNALLY Telephone no ▶ 402-887-5022
PO BOX 164
Located at ▶ NELIGH NE ZIP+4 ▶ 68756-0164

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

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

				Yes	No
1a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? **(Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	N/A	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))				
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 20 , 20 , 20 , 20				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 22 of the instructions)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20 , 20 , 20 , 20				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2010 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 2010)	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?		4b		X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc , organization described in section 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)? N/A **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53 4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 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
JAMES J MCNALLY-TRUSTEE NELIGH PO BOX 164 NE 68756-0164	TRUSTEE 15 00	30,000	0	0

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 ▶ 0

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 ▶

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 (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 N/A	
2	
All other program-related investments See page 24 of the instructions 3	
Total. Add lines 1 through 3 ▶	

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	211,193
b	Average of monthly cash balances	1b	176,158
c	Fair market value of all other assets (see page 25 of the instructions)	1c	1,377,845
d	**Total** (add lines 1a, b, and c)	1d	1,765,196
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	1,765,196
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	26,478
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,738,718
6	**Minimum investment return.** Enter 5% of line 5	6	86,936

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	86,936
2a	Tax on investment income for 2010 from Part VI, line 5 — 2a: 624		
b	Income tax for 2010 (This does not include the tax from Part VI) — 2b:		
c	Add lines 2a and 2b	2c	624
3	Distributable amount before adjustments Subtract line 2c from line 1	3	86,312
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	86,312
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	86,312

Part XII Qualifying Distributions (see page 25 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	93,655
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	93,655
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	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	93,655

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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Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				86,312
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			91,403	
b Total for prior years 20____ , 20____ , 20____				
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f **Total** of lines 3a through e				
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 93,655				
a Applied to 2009, but not more than line 2a			91,403	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2010 distributable amount				2,252
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				84,060
7 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)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

DAA

Part XIV . Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) .

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, 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			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see 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))

N/A

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

N/A

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

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see 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

JAMES MCNALLY 402-887-5022
PO BOX 164 NELIGH NE 68756-0164

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

See Statement 12

c Any submission deadlines

NONE

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

NONE

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year See Statement 13				93,655
Total			▶ 3a	93,655
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a			18		
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	619	
4 Dividends and interest from securities			14	13,920	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property			16	-83,183	
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	87,771	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b MISC			1	58	
c BAD DEBT COLLECTED			1	12,000	
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		31,185	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 31,185

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions)
N/A	

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

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

Sign Here

Under penalties of perjury I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

[signature] 8/18/11 TRUSTEE

Signature of officer or trustee — Date — Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed
ALVIN G. BECKMANN	Al Beckmann CPA	8/17/11	

Firm's name ▶	AUTEN, PRUSS & BECKMANN, P.C.	PTIN	P00053701
Firm's address ▶	P.O. BOX 916	Firm's EIN ▶	
	NORFOLK, NE 68702	Phone no	402-379-4488

Form **4562** Department of the Treasury Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172
2010
Attachment Sequence No **67**

Name(s) shown on return: RICHARD KALVELAGE GIFT TRUST
JAMES J. MCNALLY, TRUSTEE

Identifying number: 47-6234969

Business or activity to which this form relates: RENTAL PROPERTIES

Part I — Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	

8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011 Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property Instead, use Part V

Part II — Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III — MACRS Depreciation (Do not include listed property) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	42,233
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV — Summary (See instructions)

21	Listed property Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	42,233
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2010)

DAA

There are no amounts for Page 2

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
MISC	$ 58	$ 58	$
BAD DEBT COLLECTED	12,000	12,000	
Total	$ 12,058	$ 12,058	$ 0

Statement 2 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
RENTAL PROPERTIES	$ 12,938	$ 12,938	$	$
Total	$ 12,938	$ 12,938	$ 0	$ 0

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING -OUTSIDE SERVICE	$ 6,000	$	$	$
RENTAL PROPERTIES	1,200	1,200		
Total	$ 7,200	$ 1,200	$ 0	$ 0

Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
OTHER PROFESSIONAL FEES-FEES, ET	$ 1,410	$	$	$
RENTAL PROPERTIES	17,263	17,263		
Total	$ 18,673	$ 17,263	$ 0	$ 0

Federal Statements

Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
COMMERCIAL PROPERTIES-REAL ESTA	$ 726	$ 726	$	$
FARM PROPERTIES-PROPERTY TAXES	14,560	14,560		
STORAGE UNITS-REAL ESTATE TAXES	7,153	7,153		
PAYROLL TAXES	2,295			
Total	$ 24,734	$ 22,439	$ 0	$ 0

Statement 6 - Form 990-PF, Part I, Line 19 - Depreciation

Description / Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
WARD 6- DRUG STORE							
8/01/01	$ 22,000	$ 4,724	S/L	39	$ 564	$ 564	$
WARD 6-LAND							
8/01/01	3,000			0			
WARD 9-DRUG STORE							
8/01/01	12,000	2,462	S/L	39	307	307	
WARD 9-LAND							
8/01/01	3,000			0			
DENTIST OFFICE-BUILDING							
8/01/01	33,750	7,284	S/L	39	865	865	
DENTIST OFFICE							
8/01/01	11,250			0			
REMODEL-STORAGE ROOM							
2/10/03	17,856	3,148	S/L	39	458	458	
CARPET & LABOR							
8/17/07	2,131	1,517	200DB	5	246	246	
LAND							
5/05/06	35,000			0			
UNITS							
5/05/06	140,000	13,013	S/L	39	3,590	3,590	
COSTS							
5/05/06	227	21	S/L	39	6	6	
PROFESSIONAL FEES							
5/05/06	3,482	324	S/L	39	89	89	
ADDITIONAL IMPROVEMENTS							
4/09/07	44,496	3,090	S/L	39	1,141	1,141	

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description							
Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
FENCING							
5/08/07	$ 19,878	$ 3,379	S/L	39	$ 497	$ 497	$
LAND							
6/30/06	66,000			0			
UNITS							
6/30/06	264,000	23,974	S/L	39	6,770	6,770	
COSTS							
6/30/06	152	14	S/L	39	4	4	
PROFESSIONAL FEES							
6/30/06	6,000	545	S/L	39	154	154	
PROFESSIONAL FEES							
1/01/07	7,327	556	S/L	39	188	188	
FENCING							
1/01/07	54,200	9,214	S/L	39	1,355	1,355	
PAVING							
1/01/07	33,602	2,549	S/L	39	861	861	
ADDITIONAL IMPROVEMENTS							
1/19/07	13,500	1,024	S/L	39	346	346	
ASPHALT							
7/02/07	18,350	3,120	S/L	39	458	458	
IMPROVE							
7/01/07	11,120	1,890	S/L	39	278	278	
CARPET							
6/27/07	3,433	2,444	200DB	5	396	396	
WINDOWS							
5/15/07	5,102	343	S/L	39	131	131	
LAND							
3/07/07	160,006			0			
IRRIGATION SYSTEM							
3/07/07	21,500	8,567	S/L	10	2,150	2,150	
IRRIGATION WELL							
3/07/07	21,500	8,567	S/L	10	2,150	2,150	
IRRIGATION MOTOR							
3/07/07	3,500	1,395	S/L	10	350	350	
IRRIGATION TANK							
3/07/07	1,500	598	S/L	10	150	150	
LAND							
3/01/07	320,004			0			

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
2 IRRIGATION SYSTEMS, MOTORS, TANKS							
3/01/07	$ 70,000	$ 27,893	S/L	10	$ 7,000	$ 7,000	$
2 IRRIGATION WELLS							
3/01/07	50,000	19,923	S/L	10	5,000	5,000	
GRAIN BIN (36x22)							
3/01/07	20,000	7,969	S/L	10	2,000	2,000	
2 SET DROP NOZZLES							
5/11/07	8,809	3,510	S/L	10	881	881	
CONTROL PANEL							
5/11/07	5,629	2,243	S/L	10	282	282	
ADDITIONAL DRAINAGE							
5/08/08	13,860	1,040	S/L	39	346	346	
LAND							
3/01/07	160,002			0			
1 IRRIGATION SYSTEM, MOTOR, TANK							
3/01/07	35,000	13,946	S/L	10	1,750	1,750	
1 IRRIGATION WELL							
3/01/07	25,000	9,962	S/L	10	1,250	1,250	
1 SET DROP NOZZLES							
5/11/07	4,404	1,755	S/L	10	220	220	
Total	$ 1,751,570	$ 192,003			$ 42,233	$ 42,233	$ 0

Statement 7 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
RENTAL PROPERTIES				
FARM CUSTOM WORK	13,302	13,302		
RENTALS-CHEMICALS	16,013	16,013		
RENTALS-FERTILIZER	39,218	39,218		
RENTALS-SEED	22,105	22,105		
RENTALS-FUEL	13,825	13,825		
DUES & SUBSCRIPTIONS	24	24		
RENTAL-SUPPLIES	774	774		
FINANCE CHARGES	224	224		

Federal Statements

Statement 7 - Form 990-PF, Part I, Line 23 - Other Expenses (continued)

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
PERMITS/FEES	$ 73	$ 73	$	$
RENTALS-INSURANCE	9,706	9,706		
RENTALS-ADVERTISING	789	789		
RENTALS-REPAIRS	10,511	10,511		
RENTALS-UTILITIES	5,346	5,346		
Expenses				
BAD DEBTS	2,039	2,039		
BANK CHARGES	587	587		
Total	$ 134,536	$ 134,536	$ 0	$ 0

Federal Statements

Statement 8 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
PATRONAGE DIVIDEND RETAINED STOCK	$ 2,896	$ 2,896	Cost	$ 2,896
	56,175		Market	
Total	$ 59,071	$ 2,896		$ 2,896

Statement 9 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
TAX LIEN CERTIFICATES	$ 2,031	$ 3,666	Market	$ 3,666
Total	$ 2,031	$ 3,666		$ 3,666

Statement 10 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
	$ 801,305	$ 923,273	$ 202,827	$ 721,740
	758,263	598,260		598,260
Total	$ 1,559,568	$ 1,521,533	$ 202,827	$ 1,320,000

Statement 11 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
RENTAL SHARE-FIELD CROPS	$ 6,511	$ 48,251	$ 48,251
Total	$ 6,511	$ 48,251	$ 48,251

Statement 12 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
PAPER APPLICATIION AMOUNT OF REQUEST AND PURPOSE FOR USE OF FUNDS

Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description
NONE

Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description
NONE

Federal Statements

Statement 13 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name Address	Address Relationship	Status	Purpose	Amount
NELIGH OAKDALE JAWS /LIFE NELIGH NE 68756	LOCAL	501(C) 3 ORG	EQUIPMENT	10,000
POPE JOHN CENTRAL CATHOLI ELGIN NE 68636	LOCAL	501(C) 3 ORG	COMMUNITY ACTIVITY	2,000
ANTELOPE COUNTY FOOD PANT NELIGH NE 68756	LOCAL	501(C) 3 ORG	UNRESTRICTED	5,000
ANTELOPE HISTORICAL SOCIE NELIGH NE 68756	LOCAL	501(C) 3 ORG	UNRESTRICTED	5,000
NELIGH PARK FOUNDATION NELIGH NE 68756	LOCAL	501(C) 3 ORG	PARK IMPROVEMENTS	500
ST JOHN CATHOLIC CHURCH CLEARWATER NE 68726	LOCAL	501(C) 3 ORG	CUMMUNITY ACTIVITY	1,500
CREIGHTON UNIVERSITY OMAHA NE 68178	LOCAL	501(C) 3 ORG	RESEARCH	20,000
UNIVERSITY OF NEBRASKA LI LINCOLN NE 68588	LOCAL	501(C) 3 ORG	RESEARCH	20,000
KNIGHTS OF COLUMBUS #2411 ELGIN NE 68636	LOCAL	501(C) 3 ORG	COMMUNITY ACTIVITY	1,000
ELGIN POPE JOHN DEVELOP. ELGIN NE 68636	LOCAL	501(C) 3 ORG	COMMUNITY ACTIVITY	2,000
ELGIN POPE JOHN DEVELOP. ELGIN NE 68636	LOCAL	501(C) 3 ORG	COMMUNITY ACTIVITY	1,000
ELGIN POPE JOHN POST PROM ELGIN NE 68636	LOCAL	501(C) 3 ORG	COMMUNITY ACTIVITY	250
ANTELOPE CO BREAD/JAM FES NELIGH NE 68756	LOCAL	501(C) 3 ORG	COMMUNITY ACTIVITY	3,000
ST BONIFACE CHURCH ELGIN NE 68636	LOCAL	501(C) 3 ORG	COMMUNITY ACTIVITY	280
ST FRANCIS CHURCH NELIGH NE 68756	LOCAL	501(C) 3ORG	BUILDING IMPROVEMENTS	5,000
ELGIN POPE JOHN CENTRAL C ELGIN NE 68636	LOCAL	501(C) 3 ORG	BUILDING IMPROVEMENTS	10,000
ELGIN SENIOR CENTER ELGIN NE 68636	LOCAL	501(C) 3 ORG	UNRESTRICTED	2,500
DESTINATION IMAGINATION NELIGH NE 68756	LOCAL	501(C) 3 ORG	YOUTH ACTIVITY	1,000
NEBRASKA STATE HISTORICAL LINCOLN NE 68501	LOCAL	501(C) 3 ORG	COMMUNITY ACTIVITY	1,000

Federal Statements

Statement 13 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
ANTELOPE COUNTY RESOURCE NELIGH NE 68756	LOCAL	501(C) 3 ORG	IMPROVEMENTS	125
WEST CEDAR VALLEY CEMETAR ELGIN NE 68636	LOCAL	501(C) 3 ORG	IMPROVEMENTS	2,500
Total				93,655

RICHARD KALVELAGE GIFT TRUST
JAMES J. MCNALLY, TRUSTEE
PO BOX 164
NELIGH, NE 68756-0164

Treatment of Qualifying Distributions Election

Under IRC Section 4942(h)(2) and Reg. 53 4942(a)-3(d)(2), the nonoperating private foundation elects to treat current year qualifying distributions in excess of the immediately preceding tax year's undistributed income as being made out of:

[X] Undistributed income from the tax years ending:

Tax Year	Amount
2010	$2,252

[ ] Corpus

/S/ James J. McNally

Name James J. McNally

Title Trustee

Federal Statements

Taxable Interest on Investments

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs ($ or %)
FINANCIAL INSTITUTIONS	$ 619		14		
Total	$ 619				

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs ($ or %)
LAND CONTRACT INTEREST	$ 12,958		14		
STOCK DIVIDEND	962		14		
Total	$ 13,920				

Description		Amount
COMMERCIAL PROPERTY RENTS	$	5,350
STORAGE UNITS RENT		37,486
TOWER RENTS		1,565
FARM PROPERTY-CROPS		104,438
FARM PROPERTY-STALK RENT		7,123
Total	$	155,962

Form **8868**
(Rev January 2011)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ ☐
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit www irs gov/efile and click on e-file for Charities & Nonprofits

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension-check this box and complete Part I only ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Type or print File by the due date for filing your return See instructions	Name of exempt organization	**Employer identification number**
	RICHARD KALVELAGE GIFT TRUST JAMES J. MCNALLY, TRUSTEE	47-6234969
	Number, street, and room or suite no If a P O box, see instructions PO BOX 164	
	City, town or post office, state, and ZIP code For a foreign address, see instructions NELIGH NE 68756-0164	

Enter the Return code for the return that this application is for (file a separate application for each return) ☐

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶

  Telephone No ▶ FAX No ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ If this is for the whole group, check this box ▶ ☐ If it is for part of the group, check this box ▶ ☐ and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until , to file the exempt organization return for the organization named above The extension is for the organization's return for

▶ ☐ calendar year or

▶ ☐ tax year beginning , and ending

2 If this tax year entered in line 1 is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	3b	$
c	**Balance due.** Subtract line 3b from line 3a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	$

Caution If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

Forms **990 / 990-PF**

Other Notes and Loans Receivable

2010

For calendar year 2010, or tax year beginning , and ending

Name	Employer Identification Number
RICHARD KALVELAGE GIFT TRUST JAMES J. MCNALLY, TRUSTEE	47-6234969

Form 990-PF, Part II, Line 7 - Additional Information

	Name of borrower	Relationship to disqualified person
(1)	RONALD EISCHEID	NONE
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

	Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)	251,250	01/15/02	01/15/07	YEARLY	7.000
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

	Security provided by borrower	Purpose of loan
(1)		SALE OF FARM PER WILL
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

	Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)		179,245	170,476	170,476
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
Totals		179,245	170,476	170,476