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

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning , and ending

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

A Employer identification number
47-6234969

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

B Telephone number (see instructions) 402-887-5022

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

C If exemption application is pending, check here ▶ ☐

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

D 1 Foreign organizations, check here ▶ ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization ☐ Section 501(c)(3) exempt private foundation
☒ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 1,644,169

J Accounting method ☐ Cash ☒ Accrual ☐ Other (specify)
(Part I, column (d) must be on cash basis)

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

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

		(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 ▶ ☒ if the foundation is **not** required to attach Sch B				
3	Interest on savings and temporary cash investments	106	106		
4	Dividends and interest from securities	11,644	11,644		
5a	Gross rents	214,989	214,989		
b	Net rental income or (loss) 27,173				
6a	Net gain or (loss) from sale of assets not on line 10				
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		0		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	**Total.** Add lines 1 through 11	226,739	226,739	0	
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc	0			
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule) See Stmt 1	24,230	24,230		
b	Accounting fees (attach schedule) Stmt 2	5,173	5,173		
c	Other professional fees (attach schedule) Stmt 3	19,916	13,916		
17	Interest				
18	Taxes (attach schedule) (see instructions) Stmt 4	20,296	20,296		
19	Depreciation (attach schedule) and depletion Stmt 5	38,615	38,615		
20	Occupancy	3,000			
21	Travel, conferences, and meetings	9,488	8,098		
22	Printing and publications				
23	Other expenses (att sch) Stmt 6	77,488	77,488		
24	**Total operating and administrative expenses.** Add lines 13 through 23	198,206	187,816	0	0
25	Contributions, gifts, grants paid	85,846			85,846
26	**Total expenses and disbursements.** Add lines 24 and 25	284,052	187,816	0	85,846
27	Subtract line 26 from line 12				
a	**Excess of revenue over expenses and disbursements**	-57,313			
b	**Net investment income** (if negative, enter -0-)		38,923		
c	**Adjusted net income** (if negative, enter -0-)			0	

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For Paperwork Reduction Act Notice, see 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	(c) Fair Market Value
Assets 1	Cash – non-interest-bearing		1,059	1,029	1,029
2	Savings and temporary cash investments		83,456	8,775	8,775
3	Accounts receivable ▶				
	Less allowance for doubtful accounts ▶		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 instructions)				
7	Other notes and loans receivable (att schedule) ▶ See Wrk	150,992			
	Less allowance for doubtful accounts ▶	0	161,074	150,992	150,992
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 7		2,896	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 8		3,666	6,606	6,606
14	Land, buildings, and equipment basis ▶	1,532,935			
	Less accumulated depreciation (attach sch) ▶ Stmt 9	280,174	1,279,974	1,252,761	1,320,000
15	Other assets (describe ▶ See Statement 10)		91,150	153,871	153,871
16	**Total assets** (to be completed by all filers – see the instructions Also, see page 1, item I)		1,632,869	1,576,930	1,644,169
Liabilities 17	Accounts payable and accrued expenses		1,126		
18	Grants payable			2,500	
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)		1,126	2,500	
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				
28	Paid-in or capital surplus, or land, bldg , and equipment fund				
29	Retained earnings, accumulated income, endowment, or other funds		1,631,743	1,574,430	
30	**Total net assets or fund balances** (see instructions)		1,631,743	1,574,430	
31	**Total liabilities and net assets/fund balances** (see instructions)		1,632,869	1,576,930	

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	1,631,743
2	Enter amount from Part I, line 27a	2	-57,313
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,574,430
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	1,574,430

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Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P – Purchase D – Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	N/A			
b				
c				
d				
e				

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

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

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

2 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**

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)
If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 **3**

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	85,847	1,731,145	0.049590
2010	93,655	1,738,718	0.053864
2009	111,374	1,944,464	0.057277
2008	126,016	2,216,351	0.056857
2007	126,959	2,432,442	0.052194

2 **Total** of line 1, column (d)	2	0.269782
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	0.053956
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	1,659,820
5 Multiply line 4 by line 3	5	89,557
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	389
7 Add lines 5 and 6	7	89,946
8 Enter qualifying distributions from Part XII, line 4	8	85,846

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	778
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	778
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	778
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 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	795
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 2013 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 Instructions for the 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 ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
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 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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? 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

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Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	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
1008 S STREET 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 N/A

			Yes	No
16	At any time during calendar year 2012, 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 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 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 2012?	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 20 , 20 , 20 , 20				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement – see instructions)	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 2012 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 2012)	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 2012?		4b		X

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 instructions)	☐ Yes ☒ No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No		
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?	N/A	5b	
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A ☐ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53 4945–5(d)			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b	X
	If "Yes" to 6b, file Form 8870			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	7b	

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JAMES J MCNALLY-TRUSTEE NELIGH 1008 S STREET PO BOX 164 NE 68756-0164	TRUSTEE 15.00	0	0	0

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

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

Total number of other employees paid over $50,000 ▶ 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 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 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 instructions 3	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes				
a	Average monthly fair market value of securities			1a	47,160
b	Average of monthly cash balances			1b	164,065
c	Fair market value of all other assets (see instructions)			1c	1,473,871
d	**Total** (add lines 1a, b, and c)			1d	1,685,096
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	1,685,096
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)			4	25,276
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4			5	1,659,820
6	**Minimum investment return.** Enter 5% of line 5			6	82,991

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part)

1	Minimum investment return from Part X, line 6			1	82,991
2a	Tax on investment income for 2012 from Part VI, line 5	2a	778		
b	Income tax for 2012 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	778
3	Distributable amount before adjustments Subtract line 2c from line 1			3	82,213
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	82,213
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	82,213

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	1a	85,846
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	85,846
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	85,846

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 instructions)

		(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1	Distributable amount for 2012 from Part XI, line 7				82,213
2	Undistributed income, if any, as of the end of 2012				
a	Enter amount for 2011 only			84,770	
b	Total for prior years 20____ , 20____ , 20____				
3	Excess distributions carryover, if any, to 2012				
a	From 2007				
b	From 2008				
c	From 2009				
d	From 2010				
e	From 2011				
f	**Total** of lines 3a through e				
4	Qualifying distributions for 2012 from Part XII, line 4 ▶ $ 85,846				
a	Applied to 2011, but not more than line 2a			84,770	
b	Applied to undistributed income of prior years (Election required – see instructions)				
c	Treated as distributions out of corpus (Election required – see instructions)				
d	Applied to 2012 distributable amount				1,076
e	Remaining amount distributed out of corpus				
5	Excess distributions carryover applied to 2012 (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 instructions				
e	Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount – see instructions				
f	Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				81,137
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8	Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9	**Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a				
10	Analysis of line 9				
a	Excess from 2008				
b	Excess from 2009				
c	Excess from 2010				
d	Excess from 2011				
e	Excess from 2012				

DAA

Part XIV Private Operating Foundations (see 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 2012, 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) 2012	(b) 2011	(c) 2010	(d) 2009	(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 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 instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed

JAMES J. MCNALLY 402-887-5022
1008 S STREET 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 11

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 12				85,846
Total			▶ **3a**	85,846
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 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	106	
4 Dividends and interest from securities			14	11,644	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property			16	27,173	
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		38,923	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 38,923

(See worksheet in line 13 instructions to verify calculations)

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

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

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		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) is based on all information of which preparer has any knowledge

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

[signature], Trustee 8-14-13 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	8/14/13	

Firm's name ▶	AUTEN, PRUSS & BECKMANN, P.C.	PTIN	P00053701
Firm's address ▶	P.O. BOX 916	Firm's EIN ▶	47-0699068
	NORFOLK, NE 68702	Phone no	402-379-4488

DAA

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
RENTAL PROPERTY-STORAGE	$ 6,428	$ 6,428	$	$
RENTAL PROPERTY-FARM	12,898	12,898		
RENTAL PROPERTY-OTHER	4,904	4,904		
Total	$ 24,230	$ 24,230	$ 0	$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING -OUTSIDE SERVICE	$ 3,973	$ 3,973	$	$
ACCOUNTING -OUTSIDE SERVICE	1,200	1,200		
Total	$ 5,173	$ 5,173	$ 0	$ 0

Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
OTHER PROFESSIONAL FEES-FEES, ET	$ 6,000	$	$	$
OUTSIDE SERVICES-I 35	1,325	1,325		
OUTSIDE SERVICES-A 1	12,591	12,591		
Total	$ 19,916	$ 13,916	$ 0	$ 0

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
RENTAL-COMM PROP REAL ESTATE	$ 704	$ 704	$	$
RENTAL-FARM PROP REAL ESTATE	11,036	11,036		
RENTAL-STORAGE UNIT REAL EST	7,040	7,040		
RENTAL-OTHER TAXES	65	65		
OTHER PROPERTY TAXES	1,451	1,451		
Total	$ 20,296	$ 20,296	$ 0	$ 0

Statement 5 - 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	$ 5,853	S/L	39	$ 564	$ 564	$
WARD 6-LAND							
8/01/01	3,000			0			
WARD 9-DRUG STORE							
8/01/01	12,000	3,077	S/L	39	308	308	
WARD 9-LAND							
8/01/01	3,000			0			
DENTIST OFFICE-BUILDING							
8/01/01	33,750	9,014	S/L	39	866	866	
DENTIST OFFICE							
8/01/01	11,250			0			
REMODEL-STORAGE ROOM							
2/10/03	17,856	4,063	S/L	39	458	458	
CARPET & LABOR							
8/17/07	2,131	2,008	200DB	5	123	123	
LAND							
5/05/06	35,000			0			
UNITS							
5/05/06	140,000	20,192	S/L	39	3,590	3,590	
COSTS							
5/05/06	227	33	S/L	39	6	6	
PROFESSIONAL FEES							
5/05/06	3,482	502	S/L	39	89	89	

Statement 5 - 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
ADDITIONAL IMPROVEMENTS							
4/09/07	$ 44,496	$ 5,372	S/L	39	$ 1,141	$ 1,141	$
FENCING							
5/08/07	19,878	4,373	S/L	39	497	497	
LAND							
6/30/06	66,000			0			
UNITS							
6/30/06	264,000	37,513	S/L	39	6,769	6,769	
COSTS							
6/30/06	152	22	S/L	39	4	4	
PROFESSIONAL FEES							
6/30/06	6,000	853	S/L	39	153	153	
PROFESSIONAL FEES							
1/01/07	7,327	932	S/L	39	187	187	
FENCING							
1/01/07	54,200	11,924	S/L	39	1,355	1,355	
PAVING							
1/01/07	33,602	4,272	S/L	39	862	862	
ADDITIONAL IMPROVEMENTS							
1/19/07	13,500	1,716	S/L	39	346	346	
ASPHALT							
7/02/07	18,350	4,037	S/L	39	459	459	
IMPROVE							
7/01/07	11,120	2,446	S/L	39	278	278	
CARPET							
6/27/07	3,433	3,235	200DB	5	198	198	
WINDOWS							
5/15/07	5,102	605	S/L	39	131	131	
LAND							
3/07/07	160,006			0			
IRRIGATION SYSTEM							
3/07/07	21,500	12,867	S/L	10	2,150	2,150	
IRRIGATION WELL							
3/07/07	21,500	12,867	S/L	10	2,150	2,150	
IRRIGATION MOTOR							
3/07/07	3,500	2,095	S/L	10	350	350	

Federal Statements

Statement 5 - 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
IRRIGATION TANK							
3/07/07	$ 1,500	$ 898	S/L	10	$ 150	$ 150	$
LAND							
3/01/07	320,004			0			
2 IRRIGATION SYSTEMS, MOTORS, TANKS							
3/01/07	70,000	41,893	S/L	10	7,000	7,000	
2 IRRIGATION WELLS							
3/01/07	50,000	29,923	S/L	10	5,000	5,000	
GRAIN BIN (36x22)							
3/01/07	20,000	11,969	S/L	10	2,000	2,000	
2 SET DROP NOZZLES							
5/11/07	8,809	5,272	S/L	10	881	881	
ADDITIONAL DRAINAGE							
5/08/08	13,860	1,733	S/L	39	346	346	
PICKETT HEAD							
11/07/12	11,400		S/L	7	204	204	
Total	$ 1,532,935	$ 241,559			$ 38,615	$ 38,615	$ 0

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
RENTAL PROPERTIES				
RENTAL-CUSTOM WORK	15,466	15,466		
RENTALS-CHEMICALS	3,798	3,798		
RENTALS-FERTILIZER	15,761	15,761		
RENTALS-SEED	11,745	11,745		
RENTALS-FUEL	10,001	10,001		
RENTAL-SUPPLIES	193	193		
RENTAL-TRUCKING	1,264	1,264		
PERMITS/FEES	10	10		
RENTALS-INSURANCE	7,927	7,927		
RENTALS-ADVERTISING	769	769		
RENTALS-REPAIRS	4,658	4,658		
RENTALS-UTILITIES	4,505	4,505		
RENTALS-BANK CHARGES	543	543		
RENTAL-DUES & SUBSCRIPTIONS	848	848		
Total	$ 77,488	$ 77,488	$ 0	$ 0

Statement 7 - 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	$ 2,896	$ 2,896	Cost	$ 2,896
Total	$ 2,896	$ 2,896		$ 2,896

Statement 8 - 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	$ 3,666	$ 6,606	Market	$ 6,606
Total	$ 3,666	$ 6,606		$ 6,606

Federal Statements

Statement 9 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
	$ 681,714	$ 934,675	$ 280,174	$
	598,260	598,260		
Total	$ 1,279,974	$ 1,532,935	$ 280,174	$ 0

Statement 10 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
RENTAL SHARE-FIELD CROPS	$ 91,150	$ 153,871	$ 153,871
Total	$ 91,150	$ 153,871	$ 153,871

Statement 11 - 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 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name / Address	Address / Relationship	Status	Purpose	Amount
NELIGH-YOUNG MENS CLUB NELIGH NE 68756	LOCAL NONE	501(C) 3 ORG	COMMUNITY ACTIVITY	350
POPE JOHN CENTRAL CATHOLI ELGIN NE 68636	LOCAL NONE	501(C) 3 ORG	COMMUNITY ACTIVITY	2,500
ANTELOPE COUNTY FOOD PANT NELIGH NE 68756	LOCAL NONE	501(C) 3 ORG	UNRESTRICTED	5,000
ANTELOPE HISTORICAL SOCIE NELIGH NE 68756	LOCAL NONE	501(C) 3 ORG	UNRESTRICTED	5,000
NELIGH PARK FOUNDATION NELIGH NE 68756	LOCAL NONE	501(C) 3 ORG	PARK IMPROVEMENTS	1,000
ST JOHN CATHOLIC CHURCH CLEARWATER NE 68726	LOCAL NONE	501(C) 3 ORG	COMMUNITY IMPROVEMENT	5,000
CREIGHTON UNIVERSITY OMAHA NE 68178	LOCAL NONE	501(C) 3 ORG	RESEARCH	15,000
UNIVERSITY OF NEBRASKA LI LINCOLN NE 68588	LOCAL NONE	501(C) 3 ORG	RESEARCH	15,000
KNIGHTS OF COLUMBUS #2411 ELGIN NE 68636	LOCAL NONE	501(C) 3 ORG	COMMUNITY ACTIVITY	250
ELGIN POPE JOHN DEVELOP. ELGIN NE 68636	LOCAL NONE	501(C) 3 ORG	COMMUNITY ACTIVITY	2,000
ELGIN POPE JOHN POST PROM ELGIN NE 68636	LOCAL NONE	501(C) 3 ORG	COMMUNITY ACTIVITY	250
ANTELOPE CO BREAD/JAM FES NELIGH NE 68756	LOCAL NONE	501(C) 3 ORG	COMMUNITY ACTIVITY	3,000
BETHANY PRESBYTERIAN CHURCH NELIGH NE 68756	LOCAL NONE	501(C) 3 ORG	COMMUNITY ACTIVITY	2,500
ELGIN POPE JOHN ELGIN NE 68636	LOCAL NONE	501(C) 3 ORG	UNRESTRICTED	15,000
SCOUT TROOP 167 NELIGH NE 68756	LOCAL NONE	501(C) 3 ORG	UNRESTRICTED	750
UNITED METHODIST CHURCH NELIGH NE 68756	LOCAL NONE	501(C) 3 ORG	IMPROVEMENTS	746
NELIGH JAWS OF LIFE NELIGH NE 68756	LOCAL NONE	501(C) 3 ORG	EQUIPMENT	5,000
NELIGH INDUSTRIAL DEVELOPMENT NELIGH NE 68756	LOCAL NONE	501(C) 3 ORG	UNRESTRICTED	3,000
WHEELER CENTRAL PUBLIC SCHOOL BARLETT NE 68622	LOCAL NONE	501(C) 3 ORG	EQUIPMENT	2,000

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
ELGIN POPE JOHN EVE W/ FRIENDS ELGIN NE 68636	LOCAL NONE	501(C)3 ORG	COMMUNITY ACTIVITY	2,000
ST BONIFACE GEM CLUB ELGIN NE 68636	LOCAL NONE	501(C)3 ORG	COMMUNITY ACTIVITY	500
Total				85,846

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
2012
Attachment Sequence No **179**

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 2011 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 2013 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 2012	17	38,411
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 2012 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		11,400	7.0	MQ	S/L	204
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 2012 Tax Year Using the Alternative Depreciation System

(a) Classification of property	(b)	(c)	(d)	(e)	(f)	(g)
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	38,615
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.

DAA

There are no amounts for Page 2

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

Electing out of Bonus Depreciation Allowance for 7-Year Property

The taxpayer elects out of first-year bonus depreciation allowance under IRC Section 168(k) for 7-year depreciable property acquired after December 31, 2007. This election applies to all such qualified bonus depreciation property placed in service during the tax year.

Year Ended: December 31, 2012 47-6234969

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
2012	$1,076

[ ] Corpus

/S/ James J. McNally

Name James J. McNally

Title Trustee

Forms **990 / 990-PF**

Other Notes and Loans Receivable

For calendar year 2012, or tax year beginning , and ending

2012

Name: RICHARD KALVELAGE GIFT TRUST
JAMES J. MCNALLY, TRUSTEE

Employer Identification Number: 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)		161,074	150,992	150,992
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
Totals		161,074	150,992	150,992

Federal Statements

Taxable Interest on Investments

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs ($ or %)
FINANCIAL INSTITUTIONS	$ 106		14		
Total	$ 106				

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs ($ or %)
LAND CONTRACT INTEREST	$ 11,644		14		
Total	$ 11,644				

Form **8868** (Rev January 2013) 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 ▶ [X]
- 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

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions RICHARD KALVELAGE GIFT TRUST JAMES J. MCNALLY, TRUSTEE	Employer identification number (EIN) or 47-6234969
File by the due date for filing your return See instructions	Number, street, and room or suite no If a P O box, see instructions PO BOX 164	Social security number (SSN)
	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) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	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 ▶ JAMES J. MCNALLY
  1008 S STREET PO BOX 164
  NELIGH NE 68756-0164

  Telephone No ▶ 402-887-5022 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 08/15/13 , to file the exempt organization return for the organization named above The extension is for the organization's return for
 ▶ [X] calendar year 2012 or
 ▶ [ ] tax year beginning , and ending

2 If the 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	$ 0
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	$ 0
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	$ 0

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