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Form **990-PF**

Return of Private Foundation

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

OMB No 1545-0052

2013Department of the Treasury
Internal Revenue Service

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Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

Open to Public Inspection

For calendar year 2013 or tax year beginning , and ending

Name of foundation Kroll Foundation			A Employer identification number 99-6071711	
Number and street (or P.O. box number if mail is not delivered to street address) 702 Pahumele Way		Room/suite	B Telephone number (see instructions) (808) 262-7112	
City or town Kailua	State HI	ZIP code 96734		
Foreign country name	Foreign province/state/county	Foreign postal code	C If exemption application is pending, check here <input type="checkbox"/>	
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input checked="" type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change			D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
H Check type of organization: <input type="checkbox"/> Section 501(c)(3) exempt private foundation <input checked="" type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 656,363		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 <input type="checkbox"/>	

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)
1	Contributions, gifts, grants, etc., received (attach schedule)	5,000			
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	573	573		
5a	Gross rents	97,035	97,035		
b	Net rental income or (loss) -25,000				
6a	Net gain or (loss) from sale of assets not on line 10	2,279			
b	Gross sales price for all assets on line 6a 19,065				
7	Capital gain net income (from Part IV, line 2)		2,279		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less: Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)	-1,522	-1,522		
12	Total. Add lines 1 through 11	103,365	98,365		
13	Compensation of officers, directors, trustees, etc.				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule)				
c	Other professional fees (attach schedule)	9,975	9,975		
17	Interest	23,348	23,348		
18	Taxes (attach schedule) (see instructions)	16,557	16,557		
19	Depreciation (attach schedule) and depletion	8,979	8,979		
20	Occupancy				
21	Travel, conferences, and meetings	1,736	1,736		
22	Printing and publications				
23	Other expenses (attach schedule)	61,448	61,448		
24	Total operating and administrative expenses. Add lines 13 through 23	122,043	122,043		
25	Contributions, gifts, grants paid	6,155			6,155
26	Total expenses and disbursements. Add lines 24 and 25	128,198	122,043		6,155
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-24,833			
b	Net investment income (if negative, enter -0-)				
c	Adjusted net income (if negative, enter -0-)				

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	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
sets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments		5,119	5,119
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	55,497	12,776	10,641
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment: basis ▶ 569,150			
		Less: accumulated depreciation (attach schedule) ▶ 8,979		560,171	573,431
sets	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	93,807	62,551	62,635
	14	Land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶ See Attached Statement)		4,537	4,537
	16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	149,304	645,154	656,363
sets	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)		420,876	
	22	Other liabilities (describe ▶ See Attached Statement)	5,819	90,546	
	23	Total liabilities (add lines 17 through 22)	5,819	511,422	
sets		Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	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	143,485	133,732	
	30	Total net assets or fund balances (see instructions)	143,485	133,732	
	31	Total liabilities and net assets/fund balances (see instructions)	149,304	645,154	

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	143,485
2	Enter amount from Part I, line 27a	2	-24,833
3	Other increases not included in line 2 (itemize) ▶ See Attached Statement	3	25,202
4	Add lines 1, 2, and 3	4	143,854
5	Decreases not included in line 2 (itemize) ▶ See Attached Statement	5	10,122
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	133,732

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	40 2401shrs HEI, Inc	P	3/13/2004	5/24/2013
b	674 7599shrs HEI, Inc	P	3/13/2020	5/24/2013
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 1,075		993	82
b 17,990		15,793	2,197
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			82
b			2,197
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	2,279
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	2,197

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.

(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))
2012			0.000000
2011			0.000000
2010			0.000000
2009			0.000000
2008			0.000000

2 Total of line 1, column (d)	2	0.000000
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	0.000000
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4 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.	8	

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 <input type="checkbox"/> 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 <input type="checkbox"/> and enter 1% of Part I, line 27b	1		
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		
3	Add lines 1 and 2	3		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5		
6	Credits/Payments:			
a	2013 estimated tax payments and 2012 overpayment credited to 2013	6a	237	
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c	500	
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7		737
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		737
11	Enter the amount of line 10 to be Credited to 2014 estimated tax <input type="checkbox"/> 737 Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b	N/A	
5		X
6		X
7	X	
8a		
8b	X	
9		X
10		X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	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? Website address ► n/a	13	X	
14	The books are in care of ► Douglas Kroll Telephone no. ► 808-262-7112 Located at ► 702 Pahumele Way Kailua HI ZIP+4 ► 96734			
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	15		
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did 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)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	N/A
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 2013?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2013 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 2013)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?	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))?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?			5b	N/A
Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>				
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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			6b	X
If "Yes" to 6b, file Form 8870				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?			7b	N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Joni Denise Kroll 702 Pahumele Way Kailua, HI 96734	Trustee 50			
Douglas Kroll 702 Pahumele Way Kailua, HI 96734	Trustee 50			

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



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	

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	9,600
b	Average of monthly cash balances	1b	5,300
c	Fair market value of all other assets (see instructions)	1c	650,603
d	Total (add lines 1a, b, and c)	1d	665,503
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	420,876
3	Subtract line 2 from line 1d	3	244,627
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	3,669
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	240,958
6	Minimum investment return. Enter 5% of line 5	6	12,048

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	12,048
2a	Tax on investment income for 2013 from Part VI, line 5	2a	
b	Income tax for 2013 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	12,048
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	12,048
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	12,048

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	6,155
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	6,155
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	6,155

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				12,048
2 Undistributed income, if any, as of the end of 2013:				
a Enter amount for 2012 only				
b Total for prior years 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2013:				
a From 2008				
b From 2009				
c From 2010			3,525	
d From 2011			2,307	
e From 2012			5,763	
f Total of lines 3a through e	11,595			
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ \$ 6,155				
a Applied to 2012, but not more than line 2a				
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 2013 distributable amount				6,155
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a))	5,893			5,893
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	5,702			
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 2012 Subtract line 4a from line 2a. Taxable amount—see instructions				
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				
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 2008 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	5,702			
10 Analysis of line 9:				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012			5,702	
e Excess from 2013				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling					
b Check box to indicate whether the foundation is a private operating foundation described in section	<input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)				
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
	(a) 2013	(b) 2012	(c) 2011	(d) 2010	
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))

NONE

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

NONE

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

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

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

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

- c** Any submission deadlines.

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

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year Unity Church of Hawaii 3608 Diamond Head Circle Honolulu, HI 96815 Windward Unity Church 109 Hekili Street Kailua, HI 96734 Hawaii Autism Foundation PO Box 2775 Honolulu, HI 96803 Kailua Shambala Meditation Center 25 Kaneohe Bay Drive, Ste 205 Kailua, HI 96734 Le Jardin Academy 917 Kalaniana'ole Highway Kailua, HI 96734			charitable charitable charitable charitable charitable	50 5,205 200 200 500
Total			3a	6,155
b Approved for future payment				
Total			3b	

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. | | |

[illegible]

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

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign
Here**

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

Signature of officer or trustee

2-11-15
Date Title

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

**Paid
Preparer
Use Only**

Print/Type preparer's name

Eli Zollo

Preparer's signature

Date

11/17/2014

Check ☐ if self-employed

PTIN

P00569657

Firm's name ► Zollo Investment Corporation

Firm's EIN ▶ 26-3251362

Firm's address ► 46-022 Alaloa Street, Suite 209, Kaneohe, HI 96744

Phone no (808) 255-7411

Schedule K-1
(Form 1065)

Department of the Treasury

2013

For calendar year 2013, or tax

Form 4562 Statement - Sch E: 01

12/31/2013

Item No.	Description of Property	Date Placed In Service	Asset Code	Business Use %	Cost or Other Basis	Sec. 179 Deduction	Credit	Special Allowance	Salvage Value	Recovery Basis	Recovery Period	Method	Convention Code	Prior Accum. Deprec., 179, Bonus	2013 Deprec.	2013 Accum. Deprec.
Depreciation Detail																
GDS 15-year property (Line 19e)																
	Improvements	12/19/2013	R-2	100.00%	9,550					9,550	15	150DB	MQ4		119	119
	Total GDS 15-year property (Line 19e)				9,550					9,550					119	119
GDS residential rental property (Line 19h)																
	Rental Dwelling - Unit 101	7/10/2013	R-4	100.00%	132,900					132,900	27.5	SL/GDS	MM		2,215	2,215
	Rental Dwelling - Unit 201	7/10/2013	R-4	100.00%	132,900					132,900	27.5	SL/GDS	MM		2,215	2,215
	Rental Dwelling - Unit 202	7/10/2013	R-4	100.00%	132,900					132,900	27.5	SL/GDS	MM		2,215	2,215
	Rental Dwelling - Unit 301	7/10/2013	R-4	100.00%	132,900					132,900	27.5	SL/GDS	MM		2,215	2,215
	Total GDS residential rental property (Line 19h)				531,600					531,600					8,860	8,860
Subtotal Depreciation																
					541,150					541,150					8,979	8,979
Total Amortization (Line 44)																
	Points - Loan #31398-15	7/10/2013	Z-13	100.00%	2,528					2,528	5	SL	FM		253	253
	Loan Costs - #31398-15	7/10/2013	Z-13	100.00%	2,051					2,051	5	SL	FM		205	205
	Total Amortization (Line 44)				4,579					4,579					458	458
Total Depreciation and Amortization																
					545,729					545,729					9,437	9,437

Form 4562 Reconciliation

Annual depreciation and amortization	9,437
Special allowance except listed property (Line 14) - current year assets	
Special allowance - listed property (Line 25) - current year assets	
Section 179 amount claimed (includes prior year disallowed)	
Section 179 amount to be depreciated (Qualified Real Property)	
Section 179 amount carried forward to future year	
Section 179 deduction (Line 12)	
Less amortization included in total annual depreciation and amortization (Line 44)	458
Form 4562, Line 22	8,979

Assets by Classification - Sch E: 01

Kroll Foundation 99-6071711

12/31/2013

Item No	Description of Property *** indicates DISPOSED	Date Placed In Service	Asset Code	Business Use %	Cost or Other Basis	Sec 179 Deduction	Credit	Special Allowance	Salvage Value	Recovery Basis	Recovery Period	Method	Convention Code	Prior Accum Deprec, 179, Bonus	2013 Deprec	2013 Accum Deprec
Land																
	Rental Land - Unit 101	7/10/2013	N-1	100.00%	7,000					7,000						
	Rental Land - Unit 201	7/10/2013	N-1	100.00%	7,000					7,000						
	Rental Land - Unit 202	7/10/2013	N-1	100.00%	7,000					7,000						
	Rental Land - Unit 301	7/10/2013	N-1	100.00%	7,000					7,000						
	Total: Land				28,000					28,000						
15-yr Land Improvements																
	Improvements	12/19/2013	R-2	100.00%	9,550					9,550	15	150DB	MQ4		119	119
	Total: 15-yr Land improvements				9,550					9,550					119	119
27.5-yr Residential rental real estate																
	Rental Dwelling - Unit 101	7/10/2013	R-4	100.00%	132,900					132,900	27.5	SL/GDS	MM		2,215	2,215
	Rental Dwelling - Unit 201	7/10/2013	R-4	100.00%	132,900					132,900	27.5	SL/GDS	MM		2,215	2,215
	Rental Dwelling - Unit 202	7/10/2013	R-4	100.00%	132,900					132,900	27.5	SL/GDS	MM		2,215	2,215
	Rental Dwelling - Unit 301	7/10/2013	R-4	100.00%	132,900					132,900	27.5	SL/GDS	MM		2,215	2,215
	Total 27.5-yr Res rental real estate				531,600					531,600					8,860	8,860
Amortization - 461 - Points																
	Points - Loan #31398-15	7/10/2013	Z-13	100.00%	2,528					2,528	5	SL	FM		253	253
	Loan Costs - #31398-15	7/10/2013	Z-13	100.00%	2,051					2,051	5	SL	FM		205	205
	Total Amort - 461 - Points				4,579					4,579					458	458
	SubTotals				573,729					573,729					9,437	9,437
	Less: Disposed Assets				()					()					()	()
	Ending Totals				573,729					573,729					9,437	9,437

Detail Report - Sch E: 01

Kroll Foundation 99-6071711

12/31/2013

573,729

573,729

Item No	Description of Property ***** indicates DISPOSED	Date Placed in Service	Asset Code	Business Use %	Cost or Other Basis	Sec. 179 Deduction	Credit	Special Allowance	Salvage Value	Recovery Basis	AMT Type	Recovery Period	Method
	Rental Dwelling - Unit 101	7/10/2013	R-4	100.00%	132,900					132,900		27.5	SL/GDS
	Rental Land - Unit 101	7/10/2013	N-1	100.00%	7,000					7,000			
	Rental Dwelling - Unit 201	7/10/2013	R-4	100.00%	132,900					132,900		27.5	SL/GDS
	Rental Land - Unit 201	7/10/2013	N-1	100.00%	7,000					7,000			
	Rental Dwelling - Unit 301	7/10/2013	R-4	100.00%	132,900					132,900		27.5	SL/GDS
	Rental Land - Unit 301	7/10/2013	N-1	100.00%	7,000					7,000			
	Rental Dwelling - Unit 301	7/10/2013	R-4	100.00%	132,900					132,900		27.5	SL/GDS
	Rental Land - Unit 301	7/10/2013	N-1	100.00%	7,000					7,000			
	Improvements	12/19/2013	R-2	100.00%	9,550					9,550		15	150DB
	Points - Loan #31398-15	7/10/2013	Z-13	100.00%	2,528					2,528		5	SL
	Loan Costs - #31398-15	7/10/2013	Z-13	100.00%	2,051					2,051		5	SL
Sub Totals					573,729					573,729			
Less: Disposed Assets					()					()			
Ending Totals					573,729					573,729			

Detail Report - Sch E: 01

12/31/2013		9,437				9,437	
Item No.	Description of Property "***" indicates DISPOSED	Date Placed in Service	Con-vention Code	Prior Accum. Deprec., 179, Bonus	2013 Current Deprec.	2013 Accum. Deprec.	
	Rental Dwelling - Unit 101	7/10/2013	MM		2,215	2,215	
	Rental Land - Unit 101	7/10/2013					
	Rental Dwelling - Unit 201	7/10/2013	MM		2,215	2,215	
	Rental Land - Unit 201	7/10/2013					
	Rental Dwelling - Unit 202	7/10/2013	MM		2,215	2,215	
	Rental Land - Unit 202	7/10/2013					
	Rental Dwelling - Unit 301	7/10/2013	MM		2,215	2,215	
	Rental Land - Unit 301	7/10/2013					
	Improvements	12/19/2013	MQ4		119	119	
	Points - Loan #31398-15	7/10/2013	FM		253	253	
	Loan Costs - #31398-15	7/10/2013	FM		205	205	
SubTotals					9,437	9,437	
Less: Disposed Assets				(0) (0) (0)	
Ending Totals					9,437	9,437	

990-PF, Part I, Line 1, Schedule of Contributions

Description		Total
1	Douglas E Kroll	2,500
2	Joni D Kroll	2,500
Total		5,000

Part I, Line 11 (990-PF) - Other Income

		-1,522	-1,522	
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	from Olomana LLC - Schedule K-1 (Form 1065)	-1,522	-1,522	

Part I, Line 16c (990-PF) - Other Professional Fees

		9,975	9,975	
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income Disbursements for Charitable Purposes (Cash Basis Only)
1	Tax return preparation and accounting	9,975	9,975	

Part I, Line 18 (990-PF) - Taxes

		16,557	16,557	
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income Disbursements for Charitable Purposes
1	Foreign tax - E*Trade	7	7	
2	Real estate taxes	16,550	16,550	

Part I, Line 19 (990-PF) - Depreciation and Depletion

		8,979		8,979		8,979		8,979	
Description		Date Acquired	Method of Computation	Asset Life	Cost or Other Basis	Beginning Accumulated Depreciation	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	Rental Dwellings - Units 101, 201, 202, 301	7/10/2013	SL/GDS MM	27.5	531,600		8,860	8,860	
2	Rental Improvements	12/19/2013	150DB MQ4	15	9,550		119	119	

Part I, Line 23 (990-PF) - Other Expenses

		61,448	61,448		
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Advertising	709	709		
2	Cleaning and maintenance	15,192	15,192		
3	Insurance	2,705	2,705		
4	Managements fees	6,569	6,569		
5	Repairs	10,582	10,582		
6	Supplies	6,749	6,749		
7	Utilities	9,735	9,735		
8	Depreciation from Olomana LLC 20-29531211 (25%)	15,452	15,452		
9	Dues and subscriptions	2,104	2,104		
10	Amortization	771	771		
11	Bank service charges	741	741		
12	Management meetings	78	78		
13	Pest control	183	183		
14	Reduction of Expense - PAL Limit (see Form 8582)	-10,122	-10,122		

Part II, Line 10b (990-PF) - Investments - Corporate Stock

	Description	Num. Shares/ Face Value	Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year
1	Antis Software Inc	4,000	9,781		48	10,641
2	Cerus Corp	850	6,971	6,971	2,686	5,483
3	Composite Technology Corp	10,000	10,958		4	5
4	Evergreen Solar Inc	17	1,634			
5	Suntech Power Holdings Co Ltd ADR	1,100		785		572
6	Dodge & Cox Funds Intnl Stock Fund	106	5,020	5,020	3,687	4,581
7	E*Trade xx-9086 - Cash		16,052		16,052	
8	E*Trade xx-9510 - Cash		5,081		5,081	

Part II, Line 11 (990-PF) - Investments - Land, Buildings, and Equipment

		569,150	8,979	560,171	573,431
		Cost or Other Basis	Accumulated Depreciation	Book Value End of Year	FMV End of Year
1	Asset Description				
1	Real Estate - apartment bldg units	531,600	8,860	522,740	535,800
2	Real Estate - apartment bldg land	28,000		28,000	28,200
3	Real Estate - apartment improvements	9,550	119	9,431	9,431

Part II, Line 13 (990-PF) - Investments - Other

		93,807	62,551	62,635
		Book Value	Book Value	FMV
		End of Year	End of Year	End of Year
Asset Description	Basis of Valuation	Book Value	Book Value	FMV
1 Investment in IPO - Vistalk	AT COST	10,000		
2 Investment in HEI	AT COST	17,357	1,101	1,185
3 Loan Rec - Overlook LLC	AT COST	60,000	60,000	60,000
4 Investment in Olomana LLC	AT COST	6,450	1,450	1,450

Part II, Line 15 (990-PF) - Other Assets

		4,537		4,537	
		Asset Description		Book Value End of Year	FMV End of Year
1	2	Loan acquisition - points		2,486	2,486
2	3	Loan acquisition - other costs		2,051	2,051

Part II, Line 21 (990-PF) - Mortgages and Other Notes Payable

		475,660		420,876		559,600								
Name of Lender	Title	Check "X" if Business	Original Amount	Balance Due Beg. of Year	Balance Due End of Year	Security Provided	Date of Note	Maturity Date	Repayment Terms	Interest Rate	Purpose of Loan	Description	Fair Market Value of Consideration	Relationship
1 Bank of the Bluegrass & Trust			475,660		420,876		7/10/2013	7/10/2033	20 years	4.25%	real estate investment	mortgage loan	559,600	

Part II, Line 22 (990-PF) - Other Liabilities

		5,819	90,546
Description		Beginning Balance	Ending Balance
1	Due to shareholders	5,819	5,819
2	Loan from Olomana LLC - real estate acquisition (down payment)		62,853
3	Loan from Olomana LLC - losses from real estate rentals (covered by Olomana LLC)		21,874

Part III (990-PF) - Changes in Net Assets or Fund Balances**Line 3 - Other increases not included in Part III, Line 2**

1	Adjustment for non-cashflow items: Depreciation and amortization expense	1	25,202
2	Total	2	25,202

Line 5 - Decreases not included in Part III, Line 2

1	Passive Activity Loss Limitation - Unallowed Losses (Carryforward to 2014)	1	10,122
2	Total	2	10,122

Elections

Election to NOT claim first-year special depreciation - All Property

Pursuant to IRC Section 168(k)(2)(D)(iii), the Taxpayer elects out of first-year special depreciation for all depreciable property placed in service during the current tax year

SCHEDULE E
(Form 1040)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Information about Schedule E and its separate instructions is at www.irs.gov/schedulee.

OMB No 1545-0074

2013

Attachment
Sequence No **13**

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

Kroll Foundation

Your social security number

99-6071711

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions) If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40

- A** Did you make any payments in 2013 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☐ No
B If "Yes," did you or will you file required Forms 1099? ☐ Yes ☐ No

1a	Physical address of each property (street, city, state, ZIP code)					
A	101 E High Street Units 101 201 202 301 Lexington, KY 40507					
B	Olomana LLC - 25% - 256 E High St (SEE SCHEDULE, K-1 OLOMANA LLC)					
C						
1b	Type of Property (from list below)	2	For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
A	2			A		<input type="checkbox"/>
B	2			B		<input type="checkbox"/>
C				C		<input type="checkbox"/>

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:		Properties:	A	B	C
3	Rents received	3	11,221	85,814	
4	Royalties received	4			
Expenses:					
5	Advertising	5		709	
6	Auto and travel (see instructions)	6		1,736	
7	Cleaning and maintenance	7		15,192	
8	Commissions	8			
9	Insurance	9	1,068	1,637	
10	Legal and other professional fees	10	5,698	4,277	
11	Management fees	11	1,300		
12	Mortgage interest paid to banks, etc. (see instructions)	12	8,107	15,241	
13	Other interest	13			
14	Repairs	14	1,185	9,397	
15	Supplies	15			
16	Taxes	16	9,610	6,940	
17	Utilities	17	499	9,236	
18	Depreciation expense or depletion	18	8,979		
19	Other (list) ▶ See attached statement	19	689	30,658	
20	Total expenses. Add lines 5 through 19	20	37,135	95,023	
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-25,914	-9,209	
22	Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	(18,445)	(6,555)	
23a	Total of all amounts reported on line 3 for all rental properties	23a		97,035	
23b	Total of all amounts reported on line 4 for all royalty properties	23b			
23c	Total of all amounts reported on line 12 for all properties	23c		23,348	
23d	Total of all amounts reported on line 18 for all properties	23d		8,979	
23e	Total of all amounts reported on line 20 for all properties	23e		132,158	
24	Income. Add positive amounts shown on line 21. Do not include any losses	24			
25	Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25	(25,000)		
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26		-25,000	

For Paperwork Reduction Act Notice, see the separate instructions.

Schedule E (Form 1040) 2013

Line 19 (Sch E (1040) Page 1) - Other Expense for 01

		Total	689
	Description	Full Amount	Allowed
1	Dues and subscriptions	231	231
2			
3			
4			
5			
6			
7			
8			
9	Amortization		458

Line 19 (Sch E (1040) Page 1) - Other Expense for Olomana

		Total	30,658
	Description	Full Amount	Allowed
1	Depreciation	61,807	15,452
2	Bank service charges	2,965	741
3	Dues and subscriptions	7,492	1,873
4	Property management	21,075	5,269
5	Supplies	26,995	6,749
6	Management meetings	310	78
7	Pest control	731	183
8	Amortization	1,251	313

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

OMB No 1545-0172

2013Attachment
Sequence No **179**

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return Kroll Foundation	Business or activity to which this form relates Sch E 01 - Residential Rental Units	Identifying number 99-6071711
---	--	----------------------------------

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	
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	
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 2012 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 2014. 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 2013	17	
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		<input type="checkbox"/>

Section B - Assets Placed in Service During 2013 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
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property		9,550	15	MQ	150DB	119
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property		531,600	27.5 yrs	MM	S/L	8,860
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System

20 a 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	8,979
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 (2013)

Part V

Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No				24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No				
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions).							25	
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.							29	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (do not include commuting miles).												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI**Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2013 tax year (see instructions):					
Points - Loan #31398-15	7/10/2013	2,528	461	5	253
Loan Costs - #31398-15	7/10/2013	2,051	461	5	205
43 Amortization of costs that began before your 2013 tax year				43	
44 Total. Add amounts in column (f). See the instructions for where to report.				44	458

Passive Activity Loss Limitations

OMB No 1545-1008

2013Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1041.

▶ Information about Form 8582 and its instructions is available at www.irs.gov/form8582.Attachment
Sequence No**88**

Name(s) shown on return

Kroll Foundation

Identifying number

99-6071711

Part I 2013 Passive Activity Loss**Caution: Complete Worksheets 1, 2, and 3 before completing Part I****Rental Real Estate Activities With Active Participation** (For the definition of active participation, see Special Allowance for Rental Real Estate Activities in the instructions)

1a Activities with net income (enter the amount from Worksheet 1, column (a))	1a		
b Activities with net loss (enter the amount from Worksheet 1, column (b))	1b	(35,123)	
c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))	1c	()	
d Combine lines 1a, 1b, and 1c.	1d	(35,123)	

Commercial Revitalization Deductions From Rental Real Estate Activities

2a Commercial revitalization deductions from Worksheet 2, column (a)	2a	()	
b Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b)	2b	()	
c Add lines 2a and 2b	2c	()	

All Other Passive Activities

3a Activities with net income (enter the amount from Worksheet 3, column (a))	3a		
b Activities with net loss (enter the amount from Worksheet 3, column (b))	3b	()	
c Prior years unallowed losses (enter the amount from Worksheet 3, column (c))	3c	()	
d Combine lines 3a, 3b, and 3c	3d		

4 Combine lines 1d, 2c, and 3d. If this line is zero or more, stop here and include this form with your return, all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Report the losses on the forms and schedules normally used.	4	(35,123)	
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If line 4 is a loss and

- Line 1d is a loss, go to Part II
- Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III
- Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, **do not** complete Part II or Part III. Instead, go to line 15**Part II Special Allowance for Rental Real Estate Activities With Active Participation****Note:** Enter all numbers in Part II as positive amounts. See instructions for an example

5 Enter the smaller of the loss on line 1d or the loss on line 4.	5	35,123	
6 Enter \$150,000. If married filing separately, see instructions	6	150,000	
7 Enter modified adjusted gross income, but not less than zero (see instructions)	7	573	
Note: If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.			
8 Subtract line 7 from line 6	8	149,427	
9 Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see instructions.	9	25,000	
10 Enter the smaller of line 5 or line 9	10	25,000	

If line 2c is a loss, go to Part III. Otherwise, go to line 15

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities**Note:** Enter all numbers in Part III as positive amounts. See the example for Part II in the instructions.

11 Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions	11		
12 Enter the loss from line 4	12		
13 Reduce line 12 by the amount on line 10	13		
14 Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13	14		

Part IV Total Losses Allowed

15 Add the income, if any, on lines 1a and 3a and enter the total	15		
16 Total losses allowed from all passive activities for 2013. Add lines 10, 14, and 15. See instructions to find out how to report the losses on your tax return.	16	25,000	

For Paperwork Reduction Act Notice, see instructions.

Form **8582** (2013)

Caution: The worksheets must be filed with your tax return. Keep a copy for your records.

Worksheet 1—For Form 8582, Lines 1a, 1b, and 1c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
Sch E. Residential Rental Units		25,914			25,914
Sch E: McGregor Properties - Olomana LLC		9,209			9,209
Total. Enter on Form 8582, lines 1a, 1b, and 1c		35,123			

Worksheet 2—For Form 8582, Lines 2a and 2b (See instructions.)

Name of activity	(a) Current year deductions (line 2a)	(b) Prior year unallowed deductions (line 2b)	(c) Overall loss
Total. Enter on Form 8582, lines 2a and 2b			

Worksheet 3—For Form 8582, Lines 3a, 3b, and 3c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 3a)	(b) Net loss (line 3b)	(c) Unallowed loss (line 3c)	(d) Gain	(e) Loss
Total. Enter on Form 8582, lines 3a, 3b, and 3c					

Worksheet 4—Use this worksheet if an amount is shown on Form 8582, line 10 or 14 (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a)
Sch E. Residential Rental Units	Sch E, Prop #1	25,914	0.737807	18,445	7,469
Sch E: McGregor Properties - Olomana LLC	Sch E, Prop #2	9,209	0.262193	6,555	2,654
Total		35,123	1.00	25,000	10,123

Worksheet 5—Allocation of Unallowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
Sch E. Residential Rental Units	Sch E, Prop #1	7,469	0.737825	7,469
Sch E: McGregor Properties - Olomana LLC	Sch E, Prop #2	2,654	0.262175	2,654
Total		10,123	1.00	10,123

Worksheet 6—Allowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
Sch E Residential Rental Units	Sch E, Prop #1	25,914	7,469	18,445
Sch E. McGregor Properties - Olomana LLC (25%)	Sch E, Prop #2	9,209	2,654	6,555
Total		35,123	10,123	25,000

Worksheet 7—Activities With Losses Reported on Two or More Forms or Schedules (See instructions.)

Name of activity:	(a)	(b)	(c) Ratio	(d) Unallowed loss	(e) Allowed loss
Form or schedule and line number to be reported on (see instructions): _____					
1a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions): _____					
1a Net loss plus prior year unallowed loss from form or schedule . ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions): _____					
1a Net loss plus prior year unallowed loss from form or schedule . ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Total ▶			1.00		