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## Return of Private Foundation

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

OMB No. 1545-0052

2015

Department of the Treasury  
Internal Revenue ServiceDo not enter social security numbers on this form as it may be made public.  
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Open to Public Inspection

For calendar year 2015 or tax year beginning MAY 1, 2015, and ending APR 30, 2016

Name of foundation

THE RAIL HERITAGE TRUST  
FIRST OPTION BANK, TRUSTEE

A Employer identification number

46-4327372

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

PO BOX B

Room/suite

B Telephone number

(913) 259-2110

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

PAOLA, KS 66071

G Check all that apply:

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

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year

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

J Accounting method:

☒ Cash☐ Accrual☐ Other (specify)

\$ 5,860,951. (Part I, column (d) must be on cash basis)

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

## Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

1	Contributions, gifts, grants, etc., received	67,531.		N/A	
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	58.	58.		STATEMENT 1
4	Dividends and interest from securities	210,287.	186,495.		STATEMENT 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	182.			
b	Gross sales price for all assets on line 6a	182.			
7	Capital gain net income (from Part IV, line 2)		19,460.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less: Cost of goods sold				
c	Gross profit or (loss)				
11	Other income	832.	832.		STATEMENT 3
12	Total. Add lines 1 through 11	278,890.	206,845.		
13	Compensation of officers, directors, trustees, etc	59,878.	11,976.		47,902.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees				
b	Accounting fees	3,975.	0.		3,975.
c	Other professional fees				
17	Interest				
18	Taxes	4,880.	0.		0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings	778.	0.		778.
22	Printing and publications				
23	Other expenses	185.	5.		180.
24	Total operating and administrative expenses. Add lines 13 through 23	69,696.	11,981.		52,835.
25	Contributions, gifts, grants paid	165,500.			165,500.
26	Total expenses and disbursements. Add lines 24 and 25	235,196.	11,981.		218,335.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	43,694.			
b	Net investment income (if negative, enter -0-)		194,864.		
c	Adjusted net income (if negative, enter -0-)			N/A	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing		1,695.	1,001.	1,001.
	2	Savings and temporary cash investments		28,002.	41,755.	41,755.
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations STMT 9		36,852.	30,602.	30,443.
	b	Investments - corporate stock STMT 10		4,260,031.	4,289,306.	5,262,110.
	c	Investments - corporate bonds STMT 11		507,180.	532,249.	525,642.
	11	Investments - land, buildings, and equipment basis ▶				
	Less accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other					
14	Land, buildings, and equipment: basis ▶					
	Less accumulated depreciation ▶					
15	Other assets (describe ▶ STATEMENT 12)		547.	0.	0.	
16	<b>Total assets</b> (to be completed by all filers - see the instructions. Also, see page 1, item I)		4,834,307.	4,894,913.	5,860,951.	
Liabilities	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				
	22	Other liabilities (describe ▶)				
23	<b>Total liabilities</b> (add lines 17 through 22)		0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>					
	and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>					
	and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds		4,747,451.	4,831,894.	
28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.		
29	Retained earnings, accumulated income, endowment, or other funds		86,856.	63,019.		
30	<b>Total net assets or fund balances</b>		4,834,307.	4,894,913.		
31	<b>Total liabilities and net assets/fund balances</b>		4,834,307.	4,894,913.		

**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	4,834,307.
2	Enter amount from Part I, line 27a	2	43,694.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 7	3	86,986.
4	Add lines 1, 2, and 3	4	4,964,987.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 8	5	70,074.
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) - Part II, column (b), line 30	6	4,894,913.

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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.)
<b>1a PUBLICLY TRADED SECURITIES</b>		03/10/15	09/22/15
<b>b PUBLICLY TRADED SECURITIES</b>		12/03/14	06/23/15
<b>c PUBLICLY TRADED SECURITIES</b>		12/03/14	12/28/15
<b>d CAPITAL GAINS DIVIDENDS</b>			
<b>e</b>			

  

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
<b>a</b> 22,347.		26,370.	<4,023.>
<b>b</b> 58,195.		51,143.	7,052.
<b>c</b> 171,274.		155,025.	16,249.
<b>d</b> 182.			182.
<b>e</b>			

  

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))
<b>a</b>			<4,023.>
<b>b</b>			7,052.
<b>c</b>			16,249.
<b>d</b>			182.
<b>e</b>			

  

<b>2</b> 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	<b>2</b>	19,460.
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		<b>3</b>	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2014	59,223.	4,609,036.	.012849
2013	347.	129,106.	.002688
2012			
2011			
2010			

<b>2</b> Total of line 1, column (d)	<b>2</b>	.015537
<b>3</b> Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	<b>3</b>	.007769
<b>4</b> Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	<b>4</b>	5,713,519.
<b>5</b> Multiply line 4 by line 3	<b>5</b>	44,388.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	1,949.
<b>7</b> Add lines 5 and 6	<b>7</b>	46,337.
<b>8</b> Enter qualifying distributions from Part XII, line 4	<b>8</b>	218,335.

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

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**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)**
**1a** Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1.

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

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

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

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

**3** Add lines 1 and 2

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

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

**6** Credits/Payments:

**a** 2015 estimated tax payments and 2014 overpayment credited to 2015

**b** Exempt foreign organizations - tax withheld at source

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

**d** Backup withholding erroneously withheld

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

**8** Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached

**9** Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed

**10** Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

**11** Enter the amount of line 10 to be: Credited to 2016 estimated tax

1,891. Refunded

1 1,949.

2 0.

3 1,949.

4 0.

5 1,949.

6a 3,840.

6b

6c

6d

7 3,840.

8

9

10 1,891.

11 0.

**Part VII-A Statements Regarding Activities**
**1a** During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

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

If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities

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

**d** Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:

(1) On the foundation. \$ 0. (2) On foundation managers. \$ 0.

**e** Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.

**2** Has the foundation engaged in any activities that have not previously been reported to the IRS?

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

**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

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

**b** If "Yes," has it filed a tax return on Form 990-T for this year?

**5** Was there a liquidation, termination, dissolution, or substantial contraction during the year?

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

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

• By language in the governing instrument, or

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

**7** Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV

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

KS

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

**9** 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 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? If "Yes," complete Part XIV

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

STMT 13

Yes No

1a X

1b X

1c X

2 X

3 X

4a X

4b

5 X

6 X

7 X

8b X

9 X

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)		<b>X</b>
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)		<b>X</b>
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <b>N/A</b>	<b>X</b>	
14 The books are in care of ► <b>FIRST OPTION BANK, TRUST DEPARTMENT</b> Telephone no. ► <b>(913) 259-2110</b> Located at ► <b>702 BAPTISTE DR, PAOLA, KS</b> ZIP+4 ► <b>66071</b>		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 <b>N/A</b>		
16 At any time during calendar year 2015, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►		<b>X</b>

**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 <b>N/A</b> <input type="checkbox"/> c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2015?		
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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► _____, _____, _____ b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) <b>N/A</b> c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____, _____, _____		<b>X</b>
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 2015 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 2015.) <b>N/A</b>		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		<b>X</b>
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 2015?		<b>X</b>

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (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

6b

X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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.

(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
FIRST OPTION BANK	TRUSTEE			
702 BAPTISTE DR				
PAOLA, KS 66071	1.00	59,878.	0.	0.

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

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

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

▶ 0

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

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

0

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

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

	Expenses
1 N/A	
2	
3	
4	

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

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
<b>Total.</b> Add lines 1 through 3	<b>0.</b>

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	5,750,983.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	49,544.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	5,800,527.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	5,800,527.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	87,008.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	5,713,519.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	285,676.

**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.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	285,676.
<b>2a</b>	Tax on investment income for 2015 from Part VI, line 5	<b>2a</b>	1,949.
<b>b</b>	Income tax for 2015. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	1,949.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	283,727.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	0.
<b>5</b>	Add lines 3 and 4	<b>5</b>	283,727.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	283,727.

**Part XII****Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b>	218,335.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	0.
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	218,335.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	<b>5</b>	1,949.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	216,386.

**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.

**THE RAIL HERITAGE TRUST**  
**FIRST OPTION BANK, TRUSTEE**

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

	(a) Corpus	(b) Years prior to 2014	(c) 2014	(d) 2015
<b>1</b> Distributable amount for 2015 from Part XI, line 7				<b>283,727.</b>
<b>2</b> Undistributed income, if any, as of the end of 2015				
<b>a</b> Enter amount for 2014 only			<b>165,380.</b>	
<b>b</b> Total for prior years:		<b>0.</b>		
<b>3</b> Excess distributions carryover, if any, to 2015:				
<b>a</b> From 2010				
<b>b</b> From 2011				
<b>c</b> From 2012				
<b>d</b> From 2013				
<b>e</b> From 2014				
<b>f</b> Total of lines 3a through e	<b>0.</b>			
<b>4</b> Qualifying distributions for 2015 from Part XII, line 4: ► \$ <b>218,335.</b>				
<b>a</b> Applied to 2014, but not more than line 2a			<b>165,380.</b>	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		<b>0.</b>		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	<b>0.</b>			
<b>d</b> Applied to 2015 distributable amount				<b>52,955.</b>
<b>e</b> Remaining amount distributed out of corpus	<b>0.</b>			
<b>5</b> Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a).)	<b>0.</b>			<b>0.</b>
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	<b>0.</b>			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		<b>0.</b>		
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		<b>0.</b>		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		<b>0.</b>		
<b>e</b> Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount - see instr.			<b>0.</b>	
<b>f</b> Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				<b>230,772.</b>
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	<b>0.</b>			
<b>8</b> Excess distributions carryover from 2010 not applied on line 5 or line 7	<b>0.</b>			
<b>9</b> Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	<b>0.</b>			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2011				
<b>b</b> Excess from 2012				
<b>c</b> Excess from 2013				
<b>d</b> Excess from 2014				
<b>e</b> Excess from 2015				



**THE RAIL HERITAGE TRUST**  
**FIRST OPTION BANK, TRUSTEE**

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

<b>3 Grants and Contributions Paid During the Year or Approved for Future Payment</b>				
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)				
<b>a Paid during the year</b>				
SEE ATTACHED LIST OF CONTRIBUTIONS PAID IN FYE 4/30/16 VARIOUS, CA 94585		PC	SEE DETAILS IN ATTACHED SCHEDULE	165,500.
<b>Total</b>			▶ <b>3a</b>	165,500.
<b>b Approved for future payment</b>				
NONE				
<b>Total</b>			▶ <b>3b</b>	0.

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

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		
<b>1</b> Program service revenue:						
<b>a</b> _____						
<b>b</b> _____						
<b>c</b> _____						
<b>d</b> _____						
<b>e</b> _____						
<b>f</b> _____						
<b>g</b> Fees and contracts from government agencies						
<b>2</b> Membership dues and assessments						
<b>3</b> Interest on savings and temporary cash investments			14	58.		
<b>4</b> Dividends and interest from securities			14	186,495.		23,792.
<b>5</b> Net rental income or (loss) from real estate:						
<b>a</b> Debt-financed property						
<b>b</b> Not debt-financed property						
<b>6</b> Net rental income or (loss) from personal property						
<b>7</b> Other investment income			14	832.		
<b>8</b> Gain or (loss) from sales of assets other than inventory			14	182.		
<b>9</b> Net income or (loss) from special events						
<b>10</b> Gross profit or (loss) from sales of inventory						
<b>11</b> Other revenue:						
<b>a</b> _____						
<b>b</b> _____						
<b>c</b> _____						
<b>d</b> _____						
<b>e</b> _____						
<b>12</b> Subtotal. Add columns (b), (d), and (e)		0.		187,567.		23,792.
<b>13</b> Total. Add line 12, columns (b), (d), and (e)						211,359.

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

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

[illegible]

## Part XVII

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

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

**(2) Other assets**

**b Other transactions:**

**(1) Sales of assets to a noncharitable exempt organization**

**(2) Purchases of assets from a noncharitable exempt organization**

**(3) Rental of facilities, equipment, or other assets**

#### (4) Reimbursement arrangements

**(5) Loans or loan guarantees**

**(6) Performance of services or membership or fundraising solicitations**

**c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees

**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.

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

[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
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.

Signature of officer or trustee

Date 9/15/16

**TRUSTEE**

Title

May the IRS discuss this return with the preparer shown below (see instr)?

☒ Yes ☐ No

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

LUCILLE L.  
HINDERLITER CPA

Preparer's signature

Lucille Hunderlute

Date

JUN 16 2016

Check ☐ self-employed

PTIN

P00031530

Firm's name ► **AGLER & GAEDDERT, CHARTERED**

Firm's EIN ► 48-0894999

Firm's address ► PO BOX 1020

OTTAWA, KS 66067

Phone no. **785-242-3170**

Form **990-PF** (2015)

**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and  
its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

**2015**

Name of the organization

THE RAIL HERITAGE TRUST  
FIRST OPTION BANK, TRUSTEE

Employer identification number

46-4327372

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)( ) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year. ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

Name of organization <b>THE RAIL HERITAGE TRUST</b> <b>FIRST OPTION BANK, TRUSTEE</b>	Employer identification number <b>46-4327372</b>
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**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	JOHN H EMERY IRREVOCABLE TRUST 702 BAPTISTE DR PAOLA, KS 66071	\$ 65.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	JOHN H EMERY ESTATE 100 W. MONROE, ST # 1612 CHICAGO, IL 60603	\$ 67,466.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization <b>THE RAIL HERITAGE TRUST</b> <b>FIRST OPTION BANK, TRUSTEE</b>	Employer identification number <b>46-4327372</b>
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**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	

Name of organization

THE RAIL HERITAGE TRUST  
FIRST OPTION BANK, TRUSTEE

Employer identification number

46-4327372

**Part III** Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this info once) ▶ \$ \_\_\_\_\_

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

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

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
NORTHERN INSTITUTIONAL	58.	58.	
TOTAL TO PART I, LINE 3	58.	58.	

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

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
CORP DIVIDENDS	168,667.	182.	168,485.	168,485.	
CORPORATE INTEREST	16,360.	0.	16,360.	16,360.	
HAZARD LTD K-1	1,650.	0.	1,650.	1,650.	
MUNICIPAL DIV/INT	23,792.	0.	23,792.	0.	
TO PART I, LINE 4	210,469.	182.	210,287.	186,495.	

## FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
BOND ACCRETIONS	832.	832.	
TOTAL TO FORM 990-PF, PART I, LINE 11	832.	832.	

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FORM 990-PF	ACCOUNTING FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEE	3,975.	0.		3,975.
TO FORM 990-PF, PG 1, LN 16B	3,975.	0.		3,975.

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FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	4,880.	0.		0.
TO FORM 990-PF, PG 1, LN 18	4,880.	0.		0.

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FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
WEB HOSTING	180.	0.		180.
HAZARD LTD PORTFOLIO EXP	5.	5.		0.
TO FORM 990-PF, PG 1, LN 23	185.	5.		180.

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FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	7
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DESCRIPTION	AMOUNT
CAPITAL GAINS	19,455.
CONTRIBUTIONS	67,531.
TOTAL TO FORM 990-PF, PART III, LINE 3	86,986.

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FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	8
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DESCRIPTION	AMOUNT
NONDEDUCTIBLE MUNI BOND EXPENSE	1,248.
HAZARD LTD PTP ADJUSTMENT	1,295.
CONTRIBUTIONS RECORDED AS INCOME	67,531.
TOTAL TO FORM 990-PF, PART III, LINE 5	70,074.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	9
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
GOVERNMENT OBLIGATIONS	X		0.	0.
MUNICIPAL OBLIGATIONS		X	30,602.	30,443.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			30,602.	30,443.
TOTAL TO FORM 990-PF, PART II, LINE 10A			30,602.	30,443.

FORM 990-PF	CORPORATE STOCK	STATEMENT	10
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS	4,289,306.	5,262,110.
TOTAL TO FORM 990-PF, PART II, LINE 10B	4,289,306.	5,262,110.

FORM 990-PF	CORPORATE BONDS	STATEMENT	11
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	532,249.	525,642.
TOTAL TO FORM 990-PF, PART II, LINE 10C	532,249.	525,642.

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FORM 990-PF	OTHER ASSETS	STATEMENT 12
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DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ACCRUED INTEREST PURCHASED	547.	0.	0.
TO FORM 990-PF, PART II, LINE 15	547.	0.	0.

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FORM 990-PF	LIST OF SUBSTANTIAL CONTRIBUTORS PART VII-A, LINE 10	STATEMENT 13
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NAME OF CONTRIBUTOR

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ADDRESS

JOHN H EMERY ESTATE

100 W MONROE, STE # 1612  
CHICAGO, IL 60603

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION  
PART XV, LINES 2A THROUGH 2D

STATEMENT 14

## NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

CATHY LOVIG, SR TRUST OFFICER, FIRST OPTION BANK  
102 BAPTISTE DRIVE  
PAOLA, KS 66071

## TELEPHONE NUMBER

## NAME OF GRANT PROGRAM

(913) 259-2110

THE RAIL HERITAGE TRUST

## FORM AND CONTENT OF APPLICATIONS

SEE ATTACHED APPLICATION

## ANY SUBMISSION DEADLINES

APPLICATIONS ARE ACCEPTED FROM SEPT 1 - OCT 31 EACH YEAR

## RESTRICTIONS AND LIMITATIONS ON AWARDS

FUNDS WILL ONLY BE DISTRIBUTED TO SEC 501(C)(3) CHARITABLE ORGANIZATIONS  
THAT PROVIDE TO THE PUBLIC THE ACTUAL EXPERIENCE OF TRAVEL BY RAIL DURING  
THE GOLDEN AGE. FUNDS WILL BE DISTRIBUTED TO SUPPORT THE RECREATION,  
RESTORATION AND PRESERVATION OF ACTUAL RAIL TRAVEL DURING THE "GOLDEN AGE"  
OF U.S. RAIL PASSENGER SERVICE - 1920 THROUGH 1960.

## **THE JOHN H. EMERY RAIL HERITAGE TRUST**

**JOHN H. EMERY:** John Emery (1937 - 2012) was a native of Chicago and an ardent rail traveler and enthusiast, having traveled in over 125 countries. One of his ambitions was to help educate the public on the rail passenger experience that he loved and offer the public the chance to see and ride trains that connected the US before the advent of jet aircraft and the Interstate highway system. To accomplish this, he established a Rail Heritage Trust to provide funds for non-profit organizations that support these goals.

**PURPOSE OF THE TRUST:** The Rail Heritage Trust is an IRS approved 501(c)(3) charitable trust created for purposes specified by John. Certain principles are described by Mr. Emery in his Will which are binding on both the Trustee and the three person Advisory Committee selected by John prior to his death. These principles are set forth in the Trust and are as follows:

- “1. To help re-create and preserve, to the extent possible, the rail passenger travel experience as it was in the U.S. from approximately 1920 through 1960.
2. To preserve and restore to working order rolling stock and other working artifacts from the “Golden Age” of U.S. rail passenger service.
3. The emphasis shall be on organizations that offer the general public an opportunity to ride historically significant equipment over historic rail lines. The Trust may, however, support organizations that would use modern equipment to restore passenger service over historic rails, or to build new rails on which to operate historic equipment in passenger service.
4. Trust funds may be used, if appropriate, to restore or rebuild ancillary facilities essential to the operation of, or extension of, a working passenger operation. Rebuilding a trestle or grade crossing or electrical facility would qualify. Restoring a historic depot to its original appearance should be considered only if it was to be used to support ticket sales, souvenir sales, or other functions directly related to passenger operations. I do not care to support cosmetic restoration of structures or equipment, no matter how historic, for static display only. Nor do I wish to donate toward

buildings or other structures unless they are to be part of, or used to support, a working demonstration passenger railroad.

5. I do not wish trust funds to be used in support of any organization whose principal function is lobbying for or promoting commercial or government-sponsored rail services."

**THE TRUST:** The size of the trust is significant and intended to be perpetual. The amount of money to be distributed each year will depend on the return on investments held by the Trust; therefore it will vary each year. The amount to be disbursed each year will not be announced in advance; however, requests by any qualified applicant must not exceed \$50,000 for any given year. There will be multiple awards annually.

**APPLICATION PROCEDURES:** The Advisory Committee will accept applications annually starting 1 September, but not later than 31 October. Award of approved grants will be announced and disbursed not later than 15 February of the following year. Applications will be submitted online using the form included below and will be emailed to the following address: [emeryfundapplication@gmail.com](mailto:emeryfundapplication@gmail.com)

Online submissions are ***strongly encouraged***, but if an application must be submitted in hard copy format, forward **FOUR** complete copies to First Option Bank, Attention: Senior Trust Officer, 702 Baptiste Drive, Paola, KS. 66071. Applications must be typed and may include photographs that will assist the Advisory Committee members in evaluating the details and worthiness of the request. Please note that **ALL** requesting organizations must be not for profit and have approved IRS 501(c)(3) status, proof of which must be included in the application. Questions may be emailed to [questionsemeryfund@gmail.com](mailto:questionsemeryfund@gmail.com)

... or the Senior Trust Officer in writing at the above address. Transmission by FAX is not acceptable.

**TERMS AND CONDITIONS:**

1. Applications may be submitted for amounts up to \$50,000 for any given year. Grants will not necessarily be awarded for the full amount requested. Successive grant requests may be accepted for the same project based on the merit of the overall project as determined by the committee.

2. All grants require a 1:1 match on the part of the requesting organization. The match must be either in cash raised during the year in which the grant is awarded or in the form of volunteer labor at the rate of \$10 per hour. Documentation of money raised and/or volunteer labor is required. Exceptions to this requirement may be requested with good justification provided.

3. Grants are not expected to be repaid. A quarterly report (in letter or email format) of progress accomplished on the project for which the grant is awarded will be submitted to [questionsemeryfund@gmail.com](mailto:questionsemeryfund@gmail.com) or in FOUR copies to the Senior Trust Officer. It will include the following: description of progress made including photographs if appropriate, summarized accounting of funds (received and disbursed) for the project, accounting of volunteer labor and plans for the remainder of the year (and next year if the project will not be completed within one year of receipt of the grant.) Upon completion of the project, a final report will be submitted with a description of the work completed including photographs if appropriate and a complete accounting of funds received and disbursed. Videos showing the project would be appreciated with any of the above reports.

4. If the project is terminated for any reason, the unused grant funds shall be returned to the Trust along with a full accounting of the funds spent. If the item is destroyed by fire, flood, etc., or sold, full repayment of the grant amount may be requested.

5. Recipients will grant the trustee the right, if requested, to make on-site inspections of the work in progress and upon completion of the project.

6. A proposed budget will be submitted with the application, including estimates provided by contractors for work required to be done professionally. It is understood that exact details and expenses for a restoration project may not be known until the project has begun. Submit what you consider to be a realistic, not conservative, estimate of what the project will cost. NOTE: If the application is intended for only a portion of a larger project, provide more details of what the requested funds will be used for, but also include the projected cost and length of time expected to complete the entire project.

7. Failure of the recipient to use the grant funds for the purpose requested, or within a reasonable extension of the submitted schedule for project completion which is approved in writing by the trustee, shall constitute default. In such event, all unused grant funds shall be returned to the trustee and the recipient shall be ineligible for future grants within five years of the date of default.

8. Recipients will acknowledge financial support by the John H. Emery Rail Heritage Trust by conspicuously posting in exhibits, by mention in publications and/or by inclusion in promotional materials. Recipients further grant the Trust the right to publicize its support of the project and to use project photographs.

## THE JOHN H. EMERY RAIL HERITAGE TRUST GRANT APPLICATION FORM

*Applications will be accepted annually during the period 1 September – 31 October. Please read the Purposes of the Rail Heritage Trust, the outlined Application Procedures and the Terms and Conditions carefully before preparing applications.*

Name of Requesting Organization: \_\_\_\_\_

\_\_\_\_\_

Street Address: \_\_\_\_\_

\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Zip Code: \_\_\_\_\_ Website: http:// \_\_\_\_\_

Employee Identification Number (EIN): \_\_\_\_\_

Is the Applying Organization Not for Profit? Yes \_\_\_\_\_ No \_\_\_\_\_

Is the Applying Organization Tax Exempt under IRS Section 501(c)(3)? Yes \_\_\_\_\_ No \_\_\_\_\_ Attach verifying documentation

Name/Title of Application Preparer: \_\_\_\_\_

\_\_\_\_\_

Mailing address: \_\_\_\_\_

\_\_\_\_\_

Phone number (day): \_\_\_\_\_

Phone number (evening): \_\_\_\_\_

Fax number: \_\_\_\_\_

Email address: \_\_\_\_\_

Printed name, signature and date: \_\_\_\_\_

\_\_\_\_\_

**\* \* \* Proposal Information \* \* \***

1. Amount requested: \_\_\_\_\_

2. Project description, to include a detailed history of the item or artifact. Specify the ownership of the item or artifact. If this is part of a larger project, briefly describe the larger project and the relationship of the "part" to the "whole." Use an attachment if necessary. Please limit to 400 words:

**3. Brief description of how this project meets the principles of the Rail Heritage Trust. Use an attachment if necessary. Please limit to 200 words:**

**4. Planned project schedule and completion date. If this is part of a larger project, give dates for both. Use an attachment if necessary:**

5. Project budget. Discuss amounts to be used for materials, hired labor and an estimate of volunteer hours. It is understood that exact numbers may not be available before a project is begun – identify estimates if used. Use an attachment if necessary:

6. Identify any other grants, to include source and amount that have been received for this project, and how much money (total) has already been raised:

7. Total number of members in the organization/number of members working on this project:

8. How many paid staff does your organization employ, and how much is paid in salaries/wages?

9. Discuss the success of previous fundraising efforts for this and other projects, and the success of your organization in meeting any previous matching grants. Please attach a Profit and Loss Statement and Balance Sheet for the previous calendar year (this is requested solely to determine your organization's ability to maintain restored assets in good condition and ability to raise money.) Use an attachment if necessary. Please limit to 300 words:

NOTE: If the requesting organization is new or a small relatively unknown group, additional information may be required. Contact the committee at [questionsemeryfund@gmail.com](mailto:questionsemeryfund@gmail.com) for the committee to evaluate if, and what, additional information is needed prior to the filing deadline.

## The Rail Heritage TRUST

46-4327372

Balance Sheet  
April 30, 2016

Schedule 1

Description	Book Value Beginning of Year	End of Year	Market Value
CASH	\$ 1,695	\$ 1,001	\$ 1,001
<u>SAVINGS &amp; TEMPORARY CASH INVESTMENTS</u>			
BANK MONEY MARKET ACCOUNT	\$ 0	\$ -	\$ -
NORTHERN INSTL MONEY MARKET	28,002	41,755	41,755
	<u>28,002</u>	<u>41,755</u>	<u>41,755</u>
<u>BONDS</u>			
FHLMC PC Pool 170161 9.5% 4/1/16	2	-	-
Alabama Hsg Fin Auth 4.2% 10/1/15	5,040	-	-
Baltimore MD Proj Rev Bds 5% 7/1/18-15	5,000	5,000	5,224
Carmel IN Sch Bldg Bds 5% 7/15/16	26,810	25,602	25,219
	<u>36,850</u>	<u>30,602</u>	<u>30,443</u>
Allergan Inc. Sr NT 3.375% 9/15/20	48,855	49,054	52,250
Apache Corp Sr NT 2.625% 1/15/23-22	57,670	57,924	57,148
Diamond Offshore Drill Sr NT 3.45% 11/1/23	58,870	58,870	48,463
EMC Corp Mass Notes 3.375% 6/1/23	50,117	50,104	41,688
Goldman Sachs Group Inc 3.75%, 6/22/25	0	24,941	25,693
JPMorgan Chase & Co 3.875% 2/1/24	51,858	51,651	53,466
Medtronic Inc. Sr Gbl NT 3.625% 3/15/24-23	51,750	51,555	54,082
National Rural Utilities Coop 3% 1/15/26	60,166	60,150	58,328
Newmont Mining Corp Sr NT 3.5% 3/15/22-21	50,174	50,552	53,800
Pepsico Inc. Sr NT 3.6% 3/1/24-23	41,488	41,323	43,905
Wells Fargo Co MTN 4.1% 6/3/26	36,232	36,125	36,819
	<u>507,180</u>	<u>532,249</u>	<u>525,642</u>
	\$ <u>544,032</u>	\$ <u>562,851</u>	\$ <u>556,085</u>
<u>INVESTMENTS - CORPORATE STOCKS</u>			
AT&T	94,500	94,500	116,460
Abbott Labs	198,372	198,372	272,300
Abbvie Inc.	169,021	169,021	335,500
Altera Corp	48,936	-	-
Amgen Inc.	68,038	68,038	158,300
Analog Devices Inc.	51,109	51,109	50,688
Apples Inc.	24,230	24,230	26,247
Blackrock Enhanced Div Achievers	80,483	80,483	84,368
Blackrock Resources & Commodities	119,625	119,625	61,592
Cardinal Health Inc.	35,871	35,871	35,307
Chevron Corp	24,670	57,783	53,644
Cisco Systems Inc.	74,763	74,763	76,972
Coca Cola Co	23,398	42,794	47,040
Communications Sales & Leasing	22,629	-	-
Covanta Holding Corp	58,979	58,979	42,276
Dineequity Inc.	49,210	49,210	43,000

EMC Insurance Group	62,070	62,070	119,070
Eaton Vance Tax Adv Global Div ETG	71,800	71,800	72,800
Eaton Vance Taxable Managed	27,230	27,230	32,120
General Electric Co	120,180	120,180	184,500
Harris Group	42,194	42,194	48,006
Home Depot Inc.	63,822	63,822	133,890
Intel Corp	96,740	111,135	121,120
Ishares Dow Jones Select Div Index	101,106	101,106	147,672
Janus Cap Group Inc.	27,795	27,795	43,800
Johnson & Johnson	342,295	342,295	566,004
Kellogg Co	31,557	31,557	46,086
Kraft Foods Group Inc.	22,970	22,970	31,228
Merck & Co. Inc.	38,100	38,100	54,840
National Oil Well Varco Inc.	35,973	35,973	20,723
New York Community Bancorp	74,736	74,736	72,144
Occidental Petroleum Corp	43,908	-	-
Old Republic International Corp	68,554	68,554	81,356
Peoples United Financial Inc.	23,939	23,939	25,963
Pfizer Inc.	51,783	51,783	77,326
Praxair Inc.	52,002	52,002	46,984
Procter & Gamble Co	24,172	60,390	60,090
Republic Services Inc.	0	48,854	56,484
SPDR S&P 500	140,270	140,270	206,331
Southern Co	0	52,262	60,120
3M Co	62,587	62,587	117,166
Tidewater Inc.	54,095	54,095	8,760
Union Pacific Corp	36,478	36,478	26,169
United Parcel Service Inc. CLB	32,783	62,391	63,042
Verizon Communications Inc.	82,420	82,420	105,700
Williams Cos Inc.	74,912	74,912	48,475
Windstream Holdings Corp New	8,334	8,329	5,060
Xerox Corp	78,852	78,852	90,010
Zweig Total Return Fund Inc New	38,595	38,595	37,184
Lazard Ltd A Shs	51,148	-	-
Columbia Tax Exempt A	339,655	301,710	305,943
Comcast Corp New NT PFD 5%	69,295	69,295	71,172
Entergy Arkansas Inc. PFD Ser 52	69,200	69,200	74,501
Entergy Louisiana LLC 1st MTG PFD	69,028	69,028	75,285
General Electric Capital Corp PR	104,509	104,509	111,972
Metlife Inc Floating Rate Series A PFD	98,080	98,080	100,440
Nuveen Mun Value Fund Inc.	225,170	225,170	241,960
UBS AG Preferred Funding Trust IV PFD	57,860	57,860	66,920

\$	<u>4,260,031</u>	\$	<u>4,289,306</u>	\$	<u>5,262,110</u>
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#### OTHER ASSETS

Accrued interest purchased	\$	547	-	-
UBS Financial Services IRA A/C		<u>0</u>	<u>-</u>	<u>-</u>

GRAND TOTAL	\$	<u>4,834,307</u>	\$	<u>4,894,913</u>	\$	<u>5,860,951</u>
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Emery Rail Heritage Trust  
46-4327372

FYE 4-30-18

Name	Address	Status	Fed #	Purpose	Amount	Receipt
Bay Area Electric Railroad Association	5848 State Hwy 12 Suisun City, CA 94585	pc	94-6115373	Passenger Safety and Reliability (infrastructure)	15,100.00	X
Engine 857 Restoration Company	PO Box 875380 Wasilla, AK 99687	pc	46-2683256	Restore Locomotive 857	10,000.00	X
Michigan State Trust for Railway Preservation	405 South Washington St Owosso, MI 48867	pc	38-2311833	Repair four passenger cars	10,000.00	X
Mid Continent Railway Museum	PO Box 358 North Freedom, WI 53951	pc	39-1023326	Boiler for 1385	10,000.00	X
New England Elec Ry Hist Soc (Seashore)	195 Log Cabin Road Kennebunkport, ME 04046	pc	01-0244457	Motoring the North Shore Line	20,000.00	X
New Mexico Steam Loco & Railroad Hist Society	PO Box 27270 Albuquerque, NM 87125	pc	85-0455573	Work to complete ATSF# 2928 restoration	25,000.00	X
New York Museum of Transportation	8393 E River Road W. Henrietta, NY 14566	pc	51-0181745	Work to repair demonstration track (ties/ballast)	500.00	X
North Carolina Transportation Museum Foundation	PO Box 69 Spencer, NC 28159	pc	58-1315178	Restoration of Pine Tree State	39,400.00	X
NRHS Washington DC Chapter	PO Box 230 Savage, MD 20783	pc	23-7386340	Dover Harbor Repairs	5,000.00	X
Tennessee Valley Railroad Museum Inc	4119 Cromwell Road Chattanooga, TN 37421	pc	52-0676701	Upgrade Dining Car 3158	10,000.00	X
The Northwest Railway Museum	PO Box 459 Snoqualmie, WA 98065	pc	91-8054875	Restoration of NP Locomotive 924	10,000.00	X
White Pine Historical Railroad Foundation	1100 Ave A Ely, NV 89315	pc	88-0203211	Nevada Northern Coach Upgrades	10,000.00	X
Wiscasset, Waterville & Farmington Railway Muse	PO Box 242 Alma, ME 04535	pc	01-0448408	Mainline Extension (reconstruction)	500.00	X

TOTAL = 165,500.00