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

OMB No 1545-0052

2016

Open to Public Inspection

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

For calendar year 2016 or tax year beginning **MAY 1, 2016**, and ending **APR 30, 2017**

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)

Room/suite

PO BOX B

B Telephone number

(913) 259-2110

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

PAOLA, KS 66071

C If exemption application is pending, check here ☐

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

D 1 Foreign organizations, check here ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ☐

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

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16)
\$ 6,254,441.
J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis)

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

Part I Analysis of Revenue and Expenses

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

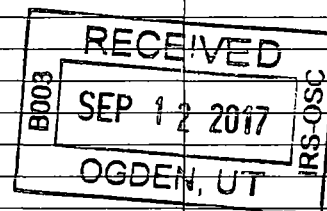
(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

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

Revenue	1 Contributions, gifts, grants, etc., received	2,242.		N/A	
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	186.	186.		STATEMENT 1
	4 Dividends and interest from securities	208,702.	193,501.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,514.			
	b Gross sales price for all assets on line 6a	1,514.			
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	795.	795.		STATEMENT 3
	12 Total. Add lines 1 through 11	213,439.	194,482.		
	13 Compensation of officers, directors, trustees, etc	63,398.	11,757.		50,718.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 4	3,750.	0.		3,750.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 5	69.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	1,483.	0.		1,483.
	22 Printing and publications				
	23 Other expenses STMT 6	700.	0.		700.
	24 Total operating and administrative expenses. Add lines 13 through 23	69,400.	11,757.		56,651.
	25 Contributions, gifts, grants paid	200,000.			200,000.
	26 Total expenses and disbursements. Add lines 24 and 25	269,400.	11,757.		256,651.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<55,961.>			
	b Net investment income (if negative, enter -0-)		182,725.		
	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			1,001.	922.	922.
	2 Savings and temporary cash investments			41,755.	12,069.	12,069.
	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 7			30,602.	5,000.	5,121.
	b Investments - corporate stock STMT 8			4,289,306.	4,255,160.	5,757,414.
	c Investments - corporate bonds STMT 9			532,249.	481,502.	478,915.
	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 ▶)						
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)			4,894,913.	4,754,653.	6,254,441.	
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 Total liabilities (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			4,831,894.	4,751,351.	
28 Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds			63,019.	3,302.		
30 Total net assets or fund balances			4,894,913.	4,754,653.		
31 Total liabilities and net assets/fund balances			4,894,913.	4,754,653.		

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	4,894,913.
2 Enter amount from Part I, line 27a	2	<55,961.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	4,838,952.
5 Decreases not included in line 2 (itemize) ▶ CAPITAL LOSSES	5	84,299.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4,754,653.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a PUBLICLY TRADED SECURITIES	P	03/15/12	06/15/16
b CAPITAL GAINS DIVIDENDS			
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 610,041.		694,339.	<84,298.>
b 1,514.			1,514.
c			
d			
e			

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			<84,298.>
b			1,514.
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	<82,784.>
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). If (loss), enter -0- in Part I, line 8	{ }	3	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))
2015	216,386.	5,713,519.	.037873
2014	59,223.	4,609,036.	.012849
2013	347.	129,106.	.002688
2012			
2011			

2 Total of line 1, column (d)	2	.053410
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	.017803
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	6,018,646.
5 Multiply line 4 by line 3	5	107,150.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,827.
7 Add lines 5 and 6	7	108,977.
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	256,651.

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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 <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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	1,827.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	1,827.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-		5	1,827.
6 Credits/Payments:			
a 2016 estimated tax payments and 2015 overpayment credited to 2016	6a	1,960.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	1,960.	
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	133.	
11 Enter the amount of line 10 to be: Credited to 2017 estimated tax	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a	X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? 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.	1b	X
c Did the foundation file Form 1120-POL for this year?	1c	X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2	X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3	X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5	X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>KS</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? If "Yes," complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

N/A

STMT 10

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Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11	X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12	X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X
14 The books are in care of ► FIRST OPTION BANK, TRUST DEPARTMENT Telephone no. ► (913) 259-2110 Located at ► 702 BAPTISTE DR, PAOLA, KS ZIP+4 ► 66071		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A
16 At any time during calendar year 2016, 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 ►	16	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	N/A	1b
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 2016?		1c
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)): a At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? <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) 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. ► , , ,		2b
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 2016 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 2016.) N/A		3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a
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 2016?		4b

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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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 6b ☐ **X**

If "Yes" to 6b, file Form 8870

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

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

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

(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 702 BAPTISTE DR PAOLA, KS 66071	TRUSTEE 1.00	63,398.	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

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."

[illegible]

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.

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.

1	N/A	
2		
All other program-related investments. See instructions		
3		

Total. Add lines 1 through 3

0.

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	6,049,669.
b	Average of monthly cash balances	1b	60,632.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	6,110,301.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	6,110,301.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	91,655.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,018,646.
6	Minimum investment return. Enter 5% of line 5	6	300,932.

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	300,932.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	1,827.
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,827.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	299,105.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	299,105.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	299,105.

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	256,651.
b	Program-related investments - total from Part IX-B	1b	0.
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	256,651.
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	5	1,827.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	254,824.

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				299,105.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			230,772.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2016 from Part XII, line 4: ► \$ 256,651.				
a Applied to 2015, but not more than line 2a			230,772.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2016 distributable amount				25,879.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
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		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				273,226.
7 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)	0.			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

N/A

- ☐ 4942(i)(3) or ☐ 4942(i)(5)

- (4) Gross investment income

[illegible]

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 Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a</i> Paid during the year				
SEE ATTACHED LIST OF CONTRIBUTIONS PAID IN FYE 4/30/17 VARIOUS, CA 94585		PC	SEE DETAILS IN ATTACHED SCHEDULE	200,000.
Total			▶ 3a	200,000.
<i>b</i> Approved for future payment				
NONE				
Total			▶ 3b	0.

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
N/A		

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

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

☒ Yes ☐ No

Elizabeth L Hewitt, IV
Signature of officer or trustee

Date _____

► **TRUSTEE**
Title

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date _____

Check ☐ if
self-employed

PTIN	
------	--

LUCILLE L.
HINDERLITER, CPA

Luella Henderlite

AUG 28 2017

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 INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
NORTHERN INSTITUTIONAL	186.	186.	
TOTAL TO PART I, LINE 3	186.	186.	

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	178,032.	1,514.	176,518.	176,518.	
CORPORATE INTEREST	16,983.	0.	16,983.	16,983.	
MUNICIPAL DIV/INT	15,201.	0.	15,201.	0.	
TO PART I, LINE 4	210,216.	1,514.	208,702.	193,501.	

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
BOND ACCRETIONS	795.	795.	
TOTAL TO FORM 990-PF, PART I, LINE 11	795.	795.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEE	3,750.	0.		3,750.
TO FORM 990-PF, PG 1, LN 16B	3,750.	0.		3,750.

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	69.	0.		0.
TO FORM 990-PF, PG 1, LN 18	69.	0.		0.

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	700.	0.		700.
TO FORM 990-PF, PG 1, LN 23	700.	0.		700.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	7
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
MUNICIPAL OBLIGATIONS		X	5,000.	5,121.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			5,000.	5,121.
TOTAL TO FORM 990-PF, PART II, LINE 10A			5,000.	5,121.

FORM 990-PF	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS	4,255,160.	5,757,414.
TOTAL TO FORM 990-PF, PART II, LINE 10B	4,255,160.	5,757,414.

FORM 990-PF	CORPORATE BONDS	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	481,502.	478,915.
TOTAL TO FORM 990-PF, PART II, LINE 10C	481,502.	478,915.

FORM 990-PF	LIST OF SUBSTANTIAL CONTRIBUTORS PART VII-A, LINE 10	STATEMENT	10
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NAME OF CONTRIBUTOR	ADDRESS
JOHN H EMERY ESTATE	100 W. MONROE, ST # 1612 CHICAGO, IL 60603

FORM 990-PF

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

STATEMENT 11

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

TRUST DEPARTMENT, FIRST OPTION BANK
702 BAPTISTE DRIVE
PAOLA, KS 66071

TELEPHONE NUMBER

NAME OF GRANT PROGRAM

(913) 259-2110

THE RAIL HERITAGE TRUST

EMAIL ADDRESS

QUESTIONS@EMERYRAILHERITAGETRUST.COM

FORM AND CONTENT OF APPLICATIONS

SEE ATTACHED APPLICATION; SUBMIT ONLINE AT
[HTTP://EMERYRAILHERITAGETRUST.COM/](http://EMERYRAILHERITAGETRUST.COM/). EMAIL QUESTIONS TO
QUESTIONS@EMERYRAILHERITAGETRUST.COM.

ANY SUBMISSION DEADLINES

APPLICATIONS ARE ACCEPTED UNTIL 11:59 PM CST FEB 1 OF 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.

Emery Rail Heritage Trust
46-4327372

FYE 4-30-17

Name	Address	Fed #	Status	Purpose	Amount
Bay Area Electric Railroad -Brakes	5848 State Hwy 12 Suisun City, CA 94585	94-6115373	PC	Key System Interurban Brake Shoe Casting	10,000
Branford Electric Railway Association Inc	17 River Street East Haven, CT 06512	06-6088826	PC	detailed history	5,000
Colebrookdale Railroad Preservation Trust	PO Box 492 Boyetown, PA 19512	45-4265442	PC	Landmark Passenger Car Restoration Program	10,000
Cuyahoga Valley Pres & Scenic Rwy Assoc	PO Box 158 Peninsula, OH 44264	23-7198801	PC	Exterior Restoration of CVSR #6217	7,500
Engine 557 Restoration Company	PO Box 875360 Wasilla, AK 99687	46-2663256	PC	Work to complete ARR #557	9,000
Fort Wayne Railroad Historical Society	PO Box 11017 Fort Wayne, IN 46855	23-7255168	PC	New Tool/Crew Car for NKP 765	5,000
Friends of the Cumbres & Toltec Scenic RR	4421 McLeod Road NE Suite F Albuquerque, NM 87109	85-0363487	PC	Trucks for RPO #54	10,000
Lackawanna & Wyoming Valley RHS	PO Box 3452 Scranton, PA 18505	23-7359576	PC	Project 3713	9,000
Michigan State Trust for RR Preservation	405 South Washington Street Owosso, MI 48867	38-2311833	PC	Steam Railroad Institute Passenger Car Upholstery	8,700
Mid-Continent Railway Historical Society	PO Box 358 North Freedom, WI 53951	39-1023326	PC	Delaware Lackawanna & Western coach #595	10,000
Minnesota Transportation Museum	193 Pennsylvania Ave E St Paul, MN 55130	23-7086156	PC	454-A brake rehabilitation	4,000
National Railroad Museum, Inc	2285 South Broadway Green Bay, WI 54304	39-6031429	PC	Complete restoration Silver Spirit Lounge	7,700
National Railway Society DCMRHS	PO Box 230 Savage, MD 20763	23-7386340	PC	Dover Harbor	10,000
NC Transportation Museum Foundation	PO Box 69 Spencer, NC 28159	58-1315178	PC	Generator replacement on the Pine Tree State	10,000
New Mexico Steam Loco & RR Hist Society	PO Box 27270 Albuquerque, NM 87125	85-0455673	PC	Work to complete ATSF #2926 restoration	9,000
Old Dominion Chapter NRHS	PO Box 8583 Richmond, VA 23226	54-0154070	PC	RF&P coach restoration	5,000
Pacific Locomotive Association	PO Box 515 Sunol, CA 94586	94-6130878	PC	SP articulated coach restoration	10,000
Railroading Heritage of Midwest America	11686 Azure Lane Inver Grover Heights, MN 55077	41-1723120	PC	Coach Lake Pepin Interior Refurbishment	10,000
Railway Restoration Project #113	113 East Sunbury Street Minersville, PA 17954	23-2848516	PC	Running gear on #113	5,000
Railways To Yesterday	PO Box 1601 Allentown, PA 18105	23-7030955	PC	Aurora Elgin & Chicago 315	5,000
The Northwest Railway Museum	PO Box 459 Snoqualmie, WA 98065	91-6054975	PC	NP Locomotive 924	9,000

Emery Rail Heritage Trust
46-4327372

FYE 4-30-17

Name	Address	Fed #	Status	Purpose	Amount
Watauga Valley RR Historical Society	1000 Allison Drive Jonesborough, TN 37605	58-1518693	PC	MOULTRIE kitchen restoration	16,100
White Pine Historical Railroad Foundation (NEVADA NORTHERN RAILWAY FDN INC)	PO Box 150040 Ely, NV 89301	88-0203211	PC	Coach upgrades	10,000
Wicasset, Waterville & Farmington Rwy Mus.	PO Box 242 Alna, ME 04535	01-0448408	PC	Mainline extention	5,000
Total Given=					200,000

The Rail Heritage TRUST

46-4327372

Balance Sheet
April 30, 2017

Schedule 1

Description	Book Value Beginning of Year	End of Year	Market Value
CASH	\$ 1,001	\$ 922	\$ 922
<u>SAVINGS & TEMPORARY CASH INVESTMENTS</u>			
BANK MONEY MARKET ACCOUNT	\$ 0	\$ -	\$ -
NORTHERN INSTL MONEY MARKET	41,755	12,069	12,069
	<u>41,755</u>	<u>12,069</u>	<u>12,069</u>
<u>BONDS</u>			
Baltimore MD Proj Rev Bds 5% 7/1/18-15	5,000	5,000	5,121
Carmel IN Sch Bldg Bds 5% 7/15/16	25,602	-	-
	<u>30,602</u>	<u>5,000</u>	<u>5,121</u>
Allergan Inc. Sr NT 3.375% 9/15/20	49,054	49,264	51,426
Apache Corp Sr NT 2.625% 1/15/23-22	57,924	58,222	58,304
Diamond Offshore Drill Sr NT 3.45% 11/1/23	58,870	58,870	53,250
EMC Corp Mass Notes 3.375% 6/1/23	50,104	50,090	48,190
Goldman Sachs Group Inc 3.75%, 6/22/25	24,941	24,940	25,453
JPMorgan Chase & Co 3.875% 2/1/24	51,651	51,445	52,338
Medtronic Inc. Sr Gbl NT 3.625% 3/15/24-23	51,555	51,361	52,232
National Rural Utilities Coop 3% 1/15/26	60,150	60,135	59,295
Newmont Mining Corp Sr NT 3.5% 3/15/22-21	50,552	-	-
Pepsico Inc. Sr NT 3.6% 3/1/24-23	41,323	41,157	42,150
Wells Fargo Co MTN 4.1% 6/3/26	36,125	36,018	36,277
	<u>532,249</u>	<u>481,502</u>	<u>478,915</u>
	\$ <u>562,851</u>	\$ <u>486,502</u>	\$ <u>484,036</u>
<u>INVESTMENTS - CORPORATE STOCKS</u>			
AT&T	94,500	131,165	154,557
Abbott Labs	198,372	198,372	305,480
Abbvie Inc.	169,021	169,021	362,670
Amgen Inc.	68,038	68,038	163,320
Analog Devices Inc.	51,109	101,461	129,540
Apples Inc.	24,230	47,769	71,825
Bed Bath Beyond Inc	0	45,188	38,750
Blackrock Enhanced Div Achievers	80,483	80,483	96,961
Blackrock Resources & Commodities	119,625	-	-
Boeing Co	0	52,952	73,932
Cardinal Health Inc.	35,871	-	-
Chevron Corp	57,783	57,783	56,017
Cisco Systems Inc.	74,763	121,698	146,501
Coca Cola Co	42,794	42,794	45,308
Conduent Inc	0	23,412	30,581
Covanta Holding Corp	58,979	-	-
Dineequity Inc.	49,210	49,210	28,270
EMC Insurance Group	62,070	62,070	129,060
Eaton Vance Tax Adv Global Div ETG	71,800	71,800	83,750
Eaton Vance Taxable Managed	27,230	27,230	33,320

General Electric Co	120,180	120,180	173,940
Harris Group	42,194	42,194	67,134
Home Depot Inc.	63,822	117,640	218,540
Intel Corp	111,135	142,850	177,135
Ishares Dow Jones Select Div Index	101,106	101,106	164,700
Janus Cap Group Inc.	27,795	27,795	40,980
Johnson & Johnson	342,295	342,295	623,524
Kellogg Co	31,557	31,557	42,600
Kraft Heinz Company	22,970	22,970	36,156
Merck & Co. Inc.	38,100	38,100	62,330
National Oil Well Varco Inc.	35,973	-	-
New York Community Bancorp	74,736	52,140	43,857
Old Republic International Corp	68,554	68,554	90,992
Peoples United Financial Inc.	23,939	23,939	29,262
Pfizer Inc.	51,783	51,783	80,187
Praxair Inc.	52,002	52,002	49,992
Procter & Gamble Co	60,390	60,390	65,498
Qualcomm Inc	0	43,997	37,618
Republic Services Inc.	48,854	48,854	75,588
SPDR S&P 500	140,270	140,270	238,080
Southern Co	52,262	118,662	124,500
3M Co	62,587	62,587	137,081
Tidewater Inc.	54,095	-	-
Union Pacific Corp	36,478	93,612	100,764
United Parcel Service Inc. CLB	62,391	95,060	96,714
Verizon Communications Inc.	82,420	125,411	133,139
Virtus Global Dividend & Income	0	38,595	37,335
Williams Cos Inc.	74,912	74,912	76,575
Windstream Holdings Corp New	8,329	-	-
Xerox Corp	78,852	55,437	67,413
Zweig Total Return Fund Inc New	38,595	-	-
Columbia Tax Exempt A	301,710	301,710	293,314
Comcast Corp New NT PFD 5%	69,295	69,295	69,228
Entergy Arkansas Inc. PFD Ser 52	69,200	69,200	70,992
Entergy Louisiana LLC 1st MTG PFD	69,028	69,028	73,470
General Electric Capital Corp PR	104,509	104,509	109,134
Metlife Inc Floating Rate Series A PFD	98,080	98,080	99,800
Nuveen Mun Value Fund Inc.	225,170	-	-
UBS AG Preferred Funding Trust IV PFD	57,860	-	-

\$	<u>4,289,306</u>	\$	<u>4,255,160</u>	\$	<u>5,757,414</u>
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OTHER ASSETS

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

GRAND TOTAL	\$	<u>4,894,913</u>	\$	<u>4,754,653</u>	\$	<u>6,254,441</u>
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