

Form 990-PF

Department of the Treasury  
Internal Revenue Service

## Return of Private Foundation

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

- Do not enter social security numbers on this form as it may be made public.  
Go to [www.irs.gov/Form990PF](http://www.irs.gov/Form990PF) for instructions and the latest information.

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OMB No 1545-0052

2017

Open to Public Inspection

For calendar year 2017 or tax year beginning

MAY 1, 2017

, and ending

APR 30, 2018

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 changeD 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 foundationE 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)

\$ 6,659,371.

J Accounting method:

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

(Part I, column (d) must be on cash basis.)

## Part I Analysis of Revenue and Expenses

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

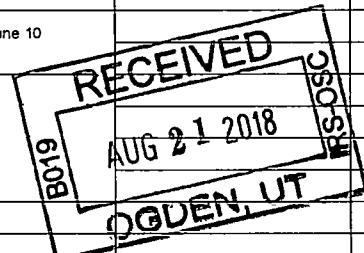
(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

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

		(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			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	1,209.	1,209.		STATEMENT 1
	4 Dividends and interest from securities	212,843.	201,180.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		41,788.		
	8 Net short-term capital gain				
Operating and Administrative Expenses	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	506.	506.		STATEMENT 3
	12 Total. Add lines 1 through 11	214,558.	244,683.		
	13 Compensation of officers, directors, trustees, etc	69,533.	13,907.		55,626.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 4	567.	0.		567.
	b Accounting fees STMT 5	3,975.	0.		3,975.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 6	1,776.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	1,133.	0.		1,133.
22 Printing and publications					
23 Other expenses STMT 7	700.	0.		700.	
24 Total operating and administrative expenses. Add lines 13 through 23	77,684.	13,907.		62,001.	
25 Contributions, gifts, grants paid	212,500.			212,500.	
26 Total expenses and disbursements. Add lines 24 and 25	290,184.	13,907.		274,501.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	<75,626.>				
b Net investment income (if negative, enter -0-)		230,776.			
c Adjusted net income (if negative, enter -0-)			N/A		



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

46-4327372

Page 2

<b>Part II Balance Sheets</b> <small>Attached schedules and amounts in the description column should be for end-of-year amounts only</small>		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash - non-interest-bearing	922.	1,251.	1,251.
	2 Savings and temporary cash investments	12,069.	20,902.	20,902.
	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	5,000.	0.	0.
	b Investments - corporate stock <span style="float:right">STMT 8</span>	4,255,160.	4,217,357.	6,175,116.
	c Investments - corporate bonds <span style="float:right">STMT 9</span>	481,502.	481,305.	462,102.
	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 <b>Total assets</b> (to be completed by all filers - see the instructions. Also, see page 1, item I)	4,754,653.	4,720,815.	6,659,371.	
<b>Liabilities</b>	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.	
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here</b> ▶ <input type="checkbox"/>			
	<b>and complete lines 24 through 26, and lines 30 and 31.</b>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	<b>Foundations that do not follow SFAS 117, check here</b> ▶ <input checked="" type="checkbox"/>			
	<b>and complete lines 27 through 31</b>			
	27 Capital stock, trust principal, or current funds	4,751,351.	4,793,139.	
28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	3,302.	<72,324.>		
30 <b>Total net assets or fund balances</b>	4,754,653.	4,720,815.		
31 <b>Total liabilities and net assets/fund balances</b>	4,754,653.	4,720,815.		

**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	4,754,653.
2 Enter amount from Part I, line 27a	2	<75,626.>
3 Other increases not included in line 2 (itemize) ▶ <b>CAPITAL GAINS</b>	3	41,788.
4 Add lines 1, 2, and 3	4	4,720,815.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4,720,815.

Form 990-PF (2017)

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

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (for example, 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>	<b>P</b>	<b>03/15/12</b>	<b>06/05/17</b>
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))
<b>a 346,395.</b>		<b>304,607.</b>	<b>41,788.</b>
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69.			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
<b>a</b>			<b>41,788.</b>
b			
c			
d			
e			

<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>	<b>41,788.</b>
<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>	<b>N/A</b>

**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 doesn't 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))
2016	254,824.	6,018,646.	.042339
2015	216,386.	5,713,519.	.037873
2014	59,223.	4,609,036.	.012849
2013	347.	129,106.	.002688
2012			

<b>2</b> Total of line 1, column (d)	<b>2</b>	<b>.095749</b>
<b>3</b> Average distribution ratio for the 5-year base period - divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years	<b>3</b>	<b>.023937</b>
<b>4</b> Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	<b>4</b>	<b>6,649,716.</b>
<b>5</b> Multiply line 4 by line 3	<b>5</b>	<b>159,174.</b>
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	<b>2,308.</b>
<b>7</b> Add lines 5 and 6	<b>7</b>	<b>161,482.</b>
<b>8</b> Enter qualifying distributions from Part XII, line 4	<b>8</b>	<b>274,501.</b>

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.

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

**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	2,308.
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	2,308.
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	2,308.
6 Credits/Payments:			
a 2017 estimated tax payments and 2016 overpayment credited to 2017	6a	1,840.	
b Exempt foreign organizations - tax withheld at source	6b	0.	
c Tax paid with application for extension of time to file (Form 8868)	6c	0.	
d Backup withholding erroneously withheld	6d	0.	
7 Total credits and payments. Add lines 6a through 6d	7	1,840.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	3.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	471.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2018 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	11		

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		<input checked="" type="checkbox"/>
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the 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.		<input checked="" type="checkbox"/>
1c Did the foundation file Form 1120-POL for this year?		<input checked="" type="checkbox"/>
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 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	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
8a Enter the states to which the foundation reports or with which it is registered. See instructions. <input type="checkbox"/> <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	<input checked="" type="checkbox"/>
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 2017 or the tax year beginning in 2017? See the instructions for Part XIV. If "Yes," complete Part XIV	9	<input checked="" type="checkbox"/>
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	<input checked="" type="checkbox"/>

N/A

**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		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		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	X	
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 N/A	
16 At any time during calendar year 2017, 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	
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 2017?	1b	
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)):	1c	X
a At the end of tax year 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? If "Yes," list the years ▶	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is <b>not</b> 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 2017 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 2017.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	3b	
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 2017?	4a	X
	4b	X

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a

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

(1)

Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes

☒ No

(2)

Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes

☒ No

(3)

Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes

☒ No

(4)

Provide a grant to an organization other than a charitable, etc., organization described in section 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

☐

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?

☐ Yes

☒ No

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

☐

Part VIII

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

1

List all officers, directors, trustees, and 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	69,533.	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

<b>Part VIII</b>	<b>Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors</b> <i>(continued)</i>
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**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**

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		

<b>Part IX-B</b>	<b>Summary of Program-Related Investments</b>
------------------	---

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

Amount

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

**Total.** Add lines 1 through 3

0.

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

**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>	6,646,900.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	104,081.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	
<b>d</b>	Total (add lines 1a, b, and c)	<b>1d</b>	6,750,981.
<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>	6,750,981.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	101,265.
<b>5</b>	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	6,649,716.
<b>6</b>	Minimum investment return. Enter 5% of line 5	<b>6</b>	332,486.

**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>	332,486.
<b>2a</b>	Tax on investment income for 2017 from Part VI, line 5	<b>2a</b>	2,308.
<b>b</b>	Income tax for 2017. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	2,308.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	330,178.
<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>	330,178.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.
<b>7</b>	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	330,178.

**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>	274,501.
<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>	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8; and Part XIII, line 4	<b>4</b>	274,501.
<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>	2,308.
<b>6</b>	Adjusted qualifying distributions. Subtract line 5 from line 4	<b>6</b>	272,193.

**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**

Form 990-PF (2017)

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

	(a) Corpus	(b) Years prior to 2016	(c) 2016	(d) 2017
1 Distributable amount for 2017 from Part XI, line 7				330,178.
2 Undistributed income, if any, as of the end of 2017				
a Enter amount for 2016 only			273,226.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2017:				
a From 2012				
b From 2013				
c From 2014				
d From 2015				
e From 2016				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2017 from Part XII, line 4: ▶ \$ 274,501.				
a Applied to 2016, but not more than line 2a			273,226.	
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 2017 distributable amount				1,275.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2017 (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:				
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 2016. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2017. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2018				328,903.
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 2012 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2013				
b Excess from 2014				
c Excess from 2015				
d Excess from 2016				
e Excess from 2017				



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

**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
<b>a Paid during the year</b>				
SEE ATTACHED LIST OF CONTRIBUTIONS PAID IN FYE 4/30/18 VARIOUS, AZ 85286		PC	SEE DETAILS IN ATTACHED SCHEDULE	212,500.
<b>Total</b>			▶ 3a	212,500.
<b>b Approved for future payment</b>				
NONE				
<b>Total</b>			▶ 3b	0.





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

- |  |  | Yes   | No |
|--|--|-------|----|
| 1  | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c)(3) (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) (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No
- b** If "Yes," complete the following schedule.

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

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge					May the IRS discuss this return with the preparer shown below? See instr. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	 Signature of officer or trustee		8-16-18 Date		TRUSTEE Title		
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature		Date	Check <input type="checkbox"/> if self-employed	PTIN
	LUCILLE L. HINDERLITER, CPA				AUG 13 2018		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
FEDERATED US TREASURY CASH FUND	1,209.	1,209.	
TOTAL TO PART I, LINE 3	1,209.	1,209.	

## 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	185,499.	0.	185,499.	185,499.	
CORPORATE INTEREST	15,681.	0.	15,681.	15,681.	
MUNICIPAL DIV/INT	11,663.	0.	11,663.	0.	
TO PART I, LINE 4	212,843.	0.	212,843.	201,180.	

## FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
BOND ACCRETIONS	506.	506.	
TOTAL TO FORM 990-PF, PART I, LINE 11	506.	506.	

FORM 990-PF	LEGAL FEES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ATTORNEY FEE	567.	0.		567.
TO FM 990-PF, PG 1, LN 16A	567.	0.		567.

FORM 990-PF	ACCOUNTING FEES			STATEMENT 5
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.

FORM 990-PF	TAXES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	1,776.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,776.	0.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT 7
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	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS	4,217,357.	6,175,116.
TOTAL TO FORM 990-PF, PART II, LINE 10B	4,217,357.	6,175,116.

FORM 990-PF	CORPORATE BONDS	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	481,305.	462,102.
TOTAL TO FORM 990-PF, PART II, LINE 10C	481,305.	462,102.



FORM 990-PF

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

STATEMENT 10

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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

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

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ANY SUBMISSION DEADLINES

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

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RESTRICTIONS AND LIMITATIONS ON AWARDS

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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 Rail Heritage TRUST

46-4327372

Balance Sheet  
April 30,2018

Schedule 1

Description	Book Value Beginning of Year	End of Year	Market Value
CASH	\$ 922	\$ 1,251	\$ 1,251
<b>SAVINGS &amp; TEMPORARY CASH INVESTMENTS</b>			
BANK MONEY MARKET ACCOUNT	\$ 0	\$ -	\$ -
NORTHERN INSTL MONEY MARKET	12,069	20,902	20,902
	<u>12,069</u>	<u>20,902</u>	<u>20,902</u>
<b>BONDS</b>			
Baltimore MD Proj Rev Bds 5% 7/1/18-15	5,000	-	-
	<u>5,000</u>	<u>-</u>	<u>-</u>
Allergan Inc. Sr NT 3.375% 9/15/20	49,264	49,474	49,862
Apache Corp Sr NT 2.625% 1/15/23-22	58,222	58,518	57,016
Diamond Offshore Drill Sr NT 3.45% 11/1/23	58,870	58,870	52,950
EMC Corp Mass Notes 3.375% 6/1/23	50,090	50,076	46,663
Goldman Sachs Group Inc 3.75%, 6/22/25	24,940	24,940	24,440
JPMorgan Chase & Co 3.875% 2/1/24	51,445	51,238	50,280
Medtronic Inc. Sr Gbl NT 3.625% 3/15/24-23	51,361	51,167	50,160
National Rural Utilities Coop 3% 1/15/26	60,135	60,119	55,949
Newmont Mining Corp Sr NT 3.5% 3/15/22-21	0	-	-
Pepsico Inc. Sr NT 3.6% 3/1/24-23	41,157	40,992	40,544
Wells Fargo Co MTN 4.1% 6/3/26	36,018	35,911	34,238
	<u>481,502</u>	<u>481,305</u>	<u>462,102</u>
	\$ <u>486,502</u>	\$ <u>481,305</u>	\$ <u>462,102</u>

**INVESTMENTS - CORPORATE STOCKS**

AT&T	131,165	131,165	127,530
Abbott Labs	198,372	198,372	406,910
Abbvie Inc.	169,021	169,021	531,025
Air Products & Chemical Inc	0	75,055	81,145
Amgen Inc.	68,038	68,038	174,480
Analog Devices Inc.	101,461	101,461	148,495
Apples Inc.	47,769	47,769	82,630
Bed Bath Beyond Inc	45,188	59,380	26,190
Blackrock Enhanced Div Achievers	80,483	80,483	99,636
Blackrock Resources & Commodities	0	-	-
Boeing Co	52,952	125,267	233,492
Cardinal Health Inc.	0	-	-
Chevron Corp	57,783	57,783	65,683
Cisco Systems Inc.	121,698	121,698	190,447
Coca Cola Co	42,794	42,794	45,371
Conduent Inc	23,412	-	-
Covanta Holding Corp	0	-	-
Dine Brands Global Inc	49,210	49,210	39,670
EMC Insurance Group	62,070	103,638	155,880

Eaton Vance Tax Adv Global Div ETG	71,800	71,800	84,200
Eaton Vance Taxable Managed	27,230	27,230	31,500
General Electric Co	120,180	120,180	84,420
Harris Group	42,194	-	-
Harsco Corp	0	4,358	5,112
Home Depot Inc.	117,640	117,640	258,720
Intel Corp	142,850	197,165	330,368
Ishares Dow Jones Select Div Index	101,106	101,106	173,376
Janus Cap Group Inc.	27,795	-	-
Johnson & Johnson	342,295	342,295	638,774
Kellogg Co	31,557	31,557	35,340
Kraft Heinz Company	22,970	22,970	22,552
Merck & Co. Inc.	38,100	38,100	58,870
National Oil Well Varco Inc.	0	-	-
New York Community Bancorp	52,140	-	-
Old Republic International Corp	68,554	-	-
Peoples United Financial Inc.	23,939	23,939	30,636
Pfizer Inc.	51,783	51,783	86,546
Praxair Inc.	52,002	52,002	61,008
Procter & Gamble Co	60,390	60,390	54,255
Qualcomm Inc	43,997	-	-
Republic Services Inc.	48,854	48,854	77,616
SPDR S&P 500	140,270	140,270	264,510
Southern Co	118,662	118,662	115,300
3M Co	62,587	62,587	136,073
Tidewater Inc.	0	-	-
Union Pacific Corp	93,612	93,612	120,267
United Parcel Service Inc. CLB	95,060	95,060	102,150
Verizon Communications Inc.	125,411	125,411	143,115
Virtus Global Dividend & Income	38,595	38,595	32,854
Williams Cos Inc.	74,912	74,912	64,325
Windstream Holdings Corp New	0	-	-
Xerox Corp	55,437	55,437	73,719
Jannus Henderson Group PLC ORD sh	0	27,781	44,700
Columbia Tax Exempt A	301,710	301,710	289,612
Comcast Corp New NT PFD 5%	69,295	-	-
Entergy Arkansas Inc. PFD Ser 52	69,200	69,200	69,784
Entergy Louisiana LLC 1st MTG PFD	69,028	69,028	71,400
General Electric Capital Corp PR	104,509	104,509	105,350
Metlife Inc Floating Rate Series A PFD	98,080	98,080	100,080
Nuveen Mun Value Fund Inc.	0	-	-
UBS AG Preferred Funding Trust IV PFD	0	-	-

\$	<u>4,255,160</u>	\$	<u>4,217,357</u>	\$	<u>6,175,116</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>4,754,653</u>	\$	<u>4,720,815</u>	\$	<u>6,659,371</u>
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