

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 for instructions and the latest information.

For calendar year 2018 or tax year beginning

MAY 1, 2018

, and ending

APR 30, 2019

Name of foundation

KELLY CHARITABLE TRUST
FIRST OPTION BANK, TRUSTEE

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

P.O. BOX B

A Employer identification number

26-4060029

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

PAOLA, KS 66071

B Telephone number

(913) 294-3811

G Check all that apply:

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

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 ► H Check type of organization: Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at end of year J Accounting method: Cash Accrual
(from Part II, col. (c), line 16) Other (specify) _____

► \$ 1,382,035. (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)
1 Contributions, gifts, grants, etc., received	Revenue			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		4,350.	4,350.		STATEMENT 1
4 Dividends and interest from securities		46,108.	46,108.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		30,303.			
b Gross sales price for all assets on line 6a					
7 Capital gain net income (from Part IV, line 2)			500,890.		
8 Net short-term capital gain					
9 Income modifications					
Gross sales less returns and allowances					
10a Less Cost of goods sold					
b Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		80,761.	551,348.		
13 Compensation of officers, directors, trustees, etc.		19,846.	15,877.		3,969.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees	Operating and Administrative Expenses				
b Accounting fees		1,675.	0.		1,675.
c Other professional fees					
17 Interest					
18 Taxes		2,235.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses					
24 Total operating and administrative expenses Add lines 13 through 23		23,756.	15,877.		5,644.
25 Contributions, gifts, grants paid		63,800.			63,800.
26 Total expenses and disbursements. Add lines 24 and 25		87,556.	15,877.		69,444.
27 Subtract line 26 from line 12:		<6,795.00>			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			535,471.		
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
	1 Cash - non-interest-bearing		63.	544.	544.
	2 Savings and temporary cash investments		51,187.	76,773.	76,773.
	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		3,155.	0.	0.
	b Investments - corporate stock	STMT 5	709,873.	1,151,043.	1,153,014.
	c Investments - corporate bonds	STMT 6	146,639.	146,349.	151,704.
	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)		910,917.	1,374,709.	1,382,035.
	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.	
	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		1,122,822.	1,623,712.	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund		0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds		<211,905.>	<249,003.>	
	30 Total net assets or fund balances		910,917.	1,374,709.	
	31 Total liabilities and net assets/fund balances		910,917.	1,374,709.	

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	910,917.
2 Enter amount from Part I, line 27a	2	<6,795.>
3 Other increases not included in line 2 (itemize) ► <u>CAPITAL GAINS</u>	3	470,587.
4 Add lines 1,2, and 3	4	1,374,709.
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	1,374,709.

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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 (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.)
1a PUBLICLY TRADED SECURITIES			P	06/29/18	03/26/19
b PUBLICLY TRADED SECURITIES			P	06/16/08	06/25/18
c CAPITAL GAINS DIVIDENDS					
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 22,333.		20,937.	1,396.		
b 1,182,220.		713,029.	469,191.		
c 30,303.			30,303.		
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69.			(I) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a			1,396.		
b			469,191.		
c			30,303.		
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	500,890.	
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 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))
2017	65,094.	1,406,032.	.046296
2016	62,909.	1,315,344.	.047827
2015	65,536.	1,261,053.	.051969
2014	61,325.	1,330,351.	.046097
2013	58,096.	1,247,251.	.046579

2 Total of line 1, column (d)

2 .238768

3 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

3 .047754

4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5

4 1,324,943.

5 Multiply line 4 by line 3

5 63,271.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 5,355.

7 Add lines 5 and 6

7 68,626.

8 Enter qualifying distributions from Part XII, line 4

8 69,444.

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 ► <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%	1 5,355.
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 5,355.
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 5,355.
6 Credits/Payments:	
a 2018 estimated tax payments and 2017 overpayment credited to 2018	6a 1,400.
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 1,400.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8 0.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	► 9 3,955.
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 2019 estimated tax ►	► Refunded 11

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?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
b 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.	1a <input type="checkbox"/> 1b <input checked="" type="checkbox"/>
c Did the foundation file Form 1120-POL for this year?	1c <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. ► \$ 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 <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 type="checkbox"/>
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b <input type="checkbox"/>
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by <i>General Instruction 7</i> .	5 <input checked="" type="checkbox"/>
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: <ul style="list-style-type: none"> • 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? 	N/A 6 <input checked="" type="checkbox"/> 7 <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	
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 <i>General Instruction G</i> ? 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 2018 or the tax year beginning in 2018? 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"/>

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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 ► <u>N/A</u>	13	X
14 The books are in care of ► <u>FIRST OPTION BANK, TRUSTEE</u> Telephone no. ► <u>(913) 259-2110</u> Located at ► <u>702 BAPTISTE DR, PAOLA, KS</u> ZIP+4 ► <u>66071</u>		
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 2018, 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 2018?	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)).		
a At the end of tax year 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018?	<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. ► _____, _____, _____, _____, _____		
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 2018 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 2018.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		
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 2018?	3b 4a 4b	X

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

		Yes	No
5a During the year, did the foundation pay or incur any amount to:			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions	N/A		
Organizations relying on a current notice regarding disaster assistance, check here	<input checked="" type="checkbox"/>		
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A		
If "Yes," attach the statement required by Regulations section 53.4945-5(d).	<input type="checkbox"/>	Yes	<input type="checkbox"/> No
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	If "Yes" to 6b, file Form 8870.		
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A		
8 Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No

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 702 BAPTISTE DR PAOLA, KS 66071	TRUSTEE			
	0.50	19,846.	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

Total. Add lines 1 through 3



0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	1,145,702.
b	Average of monthly cash balances	1b	199,418.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	1,345,120.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	1,345,120.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	20,177.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,324,943.
6	Minimum investment return. Enter 5% of line 5	6	66,247.

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	66,247.
2a	Tax on investment income for 2018 from Part VI, line 5	2a	5,355.
b	Income tax for 2018. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	5,355.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	60,892.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	60,892.
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	60,892.

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	69,444.
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	69,444.
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	5,355.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	64,089.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2017	(c) 2017	(d) 2018
1 Distributable amount for 2018 from Part XI, line 7				60,892.
2 Undistributed income, if any, as of the end of 2018			63,800.	
a Enter amount for 2017 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2018:				
a From 2013				
b From 2014				
c From 2015				
d From 2016				
e From 2017				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2018 from Part XII, line 4: ► \$ 69,444.			63,800.	
a Applied to 2017, but not more than line 2a				
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 2018 distributable amount				5,644.
e Remaining amount distributed out of corpus	0.			0.
5 Excess distributions carryover applied to 2018 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			
6 Enter the net total of each column as indicated below:	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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 2017. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2018. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2019				55,248.
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 2013 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2014				
b Excess from 2015				
c Excess from 2016				
d Excess from 2017				
e Excess from 2018				

KELLY CHARITABLE TRUST
FIRST OPTION BANK, TRUSTEE

Form 990-PF (2018)

FIRST OPTION BANK, TRUSTEE

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

N/A

Part XV **Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

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

NONE

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

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

a The name, address, and telephone number or email address of the person to whom applications should be addressed:

SEE STATEMENT 7

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

c Any submission deadlines:

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

**KELLY CHARITABLE TRUST
FIRST OPTION BANK, TRUSTEE**

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Part XV | Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
CITY OF SPRING HILL KS 502 EAST NICHOLS <u>SPRING HILL, KS 66083</u>		GOV	CIVIC CENTER REMODEL	20,000.
CITY OF LOUISBURG KS 201 SOUTH BROADWAY <u>LOUISBURG, KS 66053</u>		GOV	FOX HALL UPDATES	35,000.
PRAIRIE VIEW EDUCATIONAL FOUNDATION 13799 KS HWY 152 <u>LACYGNE, KS 66040</u>		PC	TEACHER GRANTS	5,000.
LIFE SPRING CHURCH 206 NORTH WEBSTER <u>SPRING HILL, KS 66083</u>		PC	FOOD SERVICES	3,800.
Total				► 3a 63,800.
b Approved for future payment				
NONE				
Total				► 3b 0.

Form 990-PF (2018)

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		(e) Related or exempt function income
		(a) Business code	(b) Amount	
1 Program service revenue:				
a				
b				
c				
d				
e				
f				
g Fees and contracts from government agencies				
2 Membership dues and assessments				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities				
5 Net rental income or (loss) from real estate:				
a Debt-financed property				
b Not debt-financed property				
6 Net rental income or (loss) from personal property				
7 Other investment income				
8 Gain or (loss) from sales of assets other than inventory				
9 Net income or (loss) from special events				
10 Gross profit or (loss) from sales of inventory				
11 Other revenue:				
a				
b				
c				
d				
e				
12 Subtotal. Add columns (b), (d), and (e)			0.	80,761.
13 Total. Add line 12, columns (b), (d), and (e)	13			80,761.

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

KELLY CHARITABLE TRUST
FIRST OPTION BANK, TRUSTEE

Form 990-PF (2018)

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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) (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) Rembursement 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		
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.		

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		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No May the IRS discuss this return with the preparer shown below? See instr
	 Signature of officer or trustee		
	Date	Title	
	8/20/19	TRUSTEE	

Paid Preparer Use Only	Print/Type preparer's name LUCILLE L. HINDERLITER, CPA	Preparer's signature <i>Lucille L. Hinderliter</i>	Date AUG 08 2019	Check <input type="checkbox"/> if 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 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 FUNDS	4,350.	4,350.	
TOTAL TO PART I, LINE 3	4,350.	4,350.	

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
CORPORATE DIVIDENDS	70,007.	30,303.	39,704.	39,704.	
CORPORATE NOTES/BONDS	6,376.	0.	6,376.	6,376.	
GOVERNMENT AGENCY INTEREST	28.	0.	28.	28.	
TO PART I, LINE 4	76,411.	30,303.	46,108.	46,108.	

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEE	1,675.	0.		1,675.
TO FORM 990-PF, PG 1, LN 16B	1,675.	0.		1,675.

FORM 990-PF

TAXES

STATEMENT

4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAXES	2,235.	0.		0.
TO FORM 990-PF, PG 1, LN 18	2,235.	0.		0.

FORM 990-PF

CORPORATE STOCK

STATEMENT

5

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS	1,151,043.	1,153,014.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,151,043.	1,153,014.

FORM 990-PF

CORPORATE BONDS

STATEMENT

6

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	146,349.	151,704.
TOTAL TO FORM 990-PF, PART II, LINE 10C	146,349.	151,704.

FORM 990-PF

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

STATEMENT 7

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

CHARITABLE FOUNDATIONS, FIRST OPTION BANK FINANCIAL SERVICES
P.O. BOX B, 702 BAPTISTE DR
PAOLA, KS 66071

TELEPHONE NUMBER NAME OF GRANT PROGRAM

(913) 294-9222 KELLY CHARITABLE TRUST

EMAIL ADDRESS

KERI PETERSON@FIRSTOPTIONBANK.COM

FORM AND CONTENT OF APPLICATIONS

SEE ATTACHED

ANY SUBMISSION DEADLINES

REQUEST MUST BE RECEIVED BEFORE MARCH 1 EACH YEAR

RESTRICTIONS AND LIMITATIONS ON AWARDS

ENTITIES UNDER SEC 170(C)(2), 501(C)(3), 2522(A)(2) IF GIFT DEDUCTIBLE

Kelly Charitable Trust

26-4060029

Balance Sheet
April 30, 2019

Schedule I

Description	Book Value Beginning of Year	End of Year	Market Value
CASH	\$ <u>63</u>	\$ <u>544</u>	\$ <u>544</u>
SAVINGS & TEMPORARY CASH INVESTMENTS			
MONEY MARKET ACCOUNT	\$ <u>51,187</u>	\$ <u>76,773</u>	\$ <u>76,773</u>
BONDS			
GENERAL ELEC MTN 6 75% 3-15-32	49,734	49,734	58,479
DIAMOND OFFSH DRILL 3 45% 23	9,812	9,812	8,650
JPMORGAN CHASE 3 625%, 5-13-24	25,666	25,563	25,696
Lazzard LLC Sr NT 3 75%, 2/13/25	30,688	30,589	30,269
NATL RURAL UTIL COOP 3% 8/18/26	30,739	30,651	28,610
GNMA 5 0% due 12-16-34	3,155	0	0
	\$ <u>149,794</u>	\$ <u>146,349</u>	\$ <u>151,704</u>
INVESTMENTS - CORPORATE STOCKS			
MCDONALDS CORPORATION	16,547	0	0
COLGATE PALMOLIVE	25924	0	0
PEPSICO INCORPORATED	8,701	0	0
PROCTOR & GAMBLE	28,963	0	0
WAL-MART STORES	29,242	0	0
EXXON MOBIL CORP	29,748	0	0
ISHARES DOW JONES TRANSP INDEX	34,665	0	0
SELECT SECTORS HEALTH CARE SPDR	39,119	0	0
SELECT SECTORS ENERGY SPDR FUND	31,267	0	0
SELECT SECTORS FINANCIAL SPDR FD	40,517	0	0
SELECT SECTORS TECH SPDR FUND	24,405	0	0
VANGUARD TOTAL STOCK MKT ETF	44,793	0	0
ISHARES MSCI EAFE INDEX	55,968	0	0
ALLSTATE CORP	24,466	0	0
TRAVELERS COMPANIES INC	9,996	0	0
WELLS FARGO & CO NEW	10,262	0	0
ABBVIE INC	17476	0	0
JOHNSON & JOHNSON	35,392	0	0
AT&T INC	36,720	0	0
VERIZON COMMUNICATIONS	41,076	0	0
ISHARES IBOXX INVEST GDE BD FD	74,589	0	0
ISHARES S&P US PFD STOCK INDEX	50,037	0	0
CALAMOS CONVT & HIGH INCOME FD	0	83,797	77,490
COHEN & STEERS QUAL INC REALTY	0	85,891	92,120
COHEN & STEERS CLD END OPPORT	0	29,045	28,530
OAKMARK INTL FUND	0	38,475	35,173
AMERICAN FDS SMALLCAP WORLD FD	0	19,197	18,545
VANG TOTAL INTL STOCK INDEX ADM	0	76,950	76,725
VANGUARD 500 INDEX ADM	0	153,900	166,962
BUFFALO DISCOVERY FUND	0	19,278	19,950
AMER FUNDS THE GROWTH FD OF AMER	0	76,950	72,579
MFS MASSACHUSETTS INVS GROWTH	0	76,950	82,171
AMER FUNDS NEW PERSPECTIVE	0	38,475	38,283
DODGE & COX STOCK	0	76,950	73,400
LORD ABBETT AFFILIATED	0	115,425	113,300
VANGUARD MID CAP INDEX ADM	0	38,475	40,689
ALLIANZGI NFJ MID-CAP VALUE INSTL	0	19,278	19,736
VANGUARD SMALL CAP VALUE ADM	0	19,197	18,881
BLACKROCK HIGH YIELD BD PORTFOLIO	0	15,000	15,039
MFS EMERGING MARKETS DEBT I	0	35,000	34,927
PIMCO TOTAL RETURN FUND	0	35,000	34,896
PIMCO INTL BOND FUND	0	35,000	34,968
PIMCO HIGH INCOME FUND	0	62,810	58,650
	\$ <u>709,873</u>	\$ <u>1,151,043</u>	\$ <u>1,153,014</u>
OTHER ASSETS			
Accrued interest purchased	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
GRAND TOTAL	\$ <u>910,917</u>	\$ <u>1,374,709</u>	\$ <u>1,382,035</u>