Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation
KENNETH & HARLE MONTGOMERY FOUNDATION
C/O/ BELL & ANDERSON

A Employer identification number
36-3871012

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
200 W. ADAMS STREET | 2600

B Telephone number
312-425-2700

City or town, state, and ZIP code
CHICAGO, IL 60606

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: [X] 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)* ▶$ 8,179,027.

J Accounting method: [X] 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	2,249,330.		N/A	
	2 Check ▶ [ ] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	25,956.	25,956.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<7,990.>			
	b Gross sales price for all assets on line 6a 623,727.				
	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				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	992,055.	992,055.		STATEMENT 2
	12 **Total** Add lines 1 through 11	3,259,351.	1,018,011.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	88,954.	88,954.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 3	45,100.	45,100.		0.
	b Accounting fees STMT 4	11,000.	11,000.		0.
	c Other professional fees STMT 5	6,546.	6,546.		0.
	17 Interest				
	18 Taxes STMT 6	24,560.	660.		0.
	19 Depreciation and depletion				
	20 Occupancy	3,680.	3,680.		0.
	21 Travel, conferences, and meetings	14,230.	14,230.		0.
	22 Printing and publications	706.	706.		0.
	23 Other expenses STMT 7	8,929.	8,929.		0.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	203,705.	179,805.		0.
	25 Contributions, gifts, grants paid	615,000.			615,000.
	26 **Total expenses and disbursements.** Add lines 24 and 25	818,705.	179,805.		615,000.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	2,440,646.			
	b **Net investment income** (if negative, enter -0-)		838,206.		
	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			
	2 Savings and temporary cash investments	180,516.	167,400.	167,400.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 9	523,557.	554,115.	555,326.
	b Investments - corporate stock STMT 10	905,290.	868,842.	1,311,518.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 11	2,286,541.	4,745,324.	6,144,783.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	3,895,904.	6,335,681.	8,179,027.
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 ▶ ☐ 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 ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	3,895,904.	6,335,681.	
	30 **Total net assets or fund balances**	3,895,904.	6,335,681.	
	31 **Total liabilities and net assets/fund balances**	3,895,904.	6,335,681.	

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	3,895,904.
2	Enter amount from Part I, line 27a	2	2,440,646.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	6,336,550.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 8	5	869.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	6,335,681.

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				
b	SEE ATTACHED STATEMENT			
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				
b				
c				
d				
e	623,727.		631,717.	<7,990.>

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				
b				
c				
d				
e				<7,990.>

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 <7,990.>

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 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))
2010	618,903.	5,576,170.	.110991
2009	676,133.	4,058,537.	.166595
2008	682,000.	4,530,540.	.150534
2007	615,050.	4,460,838.	.137878
2006	586,405.	4,305,612.	.136196

2	**Total** of line 1, column (d)	2	.702194
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	.140439
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	6,794,693.
5	Multiply line 4 by line 3	5	954,240.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	8,382.
7	Add lines 5 and 6	7	962,622.
8	Enter qualifying distributions from Part XII, line 4	8	615,000.

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.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b		1	16,764.
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	16,764.
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	16,764.
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a 15,339.		
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c 10,000.		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d		7	25,339.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ 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	8,575.
11 Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶ 8,575. **Refunded** ▶		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 definition)?	1b		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c Did the foundation file **Form 1120-POL** for this year?	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? N/A	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) ▶ IL			
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 2011 or the taxable year beginning in 2011 (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

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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ WALTER W. BELL Telephone no. ▶ 312-425-2700
Located at ▶ 200 W. ADAMS SUITE 2600, CHICAGO, IL ZIP+4 ▶ 60606

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

			Yes	No
16	At any time during calendar year 2011, 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?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☒ Yes ☐ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ 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)?	☐ Yes ☒ 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.)	☐ Yes ☒ 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)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
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 2011?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ Yes ☒ 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	2b		
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?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 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 2011.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?		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 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ 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** No: 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
BRYANT G. GARTH 200 W. ADAMS SUITE 2600 CHICAGO, IL 60606	DIRECTOR/PRESIDENT 0.00	0.	0.	0.
CYNTHIA KOBEL 200 W. ADAMS SUITE 2600 CHICAGO, IL 60606	DIRECTOR/VICE PRESIDENT 40.00	80,100.	8,854.	0.
WALTER W. BELL 200 W. ADAMS SUITE 2600 CHICAGO, IL 60606	DIRECTOR/VICE PRESIDENT/SEC/TREAS 0.00	0.	0.	0.
LINDA LANDRETH 200 W. ADAMS SUITE 2600 CHICAGO, IL 60606	ASSISTANT SEC/TREAS 0.00	0.	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."

(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.

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	6,720,865.
b	Average of monthly cash balances	1b	177,300.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	6,898,165.
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	6,898,165.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	103,472.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,794,693.
6	**Minimum investment return** Enter 5% of line 5	6	339,735.

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	339,735.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	16,764.		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	16,764.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	322,971.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	322,971.
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	322,971.

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	615,000.
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	615,000.
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	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	615,000.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				322,971.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years: ____ , ____ , ____		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006 387,997.				
b From 2007 410,140.				
c From 2008 475,506.				
d From 2009 481,254.				
e From 2010 352,879.				
f **Total** of lines 3a through e	2,107,776.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 615,000.				
a Applied to 2010, but not more than line 2a			0.	
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 2011 distributable amount				322,971.
e Remaining amount distributed out of corpus	292,029.			
5 Excess distributions carryover applied to 2011 (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	2,399,805.			
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 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	387,997.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	2,011,808.			
10 Analysis of line 9:				
a Excess from 2007 410,140.				
b Excess from 2008 475,506.				
c Excess from 2009 481,254.				
d Excess from 2010 352,879.				
e Excess from 2011 292,029.				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

NONE

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

NONE

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient 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
a Paid during the year				
FOUND CHICAGO 4100 NORTH ROCKWELL STREE CHICAGO, IL 60618	N/A	501(C)(3)	EDUCATIONAL	500.
SOUTHWESTERN LAW SCHOOL 3050 WILSHIRE BOULEVARD LOS ANGELES, CA 90010	N/A	501(C)(3)	EDUCATIONAL	10,000.
ALLIANCE FOR CHILDREN'S RIGHTS 3333 WILSHIRE BOULEVARD LOS ANGELES, CA 90010	N/A	501(C)(3)	EDUCATIONAL	10,000.
POST CITY CELEBRATION INC P.O. BOX 155 POST, TX 79356	N/A	501(C)(3)	SOCIAL WELFARE	5,000.
PEACE PROJECT 2355 OCEAN AVENUE VENICE, CA 90291	N/A	501(C)(3)	SOCIAL WELFARE	2,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	615,000.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
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			14	25,956.	
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			18	992,055.	
8 Gain or (loss) from sales of assets other than inventory			18	<7,990.>	
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.		1,010,021.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 1,010,021.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

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

b If "Yes," complete the following schedule.

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

Sign Here

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

▶ Bryant C. Caldwell 6-11-12 ▶ Pres

Signature of officer or trustee Date Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
BRENT L. BARRINGER	Brent L Barringer	6-6-12		P00605367
Firm's name ▶ BELL & ANDERSON LLC			Firm's EIN ▶ 36-4239396	
Firm's address ▶ 200 W ADAMS ST - STE 2600 CHICAGO, IL 60606-5233			Phone no. (312) 425-2700	

Form **990-PF** (2011)

123622
12-02-11

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**

OMB No 1545-0047

2011

Name of the organization
KENNETH & HARLE MONTGOMERY FOUNDATION
C/O/ BELL & ANDERSON

Employer identification number
36-3871012

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

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

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year ... ▶ $ ________

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

Name of organization
KENNETH & HARLE MONTGOMERY FOUNDATION
C/O/ BELL & ANDERSON

Employer identification number
36-3871012

Part I **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	HARLE G. MONTGOMERY POST MORTEM TRUST C/O 200 W ADAMS STREET SUITE 2600 CHICAGO, IL 60606	$ 23,000.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution)
2	HARLE G. MONTGOMERY POST MORTEM TRUST C/O 200 W ADAMS STREET SUITE 2600 CHICAGO, IL 60606	$ 2,224,530.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
3	HARLE G. MONTGOMERY POST MORTEM TRUST C/O 200 W ADAMS STREET SUITE 2600 CHICAGO, IL 60606	$ 1,800.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Name of organization

KENNETH & HARLE MONTGOMERY FOUNDATION
C/O/ BELL & ANDERSON

Employer identification number

36-3871012

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	4 PAINTINGS-FRANCOISE GILOT	$ 23,000.	01/01/11

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	1,485 UNITS HGM PROPERTIES LP	$ 2,224,530.	07/01/11

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

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

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

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

Name of organization

KENNETH & HARLE MONTGOMERY FOUNDATION
C/O/ BELL & ANDERSON

Employer identification number

36-3871012

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

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

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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	GAIN VIA HGM PROPERTIES LP	P	12/31/11	12/31/11
b	430 JP MORGAN CHASE	P	02/24/10	02/04/11
c	430 JP MORGAN CHASE	P	08/30/10	02/04/11
d	175000 US T BILLS	P	12/28/10	07/14/11
e	100000 US T BILLS	P	12/28/10	08/11/11
f	125000 US T BILLS	P	06/30/11	12/22/11
g	200 GOLDMAN SACHS	P	06/03/10	09/30/11
h	400 TEVA PHARMACEUTICAL	P	12/12/05	10/21/11
i	400 TEVA PHARMACEUTICAL	P	09/25/09	10/21/11
j	150 TEVA PHARMACEUTICAL	P	06/29/10	10/21/11
k	100000 US T BILLS	P	12/28/10	12/15/11
l	FRANCOISE GILOT-4 PAINTINGS	P	VARIOUS	12/16/11
m				
n				
o				

	(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	2,733.			2,733.
b	18,905.		17,870.	1,035.
c	18,905.		15,842.	3,063.
d	174,985.		174,818.	167.
e	99,986.		99,915.	71.
f	124,974.		124,908.	66.
g	18,986.		28,888.	<9,902.>
h	15,475.		17,764.	<2,289.>
i	15,475.		20,775.	<5,300.>
j	5,803.		7,937.	<2,134.>
k	100,000.		100,000.	0.
l	27,500.		23,000.	4,500.
m				
n				
o				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(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	
a				2,733.
b				1,035.
c				3,063.
d				167.
e				71.
f				66.
g				<9,902.>
h				<2,289.>
i				<5,300.>
j				<2,134.>
k				0.
l				4,500.
m				
n				
o				

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	<7,990.>
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

123591
05-01-11

16060605 794980 119-1 2011.03060 KENNETH & HARLE MONTGOMERY 119-1__1

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
ACCRUED U.S TREASURY INTEREST PAID	<19.>	0.	<19.>
HGM PROPERTIES	19.	0.	19.
MISC INTEREST	7.	0.	7.
NORTHERN TRUST CHECKING ACCOUNT INTEREST-FINAL	51.	0.	51.
ROTHSCHILD COMMON STOCK DIVIDENDS-FINAL	3,549.	0.	3,549.
SB DIVIDENDS	21,003.	0.	21,003.
SB U.S. INTEREST	1,346.	0.	1,346.
TOTAL TO FM 990-PF, PART I, LN 4	25,956.	0.	25,956.

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
OCCIDENTAL PERMIAN LTD	919,901.	919,901.	
AD VALOREM TAXES	<159,349.>	<159,349.>	
HGM PROPERTIES L.P.-ORD INCOME	4,368.	4,368.	
HGM PROPERTIES L.P.-ROYALTIES	227,135.	227,135.	
TOTAL TO FORM 990-PF, PART I, LINE 11	992,055.	992,055.	

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	45,100.	45,100.		0.
TO FM 990-PF, PG 1, LN 16A	45,100.	45,100.		0.

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 FEES	11,000.	11,000.		0.
TO FORM 990-PF, PG 1, LN 16B	11,000.	11,000.		0.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
R.T. GARCIA APPRAISAL FEE	6,546.	6,546.		0.
TO FORM 990-PF, PG 1, LN 16C	6,546.	6,546.		0.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX	660.	660.		0.
990 PF 2010	9,500.	0.		0.
990 PF 2011	14,400.	0.		0.
TO FORM 990-PF, PG 1, LN 18	24,560.	660.		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
ILLINOIS CHARITY BUREAU	15.	15.		0.
VARIOUS OFFICE EXPENSES	4,559.	4,559.		0.
PAYROLL SERVICE	1,170.	1,170.		0.
OTHER STOCK FEE	3.	3.		0.
STOP CHECK FEE	30.	30.		0.

WORKER COMP INSURANCE	646.	646.		0.
ANNUAL REPORT FEE-IL	10.	10.		0.
ROTHSCHILD FEE	50.	50.		0.
OTHER OFFICE CLOSING FEES	2,446.	2,446.		0.
TO FORM 990-PF, PG 1, LN 23	8,929.	8,929.		0.

FORM 990-PF OTHER DECREASES IN NET ASSETS OR FUND BALANCES STATEMENT 8

DESCRIPTION	AMOUNT
OTHER ADJUSTMENTS	867.
NONDEDUCTIBLE EXPENSE HGM LP	2.
TOTAL TO FORM 990-PF, PART III, LINE 5	869.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 9

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
TREASURY BILLS-SEE ATTACHED	X		554,115.	555,326.
TOTAL U.S. GOVERNMENT OBLIGATIONS			554,115.	555,326.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			554,115.	555,326.

FORM 990-PF CORPORATE STOCK STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS-SEE ATTACHED	804,974.	1,220,816.
CORPORATE STOCKS-FOREIGN-SEE ATTACHED	63,868.	90,702.
TOTAL TO FORM 990-PF, PART II, LINE 10B	868,842.	1,311,518.

FORM 990-PF OTHER INVESTMENTS STATEMENT 11

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
INTEREST IN OIL,GAS AND MINERALS	FMV	2,286,541.	3,686,000.
1485 UNITS HGM PROPERTIES LP-FORM 8939 VALUE	FMV	2,224,530.	2,224,530.
1485 UNITS HGM PROPERTIES LP-2011 SCHEDULE K-1	FMV	234,253.	234,253.
TOTAL TO FORM 990-PF, PART II, LINE 13		4,745,324.	6,144,783.

Montgomery Foundation
List of Securities
31-Dec-11

ace Value/ Shares	Description	Book Value	Fair Market Value
50,000	U S Treasury Note due 3/12	50,017 00	50,115 00
100,000	U S Treasury Note due 9/13	99,750 00	99,801 00
80,000	U S Treasury Note due 11/13	80,088 00	80,010 00
50,000	U S Treasury Note due 12/13	49,648 00	50,482 00
275,000	U S Treasury Bill due 12/11	274,612 00	274,918 00
	Total U S Treasury Note and Bill	554,115 00	555,326 00
1150	Abbott Laboratories	35,150 00	64,665 00
150	Apache Corporation	10,225 76	13,587 00
230	Apple Computers	23,548 35	93,150 00
600	Berkshire Hathaway	44,025 00	45,780 00
260	Chicago Mercantile Exchange	70,105 00	63,354 00
2300	Cisco Systems	9,548 95	41,584 00
1100	Emerson Electric Company	42,069 70	51,249 00
950	Exelis Inc	10,734 43	8,597 50
1200	Express Scripts Inc	16,880 83	53,628 00
2000	General Electric	23,598 75	35,820 00
200	Goldman Sachs	23,543 98	18,086 00
90	Google	44,027 18	58,131 00
475	ITT Inds	8,845 28	9,181 75
2400	Intel	20,164 92	58,200 00
320	IBM	37,246 42	58,841 60
700	Johnson & Johnson	40,335 75	45,906 00
2050	Microsoft	27,975 99	53,218 00
1000	Nestle SA	31,349 26	57,710 00
2200	Oracle Systems	47,799 44	56,430 00
750	Pepsico	45,743 24	49,763 00
720	Procter & Gamble	19,585 95	48,031 20
400	Schlumberger	15,431 68	27,324 00
850	Stericycle	31,089 39	66,232 00
360	Thermo Fisher Scientific	19,696 60	16,189 20
165	3m Company	14,733 96	13,485 45
430	Trimble Navigation	16,225 58	18,662 00
630	UPS	35,275 47	46,109 70
350	Varian Medical	13,407 19	23,495 50
950	Xylem	26,609 74	24,405 50
	Total Corporate Stocks-U S	804,973 79	1,220,816 40
2100	Vanguard ETF Emerging Mkts	52,193 13	80,241 00
300	Ishares FTSE Xinhau China 25 Index Fu	11,674 63	10,461 00
	Total Corporate Stocks-Foreign	63,867 76	90,702 00

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
BELOVED COMMUNITY CHRISTIAN CHURCH 6430 S HARVARD CHICAGO, IL 60621	N/A	501(C)(3)	RELIGIOUS	5,000.
FIRST DEFENSE LEGAL AID 1111 N WELLS SUITE 308A CHICAGO, IL 60610	N/A	501(C)(3)	EDUCATIONAL	2,500.
ACLU OF SAN DIEGO P.O. BOX 87131 SAN DIEGO, CA 92138	N/A	501(C)(3)	SOCIAL WELFARE	25,000.
SAN DIEGO OPERA 1200 THIRD AVENUE 18TH FLOOR SAN DIEGO, CA 92101	N/A	501(C)(3)	SOCIAL WELFARE	10,000.
SOUTHWESTERN LAW SCHOOL 3050 WILSHIRE BOULEVARD LOS ANGELES, CA 90010	N/A	501(C)(3)	EDUCATIONAL	30,000.
FACETS MULTIMEDIA 1517 W FULLERTON AVENUE CHICAGO, IL 60614	N/A	501(C)(3)	EDUCATIONAL	10,000.
LA JOLLA HISTORICAL SOCIETY 7846 EADS AVENUE LA JOLLA, CA 92037	N/A	501(C)(3)	EDUCATIONAL	100,000.
PARTNERS IN HEALTH 888 COMMONWEALTH AVENUE 3RD FLOOR BOSTON, MA 02215	N/A	501(C)(3)	MEDICAL	10,000.
SALK INSTITUTE FOR BIOLOGICAL STUDIES 10010 NORTH TORREY PINES RD LA JOLLA, CA 92037	N/A	501(C)(3)	MEDICAL	10,000.
SAN DIEGO PUBLIC LIBRARY 820 E STREET SAN DIEGO, CA 92037	N/A	501(C)(3)	EDUCATIONAL	50,000.
Total from continuation sheets				587,500.

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
NORTHWESTERN UNIVERSITY SCHOOL OF LAW 375 E CHICAGO AVENUE CHICAGO, IL 60611	N/A	501(C)(3)	EDUCATIONAL	50,000.
HIGH TECH HIGH FOUNDATION 2861 WOMBLE RD SAN DIEGO, CA 92106	N/A	501(C)(3)	EDUCATIONAL	10,000.
BELOVED COMMUNITY CHRISTIAN CHURCH 6430 S HARVARD CHICAGO, IL 60621	N/A	501(C)(3)	EDUCATIONAL	15,000.
JOHN HOWARD ASSOCIATION 375 E CHICAGO AVENUE SUITE 529 CHICAGO, IL 60611	N/A	501(C)(3)	EDUCATIONAL	20,000.
NORTHEASTERN ILLINOIS UNIVERSITY 5500 N ST LOUIS AVENUE CHICAGO, IL 60625	N/A	501(C)(3)	EDUCATIONAL	10,000.
LELAND STANFORD LAW SCHOOL 326 GALVEZ ST STANFORD, CA 94305	N/A	501(C)(3)	EDUCATIONAL	10,000.
PEACE PROJECT 6101 WASHINGTON BLVD CULVER CITY, CA 90232	N/A	501(C)(3)	EDUCATIONAL	10,000.
NATURAL HIGH 9404 GENESSEE AVE LA JOLLA, CA 92037	N/A	501(C)(3)	EDUCATIONAL	5,000.
CROW CANTON ARCHEOLOGICAL CENTER 23390 ROAD K CORTEZ, CO 81321	N/A	501(C)(3)	EDUCATIONAL	5,000.
HUMAN RIGHTS WATCH 581 INGLESIDE PARK EVANSTON, IL 60201	N/A	501(C)(3)	SOCIAL WELFARE	1,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
JOHN HOWARD ASSOCIATION 375 E CHICAGO AVENUE SUITE 529 CHICAGO, IL 60611	N/A	501(C)(3)	EDUCATIONAL	25,000.
VISTA HILL FOUNDATION 8910 CLAIRMONT MESA BLVD SAN DIEGO, CA 92123	N/A	501(C)(3)	MEDICAL	5,000.
CAPROCK CULTURAL ASSN 109 N AVENUE N P.O. BOX 37 POST , TX 79356	N/A	501(C)(3)	EDUCATIONAL	2,000.
GARZA COUNTY HISTORICAL MUSEUM 119 N AVENUE N POST, TX 79356	N/A	501(C)(3)	EDUCATIONAL	2,000.
LUSTGARTEN FOUNDATION 1111 STEWART AVENUE BETHPAGE, NY 11714	N/A	501(C)(3)	EDUCATIONAL	10,000.
NEW HERITAGE REPERTORY THEATRE 253 W 138TH ST NEW YORK, NY 10030	N/A	501(C)(3)	SOCIAL WELFARE	10,000.
PROGRESSIVE COMMUNITY CHURCH 56 E 48TH ST CHICAGO, IL 60615	N/A	501(C)(3)	RELIGIOUS	5,000.
WESTERN GOLF ASSOCIATION ONE BRIAR ROAD GOLF, IL 60029	N/A	501(C)(3)	EDUCATIONAL	50,000.
SABAN FREE CLINIC 8405 BEVERLY BOULEVARD LOS ANGELES, CA 90048	N/A	501(C)(3)	MEDICAL	10,000.
SOUTHERN CALIFORNIA PUBLIC RADIO 474 S RAYMOND AVENUE PASADENA, CA 91105	N/A	501(C)(3)	EDUCATIONAL	40,000.
Total from continuation sheets				

Part XV **Supplementary Information**

3 Grants and Contributions Paid During the Year (Continuation)

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
NORTHWESTERN UNIVERSITY SCHOOL OF LAW 375 E CHICAGO AVENUE CHICAGO, IL 60611	N/A	501(C)(3)	EDUCATIONAL	40,000.
SAN DIEGO PUBLIC LIBRARY 820 E STREET SAN DIEGO, CA 92101	N/A	501(C)(3)	EDUCATIONAL (150 BOOKS INCLUDING PROFILES IN COURAGE)	
Total from continuation sheets				

Form **8868**
(Rev. January 2012)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (*e-file*). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	KENNETH & HARLE MONTGOMERY FOUNDATION C/O/ BELL & ANDERSON	[X] 36-3871012
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P O box, see instructions. 200 W. ADAMS STREET, NO. 2600	Social security number (SSN) [ ]
	City, town or post office, state, and ZIP code For a foreign address, see instructions. CHICAGO, IL 60606	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ WALTER W. BELL
200 W. ADAMS SUITE 2600 - CHICAGO, IL 60606
Telephone No. ▶ 312-425-2700 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ . If this is for the whole group, check this box ▶ [ ] . If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until AUGUST 15, 2012 , to file the exempt organization return for the organization named above The extension is for the organization's return for:
▶ [X] calendar year 2011 or
▶ [ ] tax year beginning ______ , and ending ______ .

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return
[ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions.	3a	$ 25,339.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 15,339.
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions.	3c	$ 10,000.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

LHA **For Privacy Act and Paperwork Reduction Act Notice, see Instructions.** Form **8868** (Rev. 1-2012)

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01-04-12