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.

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

OMB No 1545-0052

2014

Open to Public Inspection

For calendar year 2014 or tax year beginning , and ending

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

A Employer identification number
36-3871012

Number and street (or P O box number if mail is not delivered to street address): 135 SOUTH LASALLE STREET
Room/suite: 2350

B Telephone number: 312-425-2700

City or town, state or province, country, and ZIP or foreign postal code
CHICAGO, IL 60603

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 10,250,761.

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis.)*

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

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	80,000.		N/A	
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	1,339.	1,339.		STATEMENT 1
	4 Dividends and interest from securities	59,690.	59,690.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-45,562.			
	b Gross sales price for all assets on line 6a 1,416,736.				
	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	1,154,853.	1,154,853.		STATEMENT 3
	12 **Total.** Add lines 1 through 11	1,250,320.	1,215,882.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 4	28,000.	28,000.		0.
	b Accounting fees STMT 5	13,715.	13,715.		0.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 6	28,457.	1,918.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 7	9,996.	9,996.		0.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	80,168.	53,629.		0.
	25 Contributions, gifts, grants paid	893,750.			893,750.
	26 **Total expenses and disbursements** Add lines 24 and 25	973,918.	53,629.		893,750.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	276,402.			
	b **Net investment income** (if negative, enter -0-)		1,162,253.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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11-24-14 LHA **For Paperwork Reduction Act Notice, see instructions.**

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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	7,738.	230,497.	230,497.
	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	499,832.	500,156.	500,383.
	b	Investments - corporate stock STMT 10	1,365,920.	2,518,951.	3,727,108.
	c	Investments - corporate bonds			
	11	Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other STMT 11	5,134,879.	4,393,314.	5,792,773.
	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)	7,008,369.	7,642,918.	10,250,761.
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	7,008,369.	7,642,918.	
	30	**Total net assets or fund balances**	7,008,369.	7,642,918.	
	31	**Total liabilities and net assets/fund balances**	7,008,369.	7,642,918.	

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	7,008,369.
2	Enter amount from Part I, line 27a	2	276,402.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	358,152.
4	Add lines 1, 2, and 3	4	7,642,923.
5	Decreases not included in line 2 (itemize) ▶ NONDEDUCTIBLE EXPENSE	5	5.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	7,642,918.

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 STATEMENTS			
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	1,416,736.		1,462,298.	-45,562.

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
	(i) 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				
b				
c				
d				
e				-45,562.

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 -45,562.

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

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2013	916,000.	8,804,515.	.104038
2012	922,400.	8,446,654.	.109203
2011	615,000.	6,794,693.	.090512
2010	618,903.	5,576,170.	.110991
2009	676,133.	4,058,537.	.166595

2	Total of line 1, column (d)	2	.581339
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	.116268
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	9,856,986.
5	Multiply line 4 by line 3	5	1,146,052.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	11,623.
7	Add lines 5 and 6	7	1,157,675.
8	Enter qualifying distributions from Part XII, line 4	8	893,750.

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 **c** All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			1	23,245.
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	23,245.
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	23,245.
6 Credits/Payments:				
a 2014 estimated tax payments and 2013 overpayment credited to 2014	6a	26,000.		
b Exempt foreign organizations - tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c			
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d			7	26,000.
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	2,755.
11 Enter the amount of line 10 to be: **Credited to 2015 estimated tax** ▶	2,755.	**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 the 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) ▶ CA,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 2014 or the taxable year beginning in 2014 (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

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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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ WALTER W. BELL Telephone no. ▶ 312-425-2700

Located at ▶ C/O 135 S. LASALLE SUITE 2350, CHICAGO, IL ZIP+4 ▶ 60603

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 2014, 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 FinCEN Form 114, (formerly 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

		Yes	No
File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
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 2014?	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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? ☐ 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 2014 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 2014.)* 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 2014?	4b		X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

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

If "Yes" to 6b, file Form 8870.

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
BRYANT G. GARTH 135 S. LASALLE ST STE 2350 CHICAGO, IL 60606	DIRECTOR/PRESIDENT 0.00	0.	0.	0.
CYNTHIA KOBEL 135 S. LASALLE ST STE 2350 CHICAGO, IL 60606	DIRECTOR/VICE PRESIDENT 0.00	0.	0.	0.
WALTER W. BELL C/O 135 S. LASALLE ST STE 2350 CHICAGO, IL 60606	DIRECTOR/VICE PRESIDENT/SE 0.00	0.	0.	0.
LINDA LANDRETH 135 S. LASALLE ST STE 2350 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.

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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	6,084,865.
b	Average of monthly cash balances			1b	236,227.
c	Fair market value of all other assets			1c	3,686,000.
d	**Total** (add lines 1a, b, and c)			1d	10,007,092.
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	10,007,092.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)			4	150,106.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4			5	9,856,986.
6	**Minimum investment return** Enter 5% of line 5			6	492,849.

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	492,849.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	23,245.		
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	23,245.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	469,604.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	469,604.
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	469,604.

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	893,750.
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	893,750.
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	893,750.

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				469,604.
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			0.	
b Total for prior years: ______, ______, ______		0.		
3 Excess distributions carryover, if any, to 2014:				
a From 2009 481,254.				
b From 2010 352,879.				
c From 2011 292,029.				
d From 2012 523,302.				
e From 2013 500,313.				
f **Total** of lines 3a through e	2,149,777.			
4 Qualifying distributions for 2014 from Part XII, line 4: ▶ $ 893,750.				
a Applied to 2013, 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 2014 distributable amount				469,604.
e Remaining amount distributed out of corpus	424,146.			
5 Excess distributions carryover applied to 2014 (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	2,573,923.			
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 2013. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				0.
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 2009 not applied on line 5 or line 7	481,254.			
9 **Excess distributions carryover to 2015.** Subtract lines 7 and 8 from line 6a	2,092,669.			
10 Analysis of line 9:				
a Excess from 2010 352,879.				
b Excess from 2011 292,029.				
c Excess from 2012 523,302.				
d Excess from 2013 500,313.				
e Excess from 2014 424,146.				

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 2014, 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) 2014	(b) 2013	(c) 2012	(d) 2011	(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 or e-mail address 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				
AFRICAN GROVE INSTITUTE FOR THE ARTS 725 ELMIRA STREET PASADENA, CA 91104	N/A	501(C)(3)	SOCIAL WELFARE	5,000.
CAPROCK CULTURAL ASSOCIATION 109 N. AVENUE N, P.O. BOX 37 POST, TX 79356	N/A	501(C)(3)	EDUCATIONAL	2,000.
CHICAGO PUBLIC MEDIA 848 E. GRAND AVENUE CHICAGO, IL 60611	N/A	501(C)(3)	EDUCATIONAL	10,000.
FACETS MULTIMEDIA 1517 W. FULLERTON AVENUE CHICAGO, IL 60614	N/A	501(C)(3)	EDUCATIONAL	10,000.
FIRST DEFENSE LEGAL AID 5100 W HARRISON ST CHICAGO, IL 60644	N/A	501(C)(3)	EDUCATIONAL	4,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	893,750.
b Approved for future payment NONE				
Total			▶ 3b	0.

Form **990-PF** (2014)

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11-24-14

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu-sion code	(d) Amount	
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			14	1,339.	
4 Dividends and interest from securities			14	59,690.	
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	1,154,853.	
8 Gain or (loss) from sales of assets other than inventory			18	-45,562.	
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.		1,170,320.	0.

13 **Total**. Add line 12, columns (b), (d), and (e) 13 1,170,320.

(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

5/13/15 ▶ TREASURER/VP

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		5-12-15		P00605367

Firm's name ▶ BELL & ANDERSON LLC

Firm's EIN ▶ 36-4239396

Firm's address ▶ 135 S LASALLE, SUITE 2350
CHICAGO, IL 60603-4153

Phone no. (312) 425-2700

Form 990-PF (2014)

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
GARZA COUNTY HISTORICAL MUSEUM 119 NORTH AVENUE N POST, TX 79356	N/A	501(C)(3)	EDUCATIONAL	3,000.
JOHN G SHEDD AQUARIUM 1200 SOUTH LAKE SHORE DRIVE CHICAGO, IL 60605	N/A	501(C)(3)	EDUCATIONAL	83,250.
JOHN HOWARD ASSOCIATION 375 E CHICAGO AVENUE CHICAGO, IL 60611	N/A	501(C)(3)	EDUCATIONAL	50,000.
JOHN HOWARD ASSOCIATION 375 E CHICAGO AVENUE CHICAGO, IL 60611	N/A	501(C)(3)	EDUCATIONAL	5,000.
LEVELLAND ISD FOUNDATION FOR EXCELLENCE 704 11TH STREET LEVELLAND, TX 79336	N/A	501(C)(3)	EDUCATIONAL	1,000.
NATIONAL ALLIANCE FOR EMPOWERMENT OF FORMERLY INCARCERATED 5820 W. CHICAGO AVENUE CHICAGO, IL 60651	N/A	501(C)(3)	EDUCATIONAL	4,000.
NEW HERITAGE REPERTORY THEATRE 253 W 138TH ST NEW YORK, NY 10030	N/A	501(C)(3)	EDUCATIONAL	80,000.
NORTHEASTERN ILLINOIS UNIVERSITY FOUNDATION 5500 N. ST. LOUIS AVENUE CHICAGO, IL 60625	N/A	501(C)(3)	EDUCATIONAL	5,000.
NORTHEASTERN ILLINOIS UNIVERSITY FOUNDATION 5500 N. ST. LOUIS AVENUE CHICAGO, IL 60625	N/A	501(C)(3)	EDUCATIONAL	15,000.
NORTHWESTERN UNIVERSITY SCHOOL OF LAW 375 E CHICAGO AVENUE CHICAGO, IL 60611	N/A	501(C)(3)	EDUCATIONAL	50,000.
Total from continuation sheets				862,750.

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05-01-14

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.
NORTHWESTERN UNIVERSITY SCHOOL OF LAW 375 E CHICAGO AVENUE CHICAGO, IL 60611	N/A	501(C)(3)	EDUCATIONAL	30,000.
NORTHWESTERN UNIVERSITY SCHOOL OF LAW 375 E CHICAGO AVENUE CHICAGO, IL 60611	N/A	501(C)(3)	EDUCATIONAL	5,000.
OTIS COLLEGE OF ART & DESIGN 1700 E WALNUT AVENUE SUITE 650 EL SEGUNDO, CA 90245	N/A	501(C)(3)	EDUCATIONAL	10,000.
OTIS COLLEGE OF ART & DESIGN 9045 LINCOLN BOULEVARD LOS ANGELES, CA 90045	N/A	501(C)(3)	EDUCATIONAL	150,000.
PARTNERS IN HEALTH 888 COMMONWEALTH AVE BOSTON, MA 02215	N/A	501(C)(3)	MEDICAL	10,000.
POST CITY FESTIVALS 201 E MAIN STREET POST, TX 79356	N/A	501(C)(3)	SOCIAL WELFARE	6,000.
PROGRESSIVE COMMUNITY CENTER 56 E 48TH ST CHICAGO, IL 60615	N/A	501(C)(3)	RELIGIOUS	10,000.
PROGRESSIVE COMMUNITY CENTER 56 E 48TH ST CHICAGO, IL 60615	N/A	501(C)(3)	RELIGIOUS	10,000.
PROGRESSIVE COMMUNITY CENTER 56 E 48TH ST CHICAGO, IL 60615	N/A	501(C)(3)	RELIGIOUS	5,000.
Total from continuation sheets				

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05-01-14

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
SAN DIEGO MUSEUM OF MAN 1350 EL PRADO SAN DIEGO, CA 92101	N/A	501(C)(3)	EDUCATIONAL	10,000.
SAN DIEGO PUBLIC LIBRARY 820 E STREET SAN DIEGO, CA 92037	N/A	501(C)(3)	EDUCATIONAL	500.
SAN DIEGO PUBLIC LIBRARY 820 E STREET SAN DIEGO, CA 92037	N/A	501(C)(3)	EDUCATIONAL	40,000.
SOUTHERN CALIFORNIA PUBLIC RADIO 474 S RAYMOND AVENUE PASADENA, CA 91105	N/A	501(C)(3)	EDUCATIONAL	30,000.
SOUTHWESTERN LAW SCHOOL 3050 WILSHIRE BOULEVARD LOS ANGELES, CA 90010	N/A	501(C)(3)	EDUCATIONAL	30,000.
STANFORD LAW SCHOOL 559 NATHAN ABBOTT WAY STANFORD, CA 94305	N/A	501(C)(3)	EDUCATIONAL	15,000.
THE RENAISSANCE COLLABORATIVE 3757 S. WABASH AVENUE CHICAGO, IL 60653	N/A	501(C)(3)	SOCIAL WELFARE	5,000.
THE UCI FOUNDATION 401 EAST PELTASON DRIVE IRVINE, CA 92697	N/A	501(C)(3)	SOCIAL WELFARE	2,000.
THOMAS JEFFERSON SCHOOL OF LAW 1155 ISLAND AVENUE SAN DIEGO, CA 92101	N/A	501(C)(3)	EDUCATIONAL	3,000.
TIMKEN MUSEUM OF ART 2550 FIFTH AVENUE, SUITE 500 SAN DIEGO, CA 92103	N/A	501(C)(3)	EDUCATIONAL	5,000.
Total from continuation sheets				

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05-01-14

KENNETH & HARLE MONTGOMERY FOUNDATION
C/O BELL & ANDERSON LLC 36-3871012

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
VISIONARIES + VOICES 225 NORTHLAND BOULEVARD CINCINNATI, OH 45246	N/A	501(C)(3)	EDUCATIONAL	10,000.
WESTERN GOLF ASSOCIATION ONE BRIAR ROAD GOLF, IL 60029	N/A	501(C)(3)	EDUCATIONAL	125,000.
WINDANSEA SURF CLUB P.O. BOX 438 LA JOLLA, CA 92038	N/A	501(C)(3)	EDUCATIONAL	5,000.
Total from continuation sheets				

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05-01-14

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

Schedule of Contributors

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

OMB No 1545-0047

2014

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

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, contributions totaling $5,000 or more (in money or property) from any one contributor. Complete Parts I and II See instructions for determining a contributor's total contributions.

Special Rules

☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II

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

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc , purposes, but no such contributions totaled more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc , contributions totaling $5,000 or more during the year . . . ▶ $ ____________

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

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.** **Schedule B (Form 990, 990-EZ, or 990-PF) (2014)**

423451
11-05-14

Name of organization	Employer identification number
KENNETH & HARLE MONTGOMERY FOUNDATION C/O BELL & ANDERSON LLC	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 135 S LASALLE STREET SUITE 2350 CHICAGO, IL 60603	$ 80,000.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

Name of organization	Employer identification number
KENNETH & HARLE MONTGOMERY FOUNDATION C/O BELL & ANDERSON LLC	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	TANG DYNASTY FIGURE	$ 80,000.	08/05/14
		$	
		$	
		$	
		$	
		$	

Name of organization	Employer identification number
KENNETH & HARLE MONTGOMERY FOUNDATION C/O BELL & ANDERSON LLC	36-3871012

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

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

(e) Transfer of gift

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

(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

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

CONTINUATION FOR 990-PF, PART IV
36-3871012 PAGE 1 OF 2

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	400 WISDOM TREE EMERGING MARKETS	P	12/26/12	03/27/14
b	150000 U.S. TREASURY NOTES	P	12/28/12	02/07/14
c	74000 U.S. TREASURY NOTES	P	05/10/13	06/03/14
d	150 APACHE CORP	P	03/16/07	12/22/14
e	0.3325 PARAGON OFFSHORE LTD	P	06/20/14	08/11/14
f	0.5496 KINDER MORGAN MANAGEMENT	P	06/03/14	08/15/14
g	71.728 PARAGON OFFSHORE LTD	P	06/03/14	09/22/14
h	16.272 PARAGON OFFSHORE LTD	P	06/20/14	09/22/14
i	0.0198 KINDER MORGAN MANAGEMENT	P	09/22/14	11/17/14
j	0.3040 KINDER MORGAN INCORPORATED	P	09/22/14	12/04/14
k	185 APACHE CORP	P	06/03/14	12/22/14
l	42 APACHE CORP	P	06/20/14	12/22/14
m	273 APACHE CORP	P	09/22/14	12/22/14
n	216 NOBLE CORP	P	06/03/14	12/22/14
o	49 NOBLE CORP	P	06/20/14	12/22/14

	(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	19,281.		22,459.	-3,178.
b	149,856.		149,918.	-62.
c	73,765.		73,843.	-78.
d	9,603.		10,226.	-623.
e	3.		4.	-1.
f	54.		39.	15.
g	434.		836.	-402.
h	99.		209.	-110.
i	2.		2.	0.
j	13.		11.	2.
k	11,843.		17,037.	-5,194.
l	2,689.		4,218.	-1,529.
m	17,476.		25,908.	-8,432.
n	3,884.		5,977.	-2,093.
o	881.		1,489.	-608.

	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				-3,178.
b				-62.
c				-78.
d				-623.
e				-1.
f				15.
g				-402.
h				-110.
i				0.
j				2.
k				-5,194.
l				-1,529.
m				-8,432.
n				-2,093.
o				-608.

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	
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	

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

CONTINUATION FOR 990-PF, PART IV
36-3871012 PAGE 2 OF 2

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	1235 NOBLE CORP	P	09/22/14	12/22/14
b	385921.57 U.S. TREASURY BILL	P	09/27/13	06/03/14
c	371078.43 U.S. TREASURY BILL	P	03/28/14	06/03/14
d	134000 U.S. TREASURY BILL	P	05/10/13	05/01/14
e	150000 U.S. TREASURY BILL	P	05/05/14	11/13/14
f	SALE OF TANG DYNASTY FIGURE	P		08/05/14
g	VIA HGM PROPERTIES L.P.	P		12/31/14
h				
i				
j				
k				
l				
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	22,207.		29,498.	-7,291.
b	385,887.		385,712.	175.
c	371,046.		371,026.	20.
d	134,000.		133,908.	92.
e	150,000.		149,978.	22.
f	63,696.		80,000.	-16,304.
g	17.			17.
h				
i				
j				
k				
l				
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				-7,291.
b				175.
c				20.
d				92.
e				22.
f				-16,304.
g				17.
h				
i				
j				
k				
l				
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	-45,562.
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

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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
HGM PROPERTIES-TAXABLE INTEREST	75.	75.	
MS ACCOUNT INTEREST	1,538.	1,538.	
MS ACCRUED INTEREST PURCHASE	-274.	-274.	
TOTAL TO PART I, LINE 3	1,339.	1,339.	

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
MS ACCOUNT DIVIDENDS	59,690.	0.	59,690.	59,690.	
TO PART I, LINE 4	59,690.	0.	59,690.	59,690.	

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
OCCIDENTAL PERMIAN LTD	891,311.	891,311.	
OP 1099-AD VALOREM TAXES & EXPENSES	-31,532.	-31,532.	
HOCKLEY CO-AD VALOREM TAXES	-104,889.	-104,889.	
HGM PROPERTIES L.P.-ORD INCOME	905.	905.	
HGM PROPERTIES L.P.-ROYALTIES	399,058.	399,058.	
TOTAL TO FORM 990-PF, PART I, LINE 11	1,154,853.	1,154,853.	

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES & MISC FEES	28,000.	28,000.		0.
TO FM 990-PF, PG 1, LN 16A	28,000.	28,000.		0.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	13,715.	13,715.		0.
TO FORM 990-PF, PG 1, LN 16B	13,715.	13,715.		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	1,918.	1,918.		0.
990 PF 2013	539.	0.		0.
990 PF 2014	26,000.	0.		0.
TO FORM 990-PF, PG 1, LN 18	28,457.	1,918.		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.
ILLINOIS ANNUAL REPORT	10.	10.		0.
ADR FEE	26.	26.		0.
2012 CALIFORNIA FILING FEE	65.	65.		0.
2013 CALIFORNIA FILING FEE	10.	10.		0.

STORAGE COSTS	2,701.	2,701.		0.
MISC. MEETING EXPENSES	7,169.	7,169.		0.
TO FORM 990-PF, PG 1, LN 23	9,996.	9,996.		0.

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

DESCRIPTION	AMOUNT
HGM PROPERTIES CAPITAL CONTRIBUTION	358,152.
TOTAL TO FORM 990-PF, PART III, LINE 3	358,152.

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 & NOTES-SEE ATTACHED	X		500,156.	500,383.
TOTAL U.S. GOVERNMENT OBLIGATIONS			500,156.	500,383.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			500,156.	500,383.

FORM 990-PF CORPORATE STOCK STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS-SEE ATTACHED	2,333,231.	3,526,482.
CORPORATE STOCKS-FOREIGN-SEE ATTACHED	185,720.	200,626.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,518,951.	3,727,108.

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	2,106,773.	2,106,773.
1485 UNITS HGM PROPERTIES LP-SCHEDULE K-1 VALUE	FMV	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 13		4,393,314.	5,792,773.

Montgomery Foundation
List of Securities
31-Dec-14

Face Value/ Shares	Description	Book Value	Fair Market Value
250,000	U S Treasury Note due 6/15	250,341 99	250,292 50
150,000	U S Treasury Note due 9/15	149,868 37	150,082 50
100,000	U S Treasury Note due 12/15	99,945 30	100,008 00
	Total U S Treasury Note and Bill	500,155 66	500,383 00
2829	Abbott Laboratories	82,349 95	127,361 58
1964	Abbvie Inc	61,807 30	128,524 16
600	Accenture PLC	48,343 76	53,586 00
1409	Apple Computers	39,299 77	155,525 42
1035	Berkshire Hathaway	97,540 30	155,405 25
800	Chicago Mercantile Exchange	47,950 04	70,920 00
425	Chevron Corp	52,783 38	47,676 50
4617	Cisco Systems	62,206 73	128,421 86
875	Danaher Corp	68,981 22	74,996 25
720	EOG Resources, Inc	68,822 86	66,290 40
1661	Emerson Electric Company	80,439 18	102,533 53
1536	Express Scripts Inc	40,281 92	130,053 12
2000	General Electric	23,598 75	50,540 00
151	Google Inc CL A	55,980 61	80,129 66
90	Google Inc CL C	21,978 37	47,376 00
550	Home Depot, Inc	48,354 98	57,733 50
550	Illinois Tool Works	48,217 62	52,085 00
3160	Intel	41,647 35	114,676 40
424	IBM	56,389 63	68,026 56
1128	Johnson & Johnson	82,445 42	117,954 96
1513	Kinder Morgan Incorporated	48,703 25	64,015 03
2050	Microsoft	27,975 99	95,222 50
1679	Nestle SA	83,378 16	122,483 05
2920	Oracle Systems	77,795 99	131,312 40
1390	Pepsico	95,321 61	131,438 40
1539	Procter & Gamble	86,406 79	140,187 51
944	Qualcomm Inc	72,050 35	70,167 52
684	Schlumberger	45,265 15	58,420 44
1071	Stericycle	56,605 67	140,386 68
817	Thermo Fisher Scientific	81,412 91	102,361 93
708	3M Company	91,357 30	116,338 56
3056	Trimble Navigation	88,061 64	81,106 24
2800	US Bancorp	109,507 60	125,860 00
630	UPS	35,275 47	70,037 10
608	Varian Medical Systems	34,733 71	52,598 08
1000	Walgreens Boots Alliance, Inc	63,447 45	76,200 00
1176	Xylem	35,185 41	44,770 32
	Total Corporate Stocks-U S	2,261,903 59	3,452,721 91
1000	IShares Russell Midcap Value	71,327 86	73,760 00
	Total Corporate Stocks-Other	71,327 86	73,760 00
770	IShares Emerging Markets Minimum	45,087 68	43,605 10
2100	Vanguard ETF Emerging Mkts	52,193 13	84,042 00
1731	Wisdom Tree Merging Markets Eq	88,438 69	72,978 96
	Total Corporate Stocks-Foreign	185,719 50	200,626 06