

Form **990-PF**Return of Private Foundation  
or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No 1545-0052

**2018**Department of the Treasury  
Internal Revenue Service▶ Do not enter social security numbers on this form as it may be made public.  
▶ Go to [www.irs.gov/Form990PF](http://www.irs.gov/Form990PF) for instructions and the latest information.

Open to Public Inspection

For calendar year 2018 or tax year beginning

, and ending

Name of foundation <b>KENNETH &amp; LELA HARKLESS FOUNDATION, INC. C/O JAMES CASKEY</b>		A Employer identification number <b>31-0934821</b>
Number and street (or P O box number if mail is not delivered to street address) <b>5040 N SAWGRASS LANE</b>	Room/suite	B Telephone number (see instructions)
City or town, state or province, country, and ZIP or foreign postal code <b>LEESBURG IN 46538</b>		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ <b>1,672,806</b>	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	52,546	52,546		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	50,975			
b	Gross sales price for all assets on line 6a <b>282,431</b>				
7	Capital gain net income (from Part IV, line 2)		50,975		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	Total. Add lines 1 through 11	103,521	103,521	0	
13	Compensation of officers, directors, trustees, etc	0			
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule) <b>SEE STMT 1</b>	30	30		
b	Accounting fees (attach schedule) <b>STMT 2</b>	820	820		
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see instructions) <b>STMT 3</b>	8,646	8,646		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att sch) <b>STMT 4</b>	7,480	7,480		
24	Total operating and administrative expenses. Add lines 13 through 23	16,976	16,976	0	0
25	Contributions, gifts, grants paid	99,300			99,300
26	Total expenses and disbursements. Add lines 24 and 25	116,276	16,976	0	99,300
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-12,755			
b	Net investment income (if negative, enter -0-)		86,545		
c	Adjusted net income (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see instructions.

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<b>Part II Balance Sheets</b> Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash – non-interest-bearing	10,593	28,075	28,075
	2 Savings and temporary cash investments			
	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 (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶	0		
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U S and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) <b>SEE STMT 5</b>	917,366	926,462	826,299
	c Investments – corporate bonds (attach schedule) <b>SEE STMT 6</b>	877,032	837,746	818,432
	<b>Liabilities</b>	11 Investments – land, buildings, and equipment basis ▶		
Less accumulated depreciation (attach sch) ▶				
12 Investments – mortgage loans				
13 Investments – other (attach schedule)				
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation (attach sch) ▶				
15 Other assets (describe ▶)				
16 <b>Total assets</b> (to be completed by all filers – see the instructions Also, see page 1, item I)		1,804,991	1,792,283	1,672,806
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 (attach schedule)				
22 Other liabilities (describe ▶)				
23 <b>Total liabilities</b> (add lines 17 through 22)	0	0		
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here and complete lines 24 through 26, and lines 30 and 31. ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	1,680,522	1,680,522	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	124,469	111,761	
30 <b>Total net assets or fund balances</b> (see instructions)	1,804,991	1,792,283		
31 <b>Total liabilities and net assets/fund balances</b> (see instructions)	1,804,991	1,792,283		

**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	1,804,991
2 Enter amount from Part I, line 27a	2	-12,755
3 Other increases not included in line 2 (itemize) ▶ <b>SEE STATEMENT 7</b>	3	47
4 Add lines 1, 2, and 3	4	1,792,283
5 Decreases not included in line 2 (itemize) ▶	5	
6 <b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) – Part II, column (b), line 30	6	1,792,283

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

	(a) List and describe the kind(s) of property sold (for example, real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)	(b) How acquired P – Purchase D – Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	<b>LONG-TERM (LOSS) - EDWARD JONES</b>	<b>P</b>	<b>VARIOUS</b>	<b>VARIOUS</b>
b	<b>SHORT-TERM GAIN - HORIZON</b>	<b>P</b>	<b>VARIOUS</b>	<b>VARIOUS</b>
c	<b>LONG-TERM GAIN - HORIZON</b>	<b>P</b>	<b>VARIOUS</b>	<b>VARIOUS</b>
d	<b>SHORT-TERM (LOSS) - EDWARD JONES</b>	<b>P</b>	<b>VARIOUS</b>	<b>VARIOUS</b>
e	<b>CAPITAL GAIN DISTRIBUTIONS</b>			

	(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>31,886</b>		<b>31,919</b>	<b>-33</b>
b	<b>107,069</b>		<b>102,394</b>	<b>4,675</b>
c	<b>87,552</b>		<b>87,131</b>	<b>421</b>
d	<b>10,000</b>		<b>10,012</b>	<b>-12</b>
e	<b>45,924</b>			<b>45,924</b>

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

	(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				<b>-33</b>
b				<b>4,675</b>
c				<b>421</b>
d				<b>-12</b>
e				<b>45,924</b>

2	Capital gain net income or (net capital loss) <span style="border: 1px solid black; padding: 2px;">If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7</span>	2	<b>50,975</b>
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). See instructions. If (loss), enter -0- in Part I, line 8.	3	<b>4,663</b>

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2017	<b>90,419</b>	<b>1,824,930</b>	<b>0.049547</b>
2016	<b>89,413</b>	<b>1,744,351</b>	<b>0.051259</b>
2015	<b>94,332</b>	<b>1,752,118</b>	<b>0.053839</b>
2014	<b>84,250</b>	<b>1,885,322</b>	<b>0.044687</b>
2013	<b>79,500</b>	<b>1,722,297</b>	<b>0.046159</b>

2	Total of line 1, column (d)	2	<b>0.245491</b>
3	Average distribution ratio for the 5-year base period – divide the total on line 2 by 5 0, or by the number of years the foundation has been in existence if less than 5 years	3	<b>0.049098</b>
4	Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	<b>1,712,816</b>
5	Multiply line 4 by line 3	5	<b>84,096</b>
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	<b>865</b>
7	Add lines 5 and 6	7	<b>84,961</b>
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	<b>99,300</b>

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	865
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	865
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)	4	0
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	5	865
6	Credits/Payments		
a	2018 estimated tax payments and 2017 overpayment credited to 2018	6a	4,604
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	4,604
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	3,739
11	Enter the amount of line 10 to be <b>Credited to 2019 estimated tax</b> <b>3,739</b> Refunded	11	

**Part VII-A Statements Regarding Activities**

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		X
5		X
6		X
7	X	
8a		
8b	X	
9		X
10		X

**IN**

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?

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition.  
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities

c Did the foundation file Form 1120-POL for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:  
(1) On the foundation \$ (2) On foundation managers \$

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$

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

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

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

b If "Yes," has it filed a tax return on Form 990-T for this year?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?  
If "Yes," attach the statement required by General Instruction T

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?

7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV

8a Enter the states to which the foundation reports or with which it is registered. See instructions

8b 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

9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2018 or the taxable year beginning in 2018? See instructions for Part XIV. If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

**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		<b>X</b>
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		<b>X</b>
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <b>N/A</b>	<b>X</b>	
14 The books are in care of ▶ <b>JAMES CASKEY</b> <b>5040 N SAWGRASS LANE</b> Located at ▶ <b>LEESBURG</b> IN ZIP+4 ▶ <b>46538</b> Telephone no ▶ <b>574-453-3999</b>		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – check here and enter the amount of tax-exempt interest received or accrued during the year ▶ <b>15</b>		
16 At any time during calendar year 2018, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶		<b>X</b>

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year, did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days )	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions Organizations relying on a current notice regarding disaster assistance, check here	<b>N/A</b>	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2018?	<b>N/A</b>	
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018? If "Yes," list the years ▶ 20 , 20 , 20 , 20	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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 )	<b>N/A</b>	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 , 20 , 20 , 20		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2018 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2018 )	<b>N/A</b>	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		<b>X</b>
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2018?		<b>X</b>



Form 990-PF (2018) **KENNETH & LELA HARKLESS****31-0934821**Page **7****Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services. See instructions. 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 ▶**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
<b>1</b> N/A	
<b>2</b>	
<b>3</b>	
<b>4</b>	

**Part IX-B** Summary of Program-Related Investments (see instructions)

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

	Amount
<b>1</b> N/A	
<b>2</b>	
All other program-related investments. See instructions.	
<b>3</b>	
<b>Total.</b> Add lines 1 through 3 <span style="float: right;">▶</span>	

Form **990-PF** (2018)

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	1,719,565
b	Average of monthly cash balances	1b	19,334
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	1,738,899
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	1,738,899
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	26,083
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,712,816
6	Minimum investment return. Enter 5% of line 5	6	85,641

**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	85,641
2a	Tax on investment income for 2018 from Part VI, line 5	2a	865
b	Income tax for 2018 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	865
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	84,776
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	84,776
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	84,776

**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	99,300
b	Program-related investments – total from Part IX-B	1b	
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	99,300
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. See instructions	5	865
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	98,435

**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 2017	(c) 2017	(d) 2018
<b>1</b> Distributable amount for 2018 from Part XI, line 7				<b>84,776</b>
<b>2</b> Undistributed income, if any, as of the end of 2018				
<b>a</b> Enter amount for 2017 only				
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2018				
<b>a</b> From 2013				
<b>b</b> From 2014				
<b>c</b> From 2015				<b>8,062</b>
<b>d</b> From 2016				<b>3,369</b>
<b>e</b> From 2017				<b>8,374</b>
<b>f</b> Total of lines 3a through e		<b>19,805</b>		
<b>4</b> Qualifying distributions for 2018 from Part XII, line 4 ▶ \$ <b>99,300</b>				
<b>a</b> Applied to 2017, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required – see instructions)				
<b>c</b> Treated as distributions out of corpus (Election required – see instructions)				
<b>d</b> Applied to 2018 distributable amount				<b>84,776</b>
<b>e</b> Remaining amount distributed out of corpus	<b>14,524</b>			
<b>5</b> Excess distributions carryover applied to 2018 (If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	<b>34,329</b>			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b				
<b>c</b> 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				
<b>d</b> Subtract line 6c from line 6b Taxable amount – see instructions				
<b>e</b> Undistributed income for 2017 Subtract line 4a from line 2a Taxable amount – see instructions				
<b>f</b> Undistributed income for 2018 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2019.				<b>0</b>
<b>7</b> 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)				
<b>8</b> Excess distributions carryover from 2013 not applied on line 5 or line 7 (see instructions)				
<b>9</b> Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a	<b>34,329</b>			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2014				
<b>b</b> Excess from 2015				<b>8,062</b>
<b>c</b> Excess from 2016				<b>3,369</b>
<b>d</b> Excess from 2017				<b>8,374</b>
<b>e</b> Excess from 2018				<b>14,524</b>

Form **990-PF** (2018)

**Part XV** **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a</b> Paid during the year				
SYRACUSE - WAWASEE ROTARY CLUB MAIN SYRACUSE IN 46567	NONE	501(C) (7)	CHARITABLE	5,800
SYRACUSE CEMETERY ASSN 402 N HARRISON ST SYRACUSE IN 46567	NONE	501(C) (3)	BEAUTIFICATION & MAINTENANCE	10,000
TEEN PARENTS SUCCEEDING PO BOX 212 SYRACUSE IN 46567	NONE	501(C) (3)	SUPPORT TEENS	16,000
TOWN OF SYRACUSE MAIN SYRACUSE IN 46567	NONE	501(C) (3)	BEAUTIFICATION OF THE TOWN	4,500
SYRACUSE WAWASEE HISTORICAL SOCIETY MAIN SYRACUSE IN 46567	NONE	501(C) (3)	PROGRAM SUPPORT	16,000
REAL SERVICES MAIN SYRACUSE IN 46567	NONE	501(C) (3)	PROGRAM SUPPORT	5,000
SYRACUSE PARKS DEPARTMENT MAIN SYRACUSE IN 46567	NONE	501(C) (3)	PUBLIC PARK SUPPORT	10,000
KOSCIUSKO COUNTY COUNCIL ON AGING MAIN WARSAW IN 46580	NONE	501(C) (3)	PROGRAM SUPPORT	7,500
SYRACUSE WAWASEE GARDEN CLUB MAIN SYRACUSE IN 46567	NONE	501	COMMUNITY PROJECT	2,500
SYRACUSE-WAWASEE PARK FOUNDATION MAIN SYRACUSE IN 46567	NONE	501(C) (3)	PROGRAM SUPPORT	10,000
<b>Total</b>			<b>3a</b>	<b>99,300</b>
<b>b</b> Approved for future payment N/A				
<b>Total</b>			<b>3b</b>	



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

- 1** Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?
- a** Transfers from the reporting foundation to a noncharitable exempt organization of
- (1) Cash
- (2) Other assets
- b** Other transactions
- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations
- c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees
- d** If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

- b If "Yes," complete the following schedule

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

**Sign  
Here**

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

May the IRS discuss this return with the preparer shown below?  
See instructions ☒ Yes

Signature of officer or trustee

Date \_\_\_\_\_

**PRESIDENT**

Paid  
Preparer  
Use Only

Print/Type preparer's name

Preparer's signature

Date \_\_\_\_\_

Check ☐ if self-employed

DANA L KRULL CPA

DANA L KRULL CPA

02/27/19

Firm's name ► **HIMES & KRULL, LLC**

PTIN P00423557

Firm's address ► **PO BOX 153**

Firm's EIN ▶ 35-2235804

PIERCETON, IN 46562

Phone no **574-594-2002**

**Part XV** **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<b>a Paid during the year</b> <b>KOSCIUSKO CARES YOUTH SERVICES</b> <b>1515 PROVIDENT DRIVE</b> <b>WARSAW IN 46580</b>	NONE	501 (C) (3)	PROGRAM SUPPORT	4,000
<b>LAKELAND YOUTH CENTER</b> <b>MAIN</b> <b>SYRACUSE IN 46567</b>	NONE	501 (C) (3)	PROGRAM SUPPORT	3,000
<b>WAWASEE AREA CONSERVANCY</b> <b>MAIN</b> <b>SYRACUSE IN 46567</b>	NONE	501 (C) (3)	PROGRAM SUPPORT	5,000
<b>Total</b>			<b>► 3a</b>	
<b>b Approved for future payment</b> <b>N/A</b>				
<b>Total</b>			<b>► 3b</b>	

**Federal Statements****Statement 1 - Form 990-PF, Part I, Line 16a - Legal Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
LEGAL FEES	\$ 30	\$ 30	\$	\$
TOTAL	\$ 30	\$ 30	\$ 0	\$ 0

**Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
990-PF PREPARATION	\$ 820	\$ 820	\$	\$
TOTAL	\$ 820	\$ 820	\$ 0	\$ 0

**Statement 3 - Form 990-PF, Part I, Line 18 - Taxes**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN INCOME TAXES	\$ 86	\$ 86	\$	\$
FEDERAL INCOME TAXES	8,560	8,560		
TOTAL	\$ 8,646	\$ 8,646	\$ 0	\$ 0

**Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES	\$	\$	\$	\$
INVESTMENT FEES	7,480	7,480		
TOTAL	\$ 7,480	\$ 7,480	\$ 0	\$ 0

## Federal Statements

### Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
	\$ 917,366	\$ 926,462	COST	\$ 826,299
TOTAL	\$ 917,366	\$ 926,462		\$ 826,299

### Statement 6 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
	\$ 877,032	\$ 837,746	COST	\$ 818,432
TOTAL	\$ 877,032	\$ 837,746		\$ 818,432



**Federal Statements****Statement 7 - Form 990-PF, Part III, Line 3 - Other Increases**

Description	Amount
NONTAXABLE DISTRIBUTION	\$ 47
TOTAL	\$ 47

310934821 KENNETH & LELA HARKLESS  
31-0934821  
FYE: 12/31/2018

## Federal Statements

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### Statement 8 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
JAMES CASKEY 5040 N SAWGRASS LANE LEESBURG IN 46538	PRESIDENT	0.00	0	0	0
PAT APPENZELLER 11739 N SR 13 SYRACUSE IN 46567	DIRECTOR	0.00	0	0	0
GERRY BYLAND 4571 SHADY LANE SYRACUSE IN 46567	SECRETARY	0.00	0	0	0
STEPHEN SNYDER 200 W MAIN ST SYRACUSE IN 46567	DIRECTOR	0.00	0	0	0
LARRY SIEGAL 609 E NORTHSHORE DR SYRACUSE IN 46567	DIRECTOR	0.00	0	0	0

**Federal Statements****Form 990-PF, Part XV, Line 2b - Application Format and Required Contents**

Description

LETTER OF REQUEST AND COPY OF 501(C)(3) LETTER.

**Form 990-PF, Part XV, Line 2c - Submission Deadlines**

Description

ROLLING

**Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations**

Description

NONE

<b>Underdistribution and Excess Distributions for Part XIII</b>		<b>2018</b>
Form <b>990-PF</b>	For calendar year 2018, or tax year beginning _____, ending _____	
Name <b>KENNETH &amp; LELA HARKLESS FOUNDATION, INC. C/O JAMES CASKEY</b>		Employer Identification Number <b>31-0934821</b>

### Undistributed Income Carryovers

Form 990-PF, Part XIII

Tax Year	Prior Undistributed Income			Current Year Decreases	Next Year Carryover	
	Nontaxable or Previously Taxed	Taxable in 2018	Total per Year		Nontaxable or Previously Taxed	Taxable in 2019
Years prior						
20 <b>14</b>						
20 <b>15</b>						
20 <b>16</b>						
2017						
2018			<b>84,776</b>	<b>84,776</b>		
Total Carryover to Next Year						<b>0</b>

\* Carryover amount includes 4942(a) amounts

### Excess Distribution Carryovers

Form 990-PF, Part XIII

	Current Year	Next Year
Preceding Tax Year Excess Distributions	Decreases	Carryover
2013		
2014		
2015 <b>8,062</b>		<b>8,062</b>
2016 <b>3,369</b>		<b>3,369</b>
2017 <b>8,374</b>		<b>8,374</b>
Current Year Excess Distribution Generated (2018)		<b>14,524</b>
Total Carryover to Next Year		<b>34,329</b>