

C&E
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EXTENDED TO NOVEMBER 16, 2020
Return of Private Foundation

2949115600310 1

OMB No 1545-0047

2019

Open to Public Inspection

Form **990-PF**

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 for instructions and the latest information.

1912

For calendar year 2019 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 ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ 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) \$ 16,559,309.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ If the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		121,079.	121,079.		STATEMENT 1
4 Dividends and interest from securities		92,067.	92,067.		STATEMENT 2
5a Gross rents					
b Net rental income (or loss)					
6a Net gain (or loss) from sale of assets not on line 10		36,877.			
b Gross sales price for all assets on line 6a 6,740,131.					
7 Capital gain net income (from Part IV, line 2)			36,877.		
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		533,819.	533,819.		STATEMENT 3
12 Total Add lines 1 through 11		783,842.	783,842.		
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		39,000.	39,000.		0.
b Accounting fees STMT 5		39,340.	39,340.		0.
c Other professional fees					
17 Interest					
18 Taxes STMT 6		67,864.	1,770.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 7		12,513.	12,513.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		158,717.	92,623.		0.
25 Contributions, gifts, grants paid		1,567,500.			1,567,500.
26 Total expenses and disbursements. Add lines 24 and 25		1,726,217.	92,623.		1,567,500.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-942,375.			
b Net investment income (if negative, enter -0-)			691,219.		
c Adjusted net income (if negative, enter -0-)				N/A	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments		1,801,815.	268,455.	268,455.
	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		5,628,071.	5,280,637.	5,300,000.
	b	Investments - corporate stock STMT 10		2,287,325.	3,275,049.	6,616,252.
	c	Investments - corporate bonds				
	11	Investments - land, buildings, and equipment: basis ▶				
	Less accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other STMT 11		4,243,741.	4,208,692.	4,374,602.	
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)		13,960,952.	13,032,833.	16,559,309.	
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 FASB ASC 958, check here ▶ ☐				
	24	Net assets without donor restrictions				
	25	Net assets with donor restrictions				
		Foundations that do not follow FASB ASC 958, check here ▶ ☒				
	26	Capital stock, trust principal, or current funds		0.	0.	
	27	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
	28	Retained earnings, accumulated income, endowment, or other funds		13,960,952.	13,032,833.	
	29	Total net assets or fund balances		13,960,952.	13,032,833.	
	30	Total liabilities and net assets/fund balances		13,960,952.	13,032,833.	

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 29 (must agree with end-of-year figure reported on prior year's return)	1	13,960,952.
2	Enter amount from Part I, line 27a	2	-942,375.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	14,579.
4	Add lines 1, 2, and 3	4	13,033,156.
5	Decreases not included in line 2 (itemize) ▶ 2019 DIVIDENDS RECEIVED IN 2020	5	323.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 29	6	13,032,833.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (for example, real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a HOLDBACK ON 2018 SALE OF REAL ESTATE	D	12/12/18	02/12/19
b PUBLICLY TRADED SECURITIES			
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 18,876.			18,876.
b 6,721,255.		6,703,254.	18,001.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69.			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			18,876.
b			18,001.
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	36,877.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	}	3	N/A

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2018	489,500.	9,754,358.	.050183
2017	500,625.	8,695,491.	.057573
2016	580,625.	11,662,676.	.049785
2015	641,250.	10,365,323.	.061865
2014	893,750.	9,856,986.	.090672

2 Total of line 1, column (d)	2	.310078
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	.062016
4 Enter the net value of noncharitable-use assets for 2019 from Part X, line 5	4	16,031,990.
5 Multiply line 4 by line 3	5	994,240.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	6,912.
7 Add lines 5 and 6	7	1,001,152.
8 Enter qualifying distributions from Part XII, line 4	8	1,567,500.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.
See the Part VI instructions.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b	1	6,912.
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	6,912.
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	6,912.
6	Credits/Payments:		
a	2019 estimated tax payments and 2018 overpayment credited to 2019	6a	18,000.
b	Exempt foreign organizations - tax withheld at source	6b	0.
c	Tax paid with application for extension of time to file (Form 8868)	6c	0.
d	Backup withholding erroneously withheld	6d	0.
7	Total credits and payments. Add lines 6a through 6d	7	18,000.
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	0.
9	Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	11,088.
11	Enter the amount of line 10 to be: Credited to 2020 estimated tax ☒ 8,000. Refunded ☒	11	3,088.

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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition. If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
1c Did the foundation file Form 1120-POL for this year?		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.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
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.		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?	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	X	
8a Enter the states to which the foundation reports or with which it is registered. See instructions. ☒ IL		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	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 2019 or the tax year beginning in 2019? See the instructions for Part XIV. If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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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		X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement. See instructions		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	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 ST, 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
16 At any time during calendar year 2019, 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. If "Yes," enter the name of the foreign country ►		

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

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

	Yes	No
1a During the year, did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☒ Yes ☐ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions		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 2019?		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 2019, did the foundation have any undistributed income (Part XIII, lines 6d and 6e) for tax year(s) beginning before 2019?	☐ 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	
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 2019 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 Form 4720, Schedule C, to determine if the foundation had excess business holdings in 2019.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2019?		X

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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

Organizations relying on a current notice regarding disaster assistance, check here

► ☐

5b

X

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?

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

6b

X

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

8 Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?

☐ Yes ☒ No**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, and foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
BRYANT G. GARTH	DIRECTOR/PRESIDENT			
135 S. LASALLE ST STE 2350	0.00	0.	0.	0.
CHICAGO, IL 60603				
CYNTHIA KOBEL	DIRECTOR/VICE PRESIDENT			
135 S. LASALLE ST STE 2350	0.00	0.	0.	0.
CHICAGO, IL 60603				
WALTER W. BELL	DIRECTOR/VICE PRESIDENT/SE			
710 NORTH STREET	0.00	0.	0.	0.
LAKE GENEVA, WI 53147-1437				
LINDA LANDRETH	ASSISTANT SECRETARY/TREASURER			
135 S. LASALLE ST STE 2350	0.00	0.	0.	0.
CHICAGO, IL 60603				

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

► 0

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

[illegible]**Total** number of others receiving over \$50,000 for professional services

C

Part IX-A	Summary of Direct Charitable Activities
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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

Number of Organizations and Other Stakeholders Served, Commercial Customers, Research Papers Produced, etc.	
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

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	11,299,850.
b	Average of monthly cash balances	1b	601,680.
c	Fair market value of all other assets	1c	4,374,602.
d	Total (add lines 1a, b, and c)	1d	16,276,132.
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	16,276,132.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	244,142.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	16,031,990.
6	Minimum investment return. Enter 5% of line 5	6	801,600.

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	801,600.
2a	Tax on investment income for 2019 from Part VI, line 5	2a	6,912.
b	Income tax for 2019. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	6,912.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	794,688.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	794,688.
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	794,688.

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	1,567,500.
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	1,567,500.
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	6,912.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,560,588.

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

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KENNETH & HARLE MONTGOMERY FOUNDATION

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2018	(c) 2018	(d) 2019
1 Distributable amount for 2019 from Part XI, line 7				794,688.
2 Undistributed income, if any, as of the end of 2019				
a Enter amount for 2018 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2019:				
a From 2014	424,146.			
b From 2015	134,155.			
c From 2016	7,021.			
d From 2017	76,356.			
e From 2018	61,876.			
f Total of lines 3a through e	703,554.			
4 Qualifying distributions for 2019 from Part XII, line 4: ▶ \$	1,567,500.			
a Applied to 2018, 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 2019 distributable amount				794,688.
e Remaining amount distributed out of corpus	772,812.			
5 Excess distributions carryover applied to 2019 (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	1,476,366.			
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 2018. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2019. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2020				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 2014 not applied on line 5 or line 7	424,146.			
9 Excess distributions carryover to 2020 Subtract lines 7 and 8 from line 6a	1,052,220.			
10 Analysis of line 9:				
a Excess from 2015	134,155.			
b Excess from 2016	7,021.			
c Excess from 2017	76,356.			
d Excess from 2018	61,876.			
e Excess from 2019	772,812.			

KENNETH & HARLE MONTGOMERY FOUNDATION

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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	25,000.
CAPROCK CULTURAL ASSOCIATION 109 N. AVENUE N, P.O. BOX 37 POST, TX 79356	N/A	501(C)(3)	EDUCATIONAL	3,000.
ELDER LAW AND DISABILITY RIGHTS CENTER 1535 E. 17TH STREET, SUITE 110 SANTA ANA, CA 92705	N/A	501(C)(3)	SOCIAL WELFARE	15,000.
EVANS SCHOLARS FOUNDATION ONE BRIAR ROAD GOLF, IL 60029	N/A	501(C)(3)	EDUCATIONAL	50,000.
FACETS MULTIMEDIA 1517 W. FULLERTON AVENUE CHICAGO, IL 60614	N/A	501(C)(3)	EDUCATIONAL	10,000.
Total	SEE CONTINUATION SHEET(S)			1,567,500.
b Approved for future payment				
NONE				
Total				0.

Form 990-PF (2019)

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

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	121,079.		
4 Dividends and interest from securities			14	92,067.		
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	533,819.		
8 Gain or (loss) from sales of assets other than inventory			18	36,877.		
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.		783,842.		0.
13 Total. Add line 12, columns (b), (d), and (e)						783,842.

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

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

[illegible]

Part XVII

Information Regarding Transfers to and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash	1a(1)	X
	(2) Other assets	1a(2)	X
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	X
	(3) Rental of facilities, equipment, or other assets	1b(3)	X
	(4) Reimbursement arrangements	1b(4)	X
	(5) Loans or loan guarantees	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

[illegible]

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

b If "Yes," complete the following schedule.		
(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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. Preparation of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here      

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	JACK L. UDOVICH		8/26/2020		P00295194
	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	

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

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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
FATHER JOE'S VILLAGES 3350 E STREET SAN DIEGO, CA 92102-3332	N/A	501(C)(3)	SOCIAL WELFARE	10,000.
GARZA COUNTY HISTORICAL MUSEUM 119 NORTH AVENUE N POST, TX 79356	N/A	501(C)(3)	EDUCATIONAL	4,500.
JOHN HOWARD ASSOCIATION OF ILLINOIS 70 EAST LAKE STREET, STE 1116 CHICAGO, IL 60601	N/A	501(C)(3)	EDUCATIONAL	10,000.
KARTEMQUIN EDUCATIONAL FILMS 1901 W. WELLINGTON AVENUE CHICAGO, IL 60657	N/A	501(C)(3)	EDUCATIONAL	30,000.
MARY, STAR OF THE SEA CATHOLIC CHURCH 7669 GIRARD AVENUE LA JOLLA, CA 92037	N/A	501(C)(3)	RELIGIOUS	10,000.
NATIONAL CHEERS FOUNDATION 5666 LA JOLLA BLVD LA JOLLA, CA 92037	N/A	501(C)(3)	SOCIAL WELFARE	5,000.
NATIONAL CHEERS FOUNDATION 5666 LA JOLLA BLVD LA JOLLA, CA 92037	N/A	501(C)(3)	SOCIAL WELFARE	32,500.
NORTHWESTERN UNIVERSITY PRITZKER SCHOOL OF LAW 375 EAST CHICAGO AVENUE CHICAGO, IL 60611-3069	N/A	501(C)(3)	EDUCATIONAL	75,000.
NORTHWESTERN UNIVERSITY SCHOOL OF LAW 375 E CHICAGO AVENUE CHICAGO, IL 60611	N/A	501(C)(3)	EDUCATIONAL	100,000.
PARTNERS IN HEALTH 800 BOYLSTON STREET, STE 1400 BOSTON, MA 02199	N/A	501(C)(3)	MEDICAL	1,015,000.
Total from continuation sheets				1,464,500.

KENNETH & HARLE MONTGOMERY FOUNDATION
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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
PROGRESSIVE COMMUNITY CENTER 56 E 48TH ST CHICAGO, IL 60615	N/A	501(C)(3)	RELIGIOUS	5,000.
SAN DIEGO MUSEUM OF MAN 1350 EL PRADO SAN DIEGO, CA 92101	N/A	501(C)(3)	EDUCATIONAL	10,000.
SAN DIEGO MUSEUM OF MAN 1350 EL PRADO SAN DIEGO, CA 92101	N/A	501(C)(3)	EDUCATIONAL	10,000.
SAN DIEGO PUBLIC LIBRARY FOUNDATION P.O. BOX 120391 SAN DIEGO, CA 92112	N/A	501(C)(3)	EDUCATIONAL	40,000.
SOUTH PLAINS COLLEGE FOUNDATION 921 AUSTIN STREET LEVELLAND, TX 79336	N/A	501(C)(3)	EDUCATIONAL	2,500.
SOUTHERN CALIFORNIA PUBLIC RADIO 474 S RAYMOND AVENUE PASADENA, CA 91105	N/A	501(C)(3)	EDUCATIONAL	50,000.
STANFORD LAW SCHOOL 559 NATHAN ABBOTT WAY STANFORD, CA 94305	N/A	501(C)(3)	EDUCATIONAL	15,000.
THIRD WORLD NEWSREEL 545 EIGHT AVENUE, SUITE 550 NEW YORK, NY 10018	N/A	501(C)(3)	EDUCATIONAL	10,000.
UTOPIA FOUNDATION INC. 111 CASS STREET TRAVERSE CITY, MI 49684	N/A	501(C)(3)	EDUCATIONAL	5,000.
VISIONARIES + VOICES 225 NORTHLAND BOULEVARD CINCINNATI, OH 45246	N/A	501(C)(3)	EDUCATIONAL	10,000.
Total from continuation sheets				

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3 Grants and Contributions Paid During the Year (Continuation)**Total from continuation sheets**

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	125.	125.	
MS ACCOUNT INTEREST	117,033.	117,033.	
MS ACCRUED INTEREST PURCHASED	-18,497.	-18,497.	
MS ACCRUED MARKET DISCOUNT	22,418.	22,418.	
TOTAL TO PART I, LINE 3	121,079.	121,079.	

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	92,067.	0.	92,067.	92,067.	
TO PART I, LINE 4	92,067.	0.	92,067.	92,067.	

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OCCIDENTAL PERMIAN LTD	425,398.	425,398.	
OP 1099-AD VALOREM TAXES & EXPENSES	-18,960.	-18,960.	
HOCKLEY CO-AD VALOREM TAXES	-38,662.	-38,662.	
HGM PROPERTIES L.P.- ORDINARY INCOME	5,377.	5,377.	
HGM PROPERTIES L.P.-ROYALTIES	160,666.	160,666.	
TOTAL TO FORM 990-PF, PART I, LINE 11	533,819.	533,819.	

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	39,000.	39,000.		0.	
TO FM 990-PF, PG 1, LN 16A	39,000.	39,000.		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	39,340.	39,340.		0.	
TO FORM 990-PF, PG 1, LN 16B	39,340.	39,340.		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	1,770.	1,770.		0.	
990 PF 2018 - BALANCE DUE	48,094.	0.		0.	
990 PF 2019	18,000.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	67,864.	1,770.		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	34.	34.		0.	
2018 CALIFORNIA FILING FEE	10.	10.		0.	
STORAGE COSTS	8,442.	8,442.		0.	

MISC. MEETING EXPENSES	2,200.	2,200.	0.
MOVING EXPENSES	1,142.	1,142.	0.
PRINTING EXPENSES	660.	660.	0.
TO FORM 990-PF, PG 1, LN 23	12,513.	12,513.	0.

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

DESCRIPTION	AMOUNT
2019 ACCRUED INTEREST PURCHASED	14,556.
US TREASURY BILL ADJUSTMENT	23.
TOTAL TO FORM 990-PF, PART III, LINE 3	14,579.

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		5,280,637.	5,300,000.
TOTAL U.S. GOVERNMENT OBLIGATIONS			5,280,637.	5,300,000.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			5,280,637.	5,300,000.

FORM 990-PF CORPORATE STOCK STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS-SEE ATTACHED	3,103,361.	6,393,902.
CORPORATE STOCKS-FOREIGN-SEE ATTACHED	171,688.	222,350.
TOTAL TO FORM 990-PF, PART II, LINE 10B	3,275,049.	6,616,252.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	11
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
INTEREST IN OIL, GAS AND MINERALS	FMV	2,286,541.	2,665,000.
1485 UNITS HGM PROPERTIES LP	FMV	1,922,151.	1,709,602.
TOTAL TO FORM 990-PF, PART II, LINE 13		4,208,692.	4,374,602.