



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

2005

Department of the Treasury
Internal Revenue Service

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

For calendar year 2005, or tax year beginning _____, and ending _____

G Check all that apply: Initial return Final return Amended return Address change Name change

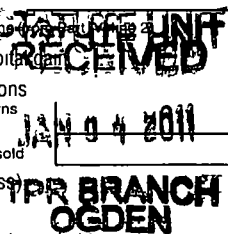
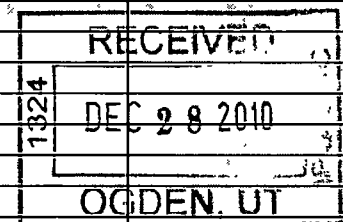
Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of organization MCKENNA FOUNDATION	A Employer identification number 36-7252959
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 141 WEST JACKSON BLVD 1650	B Telephone number 312.408.4393
	City or town, state, and ZIP code CHICAGO, IL 60604	C If exemption application is pending, check here <input type="checkbox"/> 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 type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Other taxable private foundation	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 202711. (Part I, column (d) must be on cash basis)		

Part I	Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</small>	(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 <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	61.	61.		STATEMENT 1
	4 Dividends and interest from securities	5621.	5621.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income		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	-805.	-805.		STATEMENT 3
	12 Total. Add lines 1 through 11	4877.	4877.		
	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees				
	c Other professional fees				
	17 Interest				
	18 Taxes				
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 4	20.	0.		20.
	24 Total operating and administrative expenses. Add lines 13 through 23	20.	0.		20.
	25 Contributions, gifts, grants paid	55000.			55000.
	26 Total expenses and disbursements. Add lines 24 and 25	55020.	0.		55020.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-50143.			
	b Net investment income (if negative, enter -0-)		4877.		
	c Adjusted net income (if negative, enter -0-)			N/A	

LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions. Form **990-PF** (2005)

SCANNED JAN 13 2011



zine *613*

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	56729.	24572.	24572.		
	2	Savings and temporary cash investments	30137.				
	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					
		b Investments - corporate stock					
		c Investments - corporate bonds					
11	Investments land, buildings, and equipment basis ▶						
	Less: accumulated depreciation ▶						
12	Investments - mortgage loans						
13	Investments - other STMT 5	248219.	178139.	178139.			
14	Land, buildings, and equipment: basis ▶						
	Less: accumulated depreciation ▶						
15	Other assets (describe ▶)						
16	Total assets (to be completed by all filers)	335085.	202711.	202711.			
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	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.						
	24	Unrestricted	335085.	202711.			
	25	Temporarily restricted					
	26	Permanently restricted					
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.						
	27	Capital stock, trust principal, or current funds					
	28	Paid-in or capital surplus, or land, bldg., and equipment fund					
	29	Retained earnings, accumulated income, endowment, or other funds					
30	Total net assets or fund balances	335085.	202711.				
31	Total liabilities and net assets/fund balances	335085.	202711.				

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	335085.
2	Enter amount from Part I, line 27a	2	-50143.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	284942.
5	Decreases not included in line 2 (itemize) ▶ UNREALIZED LOSS	5	82231.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	202711.

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	NONE			
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				
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				
2 Capital gain net income or (net capital loss). <small>{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }</small>		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		

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

Yes No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2004	20000.	344616.	.058036
2003	29918.	358798.	.083384
2002	35000.	383448.	.091277
2001	74401.	403446.	.184414
2000	26500.	403446.	.065684
2 Total of line 1, column (d)		2	.482795
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	.096559
4 Enter the net value of noncharitable-use assets for 2005 from Part X, line 5		4	213881.
5 Multiply line 4 by line 3		5	20652.
6 Enter 1% of net investment income (1% of Part I, line 27b)		6	49.
7 Add lines 5 and 6		7	20701.
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	55020.

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

Table with 11 rows for excise tax calculations. Includes categories like 'Exempt operating foundations', 'Domestic organizations', and 'Tax based on investment income'. Total amount due is 49.

Part VII-A Statements Regarding Activities

Table with 11 rows for activity statements. Includes questions about political campaigns, tax returns, and organizational changes. Includes a 'Yes/No' column and a 'Refunded' indicator.

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.

Table with columns for question text, Yes/No checkboxes, and Yes/No columns. Rows include questions 1a through 6b regarding disqualifying activities, disaster assistance, and other tax-related matters.

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
WILLIAM MCKENNA JR 141 WEST JACKSON CHICAGO, IL 60604	TRUSTEE 2.00	0.	0.	0.
MARK MCKENNA 141 WEST JACKSON CHICAGO, IL 60604	TRUSTEE 0.00	0.	0.	0.
WILLIAM MCKENNA SR 141 WEST JACKSON CHICAGO, IL 60604	TRUSTEE 0.00	0.	0.	0.
MICHELLE MCKENNA 141 WEST JACKSON CHICAGO, IL 60604	OFFICER 10.00	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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1a	194261.
b Average of monthly cash balances	1b	22877.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	217138.
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	217138.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	3257.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	213881.
6 Minimum investment return. Enter 5% of line 5	6	10694.

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	10694.
2a Tax on investment income for 2005 from Part VI, line 5	2a	49.	
b Income tax for 2005 (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b	2c	49.	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	10645.	
4 Recoveries of amounts treated as qualifying distributions	4	0.	
5 Add lines 3 and 4	5	10645.	
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	10645.	

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	55020.
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	55020.
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	49.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	54971.

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 2004	(c) 2004	(d) 2005
1 Distributable amount for 2005 from Part XI, line 7				10645.
2 Undistributed income, if any, as of the end of 2004				
a Enter amount for 2004 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2005:				
a From 2000	26500.			
b From 2001	74511.			
c From 2002	35000.			
d From 2003	30000.			
e From 2004	20000.			
f Total of lines 3a through e	186011.			
4 Qualifying distributions for 2005 from Part XII, line 4: ▶ \$ 55020.				
a Applied to 2004, 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 2005 distributable amount				10645.
e Remaining amount distributed out of corpus	44375.			
5 Excess distributions carryover applied to 2005 (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	230386.			
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 2004. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2005. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2006				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2000 not applied on line 5 or line 7	26500.			
9 Excess distributions carryover to 2006. Subtract lines 7 and 8 from line 6a	203886.			
10 Analysis of line 9.				
a Excess from 2001	74511.			
b Excess from 2002	35000.			
c Excess from 2003	30000.			
d Excess from 2004	20000.			
e Excess from 2005	44375.			

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 2005, enter the date of the ruling ▶

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

	Tax year				(e) Total
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	
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 organization had \$5,000 or more in assets at any time during the year-see page 26 of the 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).)

SEE STATEMENT 9

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

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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i>				
CHILDREN'S MEMORIAL HOSPITAL, 2300 N. CHILDRENS PLZ, CHICAGO, IL 60614	NONE	PUBLIC CHARITY	GENERAL CHARITABLE PURPOSES OF THE ORGANIZATION	20000.
ROBINSON SCHOOL, 5 NAIRN STREET, SAN JUAN, PR 00907	NONE	PUBLIC CHARITY	GENERAL CHARITABLE PURPOSES OF THE ORGANIZATION	20000.
ST. JOSHEPHAT, 2311 N SOUTHPORT AVE., CHICAGO, IL 60614	NONE	PUBLIC CHARITY	GENERAL CHARITABLE PURPOSES OF THE ORGANIZATION	5000.
STARFISH LEARNING CENTER, 1543 W. HOWARD ST., CHICAGO, IL 60626	NONE	PUBLIC CHARITY	GENERAL CHARITABLE PURPOSES OF THE ORGANIZATION	5000.
CRADLE SOCIETY, D/B/A THE CRADLE, 2049 RIDGE AVENUE, EVANSTON, IL 60201	NONE	PUBLIC CHARITY	GENERAL CHARITABLE PURPOSES OF THE ORGANIZATION	5000.
Total				55000.
<i>b Approved for future payment</i>				
NONE				
Total				0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Table with 5 columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include: 1 Program service revenue, 2 Membership dues and assessments, 3 Interest on savings and temporary cash investments, 4 Dividends and interest from securities, 5 Net rental income or (loss) from real estate, 6 Net rental income or (loss) from personal property, 7 Other investment income, 8 Gain or (loss) from sales of assets other than inventory, 9 Net income or (loss) from special events, 10 Gross profit or (loss) from sales of inventory, 11 Other revenue, 12 Subtotal, 13 Total.

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

Table with 2 columns: 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 organization's exempt purposes (other than by providing funds for such purposes).

FORM 990-PF

OTHER INVESTMENTS

STATEMENT 5

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SHARMAC FUTURES FUND	0.	0.
SHARMAC CAPITAL MANAGEMENT	178139.	178139.
TOTAL TO FORM 990-PF, PART II, LINE 13	178139.	178139.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
NORTHERN TRUST	61.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	61.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
SHARMAC FUTURES FUND	5621.	0.	5621.
TOTAL TO FM 990-PF, PART I, LN 4	5621.	0.	5621.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
SHARMAC FUTURES FUND	-805.	-805.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-805.	-805.	

FORM 990-PF OTHER EXPENSES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK SERVICE CHARGE	20.	0.		20.
TO FORM 990-PF, PG 1, LN 23	20.	0.		20.

FORM 990-PF

PART XV - LINE 1A
LIST OF FOUNDATION MANAGERS

STATEMENT 9

NAME OF MANAGER

WILLIAM MCKENNA JR
MARK MCKENNA
MICHELLE MCKENNA