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Form 990-PF

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

2009

Department of the Treasury Internal Revenue Service

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

For calendar year 2009, or tax year beginning 01-01-2009, and ending 12-31-2009

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

Use the IRS label. Name of foundation: McKenzie Charitable Foundation. A Employer identification number: 62-1805189. B Telephone number: (423) 648-3942.

H Check type of organization: Section 501(c)(3) exempt private foundation. I Fair market value of all assets at end of year: \$ 3,286,631. J Accounting method: Cash.

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 page 11 of the instructions))

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12) and Operating and Administrative Expenses (13-26), leading to Excess of revenue over expenses and disbursements (27a) of 607,636.

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

Part II Balance Sheets		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash—non-interest-bearing	423,704	150,898	150,898	
	2 Savings and temporary cash investments				
	3 Accounts receivable <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____	25,000			
	4 Pledges receivable <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)				
	7 Other notes and loans receivable (attach schedule) <input type="checkbox"/> 375,000 Less allowance for doubtful accounts <input type="checkbox"/> _____		375,000	375,000	
	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)	0 <input type="checkbox"/>	250,000	500,000	
	c Investments—corporate bonds (attach schedule)				
	11 Investments—land, buildings, and equipment basis <input type="checkbox"/> Less accumulated depreciation (attach schedule) <input type="checkbox"/> _____				
	12 Investments—mortgage loans				
	13 Investments—other (attach schedule)	1,982,946 <input type="checkbox"/>	2,260,733	2,260,733	
	14 Land, buildings, and equipment basis <input type="checkbox"/> Less accumulated depreciation (attach schedule) <input type="checkbox"/> _____				
15 Other assets (describe <input type="checkbox"/> _____)					
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	2,431,650	3,036,631	3,286,631		
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 (attach schedule)				
	22 Other liabilities (describe <input type="checkbox"/> _____)				
	23 Total liabilities (add lines 17 through 22)	0	0		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31.				
	27 Capital stock, trust principal, or current funds	0	0		
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0	0		
	29 Retained earnings, accumulated income, endowment, or other funds	2,431,650	3,036,631		
30 Total net assets or fund balances (see page 17 of the instructions)	2,431,650	3,036,631			
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	2,431,650	3,036,631			

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	2,431,650
2	Enter amount from Part I, line 27a	2	607,636
3	Other increases not included in line 2 (itemize) <input type="checkbox"/> _____	3	0
4	Add lines 1, 2, and 3	4	3,039,286
5	Decreases not included in line 2 (itemize) <input type="checkbox"/> _____	5	2,655
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	3,036,631

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			

(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			(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			
b			
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	
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 pages 13 and 17 of the instructions) 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 foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see page 18 of 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))
2008	644,753	1,829,656	0.352390
2007	271,519	952,866	0.284950
2006	382,909	940,171	0.407276
2005	47,286	778,392	0.060748
2004	53,500	776,410	0.068907

2	Total of line 1, column (d).	2	1.174271
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	0.234854
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5.	4	3,075,371
5	Multiply line 4 by line 3.	5	722,263
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	6,970
7	Add lines 5 and 6.	7	729,233
8	Enter qualifying distributions from Part XII, line 4.	8	758,240

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 on page 18.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the 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	6,970
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	6,970
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	6,970
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	12,000
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d.	7	12,000
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	5,030
11	Enter the amount of line 10 to be Credited to 2010 estimated tax ▶ 5,030 Refunded ▶	11	0

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>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.</i>		No
c Did the foundation file Form 1120-POL for this year?.		No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ \$ <u>0</u> (2) On foundation managers ▶ \$ <u>0</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ <u>0</u>		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		No
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? <i>If "Yes," attach a conformed copy of the changes</i>		No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	Yes	
b If "Yes," has it filed a tax return on Form 990-T for this year?	Yes	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		No
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?		No
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	Yes	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ TN _____		
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? <i>If "No," attach explanation .</i>	Yes	
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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		No

Part VII-A Statements Regarding Activities (continued)

<p>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 page 20 of the instructions).</p>	11		No
<p>12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?</p>	12		No
<p>13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A</p>	13	Yes	
<p>14 The books are in care of MYRA G TATUM Telephone no (423) 648-3942 Located at 735 BROAD STREET SUITE 1108 CHATTANOOGA TN ZIP+4 37402</p>			
<p>15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year 15</p>			<input type="checkbox"/>

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
<p>1a During the year did the foundation (either directly or indirectly)</p> <p>(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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</p> <p>(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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</p> <p>(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</p>				
<p>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 page 20 of the instructions)? . . . Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/></p>	1b			
<p>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 2009?</p>	1c			No
<p>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))</p> <p>a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years 20__, 20__, 20__, 20__</p> <p>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 page 20 of the instructions).</p> <p>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__</p>	2b			
<p>3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>b If "Yes," did it have excess business holdings in 2009 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.</i>)</p>	3b			No
<p>4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?</p>	4a			No
<p>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 2009?</p>	4b			No

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

<p>5a During the year did the foundation pay or incur any amount to</p> <p>(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(3) Provide a grant to an individual for travel, study, or other similar purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions). . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/></p> <p>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? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach the statement required by Regulations section 53.4945–5(d).</p> <p>6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes" to 6b, file Form 8870.</p> <p>7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	5b	
	6b	No
	7b	

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(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
W THORPE MCKENZIE 735 BROAD STREET SUITE 1108 CHATTANOOGA, TN 37402	PRESIDENT 0 00	0	0	0
FRANCES S MCKENZIE 735 BROAD STREET SUITE 1108 CHATTANOOGA, TN 37402	TREASURER 0 00	0	0	0
W SCOTT MCGINNESS 735 BROAD STREET SUITE 1108 CHATTANOOGA, TN 37402	SECRETARY 0 00	0	0	0
MYRA G TATUM 735 BROAD STREET SUITE 1108 CHATTANOOGA, TN 37402	ASSISTANT TREASURER 0 00	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

Total number of other employees paid over \$50,000. 0

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

3 Five highest-paid independent contractors for professional services (see page 23 of the 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. **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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
3 All other program-related investments. See page 24 of the instructions	

Total. Add lines 1 through 3. **0**

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	2,955,672
b	Average of monthly cash balances.	1b	166,532
c	Fair market value of all other assets (see page 24 of the instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	3,122,204
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	3,122,204
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	46,833
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	3,075,371
6	Minimum investment return. Enter 5% of line 5.	6	153,769

Part XI Distributable Amount (see page 25 of the 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	153,769
2a	Tax on investment income for 2009 from Part VI, line 5.	2a	6,970
b	Income tax for 2009 (This does not include the tax from Part VI).	2b	347,884
c	Add lines 2a and 2b.	2c	354,854
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	0
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	0
6	Deduction from distributable amount (see page 25 of the instructions).	6	0
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	0

Part XII Qualifying Distributions (see page 25 of the 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	758,240
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	758,240
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 page 26 of the instructions).	5	6,970
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	751,270

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				0
2 Undistributed income, if any, as of the end of 2008				
a Enter amount for 2008 only.			0	
b Total for prior years 20___, 20___, 20___		0		
3 Excess distributions carryover, if any, to 2009				
a From 2004.				49,819
b From 2005.				13,293
c From 2006.				344,582
d From 2007.				232,524
e From 2008.				656,711
f Total of lines 3a through e.	1,296,929			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ <u>758,240</u>				
a Applied to 2008, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions).	0			
d Applied to 2009 distributable amount.				0
e Remaining amount distributed out of corpus	758,240			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			0
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	2,055,169			
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 page 27 of the instructions.		0		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions.			0	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010.				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions).	0			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions).	49,819			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a.	2,005,350			
10 Analysis of line 9				
a Excess from 2005.				13,293
b Excess from 2006.				344,582
c Excess from 2007.				232,524
d Excess from 2008.				656,711
e Excess from 2009.				758,240

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, 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	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2a 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 27 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))

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

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

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see page 28 of the 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
 W THORPE MCKENZIE
 735 BROAD STREET SUITE 1108
 CHATTANOOGA, TN 37402
 (423) 266-3544

b The form in which applications should be submitted and information and materials they should include
 THE APPLICATION SHOULD BE SUBMITTED ON THE FORM CREATED BY MCKENZIE CHARITABLE FOUNDATION THE APPLICATION SHOULD INCLUDE THE FOLLOWING INFORMATION PARENT/GUARDIAN NAMES AND INCOME LEVEL, EXTRACURRICULAR ACTIVITIES, HONORS OR AWARDS RECEIVED, WORK EXPERIENCE, SCHOOL PLANNING TO ATTEND, WHETHER ANY OTHER SCHOLARSHIPS HAVE BEEN APPLIED FOR, AND WHY THEY ARE APPLYING FOR THIS SCHOLARSHIP APPLICANTS SHOULD INCLUDE AN OFFICIAL HIGH SCHOOL TRANSCRIPT RENEWAL APPLICANTS SHOULD INCLUDE A TRANSCRIPT FROM THE SCHOOL THEY ARE ATTENDING FOR THE IMMEDIATELY PRECEDING PERIOD

c Any submission deadlines
 N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
 IT MUST BE A SECONDARY SCHOOL, COLLEGE, OR UNIVERSITY THE RECIPIENT MUST REMAIN IN GOOD STANDING WITH THE SCHOOL

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 <i>Paid during the year</i> See Additional Data Table				
Total				758,240
b <i>Approved for future payment</i>				
Total				0

Additional Data

Software ID: 09000028
Software Version: 2009.03051
EIN: 62-1805189
Name: McKenzie Charitable Foundation

Form 990PF Part XV Line 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)				
a <i>Paid during the year</i>				
AIM CENTER INC472 W M L KING BOULEVARD CHATTANOOGA, TN 37402	NONE	501(C)(3)	OPERATING FUNDS	20,000
ALLIED ARTS OF GREATER CHATTANOOGA406 FRAZIER AVENUE CHATTANOOGA, TN 37405	NONE	501(C)(3)	OPERATING FUNDS	14,000
ATLANTIC SALMON FEDERATION PO BOX 807 CALAIS, ME 04619	NONE	501(C)(3)	OPERATING FUNDS	10,000
BOYS & GIRLS CLUBS OF CHATTANOOGA INC610 LINDSAY STREET CHATTANOOGA, TN 37403	NONE	501(C)(3)	OPERATING FUNDS	50,000
CHATTANOOGA AREA FOOD BANK 2009 CURTAIN POLE ROAD CHATTANOOGA, TN 37406	NONE	501(C)(3)	OPERATING FUNDS	200
CHATTANOOGA CARES13 KENT STREET WEST CHATTANOOGA, TN 37405	NONE	501(C)(3)	OPERATING FUNDS	15,000
CHATTANOOGA COMMUNITY KITCHEN727 EAST 11TH STREET CHATTANOOGA, TN 37401	NONE	501(C)(3)	OPERATING FUNDS	75,000
CHILDREN'S HOMECHAMBLISS SHELTER315 GILLESPIE ROAD CHATTANOOGA, TN 37411	NONE	501(C)(3)	OPERATING FUNDS	20,000
DON HAWLEY FOUNDATION INCPO BOX 88 ISLAMORADA, FL 33036	NONE	501(C)(3)	OPERATING FUNDS	10,000
HOSANNA COMMUNITY6410 GRUBB ROAD HIXSON, TN 37343	NONE	501(C)(3)	OPERATING FUNDS	15,000
INTERNATIONAL BLUEGRASS MUSIC MUSEUM207 EAST SECOND STREET OWENSBORO, KY 42303	NONE	501(C)(3)	OPERATING FUNDS	25,000
JOSEPH SAMS SCHOOL280 BRANDYWINE BLVD FAYETTEVILLE, GA 30214	NONE	501(C)(3)	OPERATING FUNDS	5,000
LOOKOUT MOUNTAIN BEAUTIFICATION FUNDPO BOX 135 LOOKOUT MOUNTAIN, TN 37350	NONE	501(C)(3)	OPERATING FUNDS	10,000
ORANGE GROVE CENTER615 DERBY STREET CHATTANOOGA, TN 37404	NONE	501(C)(3)	OPERATING FUNDS	20,000
PEPY105 SCHRADE ROAD BRIARCLIFF MANOR, NY 10510	NONE	501(C)(3)	OPERATING FUNDS	105,000
Total			▶ 3a	758,240

Form 990PF Part XV Line 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)				
a <i>Paid during the year</i>				
PUBLIC EDUCATION FOUNDATION 100 EAST TENTH STREET SUITE 500 CHATTANOOGA, TN 37402	NONE	501(C)(3)	OPERATING FUNDS	25,000
TALL TIMBERS FOUNDATION INC 13093 HENRY BEADEL DRIVE TALLAHASSEE, FL 32312	NONE	501(C)(3)	OPERATING FUNDS	10,000
TENNESSEE AQUARIUMONE BROAD STREET CHATTANOOGA, TN 374012048	NONE	501(C)(3)	OPERATING FUNDS	33,434
THE BAYLOR SCHOOLPO BOX 1337 CHATTANOOGA, TN 37401	NONE	501(C)(3)	OPERATING FUNDS	36,500
THOMASVILLE ANTIQUES SHOW FOUNDATION INCPO BOX 1633 THOMASVILLE, GA 31799	NONE	501(C)(3)	OPERATING FUNDS	770
TIGER FOUNDATION101 PARK AVENUE NEW YORK, NY 10178	NONE	501(C)(3)	OPERATING FUNDS	50,000
TOWN OF LOOKOUT MOUNTAINPO BOX 111 LOOKOUT MOUNTAIN, TN 37350	NONE	501(C)(3)	FIRE TRUCK	50,000
UNITED WAY OF CHATTANOOGA 630 MARKET STREET CHATTANOOGA, TN 37405	NONE	501(C)(3)	OPERATING FUNDS	50,000
UNIVERSITY OF MICHIGAN1000 SOUTH STATE STREET ANN ARBOR, MI 48109	NONE	501(C)(3)	GARVIE & SUSAN CRAW SCHOLARSHIP FUND	10,000
VOLUNTEERS IN MEDICINE CHATTANOOGA INCPO BOX 81057 CHATTANOOGA, TN 37414	NONE	501(C)(3)	OPERATING FUNDS	50,000
ALZHEIMER'S ASSOCIATION225 NORTH MICHIGAN AVENUE FL 17 CHICAGO, IL 60601	NONE	501(C)(3)	OPERATING FUNDS	100
AMERICAN CANCER SOCIETY1100 IRELAND WAY SUITE 300 BIRMINGHAM, AL 35205	NONE	501(C)(3)	OPERATING FUNDS	1,000
AMERICAN HUMANIST ASSOCIATION1777 T STREET NW WASHINGTON, DC 20009	NONE	501(C)(3)	OPERATING FUNDS	150
AMERICANS UNITED FOR SEPARATION OF CHURCH AND STATE518 C STREET NE WASHINGTON, DC 20002	NONE	501(C)(3)	OPERATING FUNDS	267
ARTHRITIS FOUNDATION - TN CHAPTER421 GREAT CIRCLE ROAD SUITE 104 NASHVILLE, TN 37228	NONE	501(C)(3)	OPERATING FUNDS	94
Total				758,240

Form 990PF Part XV Line 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)				
a <i>Paid during the year</i>				
ARTHRITIS FOUNDATION421 GREAT CIRCLE ROAD SUITE 104 NASHVILLE, TN 37228	NONE	501(C)(3)	OPERATING FUNDS	100
BBB WISE GIVING ALLIANCE4200 WILSON BOULEVARD SUITE 800 ARLINGTON, VA 22203	NONE	501(C)(3)	OPERATING FUNDS	75
CARE151 ELLIS STREET NE ATLANTA, GA 30303	NONE	501(C)(3)	OPERATING FUNDS	200
CHATTANOOGA FLYING DISC CLUB INC1207 TAFT HIGHWAY SIGNAL MOUNTAIN, TN 37377	NONE	501(C)(3)	OPERATING FUNDS	750
CHATTANOOGA NATURE CENTER 400 GARDEN ROAD CHATTANOOGA, TN 37419	NONE	501(C)(3)	OPERATING FUNDS	60
CHATTANOOGA HAMILTON COUNTY RESCUEPO BOX 8131 CHATTANOOGA, TN 37414	NONE	501(C)(3)	OPERATING FUNDS	50
CHURCH OF THE GOOD SHEPHERD 211 FRANKLIN ROAD LOOKOUT MOUNTAIN, TN 37350	NONE	501(C)(3)	OPERATING FUNDS	700
CRABTREE FARMS OF CHATTANOOGAPO BOX 2250 CHATTANOOGA, TN 37409	NONE	501(C)(3)	OPERATING FUNDS	100
CREATIVE DISCOVERY MUSEUM 321 CHESTNUT STREET CHATTANOOGA, TN 37402	NONE	501(C)(3)	OPERATING FUNDS	200
DOCTORS WITHOUT BORDERS USA INC333 7TH AVENUE 2ND FLOOR NEW YORK, NY 10001	NONE	501(C)(3)	OPERATING FUNDS	100
FAIRYLAND ELEMENTARY SCHOOL 1306 LULA LAKE ROAD LOOKOUT MOUNTAIN, GA 30750	NONE	501(C)(3)	OPERATING FUNDS	125
HILL COUNTRY YOUTH RANCHPO BOX 67 INGRAM, TX 78025	NONE	501(C)(3)	OPERATING FUNDS	500
HIXSON HIGH SCHOOL5705 MIDDLE VALLEY ROAD CHATTANOOGA, TN 37343	NONE	501(C)(3)	BAND	13,000
HOSPICE OF CHATTANOOGA FOUNDATION4411 OAKWOOD DRIVE CHATTANOOGA, TN 37416	NONE	501(C)(3)	OPERATING FUNDS	300
HOUSTON MUSEUM OF DECORATIVE ARTS201 HIGH STREET CHATTANOOGA, TN 37403	NONE	501(C)(3)	OPERATING FUNDS	100
Total				758,240

Form 990PF Part XV Line 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)				
a <i>Paid during the year</i>				
HUNTER MUSEUM OF AMERICAN ART10 BLUFF VIEW CHATTANOOGA, TN 37403	NONE	501(C)(3)	OPERATING FUNDS	21,000
LULA LAKE LAND TRUST29 MOUNT OLIVE ROAD LOOKOUT MOUNTAIN, GA 30750	NONE	501(C)(3)	OPERATING FUNDS	150
MAKE-A-WISH FOUNDATION1719 WINDING VIEW SAN ANTONIO, TX 78260	NONE	501(C)(3)	OPERATING FUNDS	1,000
OXFAM AMERICA226 CAUSEWAY STREET 5TH FLOOR BOSTON, MA 02114	NONE	501(C)(3)	OPERATING FUNDS	500
OXFORD AMERICAN LITERARY PROJECT INCPO BOX 3235 LITTLE ROCK, AR 72203	NONE	501(C)(3)	OPERATING FUNDS	50
PLANNED PARENTHOOD OF MIDDLE & EAST TENNESSEE INC50 VANTAGE WAY SUITE 102 NASHVILLE, TN 37228	NONE	501(C)(3)	OPERATING FUNDS	100
THOMASVILLE CULTURAL CENTER INCPO BOX 2177 THOMASVILLE, GA 31799	NONE	501(C)(3)	PLANTATION WILDLIFE ARTS FESTIVAL	4,490
REFLECTION RIDING ARBORETUM & BOTANICAL GARDEN400 GARDEN ROAD CHATTANOOGA, TN 37419	NONE	501(C)(3)	OPERATING FUNDS	100
THE SALVATION ARMY800 MCCALLIE AVENUE CHATTANOOGA, TN 37404	NONE	501(C)(3)	OPERATING FUNDS	200
SANTA FOR ALL SEASONS540 MCCALLIE AVENUE SUITE 300 CHATTANOOGA, TN 37402	NONE	501(C)(3)	OPERATING FUNDS	200
SOUTHERN POVERTY LAW CENTER 400 WASHINGTON AVENUE MONTGOMERY, AL 36104	NONE	501(C)(3)	OPERATING FUNDS	150
MONROE COUNTY EDUCATION FOUNDATION INC1400 UNITED STREET SUITE 102 KEY WEST, FL 33040	NONE	501(C)(3)	TAKE STOCK IN CHILDREN SCHOLARSHIPS	1,000
USA FOR UNHCR1775 K STREET NW SUITE 290 WASHINGTON, DC 20006	NONE	501(C)(3)	OPERATING FUNDS	500
UNITED STATES FUND FOR UNICEF 125 MAIDEN LANE NEW YORK, NY 10038	NONE	501(C)(3)	OPERATING FUNDS	150
UNIVERSITY OF TENNESSEE - CHATTANOOGA615 MCCALLIE AVENUE CHATTANOOGA, TN 37403	NONE	501(C)(3)	RADIO STATION	200
Total				758,240

Form 990PF Part XV Line 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)				
a <i>Paid during the year</i>				
MUSEUM OF MODERN ART 11 WEST 53 STREET NEW YORK, NY 10019	NONE	501(C)(3)	OPERATING FUNDS	75
PLANNED PARENTHOOD 50 VANTAGE WAY SUITE 102 NASHVILLE, TN 37228	NONE	501(C)(3)	OPERATING FUNDS	300
NEW EMANUEL BAPTIST CHURCH 2414 BALDWIN STREET CHATTANOOGA, TN 37408	NONE	501(C)(3)	OPERATING FUNDS	200
Total				758,240

**TY 2009 Investments Corporate
Stock Schedule**

Name: McKenzie Charitable Foundation

EIN: 62-1805189

Name of Stock	End of Year Book Value	End of Year Fair Market Value
100,000 SHARES OF XBIOTECH, INC.	250,000	500,000

TY 2009 Investments - Other Schedule**Name:** McKenzie Charitable Foundation**EIN:** 62-1805189

Category / Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
4.75% INTEREST IN GX CLARKE & COMPANY	FMV	2,260,733	2,260,733

TY 2009 Other Decreases Schedule

Name: McKenzie Charitable Foundation

EIN: 62-1805189

Description	Amount
UNREALIZED GAIN / LOSS ON GX CLARKE	2,655

TY 2009 Other Expenses Schedule

Name: McKenzie Charitable Foundation

EIN: 62-1805189

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
PASSTHROUGH EXPENSES	15,800	0		0
PASSTHROUGH CONTRIBUTIONS	448	0		0
BANK CHARGES	564	0		0
LEGAL FEES	230	0		0
NON-CHARITABLE PORTION OF CONTRIBUTIONS	1,529	0		0

TY 2009 Other Income Schedule

Name: McKenzie Charitable Foundation

EIN: 62-1805189

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
G X CLARKE & CO	1,146,285		1,146,285

TY 2009 Taxes Schedule

Name: McKenzie Charitable Foundation

EIN: 62-1805189

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
OTHER TAXES AND LICENSES	20	0		0
FEDERAL INCOME TAX	458,858	0		0