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

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

2010

For calendar year 2010, or tax year beginning		, 2010, and ending		20																																																																																																																																																																																									
<p>G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change</p>																																																																																																																																																																																													
Name of foundation <i>The MCKENZIE FOUNDATION</i>		A Employer identification number <i>74-2897307</i>																																																																																																																																																																																											
Number and street (or P.O. box number if mail is not delivered to street address) <i>Po Box 333</i>		B Telephone number (see page 10 of the instructions) <i>512-353-5333</i>																																																																																																																																																																																											
C City or town, state, and ZIP code <i>SAN MARCOS, TX 78667</i>																																																																																																																																																																																													
<p>H Check type of organization: <input type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation</p>																																																																																																																																																																																													
<p>I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ <i>166,186</i></p>		<p>J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____</p> <p>(Part I, column (d) must be on cash basis.)</p>																																																																																																																																																																																											
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SCANNED MAY 2011

Operating and Administrative Expenses

	Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing		3,142	1,015	1,015
	2 Savings and temporary cash investments				
	3 Accounts receivable ►				
	Less: allowance for doubtful accounts ►				
	4 Pledges receivable ►				
	Less: allowance for doubtful accounts ►				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)				
	7 Other notes and loans receivable (attach schedule) ►				
	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 (attach schedule)				
	b Investments—corporate stock (attach schedule)		474,895	165,171	165,171
	c Investments—corporate bonds (attach schedule)				
	11 Investments—land, buildings, and equipment: basis ►				
	Less: accumulated depreciation (attach schedule) ►				
	12 Investments—mortgage loans				
	13 Investments—other (attach schedule)				
	14 Land, buildings, and equipment: basis ►				
	Less: accumulated depreciation (attach schedule) ►				
	15 Other assets (describe ►)				
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)		478,037	166,186	166,186
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 ►)		—0—	—0—	
Net Assets or Fund Balances	23 Total liabilities (add lines 17 through 22)				
	24 Foundations that follow SFAS 117, check here ► <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
	25 Unrestricted				
	26 Temporarily restricted				
	27 Permanently restricted				
	28 Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/>				
	and complete lines 27 through 31.				
	29 Capital stock, trust principal, or current funds				
	30 Paid-in or capital surplus, or land, bldg., and equipment fund				
	31 Retained earnings, accumulated income, endowment, or other funds				
	32 Total net assets or fund balances (see page 17 of the instructions)		478,037	166,186	
	33 Total liabilities and net assets/fund balances (see page 17 of the instructions)		478,037	166,186	

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	478,037
2 Enter amount from Part I, line 27a	2	366
3 Other increases not included in line 2 (itemize) ►	3	
4 Add lines 1, 2, and 3	4	478,403
5 Decreases not included in line 2 (itemize) ►	5	<312,117>
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	166,286

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					
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) 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))
2009	100, 501	214, 516	.47
2008	94, 573	343, 576	.27
2007	74, 447	67, 546	1.10
2006	39, 785	69, 985	.57
2005	3, 448	57, 977	.06

2 Total of line 1, column (d)	2 2.47
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 .49
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4 214, 516
5 Multiply line 4 by line 3	5 105, 113
6 Enter 1% of net investment income (1% of Part I, line 27b)	6 -0-
7 Add lines 5 and 6	7 105, 113
8 Enter qualifying distributions from Part XII, line 4	8 90, 395

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)	1	—
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b		—
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		—
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	—
3	Add lines 1 and 2	3	—
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	—
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	—
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	
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	—
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	—
11	Enter the amount of line 10 to be: Credited to 2011 estimated tax ►	Refunded	► 11

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?	<input checked="" type="checkbox"/>	
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	<input checked="" type="checkbox"/>	
<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>			
c	Did the foundation file Form 1120-POL for this year?		
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ _____ (2) On foundation managers. ► \$ _____		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ _____		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	<input checked="" type="checkbox"/>	
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>	<input checked="" type="checkbox"/>	
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?		
b	If "Yes," has it filed a tax return on Form 990-T for this year?	<input checked="" type="checkbox"/>	
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>	<input checked="" type="checkbox"/>	
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	<input checked="" type="checkbox"/>	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ► <u>TEXAS</u>		
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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	<input checked="" type="checkbox"/>	
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>	<input checked="" type="checkbox"/>	
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	<input checked="" type="checkbox"/>	

Part VII-A Statements Regarding Activities (continued)

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)	11	<input checked="" type="checkbox"/>
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	<input checked="" type="checkbox"/>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <i>NA</i>	13	<input checked="" type="checkbox"/>
14	The books are in care of ► <i>FLOYD MACKENZIE</i> Telephone no. ► <i>512-353-5333</i> Located at ► <i>PO BOX 335 SAN MARCOS, TX ZIP+4</i> ► <i>78667</i>		
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		
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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.

1a	During the year did the foundation (either directly or indirectly):		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	
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 2010?	1c	<input checked="" type="checkbox"/>
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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► <i>20</i> , <i>20</i> , <i>20</i> , <i>20</i>	2b	
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 22 of the instructions.)	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► <i>20</i> , <i>20</i> , <i>20</i> , <i>20</i>	2b	
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	3b	
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)	3b	<input checked="" type="checkbox"/>
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 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 2010?	4a	<input checked="" type="checkbox"/>
		4b	<input checked="" type="checkbox"/>

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))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(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	
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(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	
(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	
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)?	5b		
	Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>			
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).			
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	
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	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
FLOYD MACKENZIE PO BOX 335 SAN MARCOS, TX	PRESIDENT 20 HRS	-0-	-0-	-0-
FLOYD MACKENZIE PO BOX 335 SAN MARCOS, TX	BOARD DIRECTOR 2 HRS	-0-	-0-	-0-
Rosemarie Siegner Houston, TX	BOARD DIRECTOR 1 HRS	-0-	-0-	-0-
Jean PeLATA New Braunfels, TX	BOARD DIRECTOR 1 HRS	-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

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

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 ►

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	REPAIR - RESTORE AND MAKE SAFE - FACILITIES FOR SENIORS, DISABLED - RELIGIOUS - SICK AND ABUSED CHILDREN	
2	MANUFACTURE AND MARKET GIFTS - CLOCKS - COOKBOOKS - ARTWORKS - JEWELRY - TO RAISE FUNDS FOR OUR STATED PURPOSE	
3	DONATIONS TO RELIGIOUS INSTITUTIONS AND ACTIVITIES	
4	MANUFACTURE FOOD ITEMS MANUFACTURE INSPIRATIONAL T-SHIRTS FOR DISTRIBUTION TO HOMES - HOSPITALS - FACILITIES FOR CHILDREN	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

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

1 MANUFACTURE AND MARKET *(TO RAISE FUNDS)*
CLOCKS - QUILTS - JEWELRY - GIFTS - ART OBJECTS -
FOOD ITEMS - COOK BOOKS

2 SALE OF BAKED GOODS
SAUCES
CANDY

All other program-related investments See page 24 of the instructions

3 MANUFACTURE AND MARKET
CLOTHING - UNIQUE COLLECTABLES
INSPIRATIONAL / EDUCATIONAL VIDEO & OTHER MEDIA

All other program-related investments See page 24 of the instructions

Form 990-PF (2010)
GUESS
ESTIMATE

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	216, 998
b	Average of monthly cash balances	1b	785
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	217, 783
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	217, 783
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	3, 267
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	214, 516
6	Minimum investment return. Enter 5% of line 5	6	10, 726

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	10, 726
2a	Tax on investment income for 2010 from Part VI, line 5	2a	
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	0 -
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	10, 726
4	Recoveries of amounts treated as qualifying distributions	4	0 -
5	Add lines 3 and 4	5	10, 726
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	10, 726

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	55, 395
b	Program-related investments—total from Part IX-B	1b	35, 000
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:	3a	
a	Suitability test (prior IRS approval required)	3b	
b	Cash distribution test (attach the required schedule)	4	90, 395
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	5	
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)	6	90, 395
6	Adjusted qualifying distributions. Subtract line 5 from line 4		

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				10,726
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only				
b Total for prior years: 20 20 20				
3 Excess distributions carryover, if any, to 2010:				
a From 2005	14,846			
b From 2006	13 141			
c From 2007	133 156			
d From 2008	63 321			
e From 2009	25 123			
f Total of lines 3a through e	139,587			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2010 distributable amount	90,395			
e Remaining amount distributed out of corpus	10,726			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)				10,726
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	178,053			
b Prior years' undistributed income. Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				—
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)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	178,053			
10 Analysis of line 9:				
a Excess from 2006	33,156			
b Excess from 2007	52,670			
c Excess from 2008	63,321			
d Excess from 2009	14,130			
e Excess from 2010	17,776			

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 2010, enter the date of the ruling . . .	AUGUST 2005				
b	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)					
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
		Tax year	Prior 3 years			(e) Total
		(a) 2010	(b) 2009	(c) 2008	(d) 2007	
		10,726	29,269	17,179	3,377	60,551
		9,117	24,879	14,602	2,870	51,468
		90,395	100,501	94,513	74,447	359,856
		—	—	—	—	—
		90,395	100,501	94,513	74,447	359,856
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	7,186	19,610	11,510	2,263	40,569
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)(ii)					
	(3) Largest amount of support from an exempt organization .					
	(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 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).)

Floyd Mackenzie

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

None**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ► if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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:

Floyd Mackenzie PO Box 333 San Marcos, TX 78667

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

N/A

c Any submission deadlines:

No

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

Seniors - Disabled - Religious - Sick & Abused Children Centers

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
J. RODRIGUEZ - CANCER PATIENT GOODWILL - SAN MARCOS, TX OAKWOOD BAPTIST CHURCH New Braunfels, TX SAN MARCOS SOLS, SAN MARCOS, TX GOODWILL - SAN MARCOS, TX		DISABLE 501C-3	WHEELCHAIR VARIOUS ITEMS	137.95 1,924.00
		501C-3	RAMPS, WHEELCHAIR	1,739.32
		501C-3	PRODUCTS	2,481.92
		501C-3	VARIOUS ITEMS	2,218.50
Total				► 3a 8,501.69
<i>b Approved for future payment</i>				
Total				► 3b

Part XVI-A | Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See page 28 of the instructions)
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					
4 Dividends and interest from securities					
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					
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 a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e)					
13 Total. Add line 12, columns (b), (d), and (e)					

(See worksheet in line 13 instructions on page 29 to verify calculations.)

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

Part XVII · Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

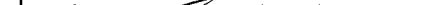
	Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a Transfers from the reporting foundation to a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

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

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

Sign Here Under penalties of perjury, I declare that I have examined belief, it is true, correct, and complete Declaration of prep

Signature of officer or trustee

May 13 2011

President

Date

→ Title

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►		Firm's EIN ►		
	Firm's address ►		Phone no		

2010

THE MACKENZIE FOUNDATION

PART 1

1. CONTRIBUTIONS RECEIVED

THE MACKENZIE CORPORATION \$ 20,451.59

FLOYD & DAVIS MACKENZIE 22,597.75

TOTAL \$ 43,049.34

2010

The MACKENZIE FOUNDATION

74-2897307

PART 1

LINE 23

OTHER EXPENSES

AUTOMOBILE	\$	20.62
GAS-OIL-PARK		
ADVERTISE		250.00
CREDIT CARD FEES		583.54
EQUIPMENT		1,400.00
LICENSE		308.23
MAINTENANCE		160.00
POSTAGE		44.00
RETURNS		41.00
REPAIRS		195.83
SHOP SUPPLIES		104.62
SECURITY		364.02
UTILITY		104.22
	\$	
TOTAL		3,576.08