



ONE PIECE AT A TIME

2012 ANNUAL REPORT



MCKENNA
FOUNDATION

ONE PIECE AT A TIME

How to affect real change in a community can be puzzling. At the McKenna Foundation, we think about how to change things for the better every day. With the Foundation's defined resources and our community's growing need this can be a tall order, but our approach is simple: one piece at a time.

The good news is that no piece to the puzzle is missing. The New Braunfels area has people in need, professional nonprofit organizations to provide services to those people in need and community members and organizations willing to support those nonprofits' efforts. How to fit those pieces together to form a healthy, thriving community is our challenge.

The following pages will describe the McKenna Foundation's efforts in 2012 to advance the well-being of the New Braunfels community. The Foundation made grant commitments to 35 local nonprofit organizations in 2012, all of which address specific community needs. We will highlight two of our partners, Comal County Habitat for Humanity and the Children's Advocacy Center of Comal County, who recently made huge strides toward meeting community needs by improving their capacity to serve.



The puzzle of how to connect people in need with sustainable resources may never be complete. New pieces are being added and taken away every day. The McKenna Foundation is committed to being a large piece of the puzzle as a catalyst for change that enables organizations to move our community forward.

Wes Studdard
Board Chairman

Jerry Major
President/CEO

MISSION STATEMENT

The mission of McKenna is to advance the well-being of the New Braunfels community.

VISION STATEMENT

McKenna will be active in providing services to enhance the health and well-being of the New Braunfels community, serving as a partner and resource to others who share that goal, now and for future generations.

GUIDING PRINCIPLES

Stewardship

Serve as a good steward of the assets for the long-term benefit of the New Braunfels community.

Resource

Be a leading resource to residents, nonprofits, and local government.

Partner

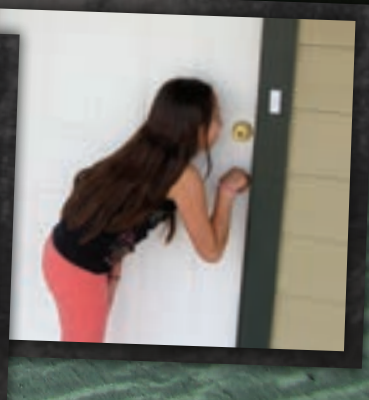
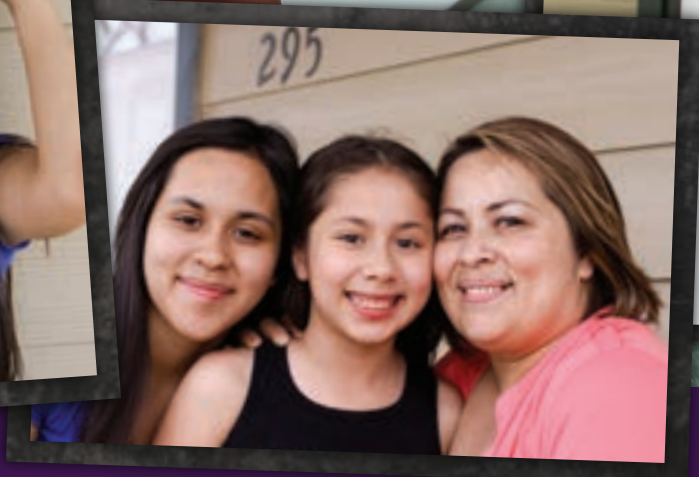
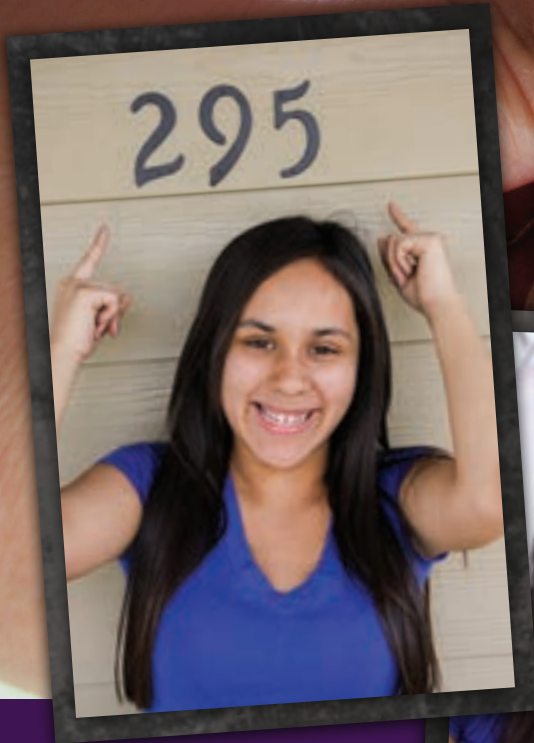
Actively seek to partner with others to maximize the impact on those we serve.

Integrity

Act honestly and fairly in all endeavors.

Accountable

Measure and evaluate grants and services to most effectively meet the needs of the community.



A FIELD OF DREAMS

\$175,000

In 2008 the Comal County Habitat for Humanity purchased a 22-acre tract of land that proved to be a development challenge for the organization due to the economic downturn and scarce area resources. Raw land needs streets, utilities, plans, community support, and more to become a neighborhood. With a \$175,000 grant in 2010, the McKenna Foundation underwrote the final engineering design and plan approval, jump starting the project and resulting today in an 81-home subdivision designed for affordable homes. This mixed income neighborhood, MorningStar, includes 19 sites for local Habitat for Humanity partner families, like Michelle Perez and her three girls.

These families live and work in New Braunfels, creating for themselves the opportunity to become first-time homeowners through sweat equity and determination. They work alongside local volunteers, vendors, and subcontractors to build a home of which they have long dreamed. After years of chasing the rental rat race or living with family in multi-generational or overcrowded homes, they move into new, safe, secure, affordable housing, which offers a more stable financial future and a generational shift in education, community engagement, and opportunities. In a recent conversation, Michelle discussed for the first time the possibility of setting aside funds for retirement. In her world of excess rents, this conversation would not have been possible.

Through the support of the Foundation, the field is now full of dreams closer to coming true.



STANDING UP FOR CHILDREN

\$125,000

The Children's Advocacy Center of Comal County (CACCC) is a neutral, child-friendly agency that facilitates a multidisciplinary approach to the prevention, detection, investigation and treatment of child abuse.

Before the CACCC was created, children abused in Comal County were taken to many different places to be interviewed by investigators. Often a child would need to tell his or her story to a police officer, a child protective services worker and an assistant district attorney, all the while being shuttled back and forth from one institutional, and sometimes intimidating, environment to another.

Now children who have been abused come to a single place to be interviewed one time so that the number of interviews a child has to experience is as few as possible. Investigators watch the interview being conducted by a professional, objective forensic interviewer as it is being recorded. The DVD of the interview is then turned over to be used as evidence.

While the forensic interview is the mainstay of the services at the CACCC, other support efforts are required to complete the treatment of a child who has experienced abuse. Forensic medical examinations and counseling services are often also required to help a child recover from their traumatic experience. Thanks to capital donors including the McKenna Foundation, a new CACCC home was completed in 2012 so that all these services can be delivered from one child-friendly environment. From the moment a child arrives, he or she is put at ease by the comfortable setting complete with a playroom and a warm, smiling staff.

CACCC stands strong as a bastion of support for families of children who have been abused and plays a significant role in making these children whole again, one piece at a time.

GRANT GUIDELINES & APPLICATION PROCEDURES

In 2012, the McKenna Foundation welcomed applications from any 501(c) (3) nonprofit organization that served residents of the New Braunfels area with health, education, or well-being services. Grant applications were accepted for funding of existing or new programs.

The grant calendar was introduced early in 2012 which included an application submission deadline of February 15th. Application forms were posted online at mckennalegacyfoundation.org for easy review and download. Nonprofit organizations were invited to contact a Program Director with any questions concerning the application process.

McKenna Foundation Program Directors conducted site visits of all qualified applicants. Applications were reviewed by the Grants Committee and submitted to the McKenna Foundation Board of Trustees in May. The Board made all final decisions regarding funding, and each applicant received written notification of their funding decision. Awarded grant payments were issued in June.



A STRONGER COMMUNITY THROUGH THE MCKENNA FOUNDATION

\$1,696,987

The McKenna Foundation exists to advance the well-being of the New Braunfels community. A total of \$1,696,987 was committed to the following 35 organizations to provide strategic support for program initiatives in our community.

Any Baby Can	\$20,000	To serve families with children facing serious health or developmental problems
Big Brothers Big Sisters of South Texas	\$10,000	To help children reach their potential through professionally supported one-to-one mentoring relationships with measurable outcomes
Bulverde Senior Center	\$10,000	To serve the needs of senior citizens in the rural area through educational programs, health and exercise programs and opportunities for socialization and community service
Bulverde-Spring Branch EMS	\$20,000	To identify and serve the needs of humanity as an award-winning emergency service provider and through educational and innovative health service programs
CASA of Central Texas, Inc.	\$20,000	To advocate for abused and neglected children in the court system by recruiting, training and supporting community volunteers

Children's Advocacy Center of Comal County, Inc.	\$15,000	To provide a neutral, child-friendly agency to the community that facilitates a multidisciplinary approach in the prevention, detection, investigation and treatment of child abuse
Comal County Senior Citizens' Foundation	\$30,000	To offer programs and services to senior adults to enrich the quality of their lives
Communities in Schools	\$75,000	To provide school-based social services that help students to succeed in school and make positive life choices
Community Action of Central Texas	\$10,000	To provide breast and cervical health support services to women
Community Resource and Recreation Center	\$30,000	To serve the residents of Canyon Lake by providing vital social service resources as well as life-enriching recreational and educational opportunities
Connections Individual and Family Services, Inc.	\$25,000	To provide youth, families and communities of South Central Texas opportunities for a brighter future
Crisis Center of Comal County	\$25,000	To establish within the jurisdiction of Comal County a network of services for the victims or potential victims of family violence and sexual assault
El Centro Del Barrio (CentroMed)	\$75,000	To be an integrated health care system that provides accessible services of superior quality

Family Life Center	\$20,000	To assist the under-resourced and help facilitate an efficient and effective system to steward well the resources of the community
Habitat for Safe Seniors	\$10,000	To alleviate food deficit among the elderly and low-income population in the Canyon Lake area by providing food to those in need
Hope Hospice	\$20,000	To provide exemplary care, comfort and education to all affected by life-limiting illness, grief and loss
Kids' Club	\$30,000	To help transform at-risk students who appear to be destined for failure into children with hope, confidence and passing grades
McKenna Children's Museum	\$189,240	To provide a comfortable and creative learning environment for kids and families
McKenna Events Center	\$166,445	To provide an accessible and professional facility for the community to come together
New Braunfels Area Community Foundation	Seed Funding	To develop and encourage a culture of philanthropy by accepting gifts, administering funds, investing assets and making grants to nonprofits on behalf of donors
New Braunfels Public Library Foundation	\$20,000	To enhance library services and provide books and other much-needed learning resources for the New Braunfels Public Library

New BraunFit Gym	\$252,312	To provide low-cost, enriching fitness activities for all ages
New BraunFit Outreach and Education	\$154,167	To provide nutrition, wellness, and safety services to individuals and families
Options for Women	\$20,000	To empower women with knowledge to make the best decision when facing an unplanned pregnancy
Precious Minds New Connections Parenting Program at McKenna	\$145,301	To educate and support families, from pregnancy until their child turns three, with positive early childhood development information
Prescription Access	\$57,847	To facilitate the receipt of free prescription medications for those with limited resources
Retired and Senior Volunteer Program	\$10,175	To provide diverse volunteer opportunities for people 55 and older
River City Advocacy, Inc.	\$16,500	To encourage, educate, train and organize people who have received services from mental health systems to advocate for themselves and to support each other
Salvation Army of Comal County	\$75,000	To meet the emergency needs of qualifying clients in the Comal County and New Braunfels region
Spring Branch Tennis Center	\$10,000	To provide access to quality tennis programs and resources for all ages

St. Jude's Ranch for Children – Bulverde	\$20,000	To rescue abused, abandoned, and neglected children of all races and faiths from the vicious cycle of child abuse
St. Jude's Ranch for Children – New Braunfels	\$20,000	To rescue abused, abandoned, and neglected children of all races and faiths from the vicious cycle of child abuse
Texas Ramp Project	\$10,000	To offer freedom to homebound individuals
The Gabriel Project	\$10,000	To help women in crisis pregnancies and to support families in desperate need who have small children
Volunteers in Medicine	\$75,000	To serve the health and wellness needs of the medically underserved in our community by providing quality, compassionate and personalized care in a faith-based, caring environment



A CENTER FOR THE COMMUNITY

The McKenna Center, located at 801 West San Antonio Street in New Braunfels, serves as a community center and the flagship for all McKenna operations. For years McKenna has remained focused on unmet needs in the community, some of which are best served through a McKenna program. McKenna began years ago with a unique and targeted approach to specific community health, education and well-being needs. While all McKenna programs are initiated and executed by McKenna team members, we partner with as many community organizations as possible to ensure the following programs are accessible, affordable, and successful.

McKenna Children's Museum

Total attendance in 2012: 77,256

New BraunFit Education and Outreach

Total number of individuals served with nutrition education and car seat installations in 2012: 455

New BraunFit Gym

Total gym entries in 2012: 32,548

Prescription Access

Total number of clients served in 2012: 1,610

Total prescription savings provided in 2012: \$3,833,336

McKenna Parenting Program

Total family participants in 2012: 317

McKenna Events Center

Total savings to nonprofits through free rental in 2012: \$166,445



AUDITOR LETTER



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972.387.8800 Fax 972.387.0073 www.bkd.com

Independent Auditor's Report

Board of Directors
The McKenna Foundation
New Braunfels, Texas

We have audited the accompanying consolidated financial statements of The McKenna Foundation (the Foundation) and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2012, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The McKenna Foundation and its subsidiaries as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Dallas, Texas
May 21, 2013

experience **BKD**

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MEMBER
OF
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION, DECEMBER 31, 2012

The Assets and Liabilities of the McKenna Foundation are detailed below.

Assets

Current Assets	
Cash and Cash Equivalents	\$ 165,914
Pledges and Accounts Receivable	2,000,000
Prepaid Expenses and Other Current Assets	52,619
Total Current Assets	2,218,533
Other Assets	
Long-Term Investments	61,195,363
Assets Limited as to Use	2,324,539
Pledges and Other Receivables	3,138,439
Total Other Assets	66,658,341
Property, Plant and Equipment, less accumulated depreciation of \$3,497,387	9,294,298
Total Assets	78,171,172

CONSOLIDATED STATEMENT OF FINANCIAL POSITION | DECEMBER 31, 2012

Liabilities and Net Assets	
Current Liabilities	
Accounts Payable and Accrued Expenses	\$ 115,134
Grants Payable	330,000
Other Liabilities	119,632
Total Current Liabilities	564,766
Net Assets	
Unrestricted	75,266,328
Temporarily or Permanently Restricted	2,340,078
Total Net Assets	77,606,406
Total Liabilities and Net Assets	78,171,172

2012 MCKENNA FOUNDATION BOARD OF TRUSTEES

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Bill Van Kleef, Vice Chairman
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Mario Luna
Stephen Ousley, M.D.
Laura Pinto
Mitch Sacco, D. D. S.
Michael Spain
Patty Toney
David Way, M.D.
Jim Wesson

2012 MCKENNA FOUNDATION TEAM MEMBERS

Jerry Major, CEO
Jennifer Collier, Program Director
Chandy Engelke, Director of Accounting
Alice Jewell, Program Director



MCKENNA
FOUNDATION

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