

Boys Republic



Annual
Report
2006

Boys Republic

Annual Report For Fiscal Year 2006



President's Message

Jeff Seymour
Board President

Individual accountability, educational competence, self-reliance and self control. To more than 600 disadvantaged and troubled teenagers each year, these are the promises of Boys Republic, one of the nation's oldest and most emulated youth-care agencies.

Since our founding in 1907, Boys Republic's Board of Directors has stood by these promises and the distinctive treatment philosophy that embodies them. Nearly a century ago — we were then called California Junior Republic — Boys Republic modeled its philosophy after that of George Junior Republic in Freeville, New York. Troubled teenagers, the survivors of childhood abuse, neglect or abandonment, were given a program of self-government, meaningful work, and education so they might earn their way to a better life.

What was so compelling about the program was that it really worked. Children who arrived apparently destined to lead lives of social dependence or even incarceration, instead graduated back into society

with the attitudes and the skills to become self-reliant, contributing citizens. Successful graduates themselves gave meaning to the agency's motto: "Nothing Without Labor".

Our Board of Directors is committed to building upon the specific traditions that have proven so successful. The model, with small modifications, still serves us well (please review "Our Outcomes: Programs That Really Work" on page 5 of this report.). We continue to train young men and women to make responsible decisions, work in efficient harmony with others, become highly sought employees and to be responsible community members.

The incisive vision of past leaders has helped us succeed with troubled youth. So too, has their donated treasure. Our wonderful main campus, a serene 200-acre school and farm environment, was the gift to Boys Republic by founders Margaret and Kate Fowler. Hardly a week goes by when our Executive Director is not approached by builders and

developers who would seek to acquire our land and relocate us. Today, our campus "republic" exists as an island in a sea of homes, freeways, businesses and — most importantly — troubled teenagers. While trying to be good, accommodating neighbors, we continue to believe that to operate our republic at its present location, in the midst of such need, is of vital importance.

The annual cost of operating our programs far exceeds the revenues we receive from state and county service fees. It is only through the generosity of our friends, donors and benefactors, along with the heartfelt dedication of the auxiliaries, that we are able to continue offering our programs. With sincere appreciation for their support, and our anticipation that these cherished relationships will continue, Boys Republic's Board of Directors extends its thanks to you all.

Executive Director's Message

Max Scott
Executive Director



As we complete our ninety-ninth year, we reflect back to 1907, when a small group of enlightened citizens from Pasadena and Los Angeles scoured the nation in search of a different and hopefully a better way to respond to orphans. They established a program based on the philosophy that, with adult guidance, adolescents could effectively and humanely govern themselves. Boys Republic has tenaciously preserved that belief in personal accountability, self-reliance, and academic and vocational education with a strong emphasis on work. To date, life-

altering opportunities have been offered to more than 26,000 teenage boys and girls.

Although residential group homes for teenagers are often viewed with suspicion and hostility, this is not the case for Boys and Girls Republic. We have facilities in five different communities in three southern California counties and have received no community complaints from any of our neighbors. Our closest neighbors are our best friends. The remarkable acceptance from the communities is due to our competent staff, the maintenance and appearance of our property, the responsible conduct of our students, and the sensitive awareness of our Board of Directors to the concerns of the community.

The recent reaffirmation of support from the City of Chino Hills further strengthened the Board's resolution to reject offers to sell and/or relocate our 200-acre Chino Hills farm campus. The decision to remain at our historical location was further reinforced after the threat of eminent domain was negated. Our location on the border of four counties permitting easy access to families of our students was an additional consideration.

In 2006, at the request of Los Angeles County, we established an assessment center on the main campus to evaluate and assess the needs of youth requiring out-of-home placement. Specific modifications in the program will be made in 2007, as we evaluate the impact of this program on the general campus population.

Fundraising continues to be a major concern since 50% of our operation is self-funded. We appreciate the individuals, corporations, and foundations who continue to support our programs. Our fundraising cost efficiency, based on a ten-year moving average is 9%. Accordingly, over 90% of the money donated to Boys Republic goes



for the intended charitable purpose. This year we made an effort to reduce our program subsidy by seeking a more equitable service fee from the counties for our campus program. We have letters of support from the counties and anticipate a favorable response from the State in early 2007.

A major gift from a generous couple stimulated gifts from the Ahmanson Foundation, the Boone Family Foundation and our Pasadena Auxiliary. These gifts have provided sufficient funds for the construction of a transitional apartment for homeless Girls Republic students. This project is scheduled for completion in 2007.

We were saddened by the loss of our staff physician Dr. Albert Goldstein who passed away in May, after thirty-six years of service to Boys Republic. He was a remarkably unselfish man who forfeited the acquisition of personal material possessions to provide medical care to our students and to hundred of families in the local community who could not pay for medical services. He and his wife (Aurlene), in a last gesture of generosity, left his medical office building to Boys Republic.

I want to thank all of our past and present supporters, our dedicated Board of Directors, our auxiliaries, the school staff, and our noble, unselfish staff who give their best to each student on a daily basis.



Dr. Albert Goldstein



Who We Are ... And What We Do . . .

Boys Republic is a non-profit, privately-endowed agency providing both residential and non-residential youth services to disadvantaged, at-risk young people from throughout California. It operates a total of nine programs — currently, all in Southern California: a 200-acre residential campus, school, and farm in Chino Hills; three residential group homes for boys in Los Angeles, Pomona and Santa Ana; a Girls Republic group home in Monrovia and non-residential day treatment centers and schools in the cities of Monrovia and Chino Hills. Our Aftercare and Independent Living Program serves all of the agency's facilities.

Total capacity for all Boys Republic facilities is 256 including 220 residential beds and the capacity to serve as many as 36 young people (and their families) in day treatment centers. Boys Republic provides diverse programs of educational, psychological, vocational and family reunification services. These programs include:

- Educational on-grounds public school (accredited by Western Association of Schools and Colleges)
- General testing and assessment
- Psychiatric and psychological assessment therapy
- Individual professional counseling
- Group, single and multi-family counseling
- Family preservation, family reunification counseling
- Medical, dental and nutritional care
- Nationally-recognized independent living program
- Athletics, recreation, physical fitness
- Educational and vocational counseling
- Vocational training (ROP)
- Work experience, employment training
- Substance abuse education, counseling
- Structured 24-hour residential services
- Intensive day program
- Aftercare services for all graduates
- Transitional housing program accommodations

Fiscal Year 2006 Milestones

Since its founding in 1907, Boys Republic has helped more than 26,000 abused, abandoned and at-risk boys and, in recent years, growing numbers of young women as well. While they come from all social strata, all racial and ethnic backgrounds and from diverse family situations, many share pertinent case history characteristics. In FY 2006:

- Boys Republic/Girls Republic served 582 young people in residential and day treatment programs.
- Approximately 80% of incoming students have been in other placements.
- More than 60% of the boys we treated have histories of physical or sexual abuse.
- Nearly all students — about 95% — were referred with emotional and/or behavioral problems.
- Fully 80% of the boys and 50% of the girls entering residential programs are from one-parent homes.
- One student in nine is virtually homeless, having no parents or family to which he/she can return.
- The average length of stay for residential students was ten months.
- Nearly three out of four new students came to Boys Republic below academic grade level.
- Formal family counseling sessions numbered more than 1000; most included entire families.
- One hundred percent of the student body earned school credit including a significant number of students who advanced one full year or more academically.
- Upon graduation, more than 80% of residential students returned to the home of one or both parents. The rest either returned to the home of another relative or were emancipated through our Independent Living Program and utilized Boys Republic aftercare services to live on their own.
- Thirty-nine students were awarded scholarships following graduation, totaling \$27,010. An additional 35 graduates received a total of \$62,676 in financial assistance in the form of grants and loans administered by Boys Republic's Aftercare Program.

Our Outcomes ... Programs That Really Work

For nearly a century, Boys Republic has provided programs in guidance and education for one of society's least served, yet most socially significant populations – troubled teenagers. The youth agency's programs have steadily evolved, during that time, to meet the ever-changing demographics of California's youth. What is remarkable, however, is that the agency's treatment philosophy – a blending of traditional child-rearing principles with modern social science research – has remained in place.

The concept of accountability is central to understanding Boys Republic's approach with troubled teenagers. Students are encouraged, under the supervision of adult professionals, to evaluate and to guide each other toward appropriate behavior. Norms for acceptable behavior are not derived from a static set of rules, but rather develop out of a continuously negotiated discussion among the students. The goal of this process, which takes place in student government and daily group sessions, is to help students question antisocial decision-making and to orient themselves toward positive, conventional lifestyles.

So, how well does this approach work? Does it really help turn troubled kids toward responsible citizenship? Do behavioral changes made, while in the program, last once a student leaves Boys Republic?

We developed a set of standards to measure how well we are accomplishing these aims. Shown in the chart below, they are depicted as four key areas under which we strive to help our students achieve success. Evaluation takes place at regularly scheduled intervals, over a one-year period following each student's graduation.



Student Outcomes: Fiscal Year 2006

- **Law Abiding Citizen:** Graduates will be arrest-free after 12 months.
- **Productive Member of Society:** Graduates will be attending school, working or in the military.
- **Acceptable Living Arrangement:** Former students will have an acceptable living arrangement 12 months after discharge.
- **Not on Welfare:** Graduates will be free of welfare or other institutional support.

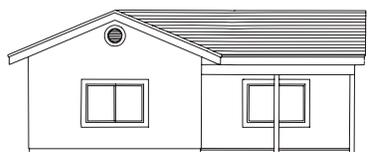
	Law Abiding Citizen*	Productive Member of Society	Acceptable Living Arrangement	Not On Welfare
All Graduates	81%	74%	80%	95%
Chino Hills Campus	79%	79%	79%	94%
Community Residences	82%	82%	82%	91%
Girls Republic	75%	100%	100%	100%
Monrovia Day Treatment	94%	100%	100%	100%
Independent Living Program	87%	46%	70%	96%

* Excludes minor traffic violations.

Physical Plant Update

Apartment to House Homeless Girls

Boys Republic's Board of Directors approved the construction of a two bedroom apartment for girls at the agency's Girls Republic, in Monrovia. Similar in concept to the Transitional Apartments complex completed in 2004 at Boys Republic's Chino Hills campus, the Girls Republic apartment will provide an opportunity for homeless girls, who are "aging out" of placement, to acquire the job skills and earn the financial resources they will need to establish themselves independently.



The location, on the same property as Girls Republic, offers the advantage of readily available adult supervision, convenient access to services, and a safe environment. Young women enrolled in the program will be expected to maintain employment. A percentage of their earnings will be "charged" as rent, but will be returned to them in monthly increments when they leave the program.

Corrected plans for the new apartment have been submitted to the City of Monrovia for final approval.

The construction project is already fully funded. A lead gift from a generous couple quickly attracted support from the Ahmanson Foundation and our own Pasadena Auxiliary.



GIRLS REPUBLIC: The Monrovia community-based residence (above), serving teenage girls, consistently has an extraordinary success rate. Because of such positive outcomes, Boys Republic's Board of Directors feels that the agency's investment in the proposed transitional apartment (architect's drawing shown above, left) will be a productive investment.



FOOD SERVICES CLASS: Students learn the fundamentals of food preparation, storage, and serving in the campus kitchen. Skills and work habits acquired here help them land their first job after leaving Boys Republic.

Campus Kitchen Renovation Project

During 2006, Boys Republic initiated a project to renovate its oldest kitchen. The main campus kitchen and cafeteria prepare and serve meals three times daily, for a combined population of 170 hungry teenagers and the staff who supervise them. The Kitchen Renovation Project replaces equipment that was either worn out and inoperable or no longer met modern health and safety standards required of licensed homes for youth.

A centerpiece of the renovation was the installation of a 1766 cubic foot walk-in freezer and cooler. The installation freed up storage space for dry goods, increasing the kitchen's capacity to take advantage of cost-saving opportunity buys. Also included in the renovation were replacement of a commercial-quality range, charbroiler, toaster, preparation tables, sinks and three rooftop air conditioning units.

The project is fully-funded. Grant support was obtained from several charitable foundations and the Pasadena Auxiliary. Total cost for the project was \$206,550.

Agricultural Program



AGRICULTURAL HERITAGE: *Boys Republic was founded with the vision of providing a wholesome small farm/family environment where teenagers could grow under the stress of responsibility.*



RELOCATION OF CATTLE: *Masonry class students built forms for a new concrete watering trough inside the new cattle corral. The herd of 200 red angus provides an important source of work experience for disadvantaged teens.*



REALIGNING THE ENTRANCE: *The sale of approximately three acres of Boys Republic land for a ring-road access to The Shoppes will require a realignment of Boys Republic's front entrance.*

Land Sale Accommodates Local City Plan for Commercial Development

After considerable negotiation, Boys Republic agreed to sell approximately three acres of agricultural land to the City of Chino Hills. The sale enabled construction of a ring-road for convenient vehicular access to "The Shoppes at Chino Hills", a commercial development by Opus West Corporation adjacent to Boys Republic's entrance and front agricultural field.

The transaction, initiated by the City of Chino Hills,

included land for a 2.3-acre ring-road and .82 acres of slope easement bordering the ring-road. The deal also compensated Boys Republic to relocate its cattle corral — a move that would bring Boys Republic's herd of 200 cattle out of close proximity to future shoppers.

Separately, developers of The Shoppes project agreed to pay Boys Republic \$200,000 for the temporary storage on Boys Republic property of 170,000 cubic yards of fill dirt needed for the Shoppes project while it is under construction.





McCORMICK COTTAGE: *During 2006, McCormick Cottage functioned solely as an assessment center. Referred youth stayed in McCormick for a one-month evaluation period.*

Assessment Center Contract Renegotiated

Boys Republic entered into a contract with Los Angeles County Probation Department to provide assessment services at its Chino Hills campus. The program, known on campus as the Assessment Center, provided evaluation services for a dynamic population of 15 juveniles pending their placement in a suitable facility, either at Boys Republic or another group home.

The Assessment Center program was housed in McCormick Cottage, which was reserved exclusively for that purpose. Because of the intensive evaluation services provided and short duration of program — only one month — the contract called for enriched staffing within the unit, commensurate with that of an RCL 12 program.

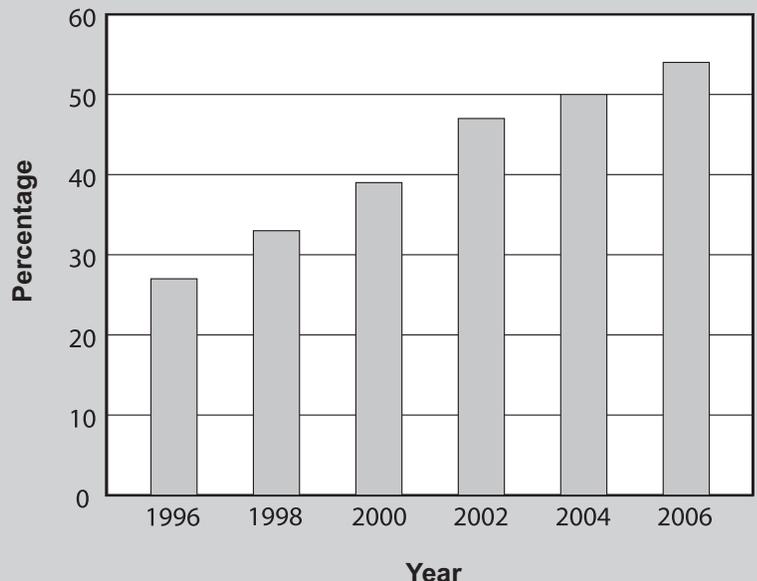
During 2007, Assessment Center operations will be decentralized. Students participating in the program will reside in any of the six on-campus cottages to facilitate greater student integration into the campus.

Chino Campus Program Seeks Rate Waiver from State

Considerable effort was spent, during 2006, in application to the Foster Care Rates Bureau (FCRB) for a more equitable service fee rate. Boys Republic's self-contained campus program is among the lowest cost agencies in the State for services provided. This is because the Rate Classification Level (RCL) system is inequitable toward large, campus-based programs like Boys Republic, where the overhead expense of maintaining a full support staff is not adequately reflected in the assigned rate. Over the past decade, Boys Republic has compensated for a relatively low rate of RCL5 by drawing from its own reserves. Shown in the graph, at right, we have increased the proportion of annual budget we subsidized, over a ten year period, from 27% to 54%.

Our rate waiver application seeks a re-classification from RCL5 to RCL10. At RCL10, the campus program would be compensated more closely to the actual level of services we provide. If approved, the new rate would result in a reduction of Boys Republic's subsidy in the amount of approximately \$2½ million, per year.

Percentage of Program Operating Cost Supported by Self-Help Income 1996-2006





October 7, 2007. Save the Date! Centennial Event Planning Committee Underway

Since our founding in 1907, we've served more than 26,000 teenagers. We've managed to stay true to our founding ideals. And we've discovered how to help troubled teens achieve beyond their dreams. These are accomplishments worthy of celebration!

Planning for Boys Republic's 100th Anniversary is underway. Directors Emeritus Ms. Vilma Pallette and Mrs. Mary Lou Boone have returned to Boys Republic as co-chairs of the centennial event planning committee. This hardworking duo is noted for their infectious enthusiasm and their ability to stimulate the same sense of fun and commitment in others.

Planning includes a western-theme event to be held at Boys Republic's historic school and ranch, tours, a barbecue dinner, and the publication of a pictorial history of the agency's first 100 years.



DYNAMIC DUO: Directors Emeritus Vilma Pallette (left) and Mary Lou Boone are co-chairs of the event planning committee.

In Memory of Dr. Albert Goldstein

Boys Republic's physician of more than 36 years passed away in May 2006. As a deeply humanitarian and dedicated practitioner, Dr. Albert Goldstein provided a model of care and inspiration for thousands of Boys Republic youth. His passing is felt as a tremendous loss to the agency.

Dr. Goldstein was on-call 24 hours per day, 7 days per week and always could be counted upon to treat the inevitable cuts and scratches, illnesses and general medical conditions of youth in Boys Republic's care.

Goldstein graduated from the University of Chicago with a degree in chemistry. He worked for a time as a chemist with the Atomic Energy Commission and helped develop the atomic bomb. Feeling unsuited to that line of work, he went back to medical school. As a physician, he served in Japan and Vietnam before establishing a small private practice in Pomona, California.

Max Scott, Boys Republic's Executive Director said of Goldstein, "He didn't really care much about material things. He drove an older model car. He was just a good-hearted man with compassion for all people."

Dr. Goldstein was deeply dedicated to Boys Republic, continuing to serve its students well into his 80s. Of his service to youth, Dr. Goldstein said



simply, "I just like to help people."

Dr. Goldstein was 86 years old when he passed away. He is survived by his wife and two adult daughters. He and his wife have left to Boys Republic the building in Pomona that housed his private practice.

Board of Directors

The primary governing body of Boys Republic is a Board of Directors which, by tradition, is made up entirely of volunteer citizens from communities served by the agency. The Board is self-perpetuating, electing its members from the ranks of Southern California's leaders in business, professional and civic life. Many directors remain associated with the agency for decades. (The dates in parentheses following each name indicate the beginning year of service.)



Barry Baszile
(2005) President,
Baszile Metals Service



Mrs. Lynn Bosen
(1997) President, Orange
County Auxiliary



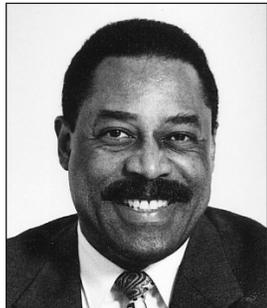
Bruce Eisenhauer
(1999) Managing
Director, Eisenhauer &
Company



Richard Fuller
(2004) Principal,
Fuller Consulting



Robert Gonzalez
(2002) Business Owner



Gene Gravely
(1994) Licensed Real
Estate Loan Consultant



Timothy J. Kay
(2000) Partner,
Snell & Wilmer LLP



Robert M. Key
(1978) Retired



Mrs. Louise Laub
2004 President,
Pasadena Auxiliary



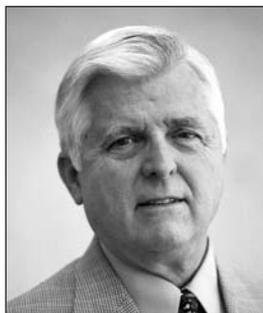
Timothy McGrath
(2005) Alumnus
Retired Attorney



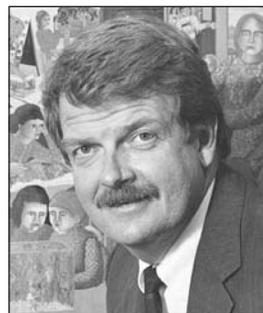
Arden R. Miller
(2000) Alumnus,
Insurance Broker



Michael Miramontes
(2005) Alumnus,
Business Owner



Thomas Owenson
(2004)
Management Consultant



Jeff Seymour
(1989) Superintendent,
El Monte School District



Dennis Slattery
(1997) Board President,
Investment Counsel



Mrs. Neile Adams Toffel
(2004)
Performing Artist



John F. Watkins
(1970) *John F. Watkins Associates*



Terre Wellington
(1999) *District Manager, Kohl's*



Lincoln Wood
(1997) *President Los Solteros*

Directors Emeritus



Mrs. George N. Boone
(1984) *Civic and Cultural Affairs*



Mrs. Ernest Bryant III
(1973) *Rancher*



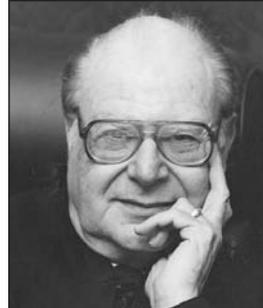
Mrs. Neil S. Fine
(1972) *Retired*



Frederick W. Griffin
(1975)
Management Consultant



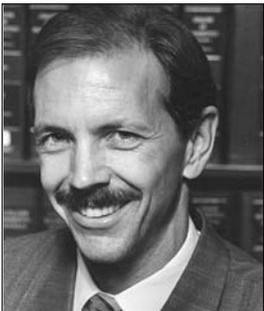
Frank L. Mallory
(1958) *Advisory Counsel Gibson, Dunn & Crutcher*



The Hon. Irwin J. Nebron
(1990) *Judge of the Superior Court, Retired*



Ms. Vilma K. Palette
(1982) *Training Consultant / Volunteer Coordinator*



Gordon A. Schaller
(1988) *National Managing Dir. and Chief Estate Planning Officer, My CFO, Inc.*

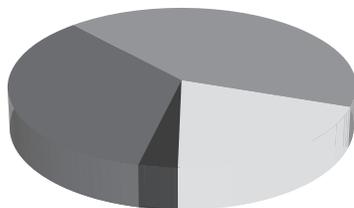


Mrs. Francis M. Wheat
(1979) *Civic and Environmental Affairs*

Boys Republic 2006 Financial Highlights

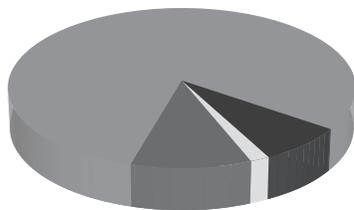
Revenue	2006	2005
Board and Care	\$6,908,173	\$7,123,426
Della Robbia Sales	1,974,060	1,955,839
Agriculture	21,466	21,375
Total Revenue	\$8,903,699	\$9,100,640
Expense of Operations		
Program Services	\$13,548,357	\$13,649,748
Management & General	1,238,573	1,137,548
Fund Raising	223,502	294,833
Total Operating Expense	\$15,010,432	\$15,082,129
Gain (Loss) from Operations	(\$6,106,733)*	(\$5,981,489)*

**Operating deficit offset by income from Boys Republic Endowment Fund*



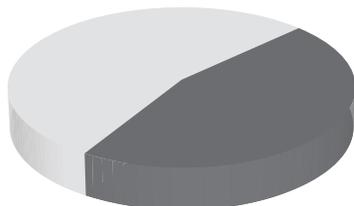
2006 Total Revenues

Service Fees	42.1%
Contributions	3.4
Wreaths and Miscellaneous	19.9
Investment Income	34.6



2006 Operational Expenditures

Direct Child Care	80.5%
Administration	7.7
Development	1.5
Physical Plant	10.3



2006 Service Fees

Service Fees	46.0%
Boys Republic Subsidy	54.0



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