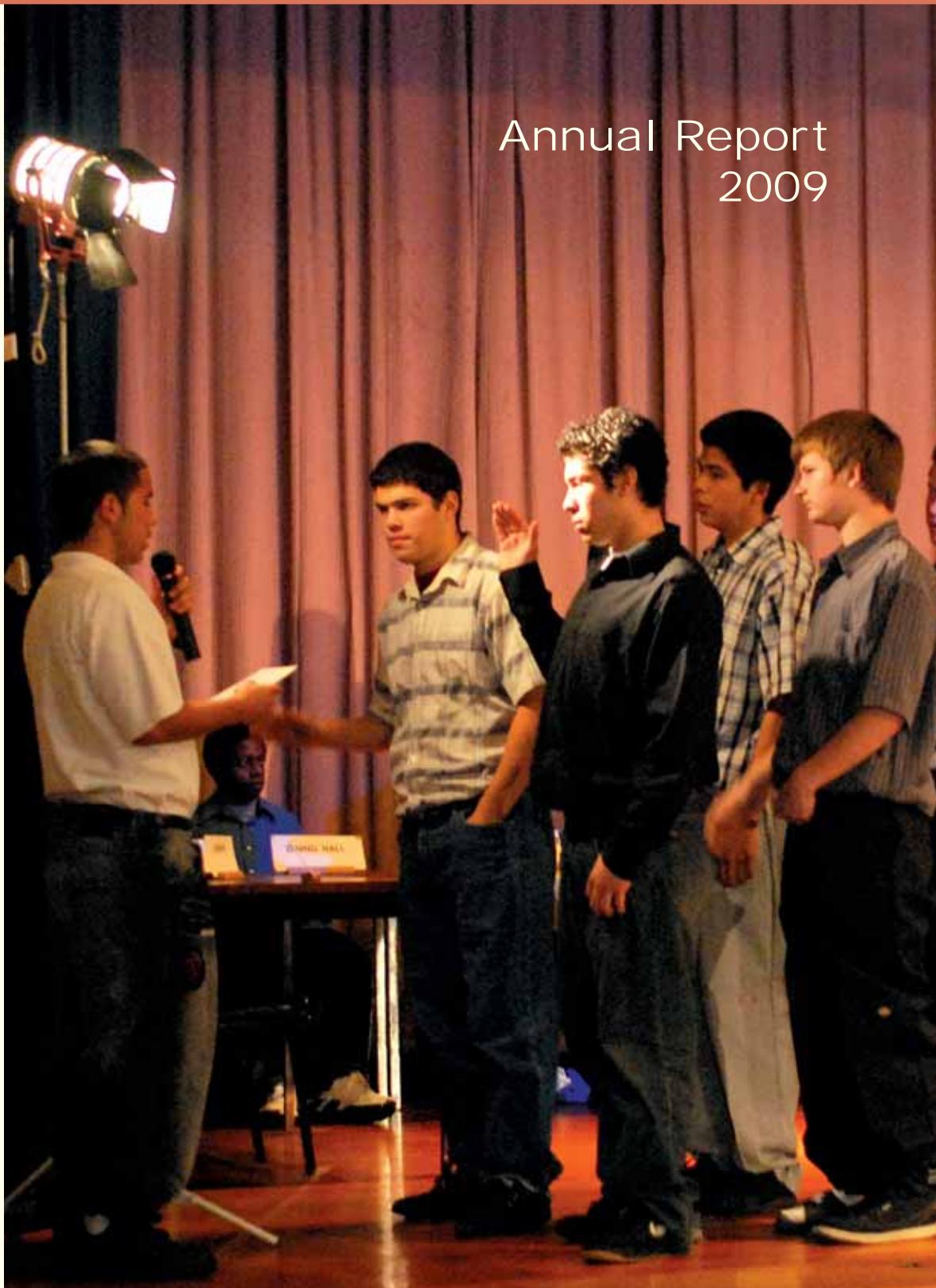


Boys Republic

Annual Report
2009



Boys Republic

Annual Report For Fiscal Year 2009



President's Message

*Jeff Seymour
Board President*

The year 2008-2009 saw our national economy in tailspin. And while the financial downturn certainly caused Boys Republic serious budgetary discussion, it has not diminished our commitment to our most precious resources: our programs in guidance and education and the people who make them work.

I'm proud to say that no Boys Republic staff member lost his or her job last year due to the economic downturn. We know from a century of experience that successful student outcomes (please see "Our Outcomes", p. 5) are largely dependent upon our ability to retain knowledgeable staff at all levels. Staff turnover has remained exceptionally low at Boys Republic — 15 percent annually — compared to 75-80 percent typical of other residential youth-serving agencies.

Community Subsidy

The Boys Republic program works because of the depth and

diversity of its staff and services. Yet the state-mandated fees which the agency receives for each student essentially cover only the most basic living expenses. The real "meat" of the Boys Republic program including counseling services, high school and vocational education, athletics and recreation programs, work experience and aftercare, is supported largely by private-sector and self-help funding — a subsidy averaging over \$3 million annually (please see "Financial Highlights", p.12).

The Endowment and Tough Choices

Thankfully, over the last century, broad-based community support has built a substantial financial foundation that allows Boys Republic to meet annual operational deficits caused by the breadth and scope of our programs for children. Moreover, Boys Republic owns all of its facilities; we have no debt. But we also know that, with the pressures of

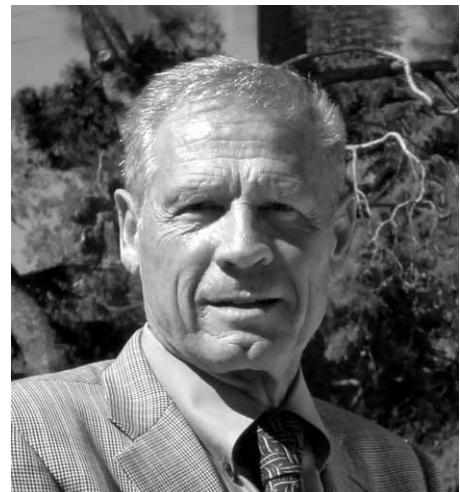
the current economic crisis and future inflation, we will need to safeguard the "buying power" of our endowment. This means that we know we will face some tough budgetary choices in the near term — none of our staff received salary increases for the current year — and it also means that we will need the help of our supporters more than ever before.

Success Stories

Despite a challenging economic environment, our programs remain strong and our staff, united. This report highlights some of their stories. These are success stories made possible by thousands of special people — employees, students, teachers, donors and volunteers. We are grateful to them all.

Executive Director's Message

*Max Scott
Executive Director*



GROUP MODEL: A large body of social science research suggests that delinquency is more a group phenomenon than an individual problem. The group, in this model, becomes the target of intervention of change.

Over one-hundred years ago a group of concerned citizens from a variety of professions and community interests, sought to address a serious problem facing teenage youth in the early 1900s. At that time there were no "children's rights," limited educational opportunities for many youth and no "child labor laws." Children were viewed as adults with many 10 to 12 year olds employed as full-time workers in the mills, mines, and factories. The founders of Boys Republic established a revolutionary program that was a radical demarcation from the customs and attitudes toward children at that time. One century later we find that treatment philosophy and those core values are as sound now as they were in 1907.

While the core values and program objectives have remained unchanged, the application of the treatment assumptions were modified forty-five years ago to include daily small group discussions in each living unit. This has proven to be an effective way to relevantly deal with the changes that occur in society. We recognize that there is no justification for maintaining any treatment or educational program that does not produce positive results. Data collected over the last half century, with periodic empirical studies using randomly-assigned experimental and control groups, confirm the validity and success of our treatment model.

The test of the quality of our program is determined by the following four questions:

Q: Is it a safe living environment and do the students like it? Do they feel their experience is positive and growth producing?

A: Ninety-eight percent of the students graduating from our program feel positive about their experience.

Q: Do the program graduates become responsible husbands, wives, parents, and law-abiding citizens?



A: The answer to this question is yes, to the vast majority of our graduates.

Q: Do the agencies who refer youth to Boys Republic want the program services we offer and are they satisfied with the results?

A: Boys Republic has been selected as a "pilot program" in the state with the endorsement and support of eight counties, the State Department of Social Services, the State Assembly, State Senate, and the Governor (AB 488). This "pilot program" was established in 2007 and has been extended up to 2013 if our program performance results are positive.

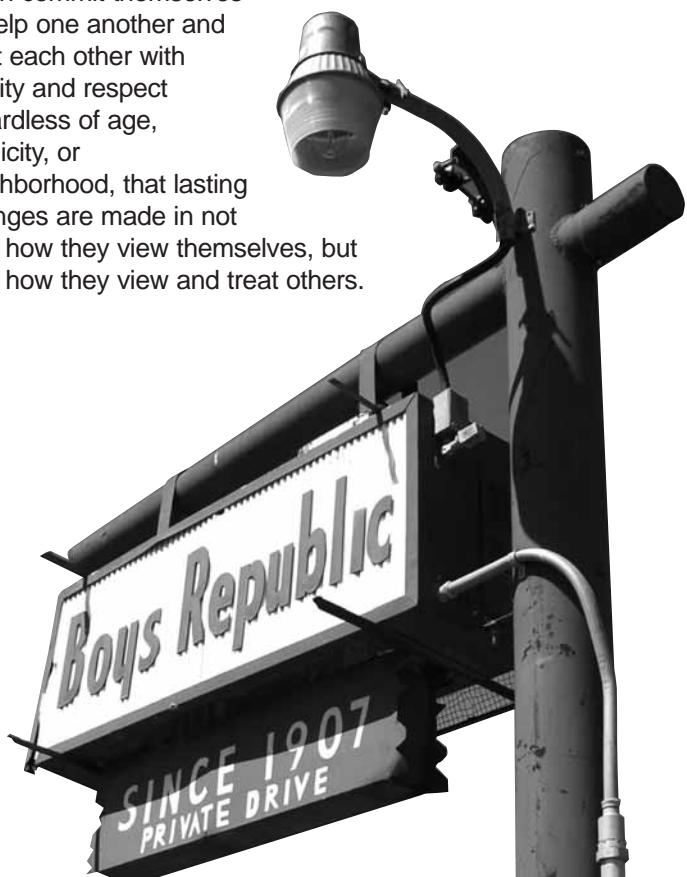
Q: Do the community leaders and the citizens where our facilities are located support Boys and Girls Republic?

A: The answer to this is an emphatic yes. We have not had one community compliant for many years and we are embraced and trusted by our neighbors. Some of our major donors are our next door neighbors.

In summary, although our core values and treatment objectives have remained constant for one century, in the mid-1960s, we shifted much of the self-governance responsibility to the living units which permits an immediate response (daily) to both positive and negative behavior and the inevitable interpersonal conflicts which surface with students and staff. These small group discussions require all students to participate in decisions that affect them, others, the program, and the facility.

We recognize that the power and influence for good or bad rest with the young men and women in the program. The guidance our students receive from staff is essential, but the power for change rests with the students

themselves and it is their influence on one another that makes the environment at Boys Republic so positive and constructive. It is when the youth commit themselves to help one another and treat each other with dignity and respect regardless of age, ethnicity, or neighborhood, that lasting changes are made in not only how they view themselves, but also how they view and treat others.





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 2009 Milestones

Since its founding in 1907, Boys Republic has helped more than 28,000 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 2009:

- Boys Republic/Girls Republic served 641 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 eight 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.
- Forty-eight students were awarded scholarships following graduation, totaling \$35,000. An additional 75 graduates received a total of \$98,000 in financial assistance in the form of grants and aftercare administered by Boys Republic's Aftercare Program.

Our Outcomes . . . High Standards You Can Count On



BUSHERE & SON IRON STUDIO: Frank Bushere (Grad, 1972) left, shown here with his son Charles, uses welding and metalworking skills he practiced while a student at Boys Republic. They have built a substantial custom blacksmithing business that specializes in functional art objects for Spanish and bungalow style homes. Their work may be seen at www.bushereandson.com.

Fiscal 2009 Student Outcomes*

(5-year moving average)

- **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	85%	86%	83%	91%
Chino Hills Campus	80%	84%	80%	88%
Community Residences	90%	91%	84%	88%
Girls Republic	92%	100%	92%	100%
Monrovia Day Treatment	90%	96%	96%	96%
Independent Living Program	87%	76%	85%	95%

* Outcome data are based on student self-report

** Excludes minor traffic violations.

We help good kids earn their way to better lives. Our founding motto, "Nothing Without Labor," neatly gives expression to a guiding tenet, central to our treatment philosophy. It reflects our founders' belief that real, lasting success comes to those who earn it.

One has only to spend a day at any of Boys Republic's programs to witness such responsibility in action. Students who come from backgrounds of multiple failures, abuse, abandonment and neglect actively build better lives than the ones they inherited through a dynamic program of school, work experience, self-government, and daily group interaction.

Helping young people forge better lives is a noble, satisfying endeavor. But how well do Boys Republic's programs work? Do they actually help troubled kids turn themselves toward positive, conventional lifestyles? Do behavioral changes made, while in the program, last once a student leaves our care?

The proof's in the pudding. We developed a set of standards to evaluate, among other things, what degree of conventional, independent functioning our students maintained after graduation. The research works in close coordination with our aftercare follow-up program. Evaluation takes place at regularly scheduled intervals, over a one-year period following following a student's graduation.

The chart below shows self-reported student outcomes in four key areas under which we are committed to helping our students achieve success.

Monrovia Day Treatment Upddate

The Monrovia Day Treatment Program purrs along efficiently, like some sleek hybrid automobile, costing only one-fourth to one-fifth as much as out-of-home placement. And yet, it consistently posts some of Boys Republic's best student outcomes — *Great results for less!* How is this possible in a world where there's no free lunch?

The Monrovia Day Treatment Program is intended for boys and girls at-risk of school failure or deepening juvenile justice system involvement, but who can still live at home. The program has an enrollment averaging 20 students. They spend weekdays, 10 hours per day, in a highly-structured school setting. Thirty-six young people and their families were served during fiscal 2009.

The school emphasizes clear

expectations, accountability, and parental involvement. Youth are encouraged to develop appropriate behavior with the youth taking responsibility for his behavior.

Our overall goals for day treatment are simple: We want to prevent students from being placed outside of their homes and we want to return them to grade level so they can continue education at their local schools.

The results have exceeded our expectations. Of those students completing our day treatment programs, more than 90% either earn a high school diploma or return to their neighborhood school academically at grade level, while continuing to live at home and remaining arrest-free (please see "Our Outcomes", p. 5 for a five-year average of our programs' results).

When compared to the cost of residential placement, intensive day treatment presents a very attractive alternative. During fiscal 2009, the total operating budget for Monrovia Day Treatment was \$235,368, or \$981 per student per month. By comparison, the approximate cost to treat a teenager each month in a typical California residential group home is \$5,000.

The Boys Republic model for intensive day treatment is a real bargain, especially when you consider the need and potential savings to the taxpayer. As of July 1, 2009, there were 2,975 probation youth in placement, statewide. We estimate that nearly one-half of those youth could be appropriately served in day treatment programs, were they available.

Our Commitment to Day Treatment

Despite such need and potential benefit, California's child care system has been slow to adopt the day treatment model, primarily because there is, as yet, no stable funding stream. Since the Monrovia Day Treatment's founding in 1978, Boys Republic has cobbled together a tenuous patchwork of funding sources. Last year, Delinquency Prevention funds (\$18,331) and Family Preservation funds (\$92,516) combined to underwrite only forty-seven percent of the cost of operations. Boys Republic made up the balance with income generated from its own reserves.

While public funding streams like these come and go, the need for effective prevention programs has remained constant. Recognizing this need — and encouraged by the program's consistently stellar results — Boys Republic's Board of Directors authorized the stabilizing factor of a Day Treatment Endowment. To date, the Day Treatment Endowment has accumulated \$732,237.



FILM AWARD WINNERS: Monrovia Day Treatment Program students (from left, Christian Gomez, Gladys Espinoza and Evelyn Guandique) entered the 2009 Earth Day Challenge film making contest. Their film won 2nd Place against 590 other high schools, nationally.



PEERS and ACCOUNTABILITY: Just as in all of Boys Republic's programs, the students at Monrovia Day Treatment meet daily in group. Students learn responsible behavior through interaction with their peers — a process called guided group interaction.



Photo: Jessica Ruiz

COLLABORATION IN ALL THINGS: Consistent with the Boys Republic model, teacher Reggie Pullens (above, on left) has students work collaboratively on classroom assignments. The academic program at Monrovia Day Treatment is, itself, a collaboration between Los Angeles County Office of Education and Boys Republic.

COMMUNITY VOLUNTEERS: Donning hard-hats and work gloves, Monrovia Day Treatment students contributed significant labor toward the construction of a Habitat for Humanity home. Here, they lift heavy packages of asphalt composition shingles onto the roof of a house under construction. Young people are more likely to contribute to the common good and to turn away from irresponsible behavior, if they see themselves as worthy citizens.



Photo: Robert Falk

2009 Alumni-of-the-Year



Talia Delanoy

Civil defense attorney Talia Delanoy practices in the firm of Prout Levangie, in Sacramento. She specializes in civil litigation, representing nursing homes and churches, among others.

Talia graduated from Girls Republic in 1997. She worked her way through high school and college at UCSB as a bank teller and later, clerking, while a student at McGeorge School of Law. She was admitted to the State Bar of California in 2005.

Talia and her husband, Dan, live in the Sacramento area.

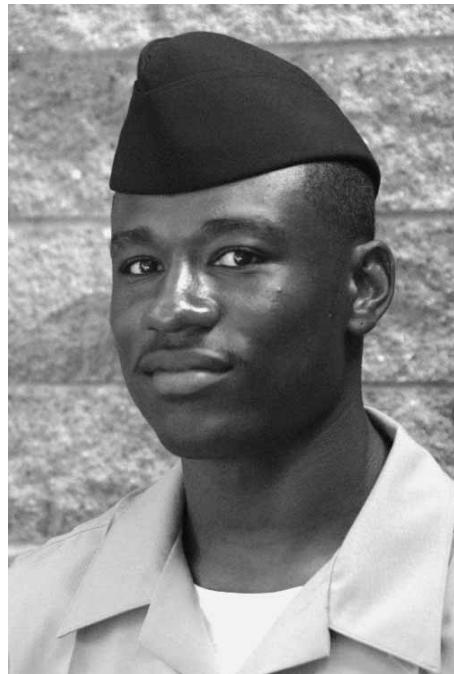


Sam Millett

Killer Bee Pest Control is both the creation and livelihood of Boys Republic graduate Sam Millett. Millett and a handful of employees brave pest infestations in the Desert Hot Springs area, while also enduring today's tough economic climate.

Sam graduated from Boys Republic in 1988. A serial entrepreneur, he founded and operated a bail bonds business for ten years.

Millett is actively involved in his church. He and his wife, Loville, have three children.



Joe Harris

United States Navy submarine mechanic, Joe Harris, never really went home. Graduating from Boys Republic's main campus program in 2005, he opted to enter BR's Independent Living Program over an unsafe home neighborhood.

Joe completed high school while in the ILP and studied for two years at Chico State University. He returned to live and work in Boys Republic's transitional apartments, before entering the Navy.

A considerate individual with great social skills, Joe hopes to become a military policeman.



On Giving to Boys Republic . . . The Informed Donor

In a world beset by seemingly limitless need on the one hand and ever-more-limited resources on the other, the challenge to place donations where they will do the greatest good can lead philanthropic agencies and individuals on a complex, confusing and even contradictory quest.

The primary issues, as most donors see them, can be summarized in four fundamental questions:

1. Where will donations best reach people in need?

For more than a century, Boys Republic has worked with one of society's least served yet most socially significant populations — troubled teenagers. By the time they are referred to Boys Republic or Girls Republic, most are significantly behind in their education, have become self-destructive in their personal habits and are asocial or antisocial in their attitudes and acts. Children who arrive apparently destined to lead lives of social dependence, long-term placement or even incarceration, instead graduate back to society with the attitudes, education and skills to become happy, contributing citizens.

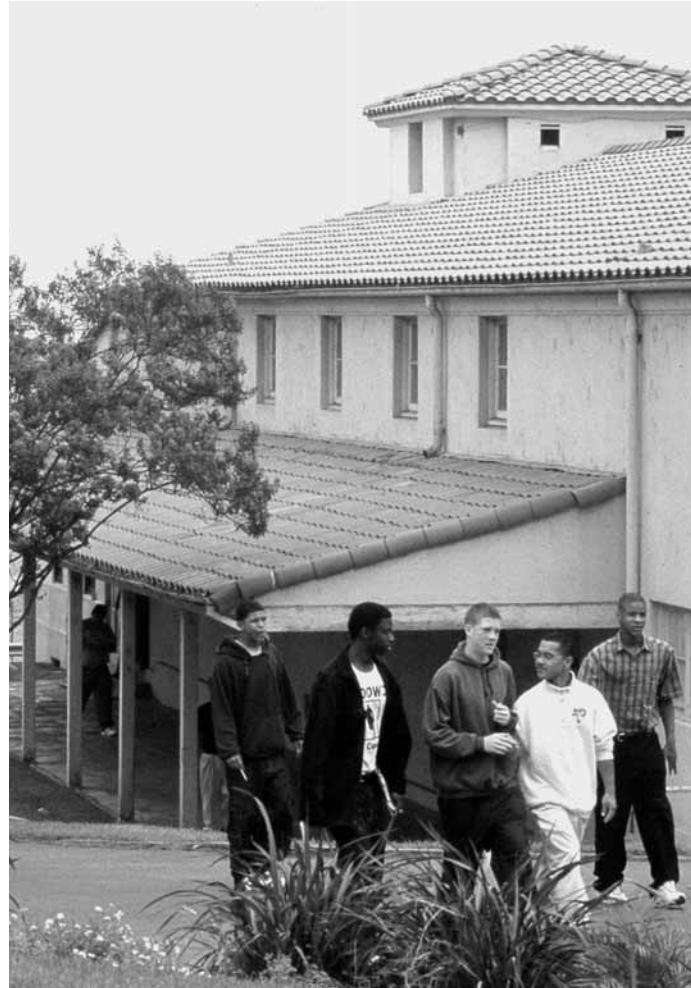
2. Will funds produce positive results in human lives or will they simply perpetuate marginal or even ineffective programs?

Student outcomes confirm that Boys Republic's programs in guidance and education really do work. For the year 2009, on a five-year moving average (please see "Our Outcomes", p. 5), 85% of our graduates were law abiding, 83% had an acceptable living arrangement, 91% were free of institutional support, and 86% were attending school, working or in the military.

3. Are donations needed and are they actually used by the programs and activities for which they are given?

Boys Republic's extraordinary commitment to each of the youths in its care costs the agency more than \$865 per student per month over and above the service fees it receives from the state and counties. It is this extended level of care that makes Boys Republic successful with students who have already failed in so many other programs. But this added commitment also makes the agency absolutely dependent on continued private-sector support.

Over the years Boys Republic has developed strong ties to its donor base through a commitment to absolute fidelity in the use of donated funds. Through unwavering policy, the agency commits all donated



monies to the specific purposes for which they were designated.

4. What portion of donations will be lost to fund-raising and other costs?

Boys Republic has historically maintained a low percentage fund-development and fund-raising cost. On a ten-year moving average, eighty-six cents of every dollar donated was applied directly to the program for which it was given. Fund-development costs accounted for only 1.6% of the agency's annual expenditures.

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.)



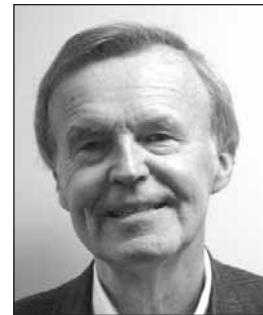
Barry Baszile
(2005) President,
Baszile Metals Service



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



David Brahm
(2009) Attorney,
Brig. Gen USMC Ret.



Larry Edgar
(2007) President,
Los Solteros



Bruce Eisenhauer
(1999) Managing
Director, Eisenhauer &
Company



Robert Gonzalez
(2002) Business Owner



Bud Green
(2006) Alumnus,
Bud Green Insurance



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



Robert M. Key
(1978) Retired



Doug LaBelle
(2009) Retired



Gary Larson
(2006) CIO, Gardner
Trucking



Timothy McGrath
(2005) Alumnus
Retired Attorney



Michael Miramontes
(2005) President / CEO,
Quickknowledge



Mrs. Frederick Rees
(2007) President,
Pasadena Auxiliary



Jeff Seymour
(1989) Board President;
Superintendent,
El Monte School District



Dennis Slattery
(1997) *Investment Counsel*



William Tilley
(2008) *Entrepreneur*



Larry Walker
(2006) *Auditor/Controller-Recorder, San Bernardino County*



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



Terre Wellington
(1999) *Regional Vice President, Kohl's*

Directors Emeritus



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



Mrs. Ernest Bryant III
(1973) *Rancher*



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



Gene Gravely
(1994) *Licensed Real Estate Loan Consultant*



Frederick W. Griffin
(1975)
Retired



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 / Motivational Speaker*



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



Mrs. Neile Adams Toffel
(2004) *Performing Artist*

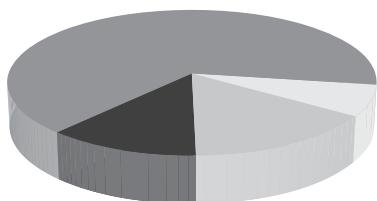


Mrs. Francis M. Wheat
(1979) *Civic and Environmental Affairs*

Boys Republic 2009 Financial Highlights

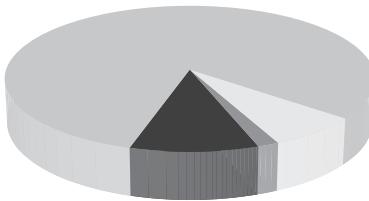
Revenue	2009	2008
Board and Care	\$10,461,143	\$10,434,992
Della Robbia Sales	1,819,434	1,991,308
Agriculture	25,619	112,957
Total Revenue	\$12,306,196	\$12,539,257
Expense of Operations		
Program Services	\$15,068,845	\$14,593,499
Management & General	1,305,323	1,238,054
Fund Raising	261,134	346,787
Total Operating Expense	\$16,635,302	\$16,178,340
Gain (Loss) from Operations	(\$4,329,106)*	(\$3,639,083)*

*Operating deficit offset by income from Boys Republic Endowment Fund



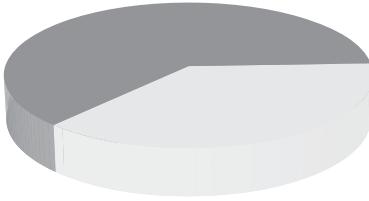
2009 Total Revenues

Contributions	7.1%
Investment Income	15.3
Service Fees	65.9
Wreath and Miscellaneous	11.7



2009 Operational Expenditures

Administration	7.4%
Direct Child Care	81.2
Development	1.6
Physical Plant	9.8



2009 Service Fees

Boys Republic Subsidy	37.1%
Service Fees	62.9



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