

CAL FARLEY'S BOYS RANCH ALUMNI ASSN.

2015 ANNUAL REPORT

“IT’S WHERE WE’RE GOING THAT COUNTS!”

When it comes to validating the profession of an organization the two validating or incriminating data sources are the people and the money. The people who serve and are served, and where the money comes from and goes affirms the Alumni Association or indicts it. Indeed any organization that requests public support should be very open and clear about who is served and where the money goes.

CFBRAA was chartered as a 501 (C) 3 organization with the IRS since 1985. A copy of the IRS Determination letter is available via the home page of the web site. The CFBRA Foundation, a separate organization, was also chartered as a non-profit with the IRS in 2010. Annual tax returns are filed with the IRS that are available to anyone who wants to know where the money goes. Transparency is not just a word used to win elections. Monthly reports are available for all to see via the web site. The finance committee and board of directors get monthly detailed reports on all receipts and expenditures. Privacy is afforded to individual contributors. Crisis support fund recipients are not disclosed, and actually do not receive direct support. Funds are given to vendors or service providers for the families in need, and a committee must approve all expenditures. The point is while we respect the privacy of donors and support recipients, all receipts and expenditures are properly and openly accounted for. This past year we employed the services of an outside audit firm to go over the books and financial practices of both the Association and the Foundation and received a very good report.

Consider first where the money goes. Following is a look at finance reports for the past five years and ten years ago:

Ten Years Ago

The last decade has seen dramatic change in everything about CFBRAA. 2004-05 saw total revenue of \$7,127 and expenses of \$9,143. Alumni support totaled \$898. Administrative Expenses totaled \$6,170. Total support to our mission was \$1,098.

It was 10 years ago that the Association took a turn to become a professional organization that focused on having a positive impact in the lives of former Ranchers and supporting Cal Farley’s. Ten years later we see total Administrative expenses have gone up by \$2,600 (which includes \$3,000 for an scheduled audit). At the same time support has gone up by \$30,000. And we have only just begun. We had \$13,000 in all funds ten years ago. Today the Association has over \$400,000 in all funds as we build a foundation to provide support for our mission for generations to come. The following is a finance report of 10 years ago and the last five years.

INCOME	<u>2004-05</u>	<u>2014-15</u>
Direct Member Support	2,898	17,886
Direct Public Support	0	1,491
Events Income	<u>4,216</u>	<u>46,355</u>
Reunion Income	3,093	18,861
Gathering Income	1,123	814
DFW Golf Tournament		26,680
Other Event Income		
Veterans Memorial		6,360
Other Income	12	286
TOTAL BUDGET INCOME	7,127	72,378
CFBRAA Foundation	0	56,840
TOTAL INCOME	7,127	129,218
EXPENSES	<u>2004-05</u>	<u>2014-15</u>
Alumni Support	<u>898</u>	<u>27,206</u>
Crisis Support	650	11,040
Scholarship	0	15,637
Flowers/Memorials/Other	248	529
Cal Farley's Support	<u>200</u>	<u>4,500</u>
BR Direct Support	0	4,000
BR Seniors	0	0
Christmas Contest	200	500
Operating Costs	<u>6,170</u>	<u>8,775</u>
Awards & Recognitions	466	554
Business Operations	5,704	7021
Director's Office	0	1200
Special Events	<u>1,875</u>	<u>23,079</u>
Annual Reunion Expense	275	7,968
Regional Gatherings	1,600	1,696
DFW Golf Tournament		13,415
Other Special Events		
Veterans Memorial		0
TOTAL EXPENSES	9,143	63,560
TOTAL SUPPORT	1,098	31,706

What do the finance reports tell about CFBRAA?

A. Special Events

The primary source of revenue for the programs and operating costs of the Association have been the special events. 64% of our budget revenue was generated by special events, including \$13,000 for the scholarship fund. These events, the DFW Golf Tournament, the Annual Reunion and Regional Gatherings cost the Association around \$23,000 while generating over \$46,000 of revenue.

B. Overhead and Operating Costs

The Association is committed to keeping operating costs at a minimum. As pointed out, Operating Costs ten years ago were just \$2,700 less than this past year, and in this past year we paid \$3,000 for an external audit.

C. Achieving our Mission Objectives

The Association seeks to focus financial resources on achieving our mission of “Carrying On His Work.” We provide family support to those who have left the Ranch and continue to support the work of Cal Farley’s.

We have again given \$4,000 this year to help provide transportation for former Ranchers in the Alumni Support Center at Cal Farley’s. We have provided \$11,000 for crisis support to families of former Ranchers and over \$15,000 for scholarships, having raised our scholarships from \$500/semester to \$1,000.

D. Veterans Memorial

A special financial challenge undertaken by the Association for the past couple of years, and culminating this year, is the building of a memorial at BR to honor those who have served in the military, and, in particular, those who gave their lives in the service. This is above and beyond the budget. Revenue for the project is being raised by:

1. Donations to the memorial.
2. Sale of Veterans Memorial T-Shirts
3. Sale of tiles honoring those who have served - \$150 each
4. Selling pavers for those who are not veterans - \$500 each
5. Selling commemorative coins of the memorial - \$20 each

The Memorial will be dedicated on Veterans Day, November 11, 2015. All funds raised in excess of the cost of erecting the memorial will go into a fund for maintaining the memorial and the Boys Ranch Cemetery.

Cal Farley’s has chosen to do some dramatic improvements to the cemetery in conjunction with this project and the total cost will be over \$100,000. We have a long way to go.

E. The CFBRAA Foundation

Finally, a true picture of the financials of the Association cannot be understood without grasping the impact of the Foundation. Within the CFBRAA Foundation, established in 2010, the Association deposits funds for the purpose of providing perpetual revenue for meeting our mission objectives, namely crisis support, scholarships and support for Cal Farley’s. The Foundation has grown over the past five years from

\$34,000 in the scholarship endowment, to \$88,000 and \$270,000 in “Legacy Partners.” The Foundation is the primary focus of donations as this enables the Association to “Carry on His Work” for generations to come. It is a proven concept learned from Cal Farley himself.

So much for the money; what about the people? Who are the people who make up the Alumni Association? Who are the people served by the Alumni Association?

A. Cal Farley’s Alumni

If you start with the people served by the Alumni Association you include all alumni of Boys Ranch and Girlstown. No one knows how many people that includes. Over the past 75 years there have been over 10,000 who called BR or GT home. This does not include the hundreds who have served as staff at the Ranch. Some of these former Ranchers lived their entire childhood at BR. Since we also serve the family members of alumni the number of “alumni” we serve is in the tens of thousands. We don’t know where they all are or how many are even alive. One of the objectives of the Association is finding and staying in touch with former Cal Farley’s residents. We currently have nearly 1,900 in our database.

It should be noted that the Association has over 1,100 friends on their facebook pages. Interestingly, we have contact information on only about a third of them and fewer than 10 % are actually members of the Association. However the facebook connection does provide a means of at least communicating with more of the alumni family as a whole.

B. Scholarship Recipients

CFBRAA seeks to provide scholarships for family members of alumni. Over the past 10 years we have helped 38 families send their students to college with over \$67,700 in scholarships. Pending approval of applications received at this writing, we have committed an additional \$25,700 in scholarships.

C. Crisis Support

A vital part of the mission of CFBRAA is continuing to provide family support to former residents of Boys Ranch and Girlstown. We all know that turning 18 does not conclude our need for family. Most of us were at BR or GT because we didn’t have family support and that didn’t suddenly materialize when we left. Frequently it is when we are older and crisis comes that we need the help of the family. That is the purpose of the Crisis Support Fund. Over the past ten years we have helped over 75 families in times of crisis. We have also provided assistance directly to Cal Farley’s as they sought to help former Rancher sin the Alumni Support Center and elsewhere. Over \$77,000 has been provided to help families in crisis, including over \$11,000 this past year.

D. Alumni Support Center Residents

The Association provides regular support for the residents of the Alumni Support Center, usually recent graduates of Boys Ranch who are just getting started.

There are up to 33 residents there most of the time, with a waiting list. The Association provides assistance with transportation, washers and dryers and Christmas.

E. Association Members

The actual members of the Alumni Association are those who have committed at least a \$20 dues payment each year. At this writing there are 157 annual members and 47 lifetime members. These numbers have stayed pretty much the same over the past 5 years. This fraction of the whole is the body that does all of the support and work of the Association.

F. Legacy Partners

Eighty-Four people are currently identified as Founding Legacy Partners. This includes all who have at least \$1,000 in the first five years of the Legacy Partners program. Those who give through September 10th can still be included in the list.

Legacy Partners are the true lifeblood of the long term success of CFBRAA. Those who contribute at least \$20 a month make up the financial foundation of the Association which is essential to helping the thousands we are here to serve. We currently have 18 alumni who contribute monthly, via PayPal, electronic draft or writing a check each month.

G. Organization Workers

There are about 50 alumni who serve on the various committees that function to do the work of the Association. These men and women help administer scholarships, provide crisis support, manage the finances, communicate with members, and plan and conduct the Annual meeting.

H. Board of Directors

The 15 member Board of Directors administers and conducts the business of the Alumni Association throughout the year. The Board met 10 times during the year, generally via conference call, and conducted the business that allows the Association to fulfill its functions

. The people of this organization are those who serve and those who are served. No one in the Association serves for personal gain or benefit. Cal Farley did not start BR for personal gain. We carry on his work; helping those who need the help of a family.

I. Special Committee for Considering the work of the Executive Director

Effective July 1st, Cal Farley's quit providing the salary for the Alumni Association Executive Director. The BOD appointed a committee to consider what the Association would do to carry on the work currently being provided by the Director. After nearly a year of effort the committee advertised for the services of contractor to provide Administrative Services for the Association. Over 20 applicants were considered and Sarpserve, a company owned by Bob Sarpalius, was contracted to do the work. Compensation of \$50,000 / year is included in the 2015-16 budget, along with a contribution from Cal Farley's for the same amount.

IT'S WHERE WE'RE GOING THAT COUNTS

Whereas the Association has come a long way, it truly is not where we've been but where we're going that counts. 2015-16 marks a new era in the organization and achievements of CFBRAA. We truly anticipate looking back, ten years from now and seeing that we had only just begun the good work of Cal Farley's Boys Ranch Alumni Association.

I. The Budget for 2015-16 Includes dramatic changes

BUDGET REVENUE	\$150,000	BUDGET EXPENSES	\$150,000
Direct Member Support	\$ 6,000	Alumni Support	\$29,000
Direct Public Support	1,000	Crisis Support	\$10,000
Events	59,800	Scholarships	18,000
Reunion	\$14,100	Flowers, Memorials, Other	1,000
Reunion Golf Tournament	18,500	Cal Farley's Support	17,000
Gatherings	1,200	Veterans Memorial	\$15,000
DFW Golf Tournament	26,000	Other Support	2,000
Foundation Income	7,000	Special Events	29,650
Cal Farley's Contribution	50,000	Annual Reunion	\$ 8,550
Gun Raffle	26,000	Reunion Golf Tournament	7,500
Other Revenue	200	Regional Gatherings	3,250
		DFW Golf Tournament	10,000
		Administrative Services	65,150
		Admin Services Agreement	50,000
		Business Operations	13,800
		Awards	1,350
		Contribution to Foundation	9,200

The budget for the coming year absorbs the cost of the Executive Director into the Association Budget. In the past the director has been an employee of Cal Farley's. At the same time, the budget includes a contribution from Cal Farley's of \$50,000, which happens to cover the cost of the Administrative Services Agreement which the director performs. This change in the way Cal Farley's partners with the Association and supports the work we do dramatically changes our budget, though not our method of operations.

The budget also includes revenue from a Gun Raffle of \$26,000. This is a new effort on the part of the Association which should significantly enhance the ability of the Association to "Carry on His Work." The raffle will take place at the Dallas Gathering. It involves selling 1,000 tickets for \$50 each. At the gathering in February, the raffle will take place and 50 guns will be given away to winning ticket holders.

II. Beyond the Budget

a. Veterans Memorial

While the Annual Reunion Golf Tournament is in the budget, the proceeds will all be going to help pay for the Veterans Memorial to be dedicated at BR on November 11th, 2015. This golf tournament is only a portion of the efforts we have been, and will continue to be promoting to pay for this worthy project.

b. Alumni Support Center

The Association is putting money back each year to pay for the cost of replacing the commercial washers and dryers or other appliances in the Alumni Support Center. When these industrial grade appliances need replacing, it will be a major expense and we want to be ready to meet the need we have committed to supplying.

III. The Foundation

As with Cal Farley's, the Alumni Association looks to the future in establishing the CFBRAA Foundation. This Foundation was set up 5 years ago and the Founding Legacy Partners have contributed the initial funds to get the fund growing. The intention of the Foundation is to use none of the money until a balance of one million dollars has been reached. Then only 5% of the average can be contributed back to the Association to help fund the mission objectives. Currently, the Foundation balance is a little over \$357,000. This includes \$88,000 designated for endowment for scholarships. Achieving the goal of \$1 million will require two primary efforts on the part of CFBRAA

a. Legacy Partners

While the Founding Legacy Partners got the ball rolling, it will take many continuing Legacy Partners to realize the goal. Legacy Partners are those who contribute on a regular basis (usually monthly) to the Foundation. We currently have 18 on-going Legacy Partners who are contributing at least \$20 a month to the Foundation. Of that \$240/year, \$20 is taken out annual to cover the individual's dues and \$20 goes to the general fund of the Association. The other \$200 helps establish a legacy.

Most legacy partners simply set up an on-line-bill-pay or bank draft that is a monthly contribution. Some have set it up via PayPal on the CFBRAA website. Others take the time to mail a check each month to "Carry on His Work."

b. Corporations / Foundations / Philanthropic Donors

While the alumni have been the core for establishing and growing the Foundation, we will achieve our objective much more rapidly when others are involved. The Association received a major boost it getting growing from the Harold Simmons Foundation back in 2007. BNSF Railroad has contributed significantly by matching the contributions of one of their employees who made generous donations to the Association.

As we tell our story and share the word of the good work we are doing, we have the opportunity to bring several other partners alongside to help us continue the good work that has only just begun.

Take a copy of this Annual Report and share it with those who might be interested in helping with the good work you are doing. Contact the Executive Director and let him know of companies, foundations or individuals who might be inspired to partner with us if we shared some information with them. The best way to get people involved is when people they know invite them to participate. You may not be able to contribute much yourself, but you may be the one who brings others alongside who will enable us to achieve our Foundation goal.

IV. The Next Ten Years

It's not too early to look somewhat farther ahead. While the Association has made some significant strides in the past ten years, the plans for what lies ahead are amazing. With continued growth of the Foundation it is expected to become a significant source of revenue for carrying on the mission of the Association regardless of the economy.

Ten years ago we provided \$1,098 in assistance to Cal Farley's and alumni. Last year we provided \$31,000 in support of our mission objectives. Ten years from now the plan is to provide over \$104,000 in support of our mission, and five years later, \$170,000. These are not speculation but realistic expectations based on strategic plans.

However, these plans do involve active participation of the alumni in being actively involved in carrying on his work. We are working today for those alumni who aren't even at the Ranch yet. We are working on a legacy that will long outlive us. We have come a long way, but we truly have only just begun. It is not where we've been or even where we are, but where we are going that counts.