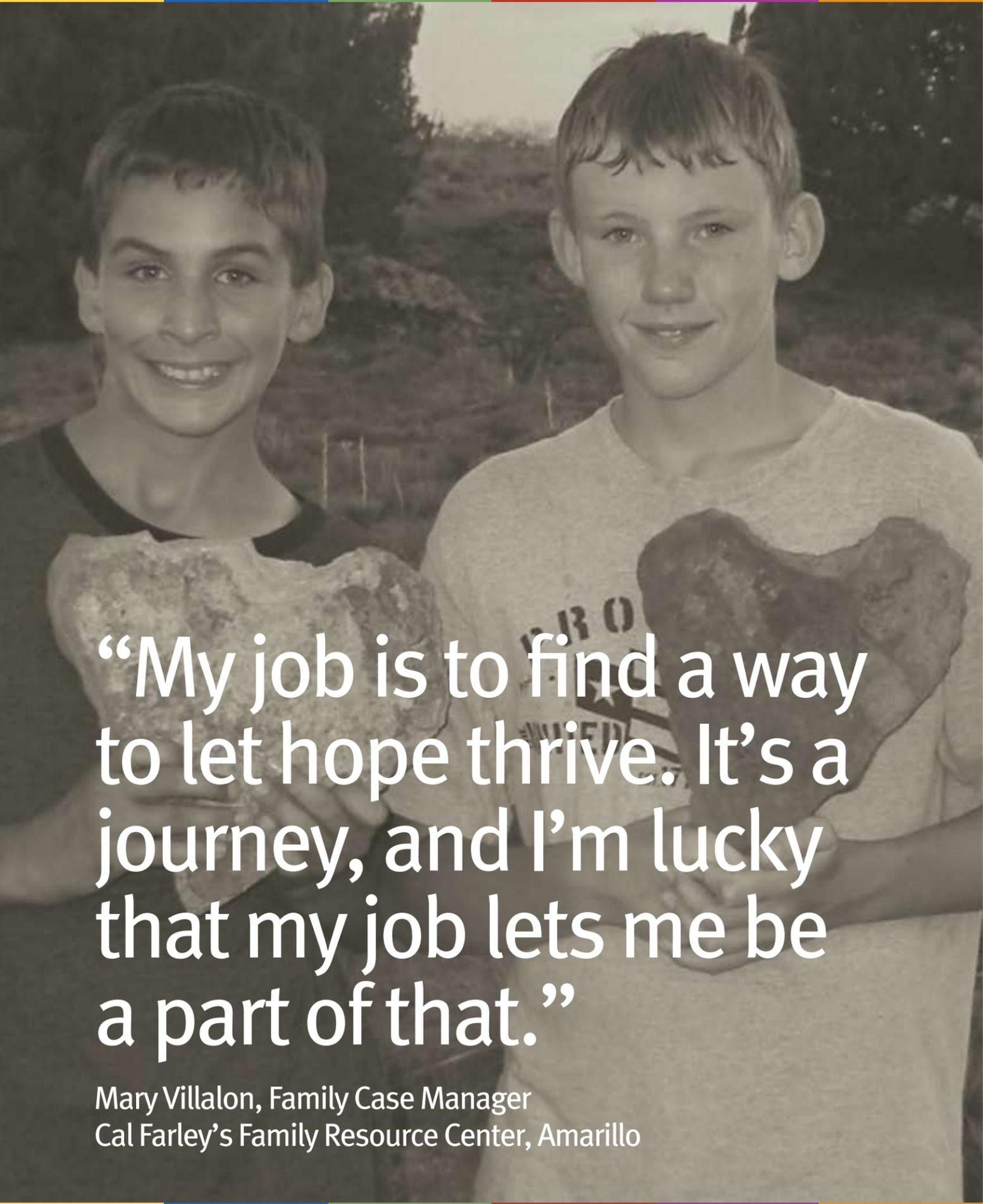


“I never met a kid that I’m
not better for knowing.”

Sandy Pape, Music Chaplain, Cal Farley's Girlstown, U.S.A.



“My job is to find a way to let hope thrive. It’s a journey, and I’m lucky that my job lets me be a part of that.”

Mary Villalon, Family Case Manager
Cal Farley’s Family Resource Center, Amarillo



Mission:
The Cal Farley organization provides professional services, in a Christ-centered atmosphere, to strengthen families and support the overall development of children.

Greetings!

One of the most gratifying aspects of being a part of Cal Farley’s is meeting people who have supported our mission for decades. One man who has been a donor since 1960 recently expressed to me, “We appreciate what matters to Cal Farley’s – the moral fabric, high expectations and good, productive and respectful people.”

In a complex world, we have chosen since 1939 to focus on one outcome: helping kids to become productive citizens. In this report, you will see many examples of how we work. If you come to one of our campuses, you will be struck, as I always am, by the upbeat, optimistic people who work here. This is not by chance. Our staff is guided by the Cal Farley’s Model of Leadership and Service (The Model), which gives all of us a sense that we will be successful in making a difference in the lives of children, families and our co-workers.

As you’ll find in the following pages, The Model sets out the six areas of human need that we must advance and nurture in the organization’s leaders, team members and children. These six areas are Safety, Belonging, Achievement, Power, Purpose and Adventure. At Cal Farley’s, we believe when these six areas of need are met, individuals are able to reach their potential.

The Model is not just how we relate to kids, although that is key. It is a philosophy of life that speaks to us about what is important. On a day-to-day basis, it boils down to our staff having competence and confidence in the organization’s leadership and in the opportunities they have to use their skills and gifts to help children and families.

A lot of great things happened throughout Cal Farley’s during the past year. I’m very proud that we continue to expand our community-based services to help families with kids in our care and to strengthen other families struggling to keep their kids at home. Our Family Resource Centers – now in Amarillo, Austin, Dallas-Fort Worth and Houston – are continuing our historic mission of strengthening children and families.

Thank you for your part in supporting our mission. Your contribution allows us to raise children with Christian values, a strong work ethic, academic achievement, sound decision-making skills, ethics, goals and aspirations. Together, we are able to do something truly powerful in the lives of children and families.

Dan Adams, President & CEO
Cal Farley’s



“We are constantly identifying the needs of individual kids.”

Vita Sotelo, Superintendent, BRISD

Safety
Belonging
Achievement
Power
Purpose
Adventure



The Cal Farley's Model of Leadership and Service™ sets out the six areas of human need that we must advance and nurture in the organization's leaders, team members and children. These six areas are Safety, Belonging, Achievement, Power, Purpose and Adventure. At Cal Farley's, we believe when these six areas of need are met, individuals are able to reach their potential.



| Model of Leadership & Service | | Safety | Belonging | Achievement | Power | Purpose | Adventure |
|---|-------------------------------------|---|--|---|--|---|--|
|  | Leadership that . . . | Creates healthy physical, emotional and spiritual places to live and work ... | Fosters strong teams where there is an appreciation for the calling of each team member and ... | Connects the unique gifts of each team member with the mission, vision and goals of the organization ... | Trains and supervises team members to effectively respond to the challenges and needs of children ... | Recognizes everyone as created by God for a purpose larger than themselves and ... | Encourages risk, innovation, laughter, and fun in the workplace. |
| | Equips team members to . . . | Create safe places for children to learn, play, and grow ... | Foster opportunities for every child to experience healthy relationships with others and ... | Develop work and play activities that connect children's unique talents, skills, and knowledge to meaningful outcomes ... | Use daily life experiences as opportunities for children to develop personal responsibility and self-discipline and ... | Help children develop insights into things that drive their behavior and emotions ... | Model for children the important balance between work and play. |
| | Enabling children to . . . | Live without fear of neglect or abuse, so that they are ready to ... | Experience the dignity, self-respect, and joy that comes from healthy relationships where they ... | Engage in work and play needed to build competence and self-confidence so that they ... | Learn from failure, tolerate frustration, make better decisions, and develop the self-discipline and personal responsibility needed to ... | Live as resilient, productive, contributing citizens who can ... | Be excited about life experiences regardless of whether one is working or playing. |



“We teach that God is a safe place. We give these girls permission to work through their brokenness and help them see that this Chapel is a safe place to do that.”

Sandy Pape, Music Chaplain, Cal Farley’s Girlstown, U.S.A.

Safety



Cal Farley’s provides leadership that creates healthy physical, emotional and spiritual places to live and work.

Cal Farley’s equips team members with the tools to create safe places for children to learn, play, and grow.

Cal Farley’s provides an environment that enables children to live without fear of neglect or abuse.

About 10 years ago, guests from California visited Boys Ranch. While eating lunch in the dining hall, several children stopped by their table to welcome them, including a young girl named Anna. She briefly told them of her activities as a new resident. One of them asked: “What do you like the most about Cal Farley’s Boys Ranch?”

“I’m safe,” Anna replied.

Anna’s simple two-word response resonated with the guests and continues to be echoed by the children we serve on our campuses.

Every child needs a sense of safety.

When a child arrives on our campus, our first goal is to foster that sense of safety and security. Cal Farley’s views safety as a key element in ensuring positive growth and development of the youth in our care.

Caregivers are the first people with whom children develop close, strong relationships. At Cal Farley’s Boys Ranch and Cal Farley’s Girlstown, U.S.A., house parents are the primary caregivers.

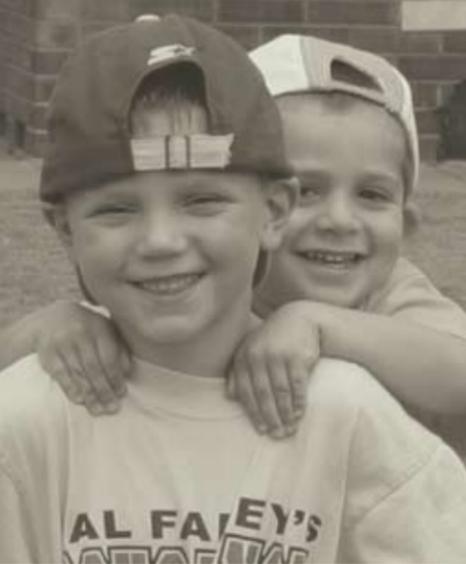
Children feel safe knowing their house parents can provide a safe place while meeting their physical needs – a place to sleep, enough food to eat and clothes to wear – and their emotional needs – listening, talking to them and just being available.

Although every home is handled a little differently, house parents intentionally try to make every resident feel comfortable and safe in their new surroundings. Daily routines are important in caring for children who have suffered loss. House parents provide a predictable environment where boys and girls can feel comfort by knowing what is going to happen next. Children who follow a routine always know what to expect and have a chance to heal from traumatic experiences.

Kenneth and Cheryl Mantooth have been house parents for 24 years and almost nine of those years have been at Boys Ranch. They have established an important set of simple rules to help each resident feel safe in the home. According to Mr. Mantooth, “We don’t smother a new kid with rules.”

Once a child feels safe, then opportunities to heal, overcome loss and develop into a productive citizen are improved.

Anna graduated from Boys Ranch High School. She benefited from all aspects of the program and earned recognition in many of her endeavors. Her success at Boys Ranch can be attributed to the sense of safety she gained, especially during the first few days and weeks following her arrival.



“We’ve developed the concept of a fan club for kids who are struggling. We tell them they have 15 people in their fan club, and those people will lift them up by telling them something good.”

Michelle Maikoetter, Assistant Administrator, Cal Farley’s Boys Ranch

Belonging



Cal Farley’s provides leadership that fosters strong teams where there is an appreciation for the calling of each team member.

Cal Farley’s equips team members to foster opportunities for every child to experience healthy relationships with others.

Cal Farley’s enables children to experience the dignity, self-respect, and joy that comes from healthy relationships.

Letecia is a December 2007 Girlstown graduate who has experienced a lot of loss in her life. When she came to Girlstown, she had no strong relationships with anyone.

“When I got here two and a half years ago, my first house parents were the Sheridans,” Letecia said. “I fell in love with them the day of my interview. They treated me like their own child, and they knew my family well. That’s a connection that can never be broken.

“The Whites also put up with a lot of my stuff,” she said. “I was having problems and wanted to have a better relationship with my sister (guardian). The Whites went to Fort Worth to meet my sister. It meant a lot to me and really helped with my relationship with her.”

One of the most basic human needs is to feel that we belong somewhere. Here at Cal Farley’s, we concentrate on giving children a strong sense that they are worthy and they belong. Sometimes that means taking extraordinary steps to see that a child has a true sense of belonging.

The past year has been challenging for Letecia in the Transitional Living Program. She has learned how to prepare a budget, cook her own meals and be independent. Letecia has also found the place where she belongs – both with her biological family and her Girlstown family – and is now ready to take her place in the adult world.

Helping a child feel belonging can sometimes be accomplished through a simple, but powerful, exchange. This is a story of belonging that happened at Boys Ranch High School one day following a series of encounters between a teacher and her student.

The exasperated teacher asked the boy to follow her. They left the classroom and went to the gym where the teacher pulled out two bottles of bubbles and gave one to the boy. Soon, they were blowing torrents of bubbles through the air.

The boy, confused by the teacher’s strange behavior, stopped at one point and asked, “Why are we doing this?”

The teacher replied, “I just wanted to have some **positive memories** of you.” She continued to blow bubbles and let the words sink in.

A couple of weeks later the teacher was having a rough day and it was evident on her face. The boy stopped by and sympathetically asked, “Do you need to go blow bubbles?”

It was the kind of breakthrough moment our dedicated teachers savor.

Letecia is very proud of herself and is looking to the future. “I plan to go to school to become a mortician,” Letecia said, explaining that her grandmother was a beautician at a mortuary and, as a young child, she often watched her work.



“Most kids who come here have an ‘I cannot’ attitude. We get to see kids learning to believe in themselves and exert power and have the faith that ‘I can.’”

Russell Gourley, Facilitator – Training Program,
Cal Farley’s Girlstown, U.S.A.

Achievement



Cal Farley’s provides leadership that connects the unique gifts of each team member with the mission, vision and goals of the organization.

Cal Farley’s equips team members to develop work and play activities that connect children’s unique talents, skills, and knowledge to meaningful outcomes.

Cal Farley’s enables children to engage in work and play needed to build competence and self-confidence.

All children have the potential for achievement. Some just need the circumstances that will allow and encourage them to achieve. Anthony, a resident at Boys Ranch, and Brandon, a client of the Family Resource Center, are two boys who have experienced the joy of achievement.

“I recently worked at a high school where Anthony, one of our Boys Ranch students, attended before coming here,” said Derek Davis, principal of BRISD middle school. “Anthony’s home life structure was not good. He was the kind of kid that I knew was headed toward dropping out.

“Here at Boys Ranch, Anthony has **the chance to be successful,**” Davis said,

noting that Anthony has achieved success running track and wrestling.

Kraig Stockstill, Boys Ranch Assistant Administrator for Adolescent Boys, said, “Three years ago, we saw Anthony and several of these kids really struggling. This year, they were on the cross-country team that won second at state. That’s real achievement.”

Achievement takes place when students see the steps toward success and begin to dream that anything is possible.

When the local newspaper named Anthony “Athlete of the Week,” his track coach Kenneth Brown said, “He doesn’t look like a runner, but what makes him so good is his heart. He is a team captain and cares a lot about his teammates and helps keep them motivated.”

“It’s great to see that big smile on Anthony’s face,” Davis said. “You know they’ve turned the corner when you can see their joy at being successful and worthy. They know the past is behind them, and they have plans for the future and clear goals.”

Kristin Ruiz is the director of Cal Farley’s Family Resource Center in Amarillo. Two years ago, she started working with Brandon, a teenager who was failing classes and exhibited poor social habits and had few friends.

“I knew Brandon had potential, but he didn’t think so,” Ruiz said. “Circumstances did not allow for placement at Boys Ranch at the time. So he and his family were referred to the Family Resource Center for counseling.

“For the first few months, Brandon didn’t like me. He was always blaming others for his problems, so I’d reframe the issue to help him see what he was responsible for and what he had control over. He loves projects that let him have hands-on, physical work. So we made a list of what he wanted to work on. He repaired the fence posts on his family’s property and broke up and removed an old concrete foundation. He loved that work.

“Brandon was mean to his little brother, so together we developed a goal that he had to say three nice things to him every day,” Ruiz said. “We worked together on his school work and homework plan, and I gave him a checklist to go over each night to provide some structure. This past year, he started passing some classes.

“Last summer was a turning point,” she said. “He got into a weight training program where he worked out with a few peers and some coaches in his small town. He lost almost 70 pounds. Through a generous donation, we were able to take him on a shopping trip to get new clothes that fit. He looked better and felt better.

“After three years of failing report cards, Brandon was grounded from all social activities and most of the simple pleasures of life. His parents agreed that he desperately needed to see some successes and to be rewarded for them,” she said. “The first six weeks of school he had all passing grades. With that, he was able to earn a few privileges back. After earning two additional passing report cards, Brandon has since regained all privileges.”

“The other day Brandon said to me, ‘You are the one person who has stuck with me,’” she said. “It’s gratifying to know that we can stay with our clients until they attain their goals. Thanks to our generous donors, we don’t have any time restrictions. We can work with a child until achievement becomes habit.”

Brandon is a lot happier and has become empowered in his life. He has experienced achievement by passing his classes and losing weight. He is a more active member of his family and enjoys school much more.



“It takes courage for parents to send their kids here, and it takes courage for the kids to step out and believe in what unfamiliar adults are asking them to do. We’re asking them to be different from what they know.”

Robert Marshall, Administrator, Cal Farley’s Girlstown, U.S.A.

Power



Cal Farley’s provides leadership that trains and supervises team members to effectively respond to the challenges and needs of children.

Cal Farley’s equips team members to use daily life experiences as opportunities for children to develop personal responsibility and self-discipline.

Cal Farley’s enables children to learn from failure, tolerate frustration, make better decisions, and develop self-discipline and personal responsibility.

We realize that when a child comes into our care, we ask him or her to begin to act differently from what he has experienced before. For him to do that, he must place his trust in the experience and wisdom of strangers.

It is a show of personal power when a child determines to change his or her life. The resulting choices – to make better grades, to get involved in positive activities, to stop the self-defeating behaviors that have helped in coping with life – require courage.

Cal Farley’s empowers children to think and make independent decisions and to develop personal plans for growth and learning. Celia, a senior at Girlstown, will soon be the first person in her family to graduate from high school. She will also be the first to attend trade school or college. She wants to make something of herself, and she feels empowered to be able to succeed.

Cristina, a Girlstown alumnae, received help through Cal Farley’s Alumni Support Services. At the time, Cristina was recently divorced with two small children. She had come out of an abusive marriage with no money to start over. Initially, Cristina moved into the Cal Farley’s Independent Living Apartments. She participated in the program, attended parenting and relationship classes, and enrolled in the nursing program at a local college. After a year, Cristina had saved some money, but with college classes and two children, she was still only able to work part-time. So we helped her find an apartment and continued to provide assistance. Throughout this stressful time in her life, Cristina was very receptive to the help we offered. Today, Cristina is remarried and on track to complete her nursing degree.

The Houston Family Resource Center (FRC) helps children and families in the Greater Houston area. Two years ago, a family contacted the Center to inquire about getting their 14-year-old boy into Boys Ranch. Jay was a tough inner-city kid. He was acting out at home and school, and he had stopped talking to the adults in his life. Jay’s mother was in the hospital with terminal cancer and he was living with his grandmother. Much of his negative behavior was due to his fear of losing his mother.

Vince Duran, manager of the Houston FRC, began working with the family. On Saturdays, Vince took Jay across town to visit his mother in the hospital. During those weekly conversations, Vince and Jay slowly began to build a relationship.

In May, Jay failed math. He was determined not to go to summer school. Rather than argue and force him to attend summer school, Vince and Jay’s family allowed him to determine for himself what was best. But they made sure he understood that if he didn’t attend summer school, he’d have a problem passing the next grade. A few days later, Jay took the initiative to get on the bus, travel to school and enroll in summer school.

Recently Jay shared with Vince, **“I really want my life to count for something.”**

Unfortunately, Jay’s mother died in the fall, but Jay has continued to make major strides. Today, he’s more involved with home chores, he’s taking responsibility for his education, his relationship with teachers, peers and other adults has improved, and he holds a job at a local confectionery shop.



“It’s easy to find your purpose here. When you see disadvantaged kids struggling, then they accomplish something ... it gives your life meaning.”

Kraig Stockstill, Assistant Administrator, Cal Farley’s Boys Ranch

Purpose



Cal Farley’s provides leadership that recognizes everyone as created by God for a purpose larger than themselves.

Cal Farley’s equips team members to help children develop insights into things that drive their behavior and emotions.

Cal Farley’s enables children to live as resilient, productive, contributing citizens.

The Chapel programs at Boys Ranch and Girlstown, U.S.A. are always changing and evolving to reach children wherever they are on their spiritual journeys toward finding purpose in their lives. Following are two stories of unique kids finding their purpose in helping others.

Mike Wilhelm is the clean-cut, soft-spoken chaplain at Boys Ranch. On the surface, he might seem an unlikely shepherd for a group of rag-tag boys who see themselves as skater dudes and street-smart outsiders.

It’s this very group of boys that spontaneously joined with Wilhelm to form a Thursday night prayer group, and they are the ones who insist that the time together be solemn, candle-lit and filled with religious rituals repeated each week.

“This prayer group is always well-attended,” Wilhelm said. “And they really do come for the prayer.

“Last year at Christmas, I asked them if they would want to go to Amarillo and choose a child from the Salvation Army Angel Tree to buy gifts for. I told them they would probably each need to contribute about \$20 from the money they had earned at their jobs.

“They were so excited to do something special for another child, and one kid said, ‘Money is no object!’ So off we went to Amarillo.

“The group studied the Angel Tree and debated for 20 minutes about which kid to choose. They decided on a boy who wanted a bicycle, so they went shopping. They were determined to get the coolest, best bike. Then, they got a helmet. Then it was time to buy clothes. They got the most shocking, gaudy clothes and were certain their Angel Tree boy would love them.”

Even now when he tells the story, Wilhelm is awed by the spirit of purpose in those boys. “They have it in them to be so generous. I couldn’t have programmed that.”

The Girlstown chapel program has a praise team with four girls who lead the music for all church services, including the brief 20-minute service on Wednesday nights that is mostly music.

Sandy Pape, director of the chapel music program, tells the story of a praise team member, Ali, sharing a scripture one evening.

“She told the story of the woman who was caught in adultery and bound for stoning. Jesus said, ‘He who is without sin should cast the first stone,’” Pape recounts. “Ali took this scripture and applied it to being a teen girl. She said, ‘Jesus is the only one who has the right to condemn you, but he doesn’t.’

“Afterward, four kids stayed in the chapel to talk to the chaplain and me about Ali’s lesson and how our God is a God of grace and how they can be forgiven,” Pape said.

“It’s amazing to see that some of these girls find their purpose in

ministering to others.”

Our job is to help students find their purpose and develop their individuality – who they are and how they want to be seen.



“Adventure programming is a powerful way to provide experiences where kids must take responsibility for their actions, learn to problem-solve and connect consequences to actions.”

Mark Strother, Senior VP, Residential Services

Adventure



Cal Farley's provides leadership that encourages risk, innovation, laughter, and fun in the workplace.

Cal Farley's equips team members to model for children the important balance between work and play.

Cal Farley's enables children to be excited about life experiences regardless of whether one is working or playing.

Cal Farley's is committed to providing our youth and staff with opportunities to experience a healthy measure of adventure. We believe men, women and children require exciting or remarkable experiences to help them grow. We view challenges and crises as adventures and opportunities to learn. Every single life experience can be viewed as an adventure, and thus an opportunity for personal growth. When youngsters and adults feel safety within their environment; belonging from strong bonds; achievement through the cultivation of talents; power through personal choices; and purpose through generosity toward others – then life becomes an adventure. Conversely, adventure can be used as a tool to help meet each area of need, as illustrated in the following stories.

Significant change in youngsters has been seen through participation in adventure-based activities at both campuses. Three years ago, Clay couldn't see anything positive about his life at Boys Ranch – about where he lived, the house parents he lived with, or the kids he lived with. After being encouraged to participate, he became interested in Boy Scouts, camping, and kayaking. Today, he is the senior patrol leader in Boy Scouts. Last summer, Clay organized a camping trip to Oklahoma. He was responsible for planning all of the details. The weekend excursion was miserably hot, there wasn't a shade tree to be found, and the staff who accompanied the campers acknowledged that it was an uncomfortably rugged experience. But when Clay and his peers returned to Boys Ranch, Clay said, “That was the greatest trip I've ever been on.”

Early last year, a house parent in one of our boys' homes was struggling to understand why the boys were not responding to his leadership. The house parent was familiar with how adventure-based activities are able to identify and overcome challenges within groups, so he requested help from the Boys Ranch Adventure Program staff. The home soon began meeting with the staff once a week.

The adventure programs allow kids to learn about themselves through planned experiential activities that offer challenges that result in learning. The purpose is to provide activities that promote skills associated with communication, cooperation, leadership, awareness and self-confidence.

The boys then began participating in group activities on the Boys Ranch Challenge Course. They were challenged with obstacles on the course that forced them to work together to accomplish a variety of tasks. Ropes course activities are designed so the genuine and hidden personalities of the participants will surface. Through weekly activities, the boys slowly began to recognize the positive and negative behaviors of their group. The house parent was able to relate circumstances in the home that were similar to the circumstances that continued to occur on the ropes course.

trust

Slowly, through building trust with the staff and feeling safe about sharing their true feelings, the issues were ultimately resolved in a satisfactory way. The true measure of success occurred when the boys began to transfer the concepts they learned from the adventure-related activities and began applying them to their daily lives.

This year we are beginning to see the benefits of adventure programming. Fewer kids need medication and individual counseling. They are getting therapeutic benefit from the adventure programs.

Summer Program



“A lot of our kids have experienced loss and failure. The Adventure Program allows kids to pull out of a negative spiral and experience deep success.”

Mark Strother, Senior VP, Residential Services

The summer adventure program was one of the most exciting things that happened at Girlstown, U.S.A. last year. The staff created week-long programs centered around a fun activity, such as horsemanship, hiking, biking and the ropes course.

“Adventure was the common goal of the programs,” said Assistant Administrator Nita White, noting that adventure is something all kids need.

In the Cal Farley’s Model of Leadership and Service, Adventure surrounds all the other aspects, and so it did during the summer program. Each week started with the kids learning to have a healthy respect for safety. For example, the bike riders were in the summer heat and were required to stop every 30 minutes for water. The group couldn’t move forward until everyone took a drink.

The girls were grouped according to how long they had lived at Girlstown, so there was a mix of ages and girls from different homes. As the weeks progressed, each group began to feel cohesive, lending a sense of belonging. When a member was gone, the groups noted that they felt different.

“There were lots of challenges along the way, and at the end of each week the kids felt a sense of accomplishment,” White said.

“We worked on trust issues with the horses,” she said. “Thursday’s task was to pick up the horse’s hoof. The kids had to trust the staff enough to do it. And the horse and the kid had to trust each other. When it happened, it was a very powerful moment for each girl.

“There was a lot of anxiety in working with a 2,000 pound animal. The girls would ask, ‘What will it do if I pick up its hoof? What if it won’t let me?’” White said. “We relate this experience to their lives and their family and school situations. The kids figure it out. We set up the situations for learning and kids have ‘aha’ moments. They get it, and it becomes their own lesson.”

One girl, Diana, was really dreading her time with the horses. She hated being outside; she hated being in the arena with the dirt; and she hated being near a horse. On

Monday, Diana sat down in the arena and talked about how disgusting it was. Then, when a horse got near, she would scream in a high, shrill voice. She had to learn that screaming around a horse puts everyone in danger.

On Friday, only a small group of girls got to ride a horse, and Diana was in that group. Diana has strong opinions and a strong sense of justice. She had an opportunity during the week to stick up for a girl who is always the target of blame. Diana helped others in the group see the value in this girl.

The summer was full of learning moments, fun moments and memorable moments. Every girl got to have life-changing experiences on a therapeutic bike ride and hike in New Mexico. One girl had what’s become known as the most graceful bicycle wreck ever. These moments give the girls and staff a common experience to relate to one another and help the kids to be more relaxed around the staff.

The summer program yielded gratifying outcomes. None of the girls left residential care during the summer, which was very encouraging. The staff was also heartened by the reduction in incident reports. During August, there were only three incident reports when typically, there would be about eight.

“Some of these kids have never been beyond their hometown,” Girlstown Administrator Robert Marshall said. “Most have never been in athletics or done anything else that challenged them like this. I’m proud that we were able to do it with the resources we’ve been so generously given by our supporters.”

Natalie arrived at Cal Farley's Boys Ranch five years ago, a sad and angry girl who mostly wore black. She will graduate in May, and everyone mentions how she has blossomed. The story of Natalie during these five years is a dramatic example of the Cal Farley's Model of Leadership and Service at work in this girl's life. Here is her story.

Natalie



Safety

Belonging

Achievement

Power

Purpose

Adventure

What did I think when I found out I was going to Boys Ranch? I was crying. I didn't want to separate from my grandma. I was angry; I felt ripped away; I was pathetic.

Right away, my house parents told me that everyone wanted to meet me and know about me. I was concerned that no one would like me and that I would be lonely. I was very insecure. I didn't like men. I had a hard time trusting because people would leave. There was no point in getting close. I had to be protective of my feelings.

My house parents were kind. They understood where I was coming from and let me know it wasn't as bad as it seemed. They didn't judge me. When I felt lonely, I could talk to them.

In the 9th and 10th grades, I got out more and started feeling more appreciated. I started trusting more people and let myself open up to them. I found good, Christian friends who could help me through the tough times.

Julia is my roommate and best friend. When we first met, I noticed that she was into school – really cared about it. I started listening to her boy problems. Eventually, I thought, "You're different from me, but you're pretty cool."

I never saw myself doing any of these things, especially choir. But I'm the soprano section leader. I won at regionals and got to go on to the state choir contest. I'm not great, but I must not be too bad.

I had never ridden a bike before, but I had to learn so I could play Mrs. Gulch in the Wizard of Oz. I thought I'd fall down, but I didn't.

When my grandma got my first good report card, she cried. She told me, "I'm so proud of you. I knew you could do it, but I didn't think you'd get a chance." That makes me happy. I think highly of her. She raised me as a little girl, and I owe her the world for that.

My achievements give me a sense I can achieve any goal I set my mind to. When I first got here, I didn't think I could do anything right. It was hard to feel good about myself. I had used my past as a crutch. I found out I had talents God gave me and I wasn't using.

A lot of girls come to me when they are having problems. I'm shy, but I guess they trust me. I like to set a good example, and I guess I'm a leader.

Before I got to Boys Ranch, I was into really dark rock bands. Their music doesn't symbolize what I believe anymore.

I knew about God when I came here. Church became something I could look forward to. It's never too late to talk to God about any of your problems. No matter how physically alone I was, I still had God to talk to.

Chaplain Wilhelm has been very important to me. He shows us that we are not alone. I love to go to youth group on Wednesday nights. We worship and pray and do cool stuff. Afterwards, we drink sodas. I like getting involved and giving my testimony. I've seen it touch people.

Our choir has gone to nursing homes to sing. It makes me feel good to see someone smile and to know that I put it there. I've written cards to veterans and letters to people who have been jailed for being believers.

We went river rafting on a camping trip, and it was really scary. They made us jump in the water and showed us how they'd rescue us if we needed them. We all bonded and had a great time.

Before I came here, I wasn't into sports. This is the first year that I've wrestled, and I hate that I waited so long. I also ran track, cross-country and played basketball and tennis. But wrestling has just clicked in with me. I recently pinned someone for the first time. My coach and I disagree on a lot, but she pushes me, and I need that.

I have started believing in myself.



What's next for Natalie? "I graduate in May, and I'm a little nervous and scared. I'll stay here to go to college. I want to be a veterinarian or an archeologist or a history teacher."

Mason was 11 years old when he arrived at Cal Farley's Boys Ranch seven years ago. His mother, a single parent living in Pittsburgh, PA, wasn't able to supervise Mason adequately and he was hanging out with the wrong crowd. Many of the risk factors were present that indicate a kid might get into trouble, experiment with drugs and end up dropping out of school. His mother's intervention through Boys Ranch helped him before those risk factors caught up with him.

Mason



Safety

Belonging

Achievement

Power

Purpose

Adventure

"I felt safe the moment I got here. Although it was a scene change from Pittsburgh, I was not really fearful of moving to Texas. Mom grew up in El Paso. She told me that living in Texas would be different and how to adjust to it."

"I try to involve myself in a lot of different activities. I try to make friends with a lot of different people. I'm involved in choir, band, football, baseball and theater. I like the coaches. They listen to you and, as authority figures, they don't look down on you." Mason portrayed the Tin Man in the school production of "The Wizard of Oz." "It was my first acting experience. It was fun."

Mason is a straight 'A' student. He was the quarterback of the varsity football team and a pitcher on the baseball team. "I want to coach football and baseball. I plan on getting a teaching degree in social studies and majoring in athletic training or exercise science."

"The Ranch guides you in the way you should go, but lets you make your own mistakes. They're there for you when you need help. I feel comfortable going to my house parents when I need advice. They don't try to push their ways on me. I am more comfortable with female house parents. I grew up without a good father figure in my life." Mason participates in the Transitional Living Program which offers skill development for independent living. He participates in the vocational training program, works in the horticulture department and earns an allowance for his efforts. His work crew tends the athletic fields and supports other horticulture needs of the Ranch.

Mason is involved in the Boys Ranch religious education program. "I'm an assistant Sunday School teacher. The younger kids look up to the older kids, and I feel like they need a good role model. I work at Power House on Thursdays and help supervise the little kids." Mason has traveled to Acuna, Mexico on Boys Ranch sponsored mission trips, helping poor families and orphanages. "I thought it was very rewarding. Seeing the way kids react to you makes you feel good about yourself."

Although Mason claims to have a city-kid reputation, he has engaged in rugged adventure-based activities. Last summer he traveled to Colorado with a group of fellow seniors for the annual five-day Senior Chapel backpacking trip. "It was physically hard, but it was fun to fellowship with my classmates." Mason also earned his scuba diving certification last summer.

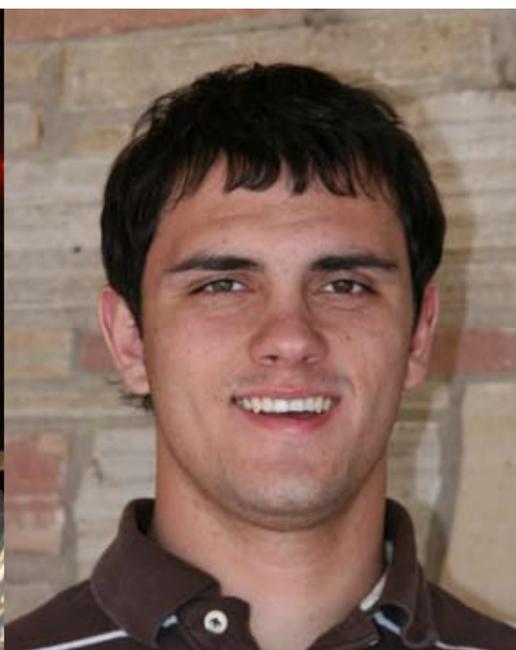
"You're always responsible for your own happiness."

Mason's Mom

Mason is close to his mother and speaks with her daily on the telephone. "My Mom appreciates the supervision here and how it keeps you honest. You can't get away with as much as you can at home. When I used to tell her I didn't like Boys Ranch, or that I wanted to come home," Mom always said, "I'll thank her for it some day."

After graduation, "I'm thinking about going back to Pittsburgh to college or maybe to West Texas A&M University. I want to play college sports (football or baseball), and I'll probably play at the college that gives me the best offer."

Without Boys Ranch, "I'd be a real bad kid. I had real bad friends. Looking back, I can see I was headed down the wrong path."

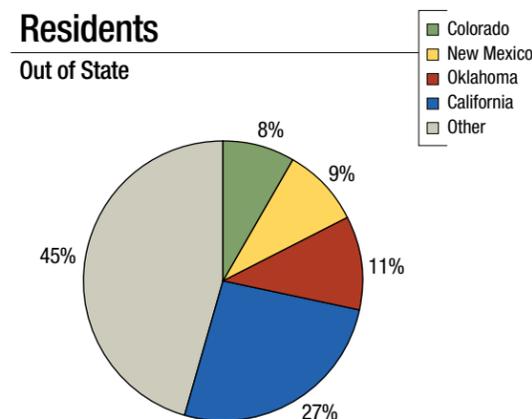
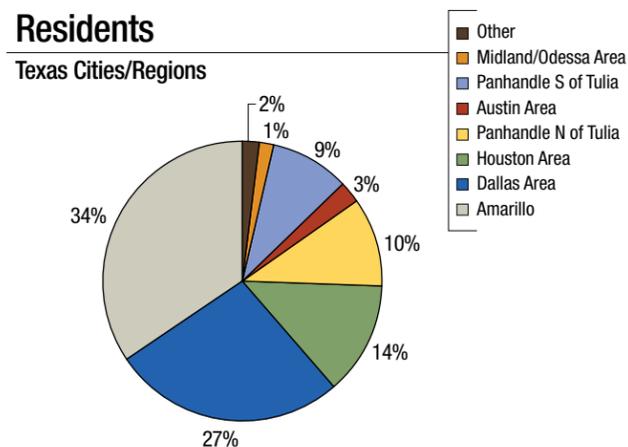
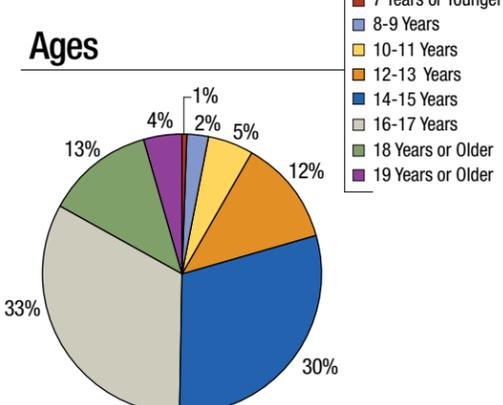
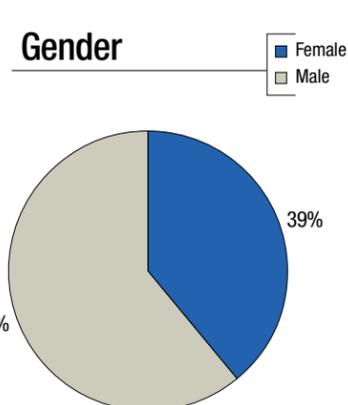
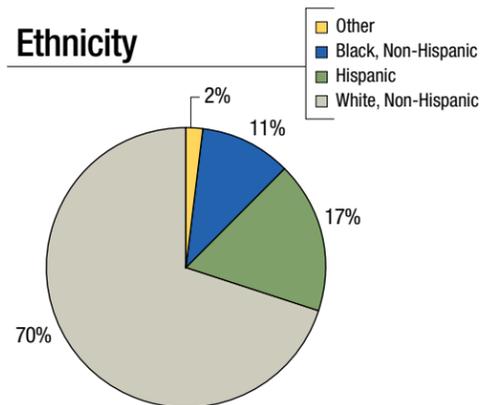


Demographics

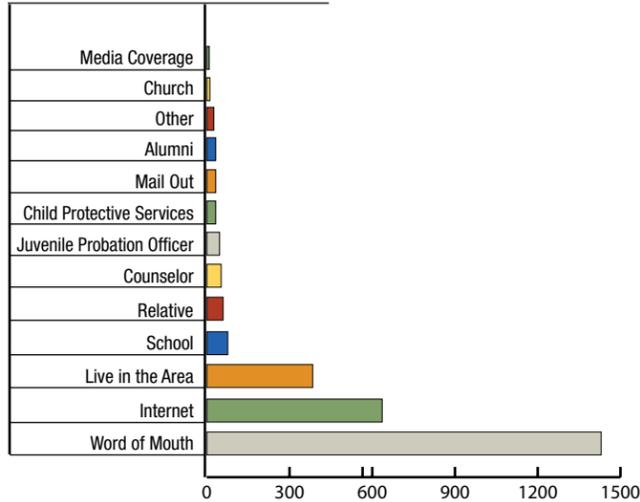
2007

Outcomes

2007



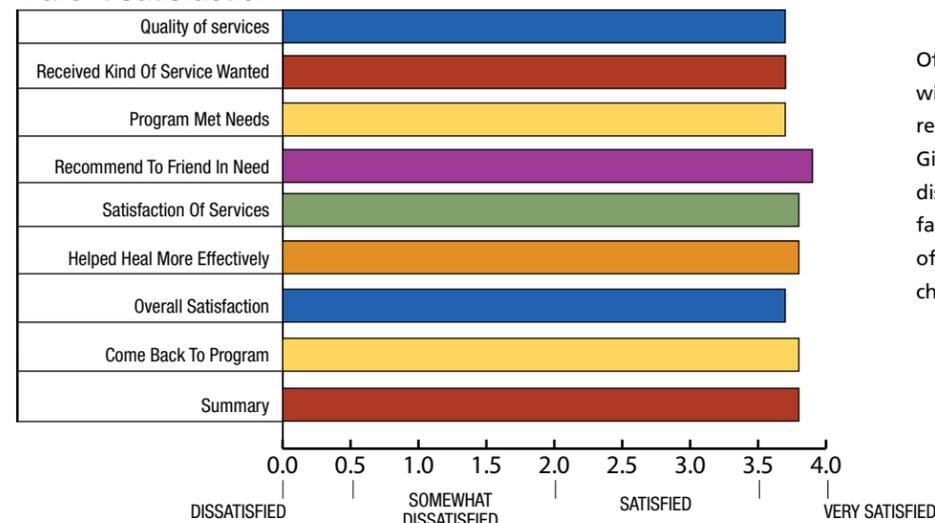
How Did You Find Us?



Profile of Children Placed

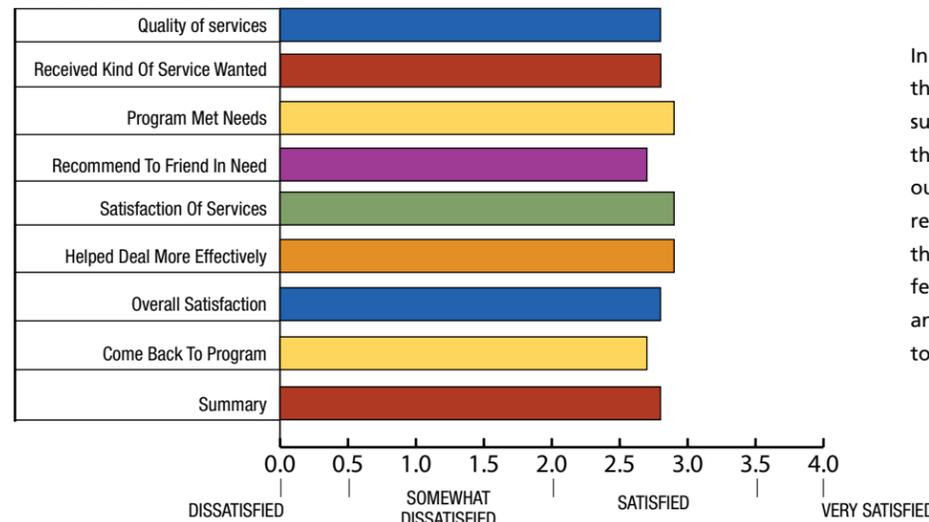
- Additional Supervision Required
- School Problems
- Family Financial Problems
- Anger Problems
- Legal Problems
- Emotional Abuse
- Physical Abuse

Parent Satisfaction



Oftentimes, a sense of guilt or shame is associated with placing a child in group home settings or residential programs similar to Boys Ranch and Girlstown. However, the parent survey responses displayed in this graph reflect that, by-and-large, the families we serve feel tremendous relief and a sense of hope that is a direct result of the success their children experience in our programs.

Resident Satisfaction



In most cases, children prefer to live at home with their families. With that in mind, the responses to our survey of residents presented in this graph suggest that, in general, the children are satisfied with our programs. The majority of children appear to recognize that if they have to live somewhere other than home, Cal Farley's offers them a place that they feel safe, allows them to do things that they enjoy, and creates an atmosphere that helps them work towards meeting their goals.

Cal Farley's uses standardized instruments to gauge the improvement of children in care. The instruments used are the Child & Adolescent Functional Assessment Scale (CAFAS) and the Behavior and Emotional Rating Scale (BERS). During the 2006-2007 fiscal year, the instruments reflected that the children made significant positive gains in the following: home, school, community, behavior, self-harm and substance abuse.

Financials

2007

Cal Farley's Statement of Activities For the Year Ended September 30, 2007

The financial support of our friends enables Cal Farley's to provide life-changing services and experiences to children and youth, alumni, and their families.

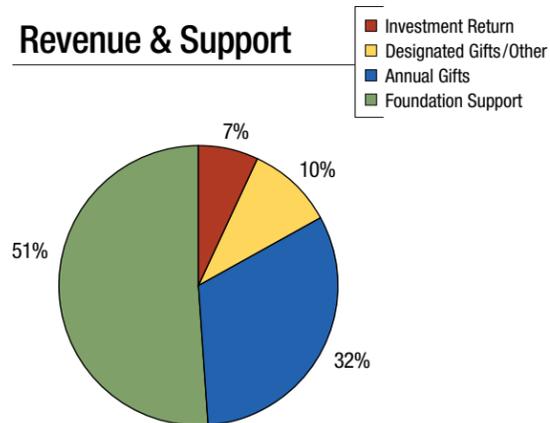
During the fiscal year ending September 30, 2007, faithful giving from thousands of friends provided approximately 32% of our total operating expenses.

Seventy-five percent of our operating expenditures went directly to programs and services for children and families, and to support BRISD, while the balance of our operating expenditures supported our administrative costs and fundraising efforts.

REVENUE AND SUPPORT (UNRESTRICTED)

| | |
|---|---------------------|
| Annual Gifts: | |
| Contributions | \$5,813,326 |
| Bequests from Will/Trusts Income | 7,535,343 |
| Investment Return | 3,102,426 |
| Support from Cal Farley's Boys Ranch Foundation | 21,140,766 |
| Designated Gifts | 3,609,484 |
| Other | 586,211 |
| TOTAL UNRESTRICTED REVENUE AND SUPPORT | \$41,787,556 |

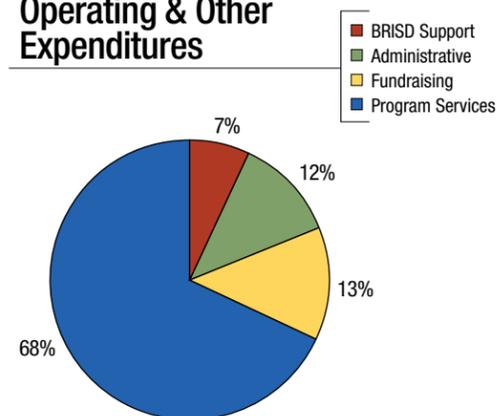
Revenue & Support



OPERATING AND OTHER EXPENDITURES

| | |
|---|---------------------|
| PROGRAM SERVICES: | |
| Boys Ranch | \$22,066,649 |
| Girlstown, U.S.A. | 4,916,259 |
| Community-Based Services and Residential Support | 2,545,858 |
| TOTAL PROGRAM SERVICES | 29,528,766 |
| Fundraising Activities | 5,470,615 |
| Administrative Costs | 5,140,158 |
| TOTAL OPERATING EXPENSES | 40,139,539 |
| Support to Boys Ranch Independent School District | 3,274,176 |
| TOTAL OPERATING AND OTHER EXPENDITURES | \$43,413,715 |

Operating & Other Expenditures



“Last spring, one girl in our on-campus school got her first report card ever with all passing grades. She was smiling ear-to-ear and couldn’t wait to tell her mom.”

Scott Lucas, Principal, Whiteface Consolidated ISD,
Cal Farley's Girlstown, U.S.A. Campus

OTHER ACTIVITIES

| | |
|---|--------------------|
| Temporarily Restricted | \$3,362,569 |
| Permanently Restricted | 417,600 |
| Investment Income on Restricted Investments | 699,677 |
| Increase in Value of Unconditional Promises | 1,746,700 |
| Net Assets Released from Restrictions | (3,609,484) |
| Effect of Adoption of SFAS #158* | (560,843) |
| TOTAL OTHER ACTIVITIES | \$2,056,219 |
| CAPITAL EXPENDITURES | \$4,474,771 |

*In September 2006, the Financial Accounting Standards Board issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, which required companies that sponsor defined benefit plans to recognize the funded status of such plans in their statement of financial position. Cal Farley's adopted SFAS No. 158 as of September 30, 2007. The incremental effect of applying this Statement was an increase in liability for postretirement health benefits and a decrease in unrestricted net assets of \$560,843.

LIABILITIES AND NET ASSETS

| | |
|---|---------------------|
| Total Liabilities | \$9,792,223 |
| NET ASSETS:* | |
| Unrestricted | 32,216,076 |
| Temporarily Restricted | 20,698,982 |
| Permanently Restricted | 15,332,741 |
| TOTAL NET ASSETS | 68,247,799 |
| TOTAL LIABILITIES AND NET ASSETS | \$78,040,022 |

*Net assets include property and equipment with a carrying value of \$24,741,769. Temporarily Restricted Net Assets include unconditional promises to give of approximately \$13,034,333 on September 30, 2007 from various estates that are due after five years.

All figures included in the financial portion of this annual report were obtained from the financial statements audited by Clifton Gunderson LLP, Certified Public Accountants and Consultants, Amarillo, Texas. The full audited financial statements are available on request.

Foundation

2007

During the 2006-2007 fiscal year, contributions from our friends provided approximately one-third of the funds required to meet our total annual operating expenditures. We are extremely grateful for your generous support. Through the foresight of Cal Farley and his Board of Directors over 40 years ago, the remaining funds required to operate in 2006-2007 were available through the Cal Farley's Boys Ranch Foundation.

Mr. Farley chartered the Cal Farley's Boys Ranch Foundation in 1961. At that time, friends of the organization made special gifts to ensure Boys Ranch's future. Mr. Farley invested those gifts in the Foundation. His intent was to create a savings account that would provide for long-term commitments while allowing the organization to meet the immediate needs of the children through annual donations.

For the fiscal year ended September 30, 2007, the Foundation had net assets (its savings account) of approximately \$430 million dollars, an increase of 8% from last year. Such growth was due to prudent investment of donor funds, favorable market conditions, and contributions made directly to Cal Farley's Boys Ranch Foundation. The Foundation, in turn, was able to distribute \$21 million for the support and care of the children at Cal Farley's Boys Ranch, Cal Farley's Girlstown, U.S.A., and our expanding family and community-based services.

With a solid financial Foundation, Cal Farley's is able to continue to operate independently, without relying upon

federal or state government support, offer high quality services to carry out our mission, and provide the financial stability needed to fulfill our long-term commitments to children and families.

When Cal Farley's accepts a child for placement, we have the ability to provide a home for the child through high school graduation. The child may remain for as little as one year, or live with us for as long as 14 or 15 years. Many children come to us without family, or family resources, to sustain them. College scholarships and other alumni support are also available.

The Foundation, and the stability it provides, is one of our greatest strengths. You can be assured that when you give to Cal Farley's, we will be here for many years as we continue our important work with children and families.

Cal Farley's Board of Directors

*Bud Joyner, *Chairman*; Tom Roach III, *Vice Chairman*;
*Dan Adams, *Ex Officio*

*Billy Attebury; *Tom Bivins; Tom Blakemore; Betty Cooper;
Harold Courson; Lilia Escajeda; *Joe Howell; Jane King; Mike King;
Jerry Kleinpeter; Virginia Maynard; Greg Mitchell; *Fay Moore;
*Wade Porter; Jerry Raines; *Alan Roberson; Avery Rush, III;
Lenny Sadler; Chris Storm; #Walter Price

KEY: * also member of Foundation Board; # Foundation Board only

Advisory Board

Coney Burgess; Ed Cooper; Ed Fancher; Bettye Green;
Genie Farley Harriman; Sherm Harriman; Gene Hayman;
Rosemary Roach; Lamont Waldrip; Bill Ware

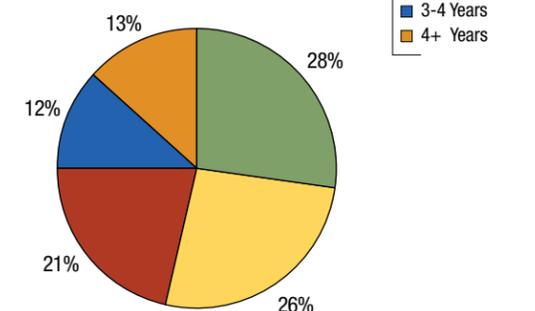
Facts

2007

390 Total Population Served

Length of stay

2.17 Years – Average Length of Stay



126 days – average length of time from initial call until placement

Some children have been placed in less than 30 days, but a variety of factors are involved during the process and may include the availability of beds on our campuses and parental cooperation with gathering the correct paperwork and documents (school and medical records) in a timely manner.

2,951 information and referral calls received requesting help

Alumni Support Services

- Alumni Case Management
- Independent Living
- Scholarships
- Alumni Support Caseload
- Vocational Contracts

43 Graduates 80 Scholarship Recipients

58.8% – 2007 Seniors enrolled in post-secondary education in Fall 2007

BRISD

The Boys Ranch Independent School District (BRISD) serves as an integral part of the community. BRISD is a legislatively sanctioned public school district educating students on four separate campuses: Mimi Farley Elementary School, Blakemore Middle School, Boys Ranch High School and the STARR Academy. All schools are rated by the Texas Education Agency as Academically Acceptable or higher. BRISD students regularly use state-of-the-art technology that is integrated into the overall academic program. Special education, gifted and talented, Career and Technology, and Advanced Placement/Dual Credit courses provide comprehensive academic offerings that afford opportunities for students to graduate under the Distinguished Achievement Program. BRISD promotes the development of the "whole child" through the many offerings of extracurricular activities. The school district provides a variety of athletic opportunities, as well as choir, band, drama, speech and academic competitions. School leadership organizations support the involvement of all students through FFA, Skills USA-VICA, Family Careers and Community Leaders (FCCLA).

“Our youth service program gives troubled kids a chance to make a difference in other people’s lives. It’s amazing to see how this changes our kids.”

Robert Marshall, Administrator, Cal Farley's Girlstown, U.S.A.

New Independent Living Center

In order to meet the growing demands for temporary housing for our alumni, and due to the age and repair needs of the current building, Cal Farley's is planning to build a new facility to house the Independent Living Program. The plans for a new building call for increasing the number of residential living apartments from six to 10 apartments. The plan also calls for the 10 apartments to be one-bedroom apartments rather than the efficiencies in the current building, thus allowing increased census capacity.



Cal Farley's

Cal Farley's Boys Ranch® • Cal Farley's Girlstown, U.S.A.® • Cal Farley's Family Resource Centers

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800-687-3722

www.calfarley.org