

NONPROFIT INVESTOR

INDEPENDENT RESEARCH FOR PHILANTHROPY

Bill Wilson Center

Nonprofit Investor Rating:

BUY

Mission Statement

Bill Wilson Center's mission is to support and strengthen the community by serving youth and families through counseling, housing, education, and advocacy

Financial Overview

\$ in MM, Fiscal Year Ended June 30

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue and Support	\$14.1	\$14.4	\$14.6
Operating Expenses	\$12.2	\$13.8	\$14.8
% of Total:			
Program Expenses	88.6%	89.4%	89.1%
G&A	9.4%	9.0%	9.0%
Fundraising	2.0%	1.6%	1.9%

Year Founded: 1974

Contact Details

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SUMMARY

Bill Wilson Center ("BWC") is a nonprofit, community based agency serving Santa Clara County. Bill Wilson Center provides a full spectrum of services to help and support Santa Clara County's youth and families by providing counseling, housing, education, and advocacy. The organization's goal is to prevent poverty in the next generation by connecting youth with the necessary resources and support to succeed.

STRENGTHS

▲ **Reporting Transparency.** Bill Wilson Center exhibits a high level of operational transparency not only by providing easy access to its annual reports and audits online, but also providing key performance indicators of beneficiaries consistently.

▲ **Demonstrated Operational Discipline.** Management exhibits operational rigor by adhering strictly to grant spend requirements and maintaining consistent expense margins year-over-year. BWC has also been able to start new programs and expand without exceeding its revenues.

▲ **Strong Balance Sheet.** BWC has fortified its balance sheet over the past several years by maintaining cash flow margins and adeptly managing its investment portfolio.

CAUTIONS

● **Number of beneficiaries per program no longer reported in annual report.** From 2010-2013, BWC disclosed the specific number of beneficiaries in each of its core programs. These figures are not disclosed in the 2014 and 2015 annual reports. In 2014 and 2015, BWC introduced several new metrics. We encourage BWC to consistently disclose metrics in each annual report going forward.

● **Reliance on government funding.** In 2014, 86% of BWC's revenue and support came from federal, state and local government. As a result, the organization is dependent on legislation and the needs of local government, limiting program visibility in future years.

RECOMMENDATION: BUY

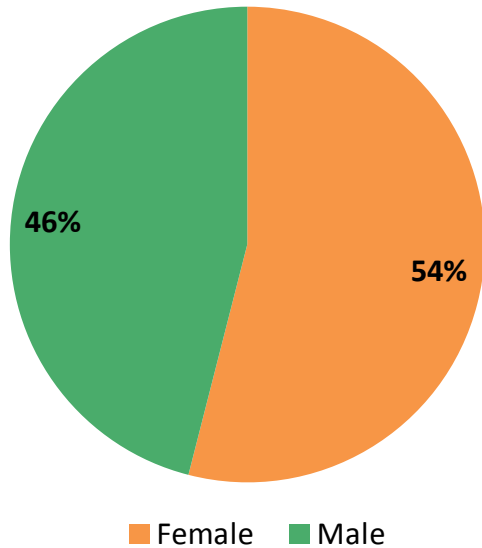
Bill Wilson Center is a nonprofit with a demonstrated history of success in achieving its core goals. By driving measurable results and operational strength while maintaining a high level of transparency to its benefactors, the organization is a model for others to follow.

OVERVIEW OF BILL WILSON CENTER'S ACTIVITIES

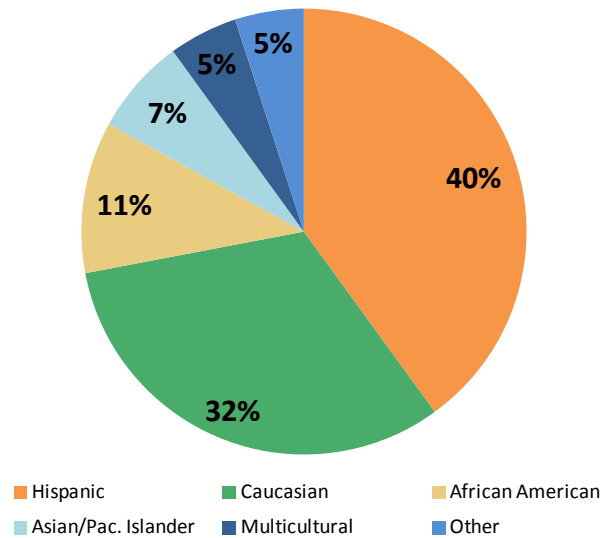
Bill Wilson Jr. was a prominent Santa Clara citizen who worked with troubled youth in addition to owning a bakery and serving as a Santa Clara City Councilman (1963-1971), with a term as mayor in 1965. He collaborated with faculty at Santa Clara University on a proposal for a counseling center which would combine counseling of students in the local secondary schools with a family therapy program. The Webster Center, as it was then called, opened in the fall of 1973. Bill Wilson continued to be involved as an active member of its Board of Directors.

In the fiscal year ended June 2014, BWC programs provided direct services to 3,512 children, youth, young adults, and families. The organization reached 38,066 individuals indirectly through its Street Outreach and Contact Cares programs.

Beneficiary Gender Breakdown (FY 2013)



Beneficiary Ethnic Breakdown (FY 2013)



Program overview

Bill Wilson Center operates programs in the following eight distinct areas:

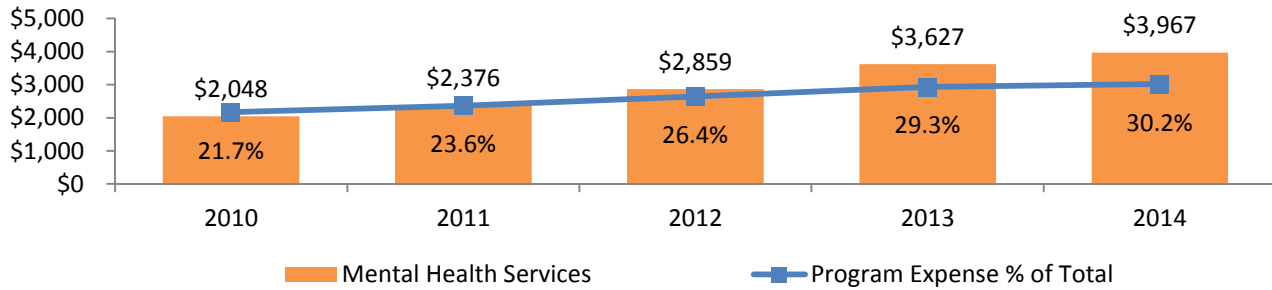
1) Mental Health Services

Youth and Family Mental Health Services provides case management, psychiatric and medication support for Medi-Cal eligible children and youth up to 21 years old who are experiencing mental health issues. Counselors meet one-on-one with youth to provide support, guidance and in some cases behavior modification. Youth in this program also meet with a certified therapist on a weekly to bi-weekly basis and receive medication support as appropriate.

Transition Age Youth Mental Health Services provides immediate mental health services to young people ages 16-24 that may be experiencing a mental health crisis. A 24-hour Young Adult Support Hotline immediately connects youth in crisis to mental health specialists.

Mental Health Services (30.2% of total Program Expenses)

(\$ in 000s)



2) Residential Services

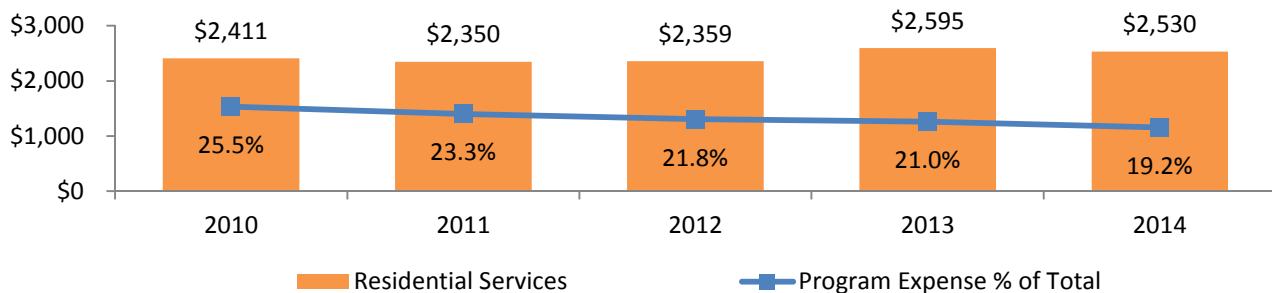
BWC provides short-term housing for homeless and runaway youth at its shelter and host homes. BWC also provides intensive individual, group, and family counseling in order to reunite youth with their families.

Quetzal House provides short-term housing for girls ages 13-17 who are chronic runaways from foster care or their families.

Transitional Housing Placement Program provides semi-independent living for youth ages 16-19, including parenting youth, who are in the foster care system. The youth learn the skills needed to become self-sufficient.

Residential Services (19.2% of total Program Expenses)

(\$ in 000s)

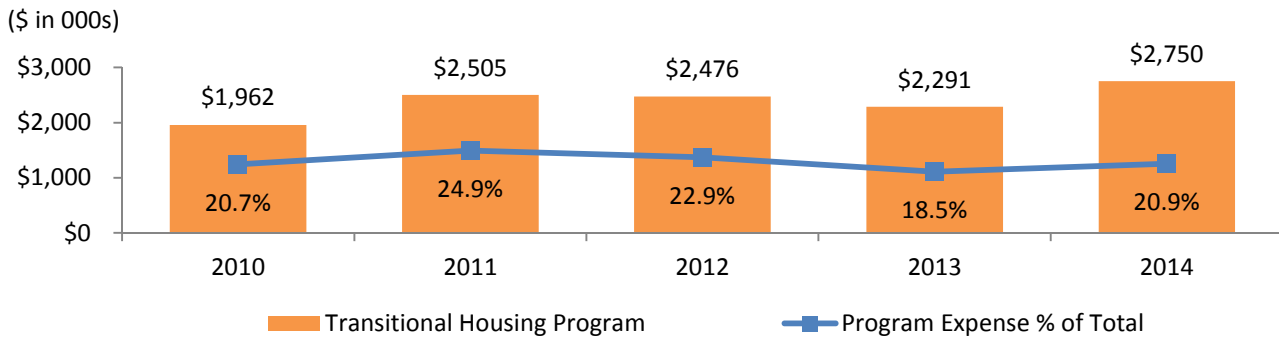


3) Transitional Housing Program

Transitional Housing Program provides comprehensive services for homeless youth ages 18-24, including young single parents and their children. Youth live in shared, supervised apartments or houses while they receive counseling, independent living skills training, parenting classes, and employment services. The goal of the 12-18 month long program is to help youth become self-sufficient adults with strong connections to the community.

THP+ provides rent subsidies and support services for youth who have aged out of foster care.

Transitional Housing Program (20.9% of total Program Expenses)

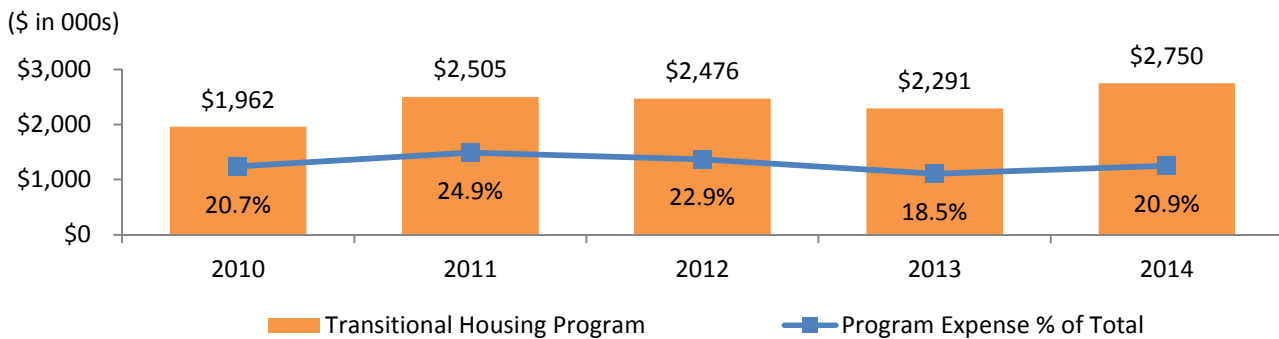


4) Foster Family Services

Foster Family Program recruits foster families and matches children in the foster care system with families that are trained and supported to care for them. Services include foster to adopt, intensive therapeutic foster care, and multi-dimensional treatment foster care.

Volunteer Case Aide Program matches trained volunteers with children in foster care who need services such as tutoring, mentoring, and supervised visits.

Foster Family Services (6.0% of total Program Expenses)

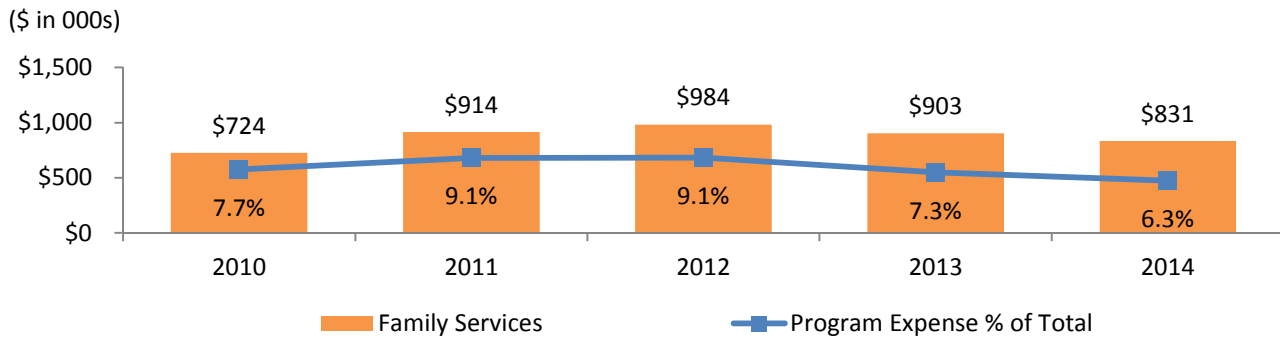


5) Family Services

BWC provides low-cost, professional counseling services to families and individuals of all ages in various situations through the following programs: a) **Family and Individual Counseling**, b) **School Outreach Counseling**, c) **Family Advocacy Services**, d) **Centre for Living with Dying**, e) **Healing Heart Program**, and f) **Critical Incident Stress Management**.

Contact Cares volunteers operate 24-hour crisis lines for supportive listening, information, and referral.

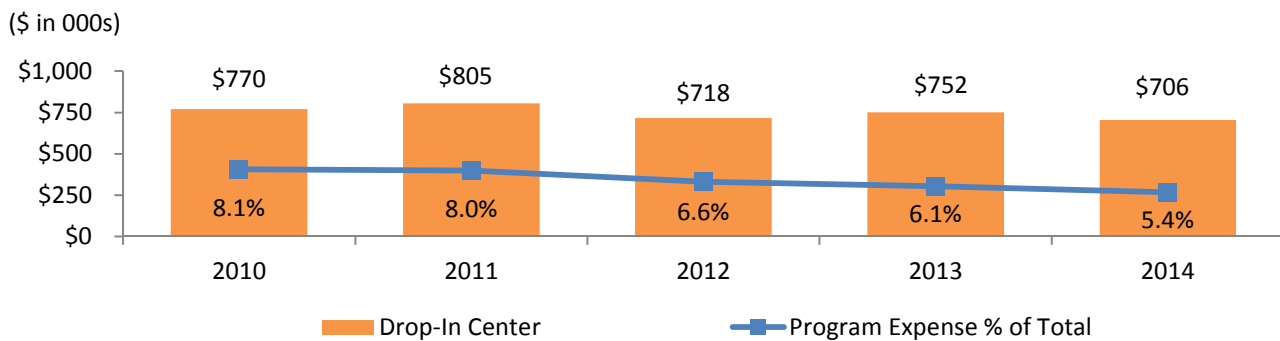
Family Services (6.3% of total Program Expenses)



6) Drop-In Center

Drop-In Center provides basic necessities as well as case management, job readiness, housing assistance, and HIV prevention with the goal of helping youth exit the streets.

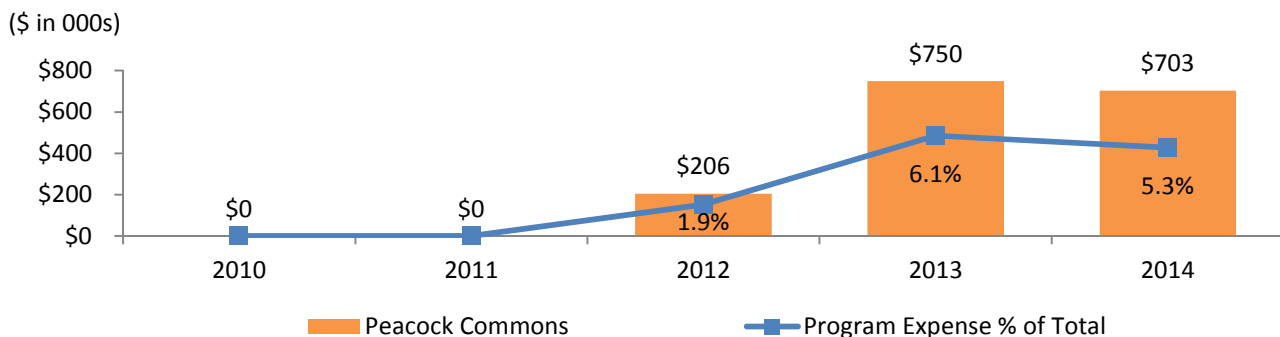
Drop-In Center (5.4% of total Program Expenses)



7) Peacock Commons

Peacock Commons is a 28 unit apartment complex launched in May 2012 that provides permanent supportive housing to transition age youth ages 18-25. This includes youth who are chronically homeless, at-risk of becoming homeless, aging out of foster care, or victims of domestic violence. A unique component of Peacock Commons is the inclusion of six mentors who live on the premises and serve as role models for the residents and help facilitate activities. Residents are provided access to case management, employment counseling, independent living skills, and counseling.

Peacock Commons (5.3% of total Program Expenses)



8) Youth Services

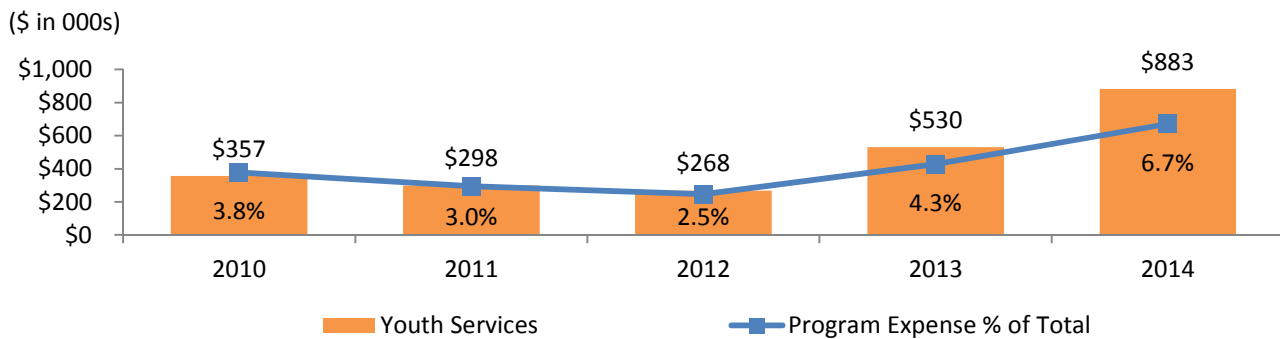
Competency Development Services provides youth in the juvenile justice system and first time offenders an alternative to incarceration. As part of the program, youth complete 7 Challenges and their parents attend parenting classes.

Direct Referral Program provides services to first time offenders under the age of 15 who are at risk of re-offending. Youth complete 7 Challenges and their parents attend parenting classes.

Support and Enhancement Services provides intensive case management and cognitive behavioral therapy services for youth on probation.

Safe Place provides youth with easy access to services or safety, including therapeutic counseling for those who have experienced abuse or neglect.

Youth Services (6.7% of total Program Expenses)



PROGRAM RESULTS AND EFFECTIVENESS

The Bill Wilson Center’s goal is to assist individuals in reaching and maintaining stable housing and employment. The organization provides visibility into its progress by disclosing the number of beneficiaries in several of its operating segments in its annual reports. Although direct costs may be determined for certain categories such as Mental Health Programs and the Drop-In Center, sufficient financial detail is not available to calculate corresponding costs of some other categories, in which proxies are used. BWC typically discloses annual beneficiaries by program in its annual report, however stopped reporting these metrics in 2014.

BWC Annual Beneficiaries

	2010	2011	2012	2013	2014
Counseling Services	1,401	1,457	1,082	1,520	NA
Mental Health Programs	297	298	528	536	616
Youth Housing Programs	567	678	705	678	NA
Drop-In Center	851	809	792	897	NA
Crisis Line Calls	22,508	27,940	24,231	34,108	NA

Counseling Services

	2010	2011	2012	2013	2014
Expense (\$000s) (a)	\$2,772	\$3,290	\$3,843	\$4,531	\$4,799
Beneficiaries	1,401	1,457	1,082	1,520	NA
Cost per Beneficiary	\$1,979	\$2,258	\$3,552	\$2,981	NA

(a) Expenses include Mental Health Services and Family Services.

Each of BWC's operating segments relies on counseling services to different extents. Because counseling costs are not isolated in available financials, it is difficult to calculate an indicative cost per beneficiary. To establish a proxy, total expenses for Mental Health Services and Family Services were used because it is assumed that these operational segments have the highest reliance on counseling services. Based on this, costs per beneficiary appear to be steadily rising year-over-year from 2010 to 2014.

In 2012, there was a significant decrease in beneficiaries with a corresponding rise in costs. Based on a statement from BWC, there is a high degree of fluctuation in costs and number of beneficiaries because each individual requires a customized level of care, which may be much higher in some instances.

Mental Health Programs

	2010	2011	2012	2013	2014
Expense (\$000s)	\$2,048	\$2,376	\$2,859	\$3,627	\$3,967
Beneficiaries	297	298	528	536	616
Cost per Beneficiary (\$)	\$6,896	\$7,974	\$5,415	\$6,767	\$6,440

For mental health beneficiaries, total costs of BWC's Mental Health Programs can be directly attributed. Although the program served 77% more individuals in 2012 than the prior year and approximately the same number the following year, costs per beneficiary were maintained at lower rates.

Youth Housing Programs

	2010	2011	2012	2013	2014
Expense (\$000s) (b)	\$4,373	\$4,856	\$4,836	\$4,886	\$5,280
Beneficiaries	567	678	705	678	NA
Cost per Beneficiary (\$)	\$7,713	\$7,162	\$6,859	\$7,206	NA

(b) Expenses include Residential Services and Transitional Housing Program.

Youth Housing Programs are comprised of the Youth Shelter, Quetzal House, Drop-In Center Respite, and Transitional Housing programs. To approximate relative expenses for these beneficiaries, costs for Residential Services and the Transitional Housing Program were used because these segments comprise the majority of related activities. Although the number of beneficiaries has increased slightly from 2010 to 2013, costs per beneficiary remained relatively flat.

Drop-In Center

	2010	2011	2012	2013	2014
Expense (\$000s)	\$770	\$805	\$718	\$752	\$706
Beneficiaries	851	809	792	897	NA
Cost per Beneficiary (\$)	\$905	\$995	\$906	\$838	NA

The BWC's Drop-In Center has maintained a consistent level of operations over the past few years with approximately the same number of beneficiaries and expenses.

Crisis Line Calls

	2010	2011	2012	2013	2014
Expense (\$000s) (c)	\$724	\$914	\$984	\$903	\$831
Beneficiaries	22,508	27,940	24,231	34,108	NA
Cost per Beneficiary (\$)	\$32	\$33	\$41	\$26	NA

(c) Expenses include total cost of Family Services.

BWC also discloses the number of crisis line calls that are answered annually through its Contact Cares program. Contact Cares is a part of Family Services, however they are not separated in the financial statements, so it is difficult to estimate an indicative cost per beneficiary. Regardless, Contact Cares answered 34,108 calls in 2013, a 41% year-over-year increase, with no significant increase in costs.

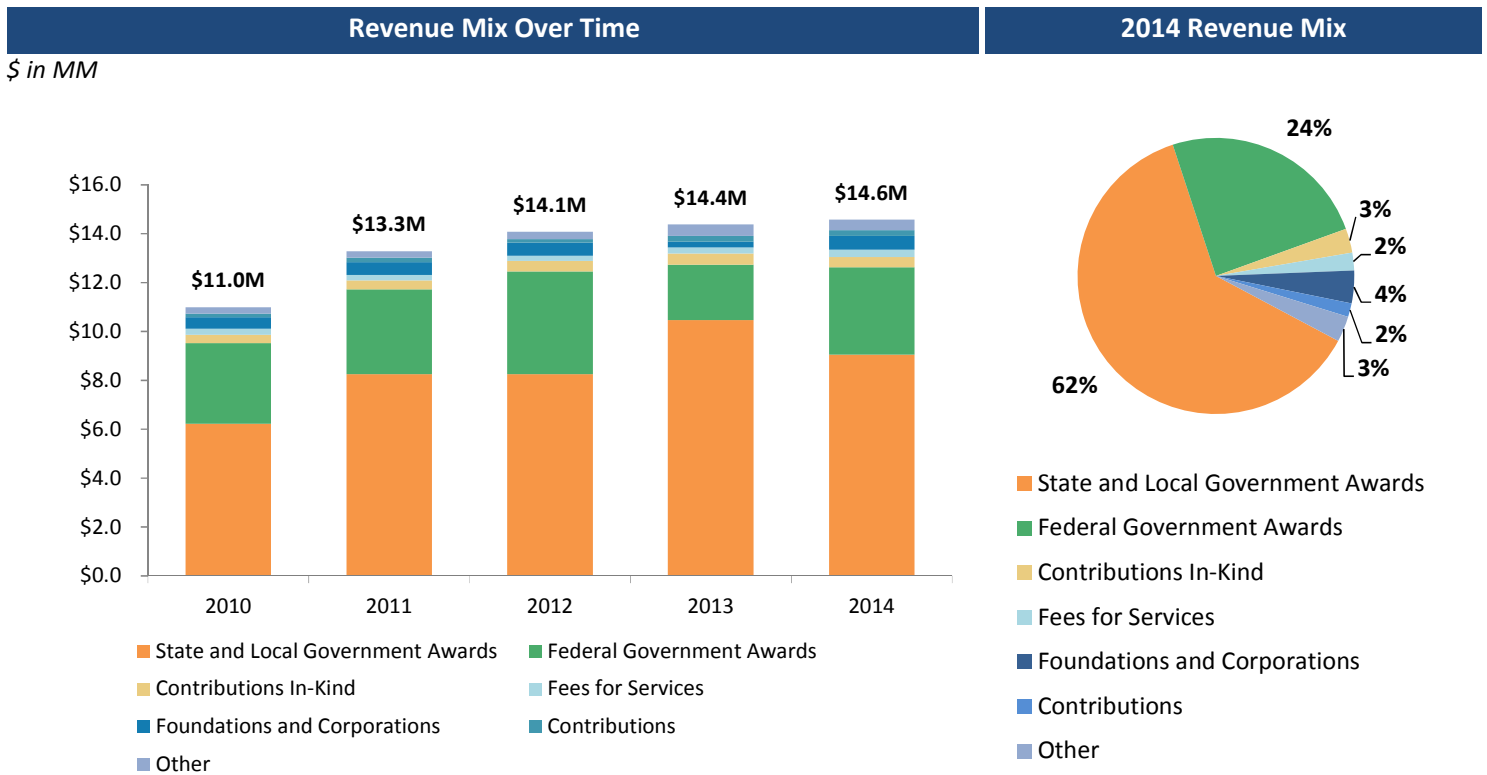
TRANSPARENCY

BWC exhibits a high level of reporting transparency relative to industry standards. The organization's annual reports, Form 990s, and fiscal year audits are readily accessible and up to date on its website. As previously mentioned, BWC also states the number annual beneficiaries from various activities in its annual report. However, these statements could be improved by providing context around each year's fluctuations in these figures.

Upon request, BWC's management team was receptive to answer any questions regarding the organization and its activities to the best of their ability.

FINANCIAL OVERVIEW

Revenues

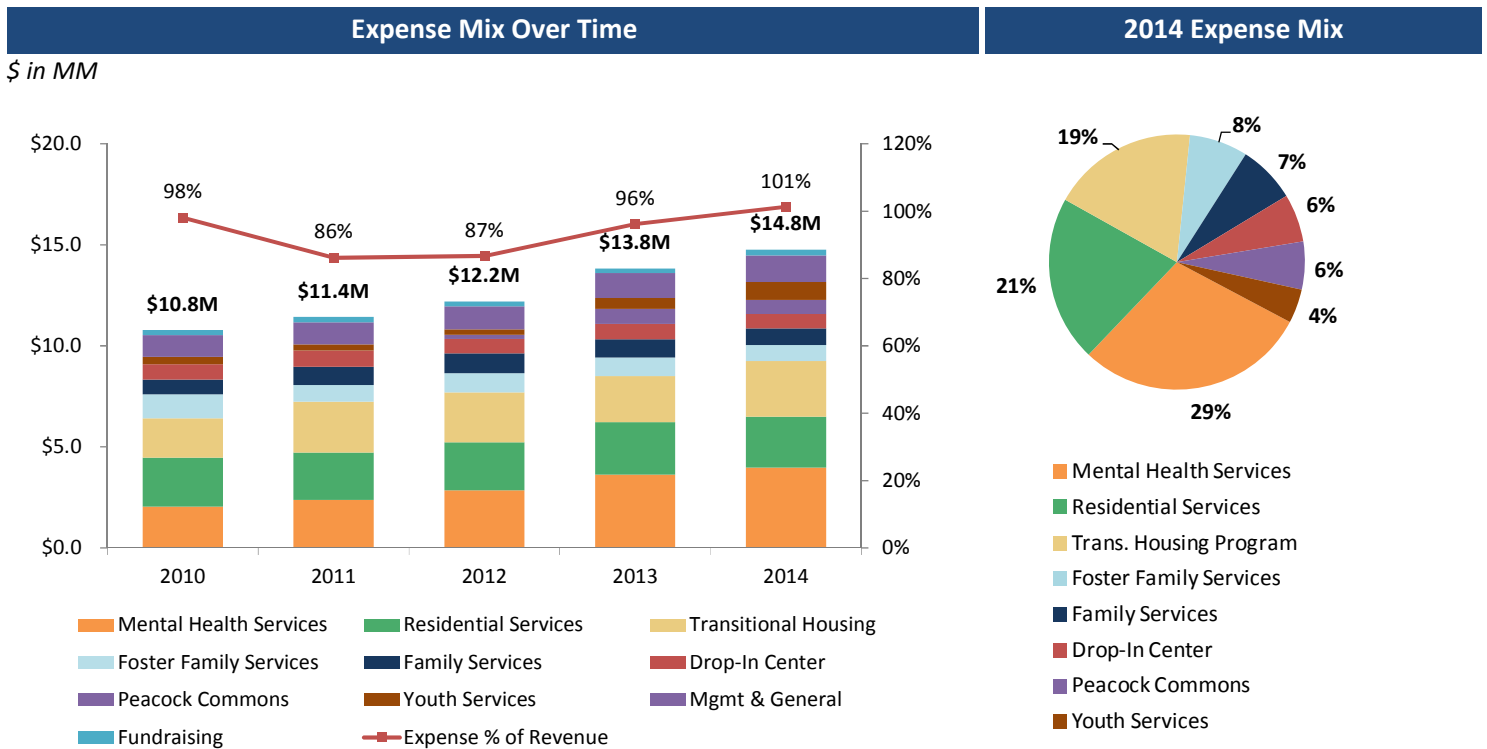


The BWC is predominately government funded, with 62% of revenues sourced from federal and state government awards in 2014. The organization receives many federal awards as multi-year contracts, which allows it to forecast its potential revenue stream. Generally, if contracts are renewable annually, as is the case with most of BWC's government contracts, GAAP accounting allows for them to be recognized annually instead of on a lump-sum basis.

Fluctuations in contributions from foundations and corporations appear to be experienced in 2014, which is the result of lump-sum accounting treatment of one-time gifts in certain years.

The BWC also receives support in the form of contributions in-kind. These contributions are primarily in the form of volunteer hours from counseling interns seeking experience, in addition to food and other donated items.

Expenses



BWC's total expenses have increased steadily as the organization has expanded its operations. The organization experienced the largest increase in expenses from its Mental Health Services department (14% CAGR from 2010-2014) and Youth Services (20% CAGR from 2010-2014). BWC maintained a higher gross margin in 2011 and 2012 due to higher levels of Federal and State awards relative to steady costs in those years.

Fluctuations in expenses are highly dependent on legislation and how the organization is able to participate. In general, Mental Health Services, Foster Family Services, and the Transitional Housing Program are expected to grow steadily. Youth Residential Services are dependent on the needs of the county and city governments and where funding is allocated. According to BWC management, the organization is financially conservative and does not fund programs without fully securing funding.

Mental Health Services comprise the largest part of BWC's expenses and is funded by county grants. Due to the nature of its grants, the organization is required to break even on revenues from Mental Health Services. The increase in costs from Youth Services in the result of new programs initiated to prevent individuals from becoming repeat offenders.

The Peacock Commons is a 28-unit apartment complex that began operations in 2012 and became a significant cost component in 2013. The \$750K expense in 2013 represents a full year of operations and costs are not expected to rise significantly from this level.

BWC also regularly incurs professional fees under \$1M each year. The bulk of these fees are in the form of in-kind fees volunteered by counseling interns to the Family Services operations. In 2013 BWC also incurred \$289K in professional fees from psychiatric consultants.

Detailed Financial Statements (GAAP Basis)

Fiscal Year Ended June 30

	2010	2011	2012	2013	2014
Revenue and Expenses (\$ in 000s)					
Support:					
Contributions	\$144	\$180	\$153	\$235	\$233
Contributions In-Kind	356	378	433	445	412
Special Events, Net	144	86	115	123	107
Foundations and Corporations	465	530	529	240	557
United Way	68	60	61	9	6
Total Support	1,177	1,234	1,290	1,053	1,316
Revenue:					
Federal Government Awards	3,289	3,457	4,206	2,269	3,573
State and Local Government Awards	6,225	8,255	8,250	10,469	9,060
Investment Income	16	99	19	79	128
Fees for Services	245	220	211	249	302
Rental Income	--	--	40	229	188
Misc. and Other	41	11	57	32	9
Total Revenue	9,816	12,043	12,783	13,327	13,259
Total Support and Revenues	\$10,993	\$13,277	\$14,073	\$14,379	\$14,575
<i>% Growth</i>	<i>(1%)</i>	<i>21%</i>	<i>6%</i>	<i>2%</i>	<i>1%</i>
Expenses:					
Program Services	\$9,457	\$10,068	\$10,818	\$12,365	\$13,155
Management and General	1,079	1,096	1,144	1,240	1,328
Fundraising and Development	249	282	244	225	281
Total Expenses:	\$10,785	\$11,445	\$12,205	\$13,831	\$14,765
<i>% of Revenue</i>	<i>98%</i>	<i>86%</i>	<i>87%</i>	<i>96%</i>	<i>101%</i>
Expenses by Function (\$ in 000s)					
Salaries, Wages & Benefits	\$6,939	\$7,229	\$7,659	\$8,423	\$9,201
Occupancy	750	929	982	895	966
Professional Fees	633	681	671	788	893
Other Expenses (incl. D&A)	2,463	2,606	2,893	3,725	3,705
Total Expenses	\$10,785	\$11,445	\$12,205	\$13,831	\$14,765
Revenues less Expenses	\$208	\$1,832	\$1,867	\$548	(\$190)
Salaries, Wages & Benefits as a % of Expenses	64%	63%	63%	61%	62%
Occupancy as a % of Expenses	7%	8%	8%	6%	7%
Professional Fees as a % of Expenses	6%	6%	5%	6%	6%
Other Expenses (incl. D&A) as a % of Expenses	23%	23%	24%	27%	25%
KEY BALANCE SHEET INFORMATION (\$ in 000s)					
Cash and Cash Equivalents	\$948	\$998	\$830	\$1,112	\$1,037
Investments, Restricted Cash and Equivalents	511	759	775	1,235	1,384
Property and Equipment, Net	8,457	10,272	12,809	13,123	13,656
Total Assets	11,841	13,984	16,631	18,058	18,706
Net Assets	9,130	10,962	12,829	13,377	13,188

Source: 2010, 2011, 2012, 2013, and 2014 Fiscal year audits.

Between 2010 and 2014, BWC received significant stock donations due to strong market conditions. BWC invests unrestricted donations in its long-term investment portfolio which is managed by professional investors. Restricted net assets are comprised primarily of government funding in which a predetermined amount is available for use annually.

KEY PERSONNEL BIOS

Sparky Harlan, Chief Executive Officer

Ms. Harlan has been the CEO of the Bill Wilson Center since 1983. Her expertise includes working with runaway and homeless youth, foster youth, and youth involved with the juvenile justice system. She holds a Masters in Nonprofit Management and is a nationally recognized leader in youth services, receiving the Executive Leadership Award of Excellence from the National Network for Youth and the Outstanding Agency Administrator Award from National Safe Place.

Greg Garrett, Chief Operating Officer

Mr. Garrett has led for-profit, non-profit and public sector organizations that provided multi-site clinic based primary care with integrated mental health and substance use counseling services to at-risk youth, seniors and underserved communities. He has operated HUD Permanent Supportive Housing and Rapid Rehousing residential programs for homeless individuals and families. He has directed complex community and economic development initiatives, managed approximately 1 million square feet of commercial and residential properties, and developed tax credit funded senior affordable housing projects.

David Lang, Chief Financial Officer

Mr. Lang has served as CFO of Bill Wilson Center since 2011. He previously served as President of the Board of Directors from 2004-2011. From 1991-2011, Mr. Lang held various accounting and finance roles at Trimble Navigation.

OTHER THIRD PARTY RATINGS

- GreatNonprofits. One volunteer has rated Bill Wilson Center 5 out of 5 stars, citing an enriching volunteer experience and friendly staff.
- GuideStar. Bill Willson Center is a GuideStar Exchange Gold participant based on the amount of information submitted to Guidestar.

Bill Wilson Center is not currently covered by Charity Navigator, Philanthropedia or GiveWell

GET INVOLVED

- **Donate Online**
 - Make an online donation http://www.billwilsoncenter.org/ways_to_give/online-donation.html
- **Donate by Phone**
 - Call (408) 850-6129 to make a credit card donation.
- **Donate by Mail**
 - Bill Wilson Center, 3490 The Alameda, Santa Clara, CA 95050 (only checks accepted)
- **Become a Foster Parent**
 - Contact BWC's Foster Care Coordinator at (408) 278-4915 or inquiries@billwilsoncenter.org with any questions or to arrange a no-obligation informational meeting
http://www.billwilsoncenter.org/action/foster_care_info.html
- **Volunteer for Bill Wilson Center**
 - Volunteer as a telephone counselor, case aide, or various other opportunities
<http://www.billwilsoncenter.org/action/index.html>

- **Join the Annual Holiday Giving Program**
 - Bill Wilson Center Adopt-A-Family Holiday Giving Program
http://www.billwilsoncenter.org/ways_to_give/adoptafamily.html
- **Donate to Help Foster Youth**
 - The Volunteer Case Aide Program connects children in foster care to caring adult volunteers who can help them with a variety of daily needs such as tutoring, mentoring and supervised visitations
www.billwilsoncenter.org/file_download/1343e72a-bc0e-46fe-a5a7-0918737e71a5
- **Shop Online at iGive.com**
 - By shopping through iGive.com every purchase you make will benefit Bill Wilson Center
www.iGive.com
- **Donate Your Used Vehicle**
 - Donate For Charity arranges a free vehicle pickup, handles all the DMV requirements, sells the vehicle at auction, and distributes the net proceeds to Bill Wilson Center
 - Call Donate For Charity toll-free at (866) 392-4483 or donate online at www.donateforcharity.com
- **Give Through Your Will or Other Estate Planning Method**
 - Visit www.leavealegacy.org or call (408) 850-6129
- **Bill Wilson Center Venture Fund**
 - A special fund designed to support new programs
www.bwcvf.org

DISCLOSURES

James Peng certifies that he does not have any affiliation with Bill Wilson Center and has never made a donation to the organization. Additionally, James Peng has not supported directly competing organizations in a greater capacity than a nominal donation. NPI analysts and NPI as an organization do not receive any form of compensation from reviewed charities.

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