A MESSAGE FROM THE PRESIDENT

1995

... another great year for NIAC.

Our membership during the year grew to 1,323 with 311 new members joining us and 1,012 of our members renewing with us. Our gross written premium for the year of $9,342,824 represents an increase of ten percent over 1994.

NIAC’s net income for the year was $572,292 and we increased our members’ equity during the year by $1,163,304. We have achieved this success while not increasing rates for six years. In real terms, this is equivalent to a price decrease of approximately 16 percent. Nonprofits’ better-than-average claims experience and our continuing efforts to keep overhead low have enabled us to achieve these favorable results without raising rates.

Because NIAC is owned by its 501(c)(3) nonprofit members, all of NIAC’s net income and the savings enjoyed by our members benefit the nonprofit community. In addition to enjoying these savings, NIAC members obtain broad coverages tailored to their specific needs, and service which we have been told is the “best in the industry.”

Few of NIAC’s members return to commercial insurance carriers. But when one does, our underwriters often make file notes such as, “They’ll be back when their new insurer learns more about their operations and raises the price,” or “They need a lot of additional insured endorsements; they’ll be back for our service.” It is gratifying that former members often return, usually for our stable prices and reliable service. We know that unexpected price increases for insurance and an insurer’s failure to comply in a timely manner with the paperwork requirements of funders can wreak havoc on nonprofits’ abilities to fulfill their missions. We take pride in making the insurance buying process as hassle-free as possible.

As pleased and enthusiastic as we are about NIAC’s financial success this year, it is what is behind the numbers that motivates us. In 1987, I testified before the California Assembly regarding the unconscionable insurance prices being charged nonprofits. My instincts that prices were too high did not impress the legislature. The only ones presumed to have accurate data were commercial insurers who stood by their high prices.

In 1989, NIAC began by charging rates that were 25 percent below industry advisory rates. Since 1989, NIAC’s rates have declined another 16 percent in real terms. In addition to keeping prices down for liability coverages, this year NIAC created two new programs. These include a property program through Genesis Insurance Company (Best’s A++), which is serviced exclusively by NIAC staff, and a group workers’ compensation program through TheZenith Insurance Company (Best’s A+).

With all of the financial uncertainty facing nonprofits today, we at NIAC are extremely pleased to be able to provide stability and security in an area that was once unpredictable, even chaotic. We look forward to bringing many additional benefits to California nonprofits over the coming years.

Pamela Davis, President/CEO
The Board of Directors is pleased to report that 1995 proved to be an exceptional year for your company. We began 1995 with a solid track record of consistent membership growth and financial strength. While it is easy to focus on the growth in number of members or net income earned, it is necessary to emphasize the factors which are less tangible, but no less important. We have developed a strong organization to serve our members, both current and future, with a diverse product line at affordable prices. We believe our investment in staff education and service delivery systems will enable us to maintain our strong financial condition and reputation for great service as we continue our steady growth. Our collaboration with our members to reduce claims through loss control is critical to keeping costs low.

Our work to achieve federal tax-exempt status for NIAC continues. The legislation to clarify the law governing NIAC’s tax status, H.R. 1299, has strong congressional support. During 1995, the high-profile budget debate prevented the development of a miscellaneous tax bill on which H.R. 1299 could have been included. We will continue to report on our efforts to achieve the appropriate tax-status for NIAC.

We enter 1996 a financially strong company with a dedicated staff to serve nonprofit organizations in California. We appreciate the confidence you have placed in us.

Jess Gutierrez
Citation Insurance Group

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1995 PREMIUM BY LINE

Total $9,342,824
BACK ROW FROM LEFT:
Todd Connor, Steven Moody,
Jim Westbrook, Joseph Morton,
Michael Pramuk, Betty Johnson

SECOND ROW FROM LEFT:
Kim Christensen, Paul Roman,
Randy Gorman, Bill Chappelear

THIRD ROW FROM LEFT:
Kathleen Morgan-Martinez,
Carla Cramblett, Sean Kelly,
Renel Ralston

FOURTH ROW FROM LEFT:
Donna Drabek, Sharon Felice,
Dottie Lechtenberg

FIFTH ROW FROM LEFT:
Claudia Weeks, Lisa Edelman,
Michele Thomas

NOT PICTURED:
Sue Reimuller
A Nonprofit Solution

Considered risky, even radical, when the idea was introduced in 1987, NIAC's mission is really quite simple.

It is to serve 501(c)(3) tax-exempt nonprofit organizations in California by providing a stable source of reasonably priced liability insurance coverages tailored to the specialized needs of the nonprofit sector, and to assist these organizations to develop and implement successful loss control and risk management programs.

That is the mission adopted in 1988 and it remains the same today. NIAC is a liability insurance pool, owned and governed by its more than 1,300 member-insureds which are 501(c)(3) tax-exempt California nonprofit corporations. Together we pool more than $9,000,000 in annual premiums and provide one or more of the following coverages to each member-insured:

- Commercial General Liability
- Miscellaneous Professional Liability
- Improper Sexual Conduct Liability
- Auto Liability
- Auto Physical Damage
- Non-owned/Hired Auto Liability
- Liquor Liability
- Employee Benefits Liability
- Directors and Officers Liability
- Umbrella Liability

Effective January 1996, liability claims in excess of $100,000 for defense and indemnity are covered by the terms of reinsurance treaties with two of the country's largest reinsurers, General Reinsurance (Best's A++) and Swiss Re America (Best's A). NIAC also has a treaty with another premier reinsurer, American Re-Re-Insurance (Best's A+) for claims which apply to a member's umbrella policy.

Through group arrangements, NIAC members can also access the following coverages:

- Commercial Property
- Fidelity
- Workers' Compensation
- Student/Volunteer Accident
- Foster Parent Liability

NIAC requires each member to use the services of a licensed insurance broker or agent. Brokers and agents advise members regarding appropriate coverages and limits and assist members with loss control needs. NIAC pays a commission to brokers and agents which is included in the price of the premium paid by members.

Having broad coverages which meet the needs of our members is only the beginning. We also know that the manner in which claims are handled can have a significant impact on the size of a settlement and our members' satisfaction with their insurance coverage. We use the services of a contract claims adjuster, but NIAC makes the final settlement decision on all claims in excess of $2,000. We believe that early, careful investigation of all claims, no matter how minor, helps us to fairly evaluate the potential for liability and damages. We avoid needless legal wrangling when liability is clear and the settlement demand is reasonable. However, we strongly resist paying frivolous or inflated claims.

We work to help our members reduce avoidable accidents and expect our members to implement effective loss control programs. To assist our members with these efforts, we provide the following resources on a free or highly subsidized basis:

- Video Lending Library
- Driver Training Workshops
- Newsletters
- Loss Control Booklets
- Workshops on Topics of Interest

NIAC staff makes about 400 visits per year to our members and their brokers. These visits enable us to get to know our members better and to learn their concerns and loss control needs. Many helpful ideas have reached us through these visits.

The profiles on the following pages give an idea of our members' considerable accomplishments.
The San Francisco Shakespeare Festival was created in 1982 to give the gift of Shakespeare to the Bay Area. After fourteen successful years of providing free Shakespearean theater, companion Festivals have been created in San Jose and Oakland.

A NIAC member since 1993, The Festival is the largest provider of arts education to schools in California. The Festival visits over 400 schools a year, exposing over 250,000 children to the unique experience of free Shakespearean theater.

Midnight Shakespeare, a youth program created to teach at-risk youth the beauty of Shakespeare, is one of the Festival’s more unique means in which to educate children.

Prior to becoming a NIAC member, the Festival had a difficult time obtaining affordable insurance. Their prior carrier did not clearly understand the Festival’s operations or unique needs, and the Festival suffered with higher prices every renewal. “We are proud to be associated with NIAC, and look forward to many more years of stable coverage,” stated Bobby Winston, President of the Festival.

“‘There’s no way I’d be where I am today if I hadn’t gone through the program. At CII, there are people who care, who you can trust, who can help you through the crisis. CII gave me a lot of support to get my life in order, to learn again.’ Darlene, a successful participant in CII’s New Beginnings Program

Dedicated to the goal of family preservation, Children’s Institute International (CII) was founded over 84 years ago as the Big Sister League. Located in Los Angeles, CII fights child abuse and neglect on many fronts. By involving entire families and attending to the causes as well as the effects of child abuse, CII improves children’s lives and helps break the terrible cycle of pain passed on from generation to generation.

Now serving over 4,900 children and adults annually, CII has developed a comprehensive spectrum of services for at-risk infants, children, and their families. Services include a 24-hour emergency shelter and assessment, foster family care, therapeutic day care, individual and family counseling, parent education, and in-home family preservation services. CII has been a NIAC member since 1993.
Victor Treatment Centers provide many services to children that have serious emotional difficulties and have been resistant to other treatment interventions. Operating residential treatment facilities throughout California, Victor provides a stable, structured, and nurturing atmosphere for over 200 children and teens. Their programs allow the child to grow and succeed while feeling protected and valued as a member of a caring environment.

A NIAC member since 1992, Victor joined NIAC at the suggestion of their insurance broker, Griffiths Insurance. According to Leticia Rozar at Victor, “Our claims are always processed in a professional and efficient manner by NIAC. I spend a lot of time dealing with our assigned adjuster. In addition to being friendly and proficient, the adjuster is knowledgeable, and is on top of every claim without delay.”

Women Escaping a Violent Environment (WEAVE) was established in 1978 in Sacramento and is now a nationally recognized domestic violence and rape crisis intervention center. The goals of WEAVE are to reduce victim trauma, to promote recovery and to decrease the incidence of domestic violence and sexual assault in their community.

They accomplish these goals through a myriad of services including a 24-hour crisis line, rape crisis and sexual assault services, community education, family violence counseling, legal advocacy and family violence shelter services.

WEAVE has been a NIAC member since 1994. When asked why they became a NIAC member, Gail Jones, WEAVE’s Executive Director said, “We had heard of NIAC as a credible insurer that assists nonprofits. The price they quoted was competitive, and our broker spoke highly of NIAC’s service. All three have proven to be true.”
The ARC of Santa Maria Valley, dba Vocational Training Center, serves over 300 adults with various developmental disabilities. The Center specializes in site based and community based job skill training and independent living skill training. They offer many services to the Santa Maria Valley, including lawn and garden care, janitorial services, catering, and recycling operations. Having served the Santa Maria Valley for over 30 years, the Center is one of the ten largest private employers in Santa Maria.

The Vocational Training Center has been a NIAC member since 1992. According to Kirk Spry, VTC's Chief Executive Officer, "Many insurance companies did not understand our unique circumstances and needs. NIAC took the time to learn about us and understands our needs. I appreciate the timely service, stable renewal pricing, and concern for members shown by NIAC staff."

Located in the coastal wilderness of Marin, Headlands Center for the Arts is a laboratory for the development of new work and a place for the exchange of ideas across cultures and professional disciplines.

Incorporated in 1982, the Center's mission is to investigate the relationship between human and natural systems through the arts. The main program offered is the Artist-in-Residence program. Approximately 30 artists from the United States and around the world stay at the Center for up to 11 months in an environment that enhances their ability to experiment, reflect and grow. Disciplines include visual arts, dance, literature, music and performance. By creating opportunities for artists to interact across traditional boundaries, Headlands works to introduce artists and audiences to new creative processes, and to broaden the range of possibilities for art's function in our society.

A NIAC member since 1990, The Headlands Center for the Arts appreciates the stable renewal pricing offered by NIAC. They have been rewarded for their loss free claims history over the last five years with substantial savings.
1995 NIAC MEMBERS

The profiles on the prior pages give only a glimpse of the diversity of needs our members meet in their communities. Our more than 1,300 members are located in every major city and nearly every county across the state.

Their services range from finding ways to stop gang violence to rousing spirits through the production of ballets and plays. They serve millions of meals to disabled seniors and shelter thousands among us. Many of our members operate on tiny budgets with volunteers as their only staff. Even those with budgets that are giant by comparison, seem always needing to do more with less.

The statistical composition of our members is illustrated in the pie chart below. The descriptive names of our member organizations listed on the following pages tell so much more. We invite you to take a few minutes to review them.

- Philanthropy, Volunteersism, Grantmaking: 6%
- Human Service, Community Improvement: 30%
- Mental Health, Developmental Disabilities, Health Related: 20%
- Shelter, Nutrition, Jobs: 12%
- Other: 13%
- Arts, Education: 19%
1995 NIAC MEMBERS

ALAMEDA COUNTY
100 Black Men of the Bay Area
AID Employment
ARC Associates
Aim to Please
Alameda Emergency Food Bank
All Ah We
Allied Fellowship Service
* Alzheimer's Services of the East Bay
American Indian Child Resource Center
American Indian Lawyer Training Program
* Ann Martin Children's Center
* Bay Area Black Consortium for Quality Health Care
Bay Area Friends of Tibet
Bay Area Kinder Stube
Bay Area Urban League
* Bay Area Women Against Rape
Berkeley Architectural Heritage Association
Berkeley Women's Health Center
Bonita House
* Bridge to Asia Foundation
Buddhist Peace Fellowship
* California Family Action
California Institute for Clinical Social Work
California Oak Foundation
* California Working Group
Canaan Place
* Castro Valley Boys and Girls Clubs
Cazadero Performing Arts Camp
Centro Legal de la Raza
Child Abuse Prevention Agency (CAPA)
* Child Assault Prevention Training Center of California
Children Now
* Classical Philharmonic of Northern California
Computer Using Educators
Donald P. McCullum Youth Court
Drug Abatement Institute
Earth Connection
East Bay Counseling & Referral Agency for the Deaf
East Bay Depot for Creative Reuse
East Bay Intergroup
East Bay League of Urban Gardeners
East Oakland Youth Development Center
Eden Youth Center
Emeryville Community Action Program
* Family Builders By Adoption
Family Emergency Shelter Coalition (FESCO)
Federation of Indian Association of Northern California
* Filipinos for Affirmative Action Foundation for Cardiac Research
Fred Finch Youth Center
* Girls, Inc. of Alameda County
Gold Key Club
HOPE Housing Development Corporation
Habitot Children's Museum
Help Another Toward Creative Happiness (HATCH)
Hispanics in Philanthropy
* Horizon Services
* I-Pride
* Institute For Food and Development Policy
* Interface Institute
International Rivers Network
Japan Pacific Resource Network
* Jesuit Volunteer Corps
Kaleidoscope Activity Center
Korean Community Center of the East Bay
League of Volunteers of Newark
* Learning Disabilities Association of California
Mary Ann Wright Foundation Outreach Mission
Narika
* Northern California Chapter of the National Hemophilia Foundation
Nurses in Action
* Oakland Community Fund
Oakland Youth Chorus
* Organized People of Elmhurst Neighborhood (OPEN)
Over 21
Parental Stress Service
Passport to American Studies
* PAX House
Project Volunteer
R & L Children's Home
Reach Out and Touch A Youth
Rubicon Children's Center
Rural Urban Dynamics
San Francisco Early Music Society
* Seneca Residential and Day Treatment Center
Society for the Preservation of Carter Railroad
Society of Vertebrate Paleontology Berkeley Chapter
* Stiles Hall
Third Age
University of California Berkeley Foundation
VOCA Women's Chamber Chorus of San Francisco
Volunteers of America, Bay Area
Walden Center Elementary School
Women Organized to Respond to Life (WORLD)
* Women's Alliance
* Women's Economic Agenda Project

AMADOR COUNTY
* ARC of Amador and Calaveras

BUTTE COUNTY
* Alzheimer's Association, Greater North Valley Chapter
Butte County Children's World
Chico Museum Association
Community Living Centers
Grizley Guardian
Help 4 People
Independent Living Services of Northern California
North Valley Schools
Northern California Youth & Family Programs
Paradise Scholarship Foundation
* Paradise Strive Center
* Peg Taylor Center for Adult Day Health Care
Private Industry Council
Ridge Area Coalition of Senior Citizens
St. Vincent De Paul Society
U.S. Catholic Conference
United Way of Butte and Glenn Counties
Valley Oak Children's Services
Victor Residential Center
Work Training Center
Youth for Change
Yuba Feather Communities Services

CALAVERAS COUNTY
Humane Society of Calaveras County
Volunteer Center of Calaveras County

CONTRA COSTA COUNTY
Association of Housing Management Agents
Bay Area Network of Gay and Lesbian Educators

* denotes NIAC member for five or more years
1995 NIAC MEMBERS

CONTRA COSTA COUNTY (Cont.)
* Cambridge Community Center
  Center for Applied Local Research
  Center for New Americans
* Contra Costa Alternative School
* Danville Girls Chorus
  Delta Adult Day Care Program
  East Bay Center for the Performing Arts
  East Bay Consortium for Elder Abuse Prevention
* East Bay Services to the Developmentally Disabled
* East County Community Detox Center
  Friendship Foundation
  Genard AIDS Foundation
  Guardian Adult Health Centers of California
  House of Champions Group Home
* Independent Adoption Center
  Los Cenizontes Mexican Arts Center
* Mt. Diablo Interpretive Association
  Neighborhood House of North Richmond
  Ombudsman Services of Contra Costa County
  Pinole Area Senior Foundation
  Protect the Children Resource Center
SHELTER
Springs Academy
United Council of Spanish Speaking Organizations
Women's Therapy Center

DEL NORTE COUNTY
Redwood Cove Community Center
* Rural Human Services
  Wild Feline Rescue

EL DORADO COUNTY
Delora Corporation
* El Dorado Arts Council

* El Dorado National Forest Interpretive Association
  El Dorado Women's Information Center
  Oak Ridge High School Sports Booster Club
* Sierra Recovery Center
* Tahoe Turning Point
  Volunteer Center of El Dorado County

FRESNO COUNTY
  Alcoholism & Drug Abuse Council of Fresno County
  *Alpha House
  Arte Americas, The Mexican Art Center
  *Associated Center for Therapy (CSATT)
  Big Brothers/Big Sisters of Fresno County
  Central San Joaquin Valley HIV Care Foundation
  *Central Valley AIDS Team
  Centro La Familia De Fresno
  Entrepreneurial Training Centers
  Epilepsy Foundation of Central California
  Evangel Home
  Fair Housing Council of Fresno County
  *Fresno Adult Literacy Council
  Fresno Metropolitan Ministry
  Fresno Rescue Mission
  Fresno Unity Group Homes
  Fresno Youth Advocates
  Friendship Center for the Blind
  Harry Pinajian Memorial Fund
  Hmong Council
  House of Hope for Youth, San Joaquin Valley
  Jewish Welfare Federation of Fresno
  OSA Women's Center
  Rape Counseling Service of Fresno
  *University Religious Center
  Valley Advocacy & Communications Center
  Valley Caregiver Resource Center

GLENN COUNTY
  Glenn County Seniors Centers

HUMBOLDT COUNTY
  Arcata McKinleyville Children's Center
  *Dell Arte
  Friends of the Arcata Marsh
  Hight Community Service
  Humboldt Bay Housing Corporation
  *Humboldt Connections
  Humboldt Family Service Center
  Humboldt Redwoods Interpretive Association
  Institute for Wildlife Studies
  Mitchell-Redner Centers
  North Coast Big Brothers/Big Sisters
  *North Coast Rape Crisis Team
  North Coast Redwood Interpretive Association
  Pacific Art Center & Vagabond Players
  Pacific Dunes High School
  Redwood Coast Dixieland Jazz Festival
  Suneg Patrick's Point Lagoons Interpretive Association
  United Way of Humboldt
  Humboldt Botanical Gardens Foundation

INYO COUNTY
* Inyo Council for the Arts
* Ombudsman/Advocacy Services of Inyo/Mono County

KERN COUNTY
  Arthritis Association of Kern County
  Bethany Services
  * Cat People
  Community Medical Education & Research Foundation
  High Desert Child Abuse Prevention Council
  Kern Bridges Youth Homes
  Kern County Hispanic Commission on Alcohol & Drug Abuse
  Kern County Mental Health Association
  National Association for People with Disabilities
  Redrock Canyon Interpretive Association
* Rosamond Senior Citizens
  United Way of Indian Wells Valley Youth Connection

KINGS COUNTY
  Cornerstone Community Alcohol/Drug Recovery
* Kings Community Action Organization
  Lemore Christian Aid
* Lemore Senior Citizens
  United Way of Kings County

LAKE COUNTY
* Anderson Marsh Interpretive Association
  Clear Lake Gleaners
  Highlands Senior Service Center
  Lake County Arts Council
* Lake County Big Brothers & Sisters
* Live Oak Seniors
  Lucerne Alpine Senior Center

LASSEN COUNTY
Spare A Dime

LOS ANGELES COUNTY
* ABC Child Development
  ALS Association
  Activities for Retarded Children
  African Community Resource Center
  Aid for AIDS
  Akila Concepts

* denotes NIAC member for five or more years

NONPROFITS' INSURANCE ALLIANCE OF CALIFORNIA / 1995 ANNUAL REPORT
1995 NIAC MEMBERS

LOS ANGELES COUNTY (Cont.)
Al Wooten, Jr. Heritage Center
Ala Nest
Antelope Valley Council on Alcoholism
Antelope Valley High School Cheerleader Booster Club
Apollo West Theatre Drama and Workshop
Aresis Ensemble
Arroyo Arts Collective
Asian Pacific Health Care Venture
Awareness Foundation
*Beacon House Association of San Pedro
Believe in Yourself
Beverly Hills Theatre Guild
*Boys & Girls Club of Harbor City
Build Rehabilitation Industries
CHP 11-99 Foundation
*CLARE Foundation
California Congress of Parents, Teachers (PTA)
California Foundation on Employment & Disability
*Cantori Domino
Catrina Youth Arts Exchange
Catholic Big Brothers
Central San Fernando Valley Alliance
Children’s Benefit League
Children’s Cancer Research Fund
Children’s Institute International
Coalition of Mental Health Professionals
College Marketplace
Community Coalition for Substance Abuse
Community Development Center
Community Outreach Center of Pasadena
Community Youth Gang Services Corporation
CRI-help
Delta Sigma Theta Life Development

Didi Hirsch Community Health Clinic
*Do It Now Foundation of Southern California
Dominguez Family Shelter
Door of Hope
Dramatic Results
Drew Child Development Corporation
Earth Communications Office (ECO)
East Los Angeles Rape Hot Line
East Los Angeles Sheriffs’ Youth Athletic League
*Eco-Home Network
*Ecumenical Council of the Pasadena Area Churches
*El Rescate, El Rescate Legal Services & El Refugio
Family Hope
Fiesta Educativa
Filipino American Service Group
Foothill Area Community Services
Foothill Friends of Music
Foothill Unity Center
Foster Youth Connection of Los Angeles County
Fred Brown’s Recovery Services
Friends of McGroarty Cultural Arts Center
Friends of Robinson Gardens
Friends of the Antelope Valley Indian Museum
Futuro Infantil Hispano Foster Family Agency
Grandview Foundation
Grant Beckstrand Cancer Foundation
*Great Leap
Hadassah, Orange County/Long Beach
*Hancock Park Elementary School Booster Club
*Harbor Area Gang Alternative Program
*Harbor Gateway Center
Haven Hills
Heads-Up
Health Promotion Institute
Hemophilia Foundation of Southern California
Henderson Community Center
Hijos Sheltering Arms
Homestead Hospice and Shelter
Hope House for the Multiple Handicapped
IRAIDA Foundation
Impact Drug & Alcohol Treatment
Inglewood Neighborhood Housing Services
Inner Circle Foster Family Agency
International Gay & Lesbian Archives
Japanese Community Health
Jay Cee Dee Children’s Home
Jefferson Center for Character Education
*June L. Mazur Lesbian Collection
KHEIR Center
Keep Youth Doing Something (KYDS)
Kenny Nickelson Memorial Foundation
L.A. Coalition to End Homelessness
L.A. Family Housing Corp.
L.A. Tenth District PTA Congress of Parents, Teachers
*La Puente Valley Food Pantry
Legacy
Little Landers Historical Society
*Little Tokyo Service Center
*Los Angeles Baroque Orchestra
Los Angeles Chamber Singers
Los Angeles Classical Ballet
Los Angeles Municipal Art Gallery Associates
*Los Angeles Orphans Home Society
Los Angeles Women’s Foundation
Maritime Frosting Center of Educational Therapy
Marina del Rey Anglers

Mothers Club Community Center
Multicultural Service Center
National Council On Alcoholism & Drug Dependency
Neighborhood Youth Association
Neumon Group Homes
New Directions
New Way Foundation
Ninos Latinos Unidos
North Hollywood Group
OPICA Adult Day Care Center
*Ocean Park Community Center
Pacific Ackworth Friends School
*Pacific Resident Theatre Ensemble
Parenting Institute
Pasadena Children’s Training Society
Peace and Joy Center
Pediatric Projects
Peninsula Committee for the Los Angeles Philharmonic
Peregrinos De Emaus
Pets Are Wonderful Support (PAWS)
Planet Hope
Pomona Valley Community Services
Pomona Valley Youth Employment
Pomona-Inland Valley Council of Churches
Proyecto Esperanza
Pueblo Y Salud
Purple Heart Veterans Rehabilitation Services
Reason Foundation
Roscomare Road Booster Club
Rosemary Cottage
Salsido Recovery Center
*San Gabriel Valley Alliance for the Mentally Ill
Santa Clarita Valley Boys and Girls Club
Santa Maria House

* denotes NIAC member for five or more years
## 1995 NIAC Members

### Los Angeles County (Cont.)
- Santa Monica Bay Area Drug Abuse
- Santa Monica Symphony Association
- Seeking It Through Exhibitions (SITE)
- Sequoyah Educational Center
- Services Center for Independent Living
- Shalhevet High School
- Society for Calligraphy
- Society of Saint Vincent de Paul
- Sonshine Youth Services
- South Bay Coalition
- South Bay Conservatory
- South Central Food Distributors
- Southern California Veterans Service Council
- Southern California Association for Non-Profit Housing
- Southern California Ecumenical Council
- Southern California Foster Family Agency
- Southern California Rehabilitation Services
- Southern California Women for Understanding
- St. Francis House
- Substance Abuse Foundation of Long Beach
- Teen Crisis Intervention
- Therapeutic Living Centers for the Blind
- Tomorrow's Entrepreneurs Today
- Tree Musketeers
- U.P.
- United Irish Societies of Southern California
- United Latino Fund
- Urban Health Care Project
- Valley Home for Women
- Verdugo Hills Alanon Club
- Verdugo Woodlands Dads Club
- Victory Foundation
- Volunteers of America of Los Angeles
- Watts Health Foundation/United Health Plan
- Welfare Action
- West Antelope Valley Educational Foundation
- West Pasadena Residents' Association
- Whittier Cultural Arts Foundation
- Women In Film
- Youth Intervention Program

### Madera County
- Alleluia

### Marin County
- A Broader Living Experience (ABLE)
- Alliance for the Mentally Ill-Marin
- American Decorative Arts Forum of Northern California
- American Sports Institute
- Amigos de las Americas, Marin Chapter
- Angel Island Association
- Bay Area Discovery Museum
- Bay Institute of San Francisco
- California Neuropsychology Services
- Cascade Canyon School
- Center Point
- Children's Garden of California
- Choral Singers of Marin
- Corte Madera Larkspur Schools Foundation
- Cultural Homestay International
- Dental Health Foundation
- Face the World Foundation
- Fairfax-San Anselmo Children's Center
- Faith Hope Counseling Services
- Family Service Agency of Marin County
- Fifth Business
- Four Winds West
- Garden School
- Headlands Center for the Arts
- Jenifer Altman Foundation
- Liss Fain Dance
- Marin Athletic Foundation
- Marin Child Abuse Council
- Marin Child Care Council
- Marin City Children's Program
- Marin Community Food Bank
- Marin Council of Agencies
- Marin Court Appointed Special Advocate Program
- Marin Education Fund
- Marin Housing Center
- Marin Services for Men
- Marin Services for Women
- Matrix
- Meals of Marin
- Mt. Tamalpais Interpretive Association
- National Society of Fund Raising Executives
- New Century Chamber Orchestra
- Northbay Childrens Center
- Northbay Ecumenical Homes
- Novato Human Needs Center
- Novato Youth Center
- Operation Give A Damn (OGAD)
- Parent Services Project
- Parents United
- Performing Stars of Marin
- Phillips-Morrison Institute of California
- Public Art Works
- Quality Care for Kids
- Ross Valley Community for Schools
- San Geronimo Valley Art Center
- Sausalito Salvage Shop
- Sparrow Creek School
- Summer Search Foundation
- Therapon Association for the Developmentally Disabled
- Volunteer Center of Marin County
- WILDCARE: Terwilliger Nature Education & Wildlife Rehabilitation

### Marioposa County
- Almost Like Home
- Mariposa County Fish & Game Protective Association
- Mariposa Golden Agers
- Mountain Crisis Services
- SPCA of Mariposa County

### Mendocino County
- Arena Renaissance Company
- Disabled In Action League
- Ford Street Project
- Gualala Community Center
- Mariposa School
- Mendocino Coast Botanical Gardens Preservation
- Mendocino County Public Broadcasting
- KZYX Radio
- Project Sanctuary
- Willits Community Theatre

### Merced County
- A Woman's Place of Merced County
- Challenged Family Resource Center

### Modoc County
- Alturas Community Theater
- Modoc Child Care Council
- Resources for Indian Student Education
- TEACH

* denotes NIAC member for five or more years
MONTEREY COUNTY
* Alma School Foundation
* Alzheimer's Association, Monterey County Chapter
American School of Puerto Vallarta Foundation
Blind & Vision Impaired Center of Monterey County
Business & Education Alliance of the Monterey Peninsula
Central Coast Center for Independent Living
Central Coast Lighthouse Keepers
Community Human Services Dixieland Monterey
* Door to Hope
FOOD Crops
Forest Theatre Guild
* Frank H. & Eva B. Buck Foundation
* Friends of Sunset Foundation
* Meals on Wheels of the Monterey Peninsula
Monterey Bay Girl Scout Council
Monterey Peninsula College Foundation
* Pacific Repertory Theatre
Peninsula Outreach Welcome House
* Second Chance Youth Program
Suicide Prevention Center of Monterey County
Volunteer Center of California
Volunteer Center of Monterey County
* Youth Music Monterey

Network Consulting Services
Second Helping Thrift Shop
St. Helena Family Center
Trinity Education Center
"We Care" Animal Society

NEVADA COUNTY
Child Abuse Council of Western Nevada County
Common Ground Communities
Food Bank of Nevada County
Milhouse School
* Sierra Adoption Services

ORANGE COUNTY
Alliance for the Mentally Ill of Orange County
Alzheimer's Association of Orange County
Anaheim Community Foundation
Anaheim Independencia Community Center
Anaheim Interfaith Shelter
Asian American Senior Citizens Service Center
Assistance League of Newport-Mesa
Aurora Communities
Beyond Survival Counseling
* Blind Children's Learning Center
Boys & Girls Club of Buena Park
Boys Club of Laguna Beach
California Health Decisions
California Institute for Chinese Performing Arts
Cardiac Arrhythmias Research & Education Foundation
Casa Teresa
Central Orange County YWCA
Child or Parental Emergency Services (COPES)
Choral Conductors Guild
Concept 7
Cooper Fellowship
Costa Mesa Senior Citizens' Corporation
* Delvi Community Center
EFG Curriculum Collaborative
Equipping Today's Church
Fair Housing Council of Orange County
Gay and Lesbian Community Services Center of Orange County
Girls & Boys Club of Garden Grove
HOMES
* Human Options
Huntington Youth Shelter
Irvine Senior Foundation
Irvine Temporary Housing
Jewish Senior Center & Geriatric Services
Kids Cancer Connection
La Monte Academie
Laurel House
Leadership Tomorrow
Mary's Shelter
Orange County Association for Retarded Citizens
Orange County Bicycle Coalition
* Orange County Community Development Council
Parent, Teacher, Counselor Association
People for Irvine Community Health
Pilgrimage Family Therapy Center
Project Independence
SEE Center for the Advancement of Deaf Children
Saint Mary and All Angels School
Sally's Fund
Samadana
San Clemente Seniors
Shelter for the Homeless
South County Senior Services

Southern California Indian Center
Southwest Minority Economic Development Association
* Speech & Language Development Center
Toastmasters International
Trinity College of Graduate Studies
Triton Booster Club
United Family Services
United Way of Orange County
Vietnamese Community of Orange County
* Villa Center
* Volunteer Center of Greater Orange County
* Western Youth Services
YWCA of South Orange County

PLACER COUNTY
Alliance for the Mentally Ill of Placer County
Auburn Children's Psychological Clinic
Child Abuse Council of Placer County
North Lake Tahoe Historical Society
Placer Dispute Resolution Service
Placer Women's Center
* Roseville Community Health Foundation
Sierra Council on Alcoholism and Drug Dependence
Sierra Family Services
* Sierra Vista Center
* Squaw Valley Community of Writers

NAPA COUNTY
Community Health Clinic Ole
Friends of Lincoln Theater
Friends of the Napa River
Lifeworks

* denotes NIAC member for five or more years

PLUMAS COUNTY
Plumas Crisis Intervention Resource Center
RAINBOW Family Support & Resource Network
1995 NIAC MEMBERS

RIVERSIDE COUNTY
A.B.C. Recovery Center
Arrid Club
Banning Youth Center
CASA For Riverside County
Children of Parkinsonians
Coachella Valley Historical Society
Discipleship Training International
Double Check Retreat
Esperanza Youth and Family Center
Fair Housing Council of Riverside County
Friends of Jefferson House
Idyllwild HELP Center
Inland Empire Community Action Council
Lighthouse Prison Ministries
Living Free Animal Sanctuary
Mission of the Good Shepherd
National Parenting Institute
Prime of Life
Reynaldo J. Carreon M.D. Foundation
Riverside County Community Investment Corporation
* Riverside Medical Clinic Foundation
San Diego International Student House
* San Gorgonio Child Care Consortium
San Jacinto Valley School of the Arts
Senior & Disabled Citizens Coalition of Riverside
Senior Daycare Center/David Kahn Center
Shared Housing, A Riverside Experience
Shelter from the Storm
* Soroptimist House of Hope
Sun City Concern
T.A. Foundation
Teen Challenge of Southern California
Total Living Choices
* Valley Restart Shelter
Whiteside Manor

SACRAMENTO COUNTY
Alzheimer’s Association, Greater Sacramento Area
Associated Family Therapy for Effective Recovery
Better Life Children Services
Big Brothers/Big Sisters of Greater Sacramento
* California Coalition for Rural Housing Project (CCRHP)
* California Channel
California Child, Youth and Family Coalition
California Freedom House Fellowship
California Hispanic Commission on Alcohol & Drug Abuse
California Institute of Public Affairs
* California Native Plant Society
California Rehabilitation Association (CRA)
California State Student Association (CSSA)
Californians for Population Stabilization
Capitol Area Indian Resources
Children’s Research Institute of California Community Enterprises
Diogenes Youth Services
El Hogar Mental Health and Community Services
Elk Grove Historical Society
Families United
Family Service Agency of the Greater Sacramento Area
Happy Tails Pet Sanctuary
Head Trauma Support Project
Home At Last
Human Resources Consultants
Indian Dispute Resolution Services
* Interfaith Service Bureau
Jinan-Sacramento Sister City Corporation
Law Enforcement Chaplaincy
Lekotek Family Resource Center
Living in Familiar Environments (LIFE)
Mental Health Association, Sacramento Chapter
Michels Education Institute
National Foundation for the Treatment of Abused Children
National Visiting Teachers Association
Nepenthem Homes Foster Family Agency
New Horizons Counseling Center
Olive Glen Foundation
Omni Programs/Peers Against Substance Abuse
* One Shoe Crew
Options Group Homes
Positive Option Family Services
* River City Recovery Center
River Oak Center for Children
Sacramento Alliance for the Mentally Ill
Sacramento Area Emergency Housing
Sacramento Black Alcoholism Center
Sacramento Center for Assistive Technology
Sacramento Hearing Services Center
Sacramento Loaves & Fishes
Sacramento Museum of History, Science & Technology
Sacramento Occupational Advancement Resources
Serene Community Homes
Sierra Curtis Neighborhood Association
St. Francis Home for Children
St. John’s Shelter for Women & Children
Total Youth Homes
Training Toward Self-Reliance
Volunteers of America, Sacramento & Central Valley

SAN BENITO COUNTY
Baler Foundation
Chamberlain’s Children Center
Cuddly Critters
* Jovenes de Antano Del Condado de San Benito
San Benito County SPCA, Wildlife Rehabilitation
* San Benito Health Foundation

SAN BERNARDINO COUNTY
Al-Anon Inland Empire Service Center
* Christian Counseling Service
Crest Forest Community Services Council
Fair Housing Council of San Bernardino County
Fontana We Care
Inland Area Native American Association
Lytle Creek Senior Citizens Association
* Morongo Basin Adult Health Services Corporation
* Morongo Basin Mental Health Services Association
* New Testament Community Outreach
R-SB Harbinger Corporation
Rolling Start
San Bernardino National Forest Association
San Gorgonio Volunteer Association
* United Cancer Research Society
Vigor International Group Homes

Women Escaping a Violent Environment (WEAVE)
YWCA of Sacramento

* denotes NIAC member for five or more years
1995 NIAC MEMBERS

SAN DIEGO COUNTY
Alpha of San Diego
* Alzheimer’s Disease & Related Disorders Association
Angel Society of Fallbrook
Assistance League of Escondido Valley
At Your Home Services
Being Alive San Diego
* Big Brothers of San Diego County
Big Sister League
Black Economic Development Task Force
Borrego Springs Youth Center
California Black Health Network
California Rare Fruit Growers
California Southern Small Business Development Corporation
Che Cafe Collective
Children’s Education With Care
Christian Assisted Recovery Environments
City Heights Community Development Corporation
Clairmont Friendship Center
* Community Congress of San Diego
Copper Hill Living & Learning Center
Corrective Behavior Institute
Crisis House Corporation
ElderHelp of San Diego
Environmental Health Coalition
Escondido Historical Society
* Fallbrook Child Development Center
Fallbrook People to People
* Fallbrook Players
Family Intervention Parenting Program
First Financial Education Centre
For Parents’ & Kids’ Sake
Foundation for International Understanding
Fresh Start Surgical Gifts
Harry E. & Rachael M. Moeller Foundation
* Home Start
International Mutual Assistance Association of San Diego
J.W. Selton Foundation
Ken Jewish Community Center
Kids on the Block of San Diego
Lakeside Historical Society
Lynch Foundation for Children
Meeting Place
Mid City Christian Services
Mountain Empire Historical Society
Mountain Empire Men’s Club
National Network of Grant Makers
Normal Heights Community Development
Pacific Intercultural Exchange
Palomar Family Counseling Service
Partners, A UMC Mentoring Program
San Diego Catholic Worker
* San Diego Christian Servicemen’s Center
San Diego Youth Involvement
* San Diego Youth Symphony
San Pasqual Battlefield Volunteer Association
Sledgehammer Theatre
* Southern Regional Resource Center
Southwest Wetlands Interpretive Association
Veteran’s Memorial Center
Vietnam Veterans of San Diego
* Voices for Children
Wellness Community of San Diego
* Western Institute Foundation For Mental Health
YWCA of San Diego County

SAN FRANCISCO COUNTY
Academy of Friends
Alternative Family Services
American Society on Aging
American Theatre Ventures
Asian Pacific American Community Fund
* Audrey L. Smith Developmental Center
Bay Area Classic Learning
Bayview Opera House
Bernal Heights Housing Corporation
Better Health Foundation
Booker T. Washington Community Services Center
Breast Cancer Action
* California Court Appointed Special Advocate Association
California Environmental Trust
California Northern Coastal Area of Alcoholics Anonymous
California Supreme Court Historical Society
Cancer Support Community
Capp Street Project
Center for Critical Architecture
Chemical Awareness and Treatment Service
Committee for Ciudad de los Ninos de Salamanca
Committee to Restore the Opera House
Community Children’s Center
Community Design Center
Continuum HIV Day Services
Cultural Odyssey
Digital Queers
* Dolores Street Community Services
ETVC-Educational TV Channel
Emanuel Achievement Program
Episcopal Community Services of San Francisco

Family Link
* Filipino American Council of San Francisco
* Filipino Task Force on AIDS
* Florence Crittenton Services
Food Runners
Fresh Start Farms
Friends of Ethnic Arts
Friends of Scrap
* GAPA Community HIV Project
Global Exchange
Greenlining Institute
* Haight Ashbury Food Program
Health Initiatives for Youth
Hills Project
Holocaust Oral History Project
Housing Development And Neighborhood Preservation Corporation
Independent Housing Services
Institute for the Study of Somatic Education
* Instituto Pro Musica de California
International Gay & Lesbian Human Rights Commission
International AIDS Society-USA
International Development Exchange
* Kid’s Turn
Korean Community Service Center
La Casa de las Madres
Latino Issues Forum
* Lifeline Mission of San Francisco
MOVE
* Meals on Wheels of San Francisco
Mexican Cultural Center
Mexican Museum
Mid-Weeklies
Mission Cultural Center for Latino Arts
Museum of the City of San Francisco
Names Project Foundation

* denotes NIAC member for five or more years
1995 NIAC MEMBERS

SAN FRANCISCO COUNTY (Cont.)
National Council on Crime & Delinquency
National Federation for Community Broadcasters
National Sanctuary Defense Fund
*National Task Force on AIDS Prevention
New Fillmore Community Theater
Northern California Community Services Council
Northern California Service League
Northern California Supplier Development Council
Northern California Youth Resources
*OMI Neighbors in Action
Oakland Youth Services
Options for Women Over Forty
Orchidmania
Our Family & Friends Foster Care Services
Partners in School Innovation
*Patient Assistance Foundation
Planning Association for Richmond (PAR)
Radiology Research and Education Foundation
Refugee Transitions
*Renaissance Parents of Success
San Francisco Adult Day Health Network
*San Francisco African American Historical Society
San Francisco Arts & Education Foundation
San Francisco Baykeeper
*San Francisco Black Coalition on AIDS
San Francisco Child Abuse Council
*San Francisco Children's Art Center
San Francisco Cinematheque
San Francisco Community Television Corporation
San Francisco Educational Services
San Francisco Family Foundation
San Francisco Free Clinic
*San Francisco Friends of the Urban Forest
San Francisco Host Committee
San Francisco League of Urban Gardeners
*San Francisco Network of Mental Health Clients
San Francisco Performing Arts Library & Museum
*San Francisco Psychotherapy Research Group
*San Francisco Public Health Foundation
San Francisco Regional Cancer Foundation
San Francisco SAFE
San Francisco Study Center
San Francisco Urban Service Project
San Francisco Women's Center
Save the Redwoods League
Shakespeare San Francisco
Sojourner Truth Foster Family Service Agency
South Bayshore Community Development Corporation
Square & Circle Club of San Francisco
Stop AIDS Project
*Tax-Aid
Tenderloin AIDS Resource Center
Torrano Center
Victorian Alliance
Volunteer Center of San Francisco
Volunteers In Parole
We Care Bay Area
West Bay Local Development Corporation
*Western Addition Senior Citizens Service Center
Wiley W. Manuel Law Foundation
William G. Irwin Charity Foundation
Women's Initiative for Self Employment (WISE)
World Centre-San Francisco
Yerba Buena Gardens Children's Place
Young Audiences of the Bay Area

SAN JOAQUIN COUNTY
Asian Pacific Self-Development & Residential Association
Beacon Lighthouse
Family Resource Network
*Liliput Children's Services
North Valley Symphony Orchestra
Share Homes

SAN LUIS OBISPO COUNTY
Atascadero Recreation Center Committee
Central Coast Neurobehavior Center
Clark Ottov Foundation
Family Care Network
Foundation for Community Design of the County of San Luis Obispo
*Foundation for the Performing Arts Center
Friends Outside in San Luis Obispo County
Friends of San Luis Obispo Botanical Garden
*Heritage Village Seniors
Hesed Christian Ministries
*LifeSpan Services Network, Math/Science Technology Foundation
NCI Affiliates
National Council on Alcoholism
*Natural History Association of San Luis Obispo County
Paso Robles Foundation for Culture and the Arts
*People Helping People
Pioneer Players
San Luis Obispo Children's Museum
*San Luis Obispo County AIDS Support Network

SAN MATEO COUNTY
*Adopt International
*Al-Anon Family Groups, District 13
Alliance for the Mentally Ill of San Mateo Bayshore Child Care Services
California Council for the Social Studies
Carey Parents
Centro Cultural Latino de San Mateo
*Childcare Coordinating Council of San Mateo County
Children's Preservation Network
Daly City Emergency Food Pantry
East Palo Alto Senior Center
Emergency Hunger Fund of Redwood City
Hillsborough Schools Foundation
Human Investment Project of the Peninsula
Institute for the Advancement of Human Behavior
Jean Weingarten Oral School for the Deaf
Kainos Home and Training Center
La Casa de San Mateo
Latino Commission on Alcohol & Drug Abuse Service of San Mateo County
MATE Foundation
*Marin Association for Retarded Citizens
*New Learning School
Peninsula Community Foundation
Peninsula Humane Society
Peninsula League
Peninsula Network of Mental Health Clients

*denotes NIAC member for five or more years
1995 NIAC MEMBERS

SAN MATEO COUNTY (Cont.)
Peninsula Outreach Program
Redwood City Friends of Literacy
Shule Mandela Academy
Solidarity Fellowship
Sor Juana Ines
* South Coast Children’s Services
This Side of the Hill Players

SANTA BARBARA COUNTY
American Cetacean Society, Santa Barbara Chapter
American Philanthropy Association
* Anger Management & Counseling Services
CASA of Santa Barbara
Central Coast Headway
* Community Environmental Council
Endowment for Youth
Good Samaritan Shelter
Interfaith Community Organizing Project
Life Options, Vocational and Resource Center
* Los Padres Interpretive Association
Meals on Wheels of Lompoc
Music and Arts Conservatory of Santa Barbara
* New Directions for People with Disabilities
SMILE
SMOOTH
* Santa Barbara Rape Crisis Center
Santa Maria Arts Council
Santa Maria Association for the Retarded
Santa Maria Civic Theatre
Santa Maria Museum & Art Center
Senior Programs of Santa Barbara
South Coast Business Network
Thresholds to Recovery

Valley of Flowers Half Century Club
Volunteers for Inter-Valley Animals (VIVA)

SANTA CLARA COUNTY
A Place for Teens
All Stars Helping Kids
Ananda Marga of Los Altos Hills
Arts Council of Santa Clara County
Association of Former Vietnamese Political Prisoners
* Bill Wilson Center
Braille Transcription Project of Santa Clara County
California Council for the Promotion of History
Campbell Union Elementary Education Foundation
Casa Libre
Center for Excellence in Nonprofits
Champs Foundation
Child Quest International
* Christmas Dinner Fund
Christmas in the Park
* College of Humanities and the Arts Alumni Association
* Community Companions & Acme Environmental Management
* Community Coordinated Child Development Council
Court Designated Child Advocates of Santa Clara
Cupertino Senior Day Services
Daybreak Childcare Network
Design Response
* Diabetes Society of Santa Clara Valley
* EE’s Residential Group Homes
Esprit de Corp Foundation
Ethiopian Community Services
Family Giving Tree
Free at Last

GRASP Foundation
Green Pastures
HandsNet
Heart of the Valley Services for Seniors
Higher Education Policy Institute
* Homeless Care Force
Information and Referral Services
JEWL Corporation
Kids in Common
* Korean American Community Services
* LOOP Center
Literacy Alliance for the South Bay
* Live Oak Adult Day Services
Los Gatos Community Foundation
Love, Inc. of Santa Clara County
Mental Research Institute
*Molecular Research Institute
Morgan Center
Morgan Hill Historical Society
Nonprofit Development Center
Northside Theatre Company of San Jose
* Pacific Autism Center for Education (PACE)
Palomares
* Parents Helping Parents (PHP)
Parkinson’s Institute
* People Acting in Community Together (PACT)
* Peninsula Area Information & Referral Service
Peninsula Parents & Friends of Lesbians and Gays (PFLAG)
Pied Piper Theater
* Preservation Action Council of San Jose
Process Therapy Institute
San Francisco Bay Bird Observatory
San Jose Children’s Musical Theater
San Jose Day Nursery
San Jose Police Chaplaincy
San Jose Shelter
San Juan Bautista Child Care Center
Santa Clara County Committee for Employment of Disabled
Santa Clara County Bar Association Law Foundation
* Santa Clara Historical and Genealogical Society
Santa Clara Valley MultiService Center
Saratoga Area Senior Coordinating Council
Saratoga Historical Foundation
Schola Cantorum
School of Humanities & the Arts Alumni Association
Sensory Access Foundation
Silicon Valley Toxics Coalition
South Bay Sickel Cell Program
South Valley Symphony
Spark Foundation
Stanford Bay Area Charities
* Summit League
Vietnamese American Cultural & Social Council
West Bay Opera Association
Women and their Children’s Housing (WATCH)
Youth Focus

SANTA CRUZ COUNTY
Alzheimers Association of Santa Cruz
Association of Watsonville Area Seniors
CFSC
Cabrillo Guild of Music
* California Association of Nonprofits
* California Grey Bears
California Leadership
Children’s Placement Service
* Community Action Board of Santa Cruz County
Community Options
* Conflict Resolution Program

* denotes NIAC member for five or more years
1995 NIAC MEMBERS

SANTA CRUZ COUNTY (Cont.)
* Corralitos Padres
* Court Appointed Special Advocates of Santa Cruz County
* Defensa de Mujeres
* Democratic Management Services
* Dentes, the Community Dental Clinic
* Downtown Management Corporation of Santa Cruz
* Earth Links
  * Education Programs Associates
  * Education, Training and Research Associates
* Emeline Child Care Center
* Eschaton Foundation
* Familia Center
* Family Service Association of the Pajaro Valley
* Five Branches Institute, College of Traditional Medicine
* Friends of the Santa Cruz Public Libraries
* Future Families
  * Good Shepherd Fund
* Group Home Society
  * Homeless Community Resource Center
* Institute of HeartMath
* La Que Sabe Art Foundation
* Life Lab Science Program
* Lompico Community Center
* McDowell Youth Homes
* Monterey Bay Salmon and Trout Project
* Mountain Parks Foundation
* Organic Farming Research Foundation
* Pajaro Valley Historical Association
* Pajaro Valley Housing Corporation
* Pajaro Valley Prevention & Student Assistance
* Pajaro Valley Shelter Services
* Parents Center

SHASTA COUNTY
* Anderson Area Association of Senior Citizens
* Cottonwood Community Park
* Exceptional Family Support, Education, & Advocacy
* Golden Umbrella & Foster Grandparents Program
* Good News Rescue Mission
* Northern California Family Life Skills
* Redding Community Theatre
* Riverfront Playhouse
* Senior Legal Center of Northern California
* Shasta County Child Abuse Prevention
* Shasta County Women's Refuge
* Shasta/Sierra Work Furlough
* United Lumbee Nation of Northern California and America
* United Way of Northern California

SISKIYOU COUNTY
* Great Northern Corporation
  * Josephine Taylor Foundation
  * START
  * Siskiyou Child Care Council
  * Siskiyou Domestic Violence Program
  * Siskiyou Performing Arts Center
  * Siskiyou Youth Shelter
  * Yreka Family YMCA

SOLANO COUNTY
* ARC-Solano
  * Arts Benicia
  * Benicia Community Arts
  * Benicia State Parks Interpretive Volunteers
  * Community Treatment Center
  * Head Injury Prevention
  * M-2/Match Two
  * Solano Adult Day Health Care Center

* Solano Family and Childrens Services
* Youth & Family Services

SONOMA COUNTY
* Actor's Theatre of Sonoma County
* Becoming Independent
* Bird Rescue Center
* Birthright of Sebastopol
* Boys & Girls Club of Santa Rosa
* Circuit Rider Productions
* Coastwalk
* Committee on the Shelterless (COTS)
* Community Childcare Council of Sonoma County
* Council on Aging Services for Seniors
* Diabetes Society of Sonoma County
* Drug Abuse Alternative Center
* Education Foundation of Cotati-Rohnert Park
* Extended Child Care Coalition
* Family Service Agency & Community Counseling Services
* Fort Ross Interpretive Association
* Greenacre Homes
* Homeless Prevention Group of Rohnert Park, Cotati
* Hospital Chaplaincy Services
* Inter-Faith Shelter Network
* International Church Relief Fund
* Jewish Day School of Sonoma County
* Latino Commission on Alcohol & Drug Abuse
* Life Management Institute
* Lyme Disease Resource Center
* Native California Network
* New Directions Adolescent Services
* Northwestern Pacific Railroad Historical Society

* denotes NIAC member for five or more years
1995 NIAC MEMBERS

SONOMA COUNTY (Cont.)
* On Our Own
   Plumfield
* R House
   Redwood Arts Council
   Russian River Jazz Festival
   Service Outreach Motivation
   Empowerment
* Sonoma Child Guidance Institute
* Sonoma City Opera
* Sonoma County A.I.D.E.
   Sonoma County AIDS Network
   Sonoma County Academic Foundation for
   Excellence
* Sonoma County Alzheimer's Task Force
* Sonoma County Community Foundation
   Sonoma County Men's Support Center
   Sonoma County People for Economic
   Opportunity
   Sonoma County Rental Information and
   Mediation
* Sonoma State Historic Park Association
   Sonoma Valley Chorale
* True to Life Counseling
* Vietnam Veterans of California
* Vintage House Senior Multipurpose
   Center
   Volunteer Center of Sonoma County
* West Santa Rosa Local Action Council
   Women's Recovery Services, A Unique
   Place

STANISLAUS COUNTY
   Community Temporary Shelter Service of
   Stanislaus
   Community Transitional Resources
   Disability Resources Agency for
   Independent Living
   Friends Outside Modesto Stanislaus
   County
   Na Ohana O Ke Awawa
   Society for Handicapped Children &
   Adults
   Stanislaus County Child & Infant Care
   Association

SUTTER COUNTY
   California Age Research Institute
   Yuba-Sutter Economic Development
   Corporation
* Yuba-Sutter Gleaners Food Bank

TEHAMA COUNTY
   Domestic Crisis Services of Tehama
   County

TRINITY COUNTY
* Human Response Network

TULARE COUNTY
   Community Services and Employment
   Training
   Love Inc. of Tulare County
   Pioneer Home Outreach
* Porterville Gleaning Seniors
* Tulare County Children's Receiving Home
   Tulare County Hispanic Commission on
   Alcoholism
   Tulare County League of Mexican
   American Women
   Turning Point of Central California
   Visalia Rescue Mission

VENTURA COUNTY
   Action for Kids
   Alzheimer's Disease/Related Disorders
   Association
   Arts Council of the Conejo Valley
   Center for Studies of the Future
* Coalition Against Domestic and Sexual
   Violence
   Corriganville Preservation Committee
* Hope for Kids
* Infant/Child Enrichment Services
   Ventura County
* Khepera Recovery Homes
   Krishnamurti Foundation of America
* Long Term Care Services of Ventura
   County
   Meadowlark Service League
   Oakbrook Park Chumash Indian
   Corporation
* Project Understanding
   Raptor Rehabilitation and Release
   Program
   Santa Paula Theater Center
   Sarah's House
   Tri-Counties Easter Seal Society
   Turning Point Foundation
   Youth Connection of Ventura County

YOLO COUNTY
   Cache Creek Lodge
   Citizens Who Care
   Community Care Car
   Davis Community Meals
   Friends of the Allied Non-Profits
   Mental Health Association of Yolo County
   Morning Star Summer Enrichment
   Program
   Pet Assistance League of Northern
   California
   Sexual Assault and Domestic Violence
   Center
   Short Term Emergency Aid Committee of
   Davis
   Summer House & Davis Summer House
   Yolo Community Care Continuum
   Yolo County Coalition Against Hunger
* Yolo Family Service Agency
   Yolo Wayfarer Center

YUBA COUNTY
   Beneficial Environments
   Midvalley Recovery Facilities
* Rural Opportunities Resource Center
   Tri-County Respite Care

* denotes NIAC member for five or more years
INDEPENDENT AUDITORS' REPORT

We have audited the accompanying balance sheets of Nonprofits' Insurance Alliance of California as of December 31, 1995 and 1994, and the related statements of income, members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nonprofits' Insurance Alliance of California as of December 31, 1995 and 1994, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As described in note 2, the Company changed its method of accounting for investments in 1994.

KPMG Peat Marwick LLP
San Francisco, California
March 6, 1996
**Balance Sheets**

**December 31, 1995 and 1994**

<table>
<thead>
<tr>
<th>Assets</th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted investments at market (note 3)</td>
<td>$1,784,608</td>
<td>1,633,248</td>
</tr>
<tr>
<td>Investments at market (note 4)</td>
<td>10,916,485</td>
<td>7,403,511</td>
</tr>
<tr>
<td>Total investments</td>
<td>12,701,093</td>
<td>9,036,759</td>
</tr>
<tr>
<td>Cash</td>
<td>302,322</td>
<td>187,701</td>
</tr>
<tr>
<td>Premiums receivable</td>
<td>974,480</td>
<td>808,824</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>162,782</td>
<td>108,189</td>
</tr>
<tr>
<td>Prepaid expenses and deposits</td>
<td>21,185</td>
<td>52,899</td>
</tr>
<tr>
<td>Reinsurance recoverable (note 9)</td>
<td>4,873,781</td>
<td>3,546,497</td>
</tr>
<tr>
<td>Prepaid reinsurance premium (note 9)</td>
<td>1,190,833</td>
<td>1,261,588</td>
</tr>
<tr>
<td>Deferred acquisition costs</td>
<td>580,707</td>
<td>535,473</td>
</tr>
<tr>
<td>Income tax receivable (note 6)</td>
<td>332,101</td>
<td>—</td>
</tr>
<tr>
<td>Deferred tax asset (note 6)</td>
<td>474,635</td>
<td>422,266</td>
</tr>
<tr>
<td>Total assets</td>
<td>$21,767,378</td>
<td>16,074,348</td>
</tr>
</tbody>
</table>

**Liabilities and Members’ Equity**

| Loss and loss adjustment expense reserves (note 7) | $12,667,029 | 8,375,880 |
| Unearned premiums                               | 4,154,078 | 3,981,972 |
| Reinsurance payable and other liabilities (note 9) | 1,220,215 | 968,305 |
| Accounts payable                                | 342,665 | 431,871 |
| Income taxes payable (note 6)                   | 18,383,987 | 13,854,261 |
| Subordinated debt (note 8)                      | 1,300,000 | 1,300,000 |
| Members’ equity:                                |          |        |
| Members’ contributions                         | 601,234 | 509,332 |
| Other paid-in capital                           | 31,054 | 31,054 |
| Retained earnings                               | 1,267,689 | 695,397 |
| Total members’ equity                           | 2,083,391 | 920,087 |
| Commitments and contingencies (notes 10 and 11) |          |        |
| Total liabilities and members’ equity           | $21,767,378 | 16,074,348 |

**Statements of Income**

**Years ended December 31, 1995 and 1994**

<table>
<thead>
<tr>
<th>Revenues</th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross written premium</td>
<td>$9,342,824</td>
<td>8,501,049</td>
</tr>
<tr>
<td>Ceded premium (note 9)</td>
<td>(2,736,266)</td>
<td>(2,697,487)</td>
</tr>
<tr>
<td>Net written premium</td>
<td>6,606,558</td>
<td>5,803,562</td>
</tr>
<tr>
<td>Increase in unearned premium</td>
<td>(2,428,861)</td>
<td>(649,286)</td>
</tr>
<tr>
<td>Net earned premium (note 9)</td>
<td>6,363,697</td>
<td>5,154,276</td>
</tr>
<tr>
<td>Net restricted investment income (note 3)</td>
<td>95,466</td>
<td>71,609</td>
</tr>
<tr>
<td>Net investment income</td>
<td>636,625</td>
<td>349,644</td>
</tr>
<tr>
<td>Net realized gain (loss) on sales of investments</td>
<td>112,606</td>
<td>(78,031)</td>
</tr>
<tr>
<td>Other income</td>
<td>87,110</td>
<td>82,704</td>
</tr>
<tr>
<td>Total revenues</td>
<td>7,295,504</td>
<td>5,580,202</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Losses and loss adjustment expenses incurred (notes 7 and 9)</td>
<td>4,445,009</td>
<td>3,394,621</td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>1,004,893</td>
<td>827,535</td>
</tr>
<tr>
<td>Commission expense</td>
<td>660,632</td>
<td>395,985</td>
</tr>
<tr>
<td>Other expense</td>
<td>316,739</td>
<td>299,864</td>
</tr>
<tr>
<td>Total expenses</td>
<td>6,427,273</td>
<td>5,116,005</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>868,231</td>
<td>462,197</td>
</tr>
<tr>
<td>Income tax expense (note 6)</td>
<td>295,939</td>
<td>157,891</td>
</tr>
<tr>
<td>Net income</td>
<td>$572,292</td>
<td>304,306</td>
</tr>
</tbody>
</table>
## Statements of Members' Equity

**Years ended December 31, 1995 and 1994**

<table>
<thead>
<tr>
<th></th>
<th>Members’ contributions</th>
<th>Other paid-in capital</th>
<th>Retained earnings</th>
<th>Unrealized (losses) gains on investments available for sale</th>
<th>Total members’ equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balances at December 31, 1993</strong></td>
<td>$363,830</td>
<td>31,054</td>
<td>391,091</td>
<td>—</td>
<td>785,975</td>
</tr>
<tr>
<td><strong>Unrealized loss during the year</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(315,696)</td>
<td>(315,696)</td>
</tr>
<tr>
<td><strong>Members’ contributions</strong></td>
<td>145,502</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>145,502</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>—</td>
<td>—</td>
<td>304,306</td>
<td>—</td>
<td>304,306</td>
</tr>
<tr>
<td><strong>Balances at December 31, 1994</strong></td>
<td>$509,332</td>
<td>31,054</td>
<td>695,397</td>
<td>(315,696)</td>
<td>920,087</td>
</tr>
<tr>
<td><strong>Unrealized gain during the year, net of deferred tax of 94,487</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>499,110</td>
<td>499,110</td>
</tr>
<tr>
<td><strong>Members’ contributions</strong></td>
<td>91,902</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>91,902</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>—</td>
<td>—</td>
<td>572,292</td>
<td>—</td>
<td>572,292</td>
</tr>
<tr>
<td><strong>Balances at December 31, 1995</strong></td>
<td>$601,234</td>
<td>31,054</td>
<td>1,267,689</td>
<td>183,414</td>
<td>2,083,391</td>
</tr>
</tbody>
</table>

## Statements of Cash Flows

**Years ended December 31, 1995 and 1994**

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$572,292</td>
<td>304,306</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net realized (gains) losses on sales of investments</td>
<td>(112,606)</td>
<td>78,031</td>
</tr>
<tr>
<td>Depreciation</td>
<td>43,047</td>
<td>40,428</td>
</tr>
<tr>
<td>Deferred income tax benefit</td>
<td>(146,856)</td>
<td>(193,628)</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in premiums receivable</td>
<td>(165,656)</td>
<td>(199,813)</td>
</tr>
<tr>
<td>Increase in reinsurance recoverable</td>
<td>(1,327,264)</td>
<td>(1,408,002)</td>
</tr>
<tr>
<td>Decrease (increase) in prepaid expenses and deposits</td>
<td>31,714</td>
<td>(26,482)</td>
</tr>
<tr>
<td>Decrease (increase) in prepaid reinsurance premium</td>
<td>70,755</td>
<td>(303,272)</td>
</tr>
<tr>
<td>Increase in deferred acquisitions costs</td>
<td>(45,234)</td>
<td>(105,870)</td>
</tr>
<tr>
<td>Increase in income tax receivable</td>
<td>(332,101)</td>
<td>—</td>
</tr>
<tr>
<td>Increase in loss and loss adjustment expense reserves</td>
<td>4,291,149</td>
<td>3,650,723</td>
</tr>
<tr>
<td>Increase in unearned premiums</td>
<td>172,106</td>
<td>952,558</td>
</tr>
<tr>
<td>Increase in reinsurance payable and other liabilities</td>
<td>251,910</td>
<td>401,880</td>
</tr>
<tr>
<td>Decrease in income taxes payable</td>
<td>(96,233)</td>
<td>(72,481)</td>
</tr>
<tr>
<td>Other, net</td>
<td>(90,953)</td>
<td>201,234</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>$3,116,050</td>
<td>3,319,612</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(10,913,499)</td>
<td>(9,102,593)</td>
</tr>
<tr>
<td>Sales or maturities of investments</td>
<td>7,902,970</td>
<td>5,485,412</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(82,352)</td>
<td>(42,828)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(3,093,331)</td>
<td>(3,690,009)</td>
</tr>
<tr>
<td>Cash flow from financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from members’ contributions</td>
<td>91,902</td>
<td>145,502</td>
</tr>
<tr>
<td>Net increase (decrease) in cash</td>
<td>114,621</td>
<td>(224,895)</td>
</tr>
<tr>
<td>Cash at beginning of year</td>
<td>187,701</td>
<td>412,596</td>
</tr>
<tr>
<td>Cash at end of year</td>
<td>$302,322</td>
<td>187,701</td>
</tr>
<tr>
<td>Supplemental disclosure of cash flow information:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount paid for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal income taxes</td>
<td>$871,129</td>
<td>428,815</td>
</tr>
<tr>
<td>Interest expense paid</td>
<td>$26,000</td>
<td>26,000</td>
</tr>
</tbody>
</table>

**Nonprofits' Insurance Alliance of California / 1995 Annual Report**
NOTES TO FINANCIAL STATEMENTS

(1) Organization

Nonprofits’ Insurance Alliance of California (the Company) was incorporated on September 15, 1988 as a nonassessable nonprofit mutual benefit corporation. In July, 1991 the status of the Company was changed by a vote of the members to a public benefit corporation. The Company operates in California as a risk pool pursuant to authorization under Section 5005.1 of the California Corporations Code. The Company is not subject to the rules, regulation and supervision of the California Department of Insurance (DOI).

Organizations which meet the following requirements may become members of the Company: 1) nonprofit organizations which are incorporated and operating in the state of California; 2) which have received and maintain current and unrevoked determination of tax-exempt status under Section 501(c)(3) of the Internal Revenue Code; 3) which are offered general liability coverages and agree to purchase such coverages; and 4) which pay the premium for such coverages and the required membership contribution. Because the Company is nonassessable, the members of the Company, which are both its owners and insureds, are not liable for the Company’s liabilities should they exceed the Company’s assets.

The Company provides commercial general liability, miscellaneous professional liability, automobile liability, auto physical damage, and employer’s non-owned and hired automobile liability coverages to its members. Coverage is provided on an occurrence form. Typical limits are an annual aggregate of $1,000,000 and $1,000,000 per occurrence. An annual aggregate of $2,000,000 is available. A special claims-made coverage with a $500,000 annual aggregate limit including defense and indemnity is available for improper sexual conduct claims. Directors’ and officers’ liability is available to members on a claims-made form. The typical limit of coverage is $1,000,000.

The Company receives a one-time contribution from each new member in the form of a nonrefundable membership contribution. During 1995 and 1994, the contribution amount was ten percent of the commercial general liability premium.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain amounts in the 1994 financial statements have been reclassified to conform to the 1995 financial statement presentation.

(b) Revenue Recognition

Premiums are recognized as earned on a pro rata basis over the terms of the policies, which usually consist of twelve months. Anticipated investment income is not considered in determining if a premium deficiency exists.

(c) Deferred Acquisition Costs

Policy acquisition costs incurred are deferred and amortized over the period of premium recognition as is required by generally accepted accounting principles. These costs generally include commissions, underwriting, policy issuance and marketing costs. Amortization of acquisition costs were $1,127,190 for 1995 and $986,905 for 1994.

(d) Property and Equipment

Data processing equipment, purchased software, and office furniture and equipment are stated at cost and depreciated over five years using the straight-line method. Upon retirement or disposition of property and equipment, any gain or loss is included in income. Depreciation expense was $43,047 and $40,428 in 1995 and 1994, respectively.

(e) Investments

Effective January 1, 1994, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities," which addresses the accounting and reporting for investments in equity securities that have readily determinable fair values and for all investments in debt securities. Those investments are to be classified in one of three categories. Debt securities that the enterprise has the positive intent and ability to hold to maturity are classified as "held-to-maturity securities" and are reported at amortized cost. Debt and equity securities that are bought and held principally for the purpose of selling them in the near term are classified as "trading securities" and are reported at fair value, with unrealized gains and losses included in net income. Debt and equity securities not classified as either "held-to-maturity securities" or "trading securities" are classified as "available-for-sale securities" and are reported at fair value, with unrealized gains and losses excluded from earnings and reported in a separate component of members’ equity. The Company classified all of its investment portfolio as "available-for-sale securities." The effect of this change in accounting at January 1, 1994 increased members’ equity $322,288, net of deferred income taxes. This change in accounting had no effect on net income. Prior to January 1, 1994, investments in debt securities were carried at amortized cost.

Declines in the value of investments, which are determined to be other than temporary, are charged to realized losses. Net realized investment gains or losses are reported in the statements of income based upon the specific identification of items sold.

(f) Loss and Loss Adjustment Expense Reserves

Loss and loss adjustment expense reserves are estimates based on an expected loss and loss adjustment expense ratio. This method is used because the Company has not been in existence for a sufficient length of time to establish historical and statistical bases for estimating these liabilities. The expected ratio is based on the Company's historical experience and industry statistics. Ultimate losses may differ significantly from the amounts recorded. Changes in estimates of losses are included in income in the period in which the estimates are changed. The Company annually engages an independent actuary to review and analyze its loss data.

(g) Reinsurance

The Company accounts for reinsurance in accordance with SFAS No. 113, "Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts." This Statement establishes the conditions required for a contract with a reinsurer to be accounted for as reinsurance and prescribes accounting and reporting standards for those contracts. Reinsurance recoverables (including amounts related to claims incurred but not reported) and prepaid reinsurance premiums are reported as assets. Estimated reinsurance recoverables are recognized in a manner consistent with the liabilities relating to the underlying reinsured contracts.
(h) Income Taxes
The Company was granted tax-exempt status by the state of California.

In February 1993, the Company received an adverse ruling on its application for federal tax-exempt status. In November 1994, the Claims Court upheld the Internal Revenue Service (IRS) ruling. A bill was introduced in Congress in 1993 which, if passed, would have granted tax-exemption to the Company. It succumbed to the gridlock of the 103rd Congress. An identical bill was introduced in the House of Representatives in March 1995. The Company was instructed by the IRS to file as a taxable entity for 1991 and subsequent periods. The Company had previously been instructed by the IRS to file as a tax-exempt entity for 1991. Accordingly, the Company records federal income taxes in its financial statements.

The Company accounts for income taxes under the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Funds in these restricted accounts may be withdrawn only to fund obligations of the Company to its policyholders and claimants related to all loss and loss adjustment expenses and to make payments for principal and/or interest related to the subordinated debt. Funds in the restricted accounts may not be used for the operating expenses of the Company. To date, funds have been used only for interest payments on the subordinated debt. Such interest expense was $26,000 in both 1995 and 1994.

Restricted investments, carried in the accompanying balance sheets at estimated market value, consist of the following as of December 31, 1995 and 1994:

<table>
<thead>
<tr>
<th></th>
<th>Amortized cost</th>
<th>Market value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due in 1 year or less</td>
<td>$332,733</td>
<td>334,471</td>
</tr>
<tr>
<td>Due after 1 year through 5 years</td>
<td>725,942</td>
<td>742,753</td>
</tr>
<tr>
<td>Mortgage-backed securities</td>
<td>389,299</td>
<td>403,379</td>
</tr>
<tr>
<td>Asset-backed securities</td>
<td>305,170</td>
<td>304,005</td>
</tr>
<tr>
<td>Total</td>
<td>$1,763,144</td>
<td>1,784,608</td>
</tr>
</tbody>
</table>

The amortized cost and estimated market value of restricted investments at December 31, 1995, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

(3) Restricted Investments
The proceeds from the issuance of subordinated debt (see note 8) and related earned interest are held as restricted investments and may not be commingled with any other funds.
Notes to Financial Statements

(4) Investments

Unrestricted investments, carried in the accompanying balance sheets at estimated market value, consist of the following as of December 31, 1995 and 1994:

<table>
<thead>
<tr>
<th></th>
<th>Amortized cost</th>
<th>Unrealized gain</th>
<th>Unrealized loss</th>
<th>Estimated market value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate obligations</td>
<td>$ 6,092,362</td>
<td>190,147</td>
<td></td>
<td>6,282,509</td>
</tr>
<tr>
<td>U.S. Government and agency obligations</td>
<td>249,810</td>
<td>5,416</td>
<td>-</td>
<td>255,234</td>
</tr>
<tr>
<td>Money market account</td>
<td>266,848</td>
<td>-</td>
<td>-</td>
<td>266,848</td>
</tr>
<tr>
<td>Mortgage-backed securities</td>
<td>2,776,183</td>
<td>63,030</td>
<td>-</td>
<td>2,839,213</td>
</tr>
<tr>
<td>Asset-backed securities</td>
<td>627,080</td>
<td>-</td>
<td>(6,060)</td>
<td>621,020</td>
</tr>
<tr>
<td>Other debt securities</td>
<td>647,757</td>
<td>3,904</td>
<td>-</td>
<td>651,661</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,660,048</strong></td>
<td><strong>262,497</strong></td>
<td><strong>(6,060)</strong></td>
<td><strong>10,916,485</strong></td>
</tr>
<tr>
<td>1994:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate obligations</td>
<td>$ 2,897,660</td>
<td>-</td>
<td>(99,204)</td>
<td>2,798,396</td>
</tr>
<tr>
<td>U.S. Government and agency obligations</td>
<td>828,264</td>
<td>-</td>
<td>(55,192)</td>
<td>773,172</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>198,059</td>
<td>-</td>
<td>-</td>
<td>198,059</td>
</tr>
<tr>
<td>Money market account</td>
<td>770,558</td>
<td>-</td>
<td>-</td>
<td>770,558</td>
</tr>
<tr>
<td>Mortgage-backed securities</td>
<td>1,256,731</td>
<td>-</td>
<td>(69,404)</td>
<td>1,187,327</td>
</tr>
<tr>
<td>Asset-backed securities</td>
<td>1,073,931</td>
<td>-</td>
<td>(34,358)</td>
<td>1,039,573</td>
</tr>
<tr>
<td>Foreign securities</td>
<td>200,000</td>
<td>-</td>
<td>(17,700)</td>
<td>182,300</td>
</tr>
<tr>
<td>Other debt securities</td>
<td>449,255</td>
<td>4,571</td>
<td>-</td>
<td>454,126</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,764,698</strong></td>
<td><strong>4,571</strong></td>
<td><strong>(275,758)</strong></td>
<td><strong>7,403,511</strong></td>
</tr>
</tbody>
</table>

The amortized cost and estimated market value of unrestricted investments at December 31, 1995, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or repay obligations with or without call or prepayment penalties.

<table>
<thead>
<tr>
<th></th>
<th>Amortized cost</th>
<th>Market value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due in 1 year or less</td>
<td>$ 987,350</td>
<td>998,788</td>
</tr>
<tr>
<td>Due after 1 year through 5 years</td>
<td>2,791,397</td>
<td>2,839,092</td>
</tr>
<tr>
<td>Due after 5 years through 10 years</td>
<td>3,478,038</td>
<td>3,618,372</td>
</tr>
<tr>
<td>Mortgage-backed securities</td>
<td>2,776,183</td>
<td>2,839,213</td>
</tr>
<tr>
<td>Asset-backed securities</td>
<td>627,080</td>
<td>621,020</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,660,048</strong></td>
<td><strong>10,916,485</strong></td>
</tr>
</tbody>
</table>

(5) Fair Value of Financial Instruments

The table below reflects the summary of fair value disclosures in accordance with SFAS No. 119, "Disclosure about Derivative Financial Instruments and Fair Value of Financial Instruments":

<table>
<thead>
<tr>
<th></th>
<th>Carrying Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted Investments</td>
<td>$1,784,608</td>
<td>1,784,608</td>
</tr>
<tr>
<td>Investments</td>
<td>10,916,485</td>
<td>10,916,485</td>
</tr>
</tbody>
</table>

Estimated market values of restricted investments and investments, which are debt securities, are primarily obtained from an independent external pricing service company. This company determines the market value based on average bid prices, or for newly issued securities, the average bid prices of similar issues with the same life and expected yields. The carrying amount of receivables and payables approximate fair value due to the short term maturities of these instruments.

It is not practicable to estimate the fair value of the subordinated debt due to the unique repayment features of this debt.

(6) Income Taxes

The components of income tax expense (benefit) are as follows:

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>$442,795</td>
<td>351,539</td>
</tr>
<tr>
<td>Deferred</td>
<td>(146,856)</td>
<td>(193,628)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$295,939</strong></td>
<td><strong>157,911</strong></td>
</tr>
</tbody>
</table>

Total income tax expense differed from the amounts computed by applying the U.S. Federal income tax rate of 34% to income before taxes as a result of the following:

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computed &quot;expected&quot; tax expense</td>
<td>$295,939</td>
<td>157,911</td>
</tr>
<tr>
<td>Other, net</td>
<td>$741</td>
<td>744</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$295,939</strong></td>
<td><strong>157,911</strong></td>
</tr>
</tbody>
</table>
NOTES TO FINANCIAL STATEMENTS

The following is a summary of the changes in the deferred tax asset:

<table>
<thead>
<tr>
<th></th>
<th>Gross deferred tax asset</th>
<th>Valuation allowance</th>
<th>Gross deferred tax liability</th>
<th>Net deferred tax asset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances at December 31, 1993</td>
<td>$377,755</td>
<td>—</td>
<td>(149,117)</td>
<td>228,638</td>
</tr>
<tr>
<td>1994 changes</td>
<td>372,721</td>
<td>(107,337)</td>
<td>(71,756)</td>
<td>193,628</td>
</tr>
<tr>
<td>Balances at December 31, 1994</td>
<td>750,476</td>
<td>(107,337)</td>
<td>(220,873)</td>
<td>422,666</td>
</tr>
<tr>
<td>1995 changes</td>
<td>68,263</td>
<td>107,337</td>
<td>(123,231)</td>
<td>35,369</td>
</tr>
<tr>
<td>Balances at December 31, 1995</td>
<td>$818,739</td>
<td>—</td>
<td>(344,104)</td>
<td>474,635</td>
</tr>
</tbody>
</table>

The types of temporary differences that primarily comprise the net deferred tax asset at December 31, 1995 and 1994 include loss and loss adjustment expenses, the unearned premium reserve, and unrealized gains (losses) on debt securities available for sale, and deferred acquisition costs. The valuation allowance at December 31, 1994, relates to unrealized losses on debt securities available for sale, for which realization was not assured.

Management believes that the deferred tax asset after valuation allowance as of December 31, 1995 and 1994 will be recoverable from income taxes paid and from future taxable income.

(7) Loss and Loss Adjustment Expense Reserves

Activity in the loss and loss adjustment expense reserves is summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss and loss adjustment expense reserves, January 1</td>
<td>$4,829,383</td>
<td>2,586,662</td>
</tr>
<tr>
<td>Incurred related to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current year</td>
<td>4,219,635</td>
<td>3,394,621</td>
</tr>
<tr>
<td>Prior years</td>
<td>225,374</td>
<td>—</td>
</tr>
<tr>
<td>Total incurred</td>
<td>4,445,009</td>
<td>3,394,621</td>
</tr>
<tr>
<td>Paid related to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current year</td>
<td>367,231</td>
<td>429,788</td>
</tr>
<tr>
<td>Prior years</td>
<td>1,113,913</td>
<td>722,112</td>
</tr>
<tr>
<td>Total paid</td>
<td>1,481,144</td>
<td>1,151,900</td>
</tr>
<tr>
<td>Net loss and loss adjustment expense reserves, December 31</td>
<td>7,793,248</td>
<td>4,829,383</td>
</tr>
<tr>
<td>Reinsurance recoverables</td>
<td>4,873,761</td>
<td>3,546,497</td>
</tr>
<tr>
<td>Gross loss and loss adjustment expense reserves, December 31</td>
<td>$12,667,029</td>
<td>$8,375,880</td>
</tr>
</tbody>
</table>

As a result of changes in estimates of insured events in prior years, the loss and loss adjustment expense reserves increased by $225,374 and $-0- in 1995 and 1994, respectively, due to recurring and normal adjustments in anticipated losses and related expenses.

(8) Subordinated Debt

In 1989, a total of $1,300,000 was provided by foundations in the form of restricted assets (see note 3) in the amounts listed below:

- The Ford Foundation $500,000
- Wallace Alexander Gerbode Foundation 250,000
- David and Lucile Packard Foundation 250,000
- San Francisco Foundation 100,000
- Marin Community Foundation 100,000
- Walter S. Johnson Foundation 100,000

Total $1,300,000

During 1995, an independent actuary performed an actuarial analysis of the Company's ability to repay the principal. The independent actuary concluded that the Company could repay a portion of the subordinated loans without jeopardizing the ability to meet current liabilities, but any reduction in surplus would affect the Company's ability to continue to grow and write new business. Therefore, since the Company is planning to increase its writings, the independent actuary recommended that principal repayments not be made at September 1995. Actuarial analyses will continue to be performed annually.

The Company and the foundation leaders developed a revised repayment schedule in 1995:

- December 31, 1999 $240,000
- December 31, 2000 848,000
- December 31, 2001 212,000

Total $1,300,000

The Company intends to accelerate the proposed schedule if recommended to do so by an independent actuary as a result of the annual actuarial analysis.

Recourse on the subordinated debt is generally limited to Earned Surplus. Earned Surplus is defined as the amount by which the Company's assets exceed the sum of all liabilities (excluding principal and interest obligations related to the subordinated debt). If any principal amount of the subordinated debt has been authorized for payment by an independent actuary, but remains unpaid by the Company, such principal bears interest at the rate of 10% per annum; provided, however, any principal amount not authorized for repayment by a certified actuary, or due according to the schedule of repayments, continues to bear interest at the rate of 2% per annum.

In case of material misrepresentation or fraud by the Company or its employees, use of the funds for other than their stated purpose or to influence political activities,
Demand may be made by the foundations for repayment of the subordinated debt out of the assets of the Company other than Earned Surplus. If it is determined that the Company is intentionally charging inadequate premiums to materially adversely affect the Company's ability to make timely payments of principal and/or interest, the foundations may request appropriate increases in premiums. If the Company and the foundations are unable to agree on appropriate future adjustments to premiums, at their option, the foundations may request repayment of the outstanding principal balance.

(9) Reinsurance

In its normal course of business, the Company reinsures risks in excess of $75,000 with other companies through contractual agreements. Such agreements serve to limit the Company's loss on large claims. Risks reinsured would become an expense of the Company in the event the reinsurer is unable to or will not fulfill the obligations assumed under the agreements.

During 1994 and 1995, the Company's reinsurance was in three layers. The first layer covers losses in excess of $75,000 to a maximum of $250,000. The second layer covers losses in excess of $250,000 to a maximum of $1,000,000. The third layer covers losses in excess of $1,000,000 up to a maximum of $2,000,000. These limits are on a "per occurrence" basis and "losses" for the purposes of these agreements include indemnity and allocated loss adjustment expenses.

In addition, beginning in 1992, the Company began offering umbrella coverage for general liability policies up to $5 million in excess of $1 million. These policies are 100% ceded on a treaty basis. The Company received ceding commission on this business of $102,124 in 1995 and $82,643 in 1994.

The table below reflects the financial statement captions which are stated net of the effects of reinsurance:

<table>
<thead>
<tr>
<th>Premiums ceded</th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,807,017</td>
<td>2,394,215</td>
</tr>
</tbody>
</table>

For the first layer of reinsurance, the Company pays a preliminary reinsurance premium based on gross premiums written, subject to additional premium in the event of unfavorable loss experience. Considerable judgment is involved in estimating the ultimate premium to be paid under this reinsurance agreement. The Company has accrued the maximum possible premium. Reinsurance payable and other liabilities at December 31, 1995 and 1994 includes $1,046,508 and $789,751, respectively, of additional premiums related to potential adverse loss experience. In the event of favorable loss experience, this premium would result in income to the Company. For the second layer, the Company pays a fixed reinsurance premium based on gross premiums written, subject to a profit sharing arrangement which could result in a refund of reinsurance premium as a result of favorable loss experience. No provision has been made for potential profit sharing under this agreement. For the third layer, the Company pays a fixed reinsurance premium based on gross premiums written.

During 1993, the Company received a $394,791 refund of reinsurance premiums due to favorable loss experience in prior years. Subsequent development of this loss experience on prior years required repayment of $99,707 during 1995. As future development of this loss experience may require additional repayment, the remaining portion of the refund is included as a liability in reinsurance payable and other liabilities.

(10) Commitments

The Company has entered into a five-year, noncancelable, operating lease for office space through March 1998. The lease has an option to renew for a period of up to five years.

Minimum payments due under this commitment (net of sublease rentals) are as follows:

<table>
<thead>
<tr>
<th>Year ending December 31:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>$102,920</td>
</tr>
<tr>
<td>1997</td>
<td>102,715</td>
</tr>
<tr>
<td>1998</td>
<td>40,861</td>
</tr>
<tr>
<td>Total minimum lease payments</td>
<td>$246,496</td>
</tr>
</tbody>
</table>

The lease agreement provides for certain free rent periods and requires varying lease payments over the term of the lease. As required by generally accepted accounting principles, the Company recognizes rent expense based on the straight line average monthly rent cost over the lease term. Total rent expense for 1995 and 1994 was $94,141 and $94,169, respectively.

(11) 401(k) Profit Sharing Plan

The Company sponsors an employee 401(k) Profit Sharing Plan (the Plan). Employer non-matching contributions were $750 and $500 per employee to its employee/plan participants for 1995 and 1994, respectively. The employer matching contributions were limited to $1,000 per employee during 1994 and 1995. The amounts contributed to the Plan were $23,362 and $21,058 in 1995 and 1994, respectively. Employees qualify for the employer portion of the contribution after one year of service with the Company.