



## A MESSAGE FROM THE PRESIDENT

*Nonprofits' Insurance Alliance of California*

**1996** was our most exciting and productive year ever! After a six year struggle, we were successful in getting federal law enacted which enables organizations like NIAC to achieve 501(c)(3) tax-exempt status. In 1997, we expect to be the first organization in the nation to qualify under this new law. We will use these tax savings to support growth and financial strength and to expand loss control and educational resources.

**D**uring 1996 membership grew to 1,493 with 329 new members joining us and 88 percent of our members renewing with us. The company continues on sound financial footing with a net income for the year of \$547,906 and reinsurance protection through three of the world's premier reinsurers, General Re, American Re, and Swiss Re America. Written premium for 1996 of \$10,305,225 represents an increase of

10.3 percent over 1995. In addition, our special property program through Genesis Insurance Company had an extraordinary first year with more than \$1 million in premium.

**A**lthough we are pleased with this growth, we are most proud of the enhancements we have made in NIAC's products and services. In 1995, we surveyed our members and their brokers for feedback on how we were doing. In addition, we obtained valuable information during our visits to hundreds of members and brokers. Although more than 90 percent of those surveyed were "satisfied" or "very satisfied" we saw some areas for improvement. We assembled a team of NIAC employees, one from each department, to take an honest look at the survey responses and recommend solutions to eliminate inefficiencies and duplication of work in all processes. In short, we asked, we listened, and then we took action.

**W**hat are some of the changes we made? We scrapped our cumbersome application and replaced it with a shorter, more user-friendly one. We reorganized our underwriting and policy issuance departments into fully accountable, highly-trained client service teams. And, we developed new computer programs to eliminate duplication of effort and accelerate our responsiveness to members and brokers.

**W**e took a hard look at some of our policy forms and found that a couple of them required clarification. Avoiding "legalese" as much as possible, we made it clear that our directors and officers policy provides coverage for a broad array of employment related matters, the number one exposure for nonprofit boards. On our improper sexual conduct policy we clarified that alleged employee and volunteer perpetrators are eligible for defense coverage in a civil law-

suit unless and until they receive a criminal conviction. Surprisingly, most commercial insurers do not provide a defense for employees and volunteers against allegations of sexual abuse. Our revised policy language also enables us to reimburse the insured member for the cost of a replacement employee when an accused employee is placed on paid administrative leave during an improper sexual conduct investigation. We made these changes because members told us these unique coverages are important to them.

We found that managers who receive sound legal advice before taking employment related actions can dramatically reduce the likelihood of a lawsuit. Unfortunately, many nonprofits feel they cannot afford to obtain preventative legal advice. As a service to members who purchase directors and officers insurance from us, we retain an employment law attorney to provide limited legal counsel before a

personnel action is taken. In most cases, we pay for the full cost of these consultations. We believe this important service has helped many of our members avoid difficult and expensive lawsuits.

Our loss control efforts in 1996 focused on auto safety. Through analysis of the detailed database we maintain on every claim, we determined that nearly 50 percent of at-fault auto accidents reported by our members are caused by drivers who are unfamiliar with the vehicles they are driving. One in three accidents involve only one moving object, a member's vehicle! While most of these are relatively inexpensive, non-injury accidents, their total cost in premium dollars is significant. These types of incidents can be reduced through better training. Throughout the year, NIAC provided driver training to more than 500 employees and volunteers at members' locations. Members participating in training

received a full reimbursement of the cost through a reduction in their renewal premiums. To further assist our members in reducing auto claims, we published *Arrive...Safe and Sound: Tips to Help with your Nonprofit's Vehicle Safety Program*. We distributed this booklet free of charge to all members.

In light of the many changes and enhancements accomplished during 1996, we are enthusiastic about the potential for 1997. We plan to expand the loss control resources available to members to help them reduce avoidable auto and slip and fall accidents. And, though not frequent, there are still too many reports of sexual abuse. During 1997, NIAC will take a more active role in helping members find ways to protect their clients from these incidents. We hope to bring together those with expertise in the area and discover common threads that may be applicable to members' operations.

Now in our eighth year of operation, we have gained valuable experience settling almost 2,000 claims against nonprofits. We are using this specialized expertise to bring the best possible products and services to members. To our loyal NIAC members, I once again express appreciation for your confidence in us. To those well-managed nonprofits which are not yet members of NIAC, I ask, "What are you waiting for?"



Pamela Davis  
President/CEO

## FROM THE CHAIRMAN OF THE BOARD

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*Nonprofits' Insurance Alliance of California*



The Board of Directors is pleased to report that your company has had a terrific year. In particular, we are extremely pleased that our efforts in Congress and in the California legislature were successful during 1996. This effort to obtain tax-exemption for NIAC took considerable energy and focus during much of the past six years. Although we had many setbacks over that time, we were convinced of the correctness of our position and believed we would prevail. The Board of Directors extends special thanks to our many members who wrote letters in support of our work to get this change in the law and who testified so eloquently to the benefits NIAC has brought to their organizations. On the federal bill, we owe special thanks to Congressmen Sam Farr, Wally Herger, Pete Stark, Bill Thomas and Senator Diane Feinstein. In California, success

would not have been possible without the help of Senator Henry Mello and Assemblyman Bruce McPherson.

With seven years of operating history behind us and a state of the art database available for analyzing the costs of insuring nonprofits, NIAC is uniquely well-placed to serve the insurance needs of California nonprofits. NIAC is challenged daily to live up to its byline, "*a head for insurance...a heart for nonprofits*". We expect NIAC prices to be the lowest possible prices that can be sustained over the long-term. Our commitment to our members is stability in pricing and coverages. Although it is the practice of some commercial insurers to offer a low first-year price and then a substantially increased price the following year, the NIAC board believes that nonprofits are not well served by this

practice. In the long run, we believe this type of insurance-hopping is more costly for the nonprofit. Our 88% renewal rate demonstrates that the vast majority of members value our consistent pricing practices.

The board extends special appreciation to those 470 members who have been with NIAC for five or more years. That is the type of core commitment that is key to NIAC's success. We will continue to work efficiently and conscientiously for you in 1997 to enhance NIAC's value for all of its nonprofit member-owners.

A handwritten signature in dark ink, appearing to read "Jess Gutierrez".

Jess Gutierrez  
Chairman



## BOARD OF DIRECTORS

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*Board of Directors  
(left to right)*

*Front Row:  
R. Lawrence Bacon  
Diane Cooper  
Audrey Harrison  
Robert Bond*

*Middle Row:  
Jess R. Gutierrez  
Pamela Davis  
Renate-Karin Wunsch*

*Back Row:  
John M. Christensen  
Jude Kaye  
Phillip Kimble*

*Not Pictured:  
Meredeth Clark  
Elizabeth Dietrich  
Marianne Franks*





## STAFF

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### *Insurance Operations Support (left to right)*

Sue Reimuller  
Steven Moody  
Sharon Felice  
Renel Ralston



### *Claims/Administration (left to right)*

Kathleen Morgan-Martinez, Kim Christensen, Angela Raspbear, Dottie Lechtenberg



### *Finance/Management Information Systems (left to right)*

Jim Westbrook, Gyce Martin, Kim Gisse, Bill Chappleear, Betty Johnson, Sean Kelly



### *Insurance Operation Teams (left to right)*

North Team: Claudia Weeks, Todd Connor, Randy Gorman, Sheri Randolph, Lisa Edelman  
South Team: Michael Pramuk, Michele Thomas, Paul Roman, Carla Cramblett



## THE NIAC STORY



*River Oak Center for Children of Sacramento*

The member profiles on the following pages best describe NIAC's purpose. Their stories are much more heartwarming than ours. However, members, prospective members, and brokers tell us that they appreciate a brief overview of NIAC products and services each year in our annual report. Here is the lowdown for 1996.

### WHY AN INSURANCE POOL?

Today NIAC is best known for its reasonable and stable prices and for its specialized claims handling and loss control services to its members. Those are much welcomed outcomes of a more basic pur-

pose that spurred NIAC's creation. During the mid 1980s, some nonprofits were being forced out of business because no one would provide them with insurance. It occurred to NIAC's founders that insurance professionals should not hold that kind of power over the provision of nonprofit services. Why should insurers determine which social programs could be offered and which ones should be discontinued or never started? The founders sought more control over the insurance source. NIAC, a liability insurance pool, owned and operated by nonprofits emerged as the solution.

### WHO IS BEHIND US?

Through the vision and foresight of a few, NIAC was capitalized with \$1,300,000 from the following foundations:

- *Ford Foundation*
- *David & Lucile Packard Foundation*

- *Wallace Alexander Gerbode Foundation*
- *San Francisco Foundation*
- *Marin Community Foundation*
- *Walter S. Johnson Foundation*

Further adding to NIAC's financial strength, claims in excess of \$100,000 are covered by three of the world's largest and most highly regarded reinsurers:

- *General Reinsurance (Best's rated A++)*
- *Swiss Re America (Best's rated A)*
- *American Re-Insurance (Best's rated A+)*

### WHAT ARE OUR PRODUCTS?

To qualify for NIAC membership, an organization must be a 501(c)(3) nonprofit organization incorporated and operating in California. To become a member of NIAC, an organization must purchase general liability coverage and pay a one-time membership fee. Coverages available on a pooled basis include:

- *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*

Through companion programs, NIAC members may also purchase the following:

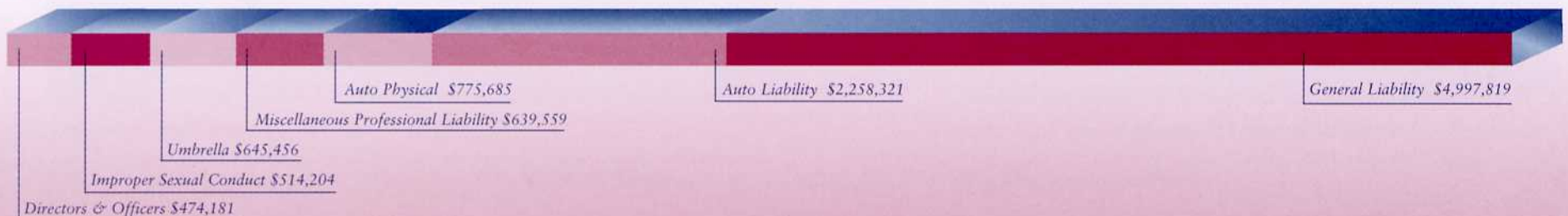
- *Commercial Property*
- *Fidelity*
- *Workers' Compensation*
- *Student/Participant/Volunteer Accident*
- *Foster Parent Liability*

### WHAT SPECIALIZED SERVICES DO WE OFFER?

We know that a nonprofit's failure to obtain timely proof of insurance can delay funding and cause municipal authorities or landlords to withhold permission for a special event or a move to a new location. We also know that getting

### 1996 PREMIUM BY LINE

TOTAL \$10,305,225





proof of insurance is usually not the top priority for the nonprofit manager trying to meet multiple demands. We pride ourselves in doing what it takes to get those necessary policies and endorsements out in time to meet your deadlines.

Our claims handling is also sensitive to nonprofits' special needs within the community. Our claims adjusters are keenly aware that negative publicity surrounding a claim can have adverse effects on a nonprofit's standing in the community and ability to raise funds. We do our best to handle claims economically and efficiently, with as minimal an impact as possible on your operations.

All of us, clients, employees, volunteers, and nonprofit organizations, benefit from keeping claims costs to a minimum. To that end, we offer our members an array of free or highly subsidized loss control resources such as:

#### ***Publications***

Titles presently available free to members include:

- *Arrive...Safe and Sound: Tips to Help with your Nonprofit's Vehicle Safety Program*
- *Sound Advice for Functions and Events: Tips to Help your Nonprofit Stage Safer Special Events*

#### ***Driver Training Workshops***

More than 500 employees trained at member locations in 1996. Costs to members reimbursed by NIAC.

#### ***Newsletters***

Topics such as avoiding lawsuits against directors and officers, understanding insurance and legal terminology, and claim trends.

#### ***Video Lending Library***

More than 30 titles available free of charge for in-service trainings at your location.

#### ***Workshops***

On a variety of topics conducted free of charge across the state by NIAC employees.

#### ***On-site Visits***

NIAC employees make hundreds of visits to our members each year. Our members are a growing, dynamic group about which we must constantly learn more if we are to serve them well.

**ASSETS (Thousands)**

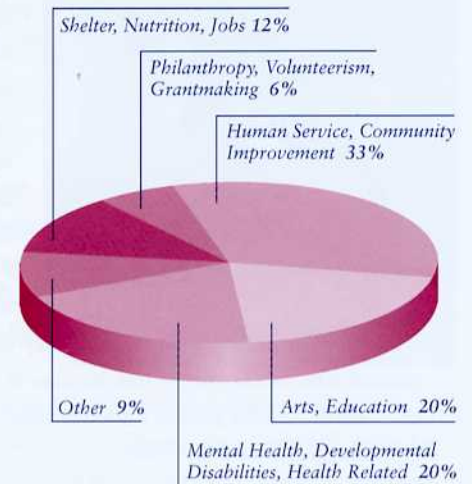


**NIAC's** seven years of insuring nonprofits has not diminished our appreciation of our members' creativity, resolve and dedication to their missions. Our nearly 1,500 members are located in every major city and nearly every county in California.

The scope of services provided by members range from adolescent gang intervention to art history museums. Some members have no staff and rely entirely on volunteer efforts. Others have a staff of hundreds of individuals.

Although our membership continues to grow, the general composition of our members has remained steady since NIAC was created in 1989. The statistical depiction of our members is shown on

the pie chart below. Please take a few moments to review the member profiles and list of members on the following pages. As a nonprofit owned by its members, we are proud to be associated with so many dynamic agencies providing much needed services in their communities.



**PREMIUMS (Thousands)**



**MEMBERS**





## THE ORANGE COUNTY COMMUNITY

### Development Council

#### *Garden Grove*



The Orange County Community Development Council (CDC) was founded in 1965 and is one of 50 Community Action Agencies in California. The Orange County CDC is dedicated to enhancing the quality of life within Orange County by eliminating and preventing the causes and effects of poverty by mobilizing and directing resources to assist, educate and promote self sufficiency. The CDC's main efforts are focused on the following activities:

- *Orange County Food Bank.* The food bank receives its food from various food

manufacturers and grocery stores. They provide the food to other social service agencies who in turn serve low income families, senior citizens, homeless and needy. Over 51,000 people a month receive food and over 13 million pounds of food was distributed in 1996!

- *CDC Human Services.* The human services department provides utility assistance, information and referral services and consumer education programs for about 6,000 low income persons each month.
- *Weatherization Services.* The weatherization program enhances energy conservation through door and window weather-stripping, helps reduce utility costs and increase safety for 700 low income residences annually.

When asked why they became a NIAC member, Julius Cartwright, the Chief Financial Officer of Orange County CDC, stated, "We understood and agreed with the concept of NIAC, and we wanted to own something to obtain clout in the insurance marketplace. We value the power of people working together to strengthen the entire nonprofit sector."

The Orange County CDC has been a NIAC member since 1991.

## DELTA SIGMA THETA

### Life Development Senior Multi-purpose Center

#### *Los Angeles*

A NIAC member since 1992, the Delta Center provides a multi-purpose senior citizen center with eight satellite locations throughout the greater Los Angeles area. The agency serves individuals 60 years or older and the disabled. A broad spectrum of services are provided with priority given to those with the greatest economic, health and social needs. The agency serves over 5,000 individuals a year.

In business since 1985, the Delta Center's mission is to enhance the quality of life and maintain the independence of the growing number of elderly citizens in the communities they serve. They offer congregate meals, home delivered meals, respite care, transportation services, and education and health services.

According to Lamon Harney, Chief Financial Officer of the Delta Center, "NIAC reduced our premium the first year we joined and our premium has remained consistent the last five years. We appreciate that NIAC understands and meets the needs of nonprofit agencies such as ours and we have been satisfied with our relationship with them."







## SANTA MARIA VALLEY

### Youth & Family Center

#### *Santa Maria*

The Santa Maria Valley Youth and Family Center (YFC) provides counseling services to youth and their families. In business since 1973, this agency works with various school districts, police departments, and community agencies on the Central coast. The Youth and Family Center program is comprised of four components:

- *Family counseling.* Recognizing that the family is the basic unit of change, the Center emphasizes a family-based counseling approach whenever appropriate.
- *Child Abuse.* The Center provides a comprehensive treatment program for victims of child abuse and their families.
- *Substance Abuse.* Individual, group, and family counseling are available to clients who are experiencing difficulties with the abuse or misuse of alcohol or drugs.
- *School Project.* In cooperation with the local school district, the Center operates the Outreach Consultant Program for children in grades K-8. The focus of the program is on problem solving, development of self-esteem, peer relationships, and conflict resolution skills.

The center assists over 1,200 youth and adults annually and has been a NIAC member since 1996. When asked why they became a NIAC member, Will Rogers, the Executive Director of YFC stated, "Our broker, Cole Kinney, spoke highly of the company. In fact, Cole stated that NIAC was the only insurer willing to spend the time to understand our agency and assist us with our liability needs."

## JEAN WEINGARTEN PENINSULA

### Oral School for the Deaf

#### *Redwood City*

The Jean Weingarten Peninsula Oral School for the Deaf was established 30 years ago. The school's focus is to provide an in-depth curriculum that enables children born deaf to acquire spoken language so that they may be mainstreamed with their hearing peers into their neighborhood schools.

The children at Jean Weingarten begin speech therapy as soon as deafness is diagnosed. Sometimes this is as early as three or four months but often as late as two to three years. The school has three main objectives:

- *Formal class training of preschool age deaf children.* The school is unique in its emphasis in cognitive development.
- *Private tutorial sessions.* From the time a child's hearing loss is detected, the school's teaching methods are supplemented by consistent use of amplification for development of residual hearing to a functional level.
- *Research.* The school was a recipient of the Alexander Graham Bell Award for their outstanding achievements in cognitive developmental research on deaf children.

These objectives are fulfilled in a comprehensive educational program that allows hearing impaired children to develop speech, auditory, and communication skills.

According to Margo Rafaty, Development Director at Jean Weingarten, "NIAC provides excellent insurance service at an affordable price. They provide a comfort level for us and all nonprofits, especially those that serve small children with disabilities." The Jean Weingarten Peninsula Oral School for the Deaf has been a NIAC member since 1993.





## FAMILIESFIRST

*Davis*



*Darkness is a way of life  
when you don't know the way.  
When you find the way, darkness  
shatters like an old glass bottle.  
A ticket falls out.  
A ticket to a lifetime of love.*

A poem by a child who received  
help through FamiliesFirst.

Throughout its 20 year history of service to children and families, FamiliesFirst has demonstrated a commitment to developing comprehensive services for children who are at risk of out-of-home placement. The agency has designed a system of care that promotes family based alternatives and is founded on the principle that all children will flourish in families rather than in institutions.

A NIAC member since 1996, FamiliesFirst provides intensive family preservation, crisis residential treatment, day treatment and special education, psychiatric residential treatment, professional foster care, and specially designed "wrap" services.

Each year, FamiliesFirst serves over 1,200 children from birth to eighteen years of age from over 32 Northern California counties. They have regional offices located in eight sites throughout Central and Northern California. NIAC was recommended to FamiliesFirst by their broker, Dick Flynn. According to Karen Seiler, Director of Community Relations at FamiliesFirst, "Dick spoke highly of NIAC and we trust his opinion as he is a man of great integrity. I'm glad we listened to him as our relationship with NIAC has been a positive one."

## THE SKILLS CENTER

*Santa Cruz*

A NIAC member since 1995, The Skills Center provides services, programs, vocational training and jobs for adults with developmental disabilities such as mental retardation, autism, and cerebral palsy. Established in 1953 by a small yet powerful group of parents of children with developmental disabilities, the Skills Center has emerged as a leader in its field, currently serving over 350 clients in Santa Clara, Santa Cruz, and Monterey counties.

The primary mission of the agency is to maximize the social and economic independence of people with developmental disabilities. This is accomplished through a wide array of programs and services including adult training centers, vocational training, job development and placement, work crews, and supported living services.



According to John Christensen, Skills Center President and CEO, "We felt that the nonprofit status of NIAC was much more in line with our agency values than other insurers. We have been very impressed with their customer service and professionalism and look forward to working with them in the years to come."



## 1996 NIAC MEMBERS

### ALAMEDA

- 100 Black Men of the Bay Area
- 2311 Corporation
- 45th Street Artists Cooperative
- AID Employment
- After School Activities of Pleasanton
- 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
- Anthony's Agape Home
- Arroyo Commons
- Art Research & Curriculum
- Bay Area American Indian Council/Indigenous Nation
- 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 Public Charter School Working Group
- Berkeley Women's Health Center
- Bio Integral Resource Center
- Bonita House
- Bridge to Asia Foundation
- Buddhist Peace Fellowship
- California Institute for Clinical Social Work
- California Oak Foundation
- California Working Group
- Canaan Place
- Cazadero Performing Arts Camp

- Child Abuse Prevention Agency
- Child Assault Prevention Training Center of California
- Children Now
- Citizens' Neighborhood Assistance Program
- Classical Philharmonic of Northern California
- Computer Using Educators
- Conciliation Forums of Oakland
- Donald P. McCullum Youth Court
- East Bay Counseling & Referral Agency for the Deaf
- East Bay Depot for Creative Reuse
- East Bay Intergroup
- East Bay League of Urban Gardeners
- East Bay Secondary School Fund
- East Oakland Youth Development Center
- Eden Youth Center
- Emeryville Community Action Program
- Family Builders By Adoption
- Family Emergency Shelter Coalition
- 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
- HIV Education and Prevention of Alameda County
- Habitot Children's Museum
- Help Another Toward Creative Happiness
- Hispanics in Philanthropy
- 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
- Lake Merritt Institute
- League of Volunteers of Newark
- Learning Disabilities Association of California
- MacArthur Boulevard Merchants Association
- Mary Ann Wright
- Foundation Outreach Mission
- Middle East Childrens Alliance
- Narika
- New Horizons Career Development Foundation
- Newark Schools Foundation
- Northern California Chapter of the National Hemophilia Foundation
- Nurses in Action
- Oakland Community Fund
- Oakland Peniel Missions
- Oakland Youth Chorus
- Organized People of Elmhurst Neighborhood
- Our Family & Friends Foster Care Services
- Over 21
- Pacific Rim Homestays
- Parental Stress Service
- Passport to American Studies
- R & L Children's Home
- Rubicon Children's Center
- Rural Urban Dynamics
- San Antonio Community Development Corporation
- San Francisco Early Music Society



*Girls, Inc. of San Leandro. A NIAC member since 1989, Girls, Inc. provides various social services to girls ages 10 through 18.*

- Seneca Residential and Day Treatment Center
- Shelter Against Violent Environments
- Society of Vertebrate Paleontology Berkeley Chapter
- Spectrum Home Health Care
- Stiles Hall
- Third Age
- University of California Berkeley Foundation
- University of Creation Spirituality
- VOCI A Women's Chamber Chorus of San Francisco
- Volunteers of America Bay Area
- Women Organized to Respond to Life
- Walden Center Elementary School
- Women's Economic Agenda Project

### AMADOR

- ARC of Amador and Calaveras

• denotes NIAC member for five or more years



# 1 9 9 6 N I A C M E M B E R S

## BUTTE

- Alzheimers Association Greater North Valley Chapter
- Butte County Children's World
- Butte Folk Music Society
- Catalyst Women's Advocates
- Chico Creek Theatre Festival
- Chico Museum Association
- Community Action Agency of Butte County
- Exceptional Family Resources
- Family Life Foundation
- Four Winds of Indian Education
- Golden State Group Homes
- Gridley Guardian
- Help-4-People
- Independent Living Services of Northern California
- Innovative Health Care Services
- Kyle Foundation
- Northern California Branch/American Society for Microbiology
- North Valley Schools
- Paradise Center for Attitudinal Healing
- Paradise Scholarship Foundation
- Paradise Strive Center
- 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 for the Handicapped
- Youth for Change
- Yuba Feather Communities Services

## CALAVERAS

- Humane Society of Calaveras County
- Volunteer Center of Calaveras County

## CONTRA COSTA

- Association of Housing Management Agents
- Bay Area Network of Gay and Lesbian Educators
- Behavioral Intervention Associates
- Cambridge Community Center
- Center for Applied Local Research
- Center for New Americans
- Clayton Community Library Foundation
- Contra Costa Alternative School
- Danville Girls Chorus
- East Bay Center for the Performing Arts
- East Bay Services to the Developmentally Disabled
- East County Community Detox Center
- Elder Abuse Prevention
- Friendship Foundation
- Gateway Pacific Foundation
- Guardian Adult Health Centers of California
- House of Champions Group Home
- Independent Adoption Center
- Kensington Community Council
- Los Cenzontles Mexican Arts Center
- Mt. Diablo Interpretive Association
- Neighborhood House of North Richmond
- Ombudsman Services of Contra Costa County
- Pinole Area Senior Foundation
- Project: Team Work
- Protect the Children Resource Center
- SHELTER
- Springs Academy

- Steven A. Genard AIDS Assistance Foundation
- United Council of Spanish Speaking Organizations
- Women's Therapy Center

## DEL NORTE

- Wild Feline Rescue

## EL DORADO

- Choices Transitional Services
- Delora Corporation
- El Dorado Arts Council
- El Dorado Community Foundation for Youth
- El Dorado National Forest Interpretive Association
- Foothill Indian Education Alliance
- Oak Ridge High School Sports Booster Club
- Sacramento Children's Museum
- Sierra Recovery Center
- Tahoe Tallac Association
- Tahoe Turning Point
- Voluntary Action Center
- Volunteer Center of El Dorado County

## FRESNO

- Alano Club of Fresno
- Alcoholism & Drug Abuse Council of Fresno County
- All About Care
- Arte Americas The Mexican Art Center
- Associated Center for Therapy
- Bennett Centers
- Big Brothers/Big Sisters of Fresno County
- California Association for Physically Handicapped

- Central San Joaquin Valley HIV Care Foundation
- Central Valley AIDS Team
- Centro La Familia De Fresno
- Epilepsy Foundation of Central California
- Evangel Home
- Fair Housing Council of Fresno County
- Fresno Adult Literacy Council
- Fresno Center for New Americans
- Fresno Leadership Foundation
- Fresno Metropolitan Ministry
- Fresno Pacific Service Corporation
- Fresno Rescue Mission
- Fresno Unity Group Homes
- Fresno Youth Advocates
- Friendship Center for the Blind
- House of Hope for Youth - San Joaquin Valley
- Jewish Welfare Federation of Fresno
- Music Performance Foundation of Central California
- OSA Women's Center
- Rape Counseling Service of Fresno
- United Way of Fresno County
- University Religious Center
- Valley Caregiver Resource Center
- Volunteer Bureau of Fresno County

## GLENN

- Glenn County Seniors Centers

## HUMBOLDT

- Alcohol/Drug Care Services
- Arcata McKinleyville Children's Center
- Dell Arte
- Environmental Protection Information Center





*ABC Child Development of Montebello. A NIAC member since 1991, ABC provides head start and pre-school education programs for children.*

Friends of the Arcata Marsh  
Hight Community Service  
Humboldt Bay Housing  
Humboldt Botanical Gardens Foundation  
• Humboldt Family Service Center  
Humboldt Redwoods Interpretive Association  
Institute for Wildlife Studies  
Mendocino Latinos Para la Comunidad  
Mitchell-Redner Centers  
North Coast Big Brothers/Big Sisters  
• North Coast Rape Crisis Team  
• North Coast Redwood Interpretive Association  
Northcoast Lesbian & Gay Community Center  
Pacific Art Center  
Pacific Dunes High School

## 1 9 9 6 N I A C M E M B E R S

Redwood Coast  
Dixieland Jazz  
Festival

- Sumeg Patricks Point Lagoons Interpretive Association
- United Way of Humboldt

### INYO

- Inyo Council for the Arts
- Ombudsman/Advocacy Services of Inyo/Mono Counties

### KERN

Arthritis Association of Kern County  
Bethany Services  
CASA of Kern County  
• 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  
New Advances for People with Disabilities  
Redrock Canyon Interpretive Association  
• Rosamond Senior Citizens  
• United Way of Indian Wells Valley Youth Connection

### KINGS

- Cornerstone Community Alcohol/Drug Recovery
- Kings Community Action Organization

Kings United Way  
Lemoore Christian Aid  
• Lemoore Senior Citizens

### LAKE

- Anderson Marsh Interpretive Association
- Boys & Girls Club of Lake County
- Clear Lake Gleaners
- Highlands Senior Service Center
- Lake County Big Brothers & Sisters
- Live Oak Seniors
- Lucerne Alpine Senior Center
- Triple S Institute

### LASSEN

- Mountain High Homes
- Spare A Dime

### LOS ANGELES

- **ABC Child Development**
- Activities for Retarded Children
- African Community Resource Center
- Aid for AIDS
- Akila Concepts
- Al Wooten Jr. Heritage Center
- Ala Nest
- An Claidheamh Soluis
- Apollo West Theatre Drama and Workshop
- Aresis Ensemble
- Arroyo Arts Collective
- Asian Pacific Community Fund of Southern California
- Asian Pacific Health Care Venture
- Assistance League of the East San Gabriel Valley
- Associated League of Mexican Americans

Awareness Foundation

Baldwin Park Community Food Center

- Beacon House Association of San Pedro
- Bell Gardens Community Services Center
- Beverly Hills Theatre Guild
- Bilingual Foundation of the Arts
- CHP 11-99 Foundation
- CLARE Foundation
- California Foundation on Employment & Disability
- California Men's Gathering
- California Youth Chess League
- Cantori Domino
- Catalina Youth Arts Exchange
- Catholic Big Brothers
- Center for the Partially Sighted
- Central San Fernando Valley Alliance
- Century Counseling Center
- Challengers Boys & Girls Club
- Chaminade College Preparatory
- Children's Cancer Research Fund
- Children's Institute International
- Christian Outreach Appeal
- Coalition of Mental Health Professionals
- Community Coalition for Substance Abuse
- Community Development Center
- Community Outreach Center of Pasadena
- Cri-help
- Delta Sigma Theta Life Development
- Didi Hirsch Community Mental Health Center
- District Attorney Crime Prevention Foundation
- Do It Now Foundation of Southern California
- Door of Hope

• denotes NIAC member for five or more years





*Heads Up of Saugus. A NIAC member since 1995, Heads Up provides innovative physical therapy on horseback for children with cerebral palsy.*

#### Dramatic Results

- Drew Child Development Corp.
- Earth Communications Office
- East Los Angeles Rape Hot Line
- East Los Angeles Sheriffs' Youth Activities League
- Eco-Home Network
- Ecumenical Council of the Pasadena Area Churches
- Ehlers-Danlos National Foundation
- El Rescate El Rescate Legal Services
- Family Hope
- Fiesta Educativa
- Filipino American Service Group
- Foothill Area Community Services
- Foothill Friends of Music
- Foothill Unity Center
- Fred Brown's Recovery Services
- Friends of Choices
- Friends of McGroarty Cultural Arts Center

## 1 9 9 6 N I A C M E M B E R S

- Friends of Robinson Gardens
- Friends of the Antelope Valley Indian Museum
- Friends of the Open School
- Futuro Infantil Hispano Foster Family Agency
- Grace Homes for Waiting Children
- Grant Beckstrand Cancer Foundation
- Great Leap
- Hadassah - Southern Pacific Coast Region
- 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
- Hermanad Mexicana Nacional
- His Sheltering Arms
- Hollywood Urban Project
- Homestead Hospice and Shelter
- Hospice of Pasadena
- IRAIDA Foundation
- Impact Drug & Alcohol Treatment
- Inglewood Neighborhood Housing Services
- Inner Circle Foster Family Agency
- Inner Strength Foundation
- International Foster Family Agency
- Japanese Community Health
- Jay Cee Dee Childrens Home
- Jefferson Center for Character Education
- June L. Mazer Lesbian Collection
- KHEIR Center
- Keep Youth Doing Something

- Kenny Nickelson Memorial Foundation
- L.A. Family Housing
- L.A. Tenth District PTA Congress of Parents
- La Puente Valley Food Pantry
- Life Services
- Little Tokyo Service Center
- Long Beach Ballet Arts
- Los Angeles Baroque Orchestra
- Los Angeles Chamber Singers
- Los Angeles Children's Chorus
- Los Angeles Classical Ballet
- Los Angeles Coalition to End Homelessness
- Los Angeles Municipal Art Gallery Associates
- Los Angeles Shanti Foundation
- Los Angeles Womens Foundation
- Marianne Frostig Center of Educational Therapy
- Marina del Rey Anglers
- Meals on Wheels of La Mirada
- Montebello Community Gang Diversion Task Force
- Mothers Club Community Center
- Multicultural Service Center
- National Academy of Songwriters
- National Council On Alcoholism & Drug Dependency
- Neighborhood Youth Association
- Neumen Group Homes
- Ninos Latinos Unidos
- North Hollywood Group
- Nuevo Amanecer Latino Childrens Services
- OPICA Adult Day Care Center
- Ocean Park Community Center
- One Institute: International Gay and Lesbian Archives
- Pets Are Wonderful Support
- Pacific Ackworth Friends School

- Pacific Resident Theatre Ensemble
- Parenting Institute
- Pasadena Boys Choir
- Pasadena Shakespeare Company
- Peace and Joy Care Center
- Pediatric Projects
- Peninsula Committee for the L.A. Philharmonic
- Peregrinos De Emaus
- Planet Hope
- Pomona Valley Community Services
- Pomona Valley Youth Employment
- Pomona-Inland Valley Council of Churches
- Positive Alternative Choices
- Pueblo Y Salud
- Purple Heart Veterans Rehabilitation Services
- Reason Foundation
- Refugio Para Ninos A Division of John White Institute
- Region 2 of Overeaters Anonymous
- Roscomare Road Booster Club
- Rosemary Cottage
- Rue's House
- Salsido Recovery Center
- San Gabriel Valley Alliance for the Mentally Ill
- Santa Clarita Valley Boys and Girls Club
- Santa Maria House
- Santa Monica Bay Area Drug Abuse Council
- Santa Monica Symphony Association
- Seeking It Through Exhibitions
- Sequoyah Educational Center
- Services Center for Independent Living
- Shalhevet High School
- Society for Calligraphy



## 1996 NIAC MEMBERS

Society of Saint Vincent de Paul  
 Soledad Enrichment Action  
 • Sonshine Youth Services  
 • South Bay Boys and Girls Club  
 • South Bay Coalition  
 South Central Food Distributors  
 • Southern California Assoc. 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  
 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 Systems  
 • Welfare Action  
 West Antelope Valley Educational Foundation  
 West Pasadena Residents' Association  
 Whittier Cultural Arts Foundation  
 Witherbee Foundation

### MADERA

• Alleluia  
 Madera Coalition for Community Justice

### MARIN

• A Broader Living Experience  
 Alliance for the Mentally Ill – Marin  
 • American Decorative Arts Forum of Northern California  
 • American Sports Institute  
 • Amigos de las Americas-Marín 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  
 Digital Village Foundation  
 Drawbridge: An Arts Program for Homeless Children  
 Environmental Forum of Marin  
 Face the World Foundation  
 Fair Housing of Marin  
 • Fairfax-San Anselmo Children's Center  
 Family Service Agency of Marin County  
 • Fifth Business  
 Four Winds West  
 Garden School  
 • Headlands Center for the Arts  
 Jennifer Altman Foundation  
 Liss Fain Dance  
 Marin AIDS Interfaith Network  
 • Marin Athletic Foundation  
 Marin Child Abuse Prevention Council  
 Marin Child Care Council  
 Marin City Children's Program  
 Marin Civic Ballet Association  
 • Marin Community Food Bank  
 • Marin Council of Agencies  
 Marin Court Appointed Special Advocate Program  
 Marin Education Fund  
 Marin Interfaith Homeless Chaplaincy  
 Marin Services for Men  
 • Marin Services for Women  
 • Matrix  
 Meals of Marin  
 Mountain Play Association  
 • Mt. Tamalpais Interpretive Association  
 National Society of Fund Raising Executives  
 New Century Chamber Orchestra  
 Northbay Children's Center  
 • Northbay Ecumenical Homes  
 Novato Human Needs Center  
 • Novato Youth Center  
 • Parent Services Project  
 Parents United  
 • Performing Stars of Marin



*Marin City Children's Program of Sausalito. A NIAC member since 1993, Marin City provides assistance to school age children with homework and after school enrichment.*

Phillips-Morrison Institute of California  
 • Public Art Works  
 Quality Care for Kids  
 San Geronimo Valley Art Center  
 Sausalito Salvage Shop  
 Senior Access  
 Shakespeare at the Beach  
 Summer Search Foundation  
 Teen Inspiration Foundation  
 Therapon Association for the Developmentally Disabled  
 Trips for Kids  
 Voices of Healing  
 Volunteer Center of Marin County  
 WILDCARE: Terwilliger Nature Education & Wildlife

### MARIPOSA

Almost Like Home  
 Mariposa County Fish & Game Protective Association  
 Mariposa Golden Agers  
 • Mountain Crisis Services  
 S.P.C.A. of Mariposa County

• denotes NIAC member for five or more years



# 1 9 9 6 N I A C M E M B E R S

## MENDOCINO

- ACCESS/AIDS Counseling Community Education and Support
- Arena Renaissance Company
- Emergency Sanctuary for Coastal Acts
- Ford Street Project
- Gualala Community Center Incorporated
- Mariposa School
- Matrix of Change
- Mendocino Coast Botanical Gardens Preservation
- Mendocino Coast Christian School
- Mendocino County Public Broadcasting KZYY Radio
- Mendocino Dispute Resolution
- Pacific Textile Arts
- Project Sanctuary
- Redwood Project for Healing

## MERCED

- A Woman's Place of Merced County
- Central Valley Opportunity Center
- Challenged Family Resource Center
- Love, Inc. of Greater Merced
- Merced-Mariposa District Council of St. Vincent de Paul

## MODOC

- Alturas Community Theater
- Modoc Child Care Council
- Resources for Indian Student Education
- T.E.A.C.H.

## MONTEREY

- 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
- Charitable Council of Monterey County
- Community Human Services
- Dixieland Monterey
- Door to Hope
- F.O.O.D. Crops
- Forest Theatre Guild
- Friends of Sunset Foundation
- League of United Latin American Citizens
- Meals on Wheels of the Monterey Peninsula
- Monterey Bay Blues Festival
- Monterey Bay Girl Scout Council
- Monterey County Youth Museum
- Monterey Peninsula College Foundation
- Monterey Peninsula Jr. Golf Association
- Pacific Repertory Theatre
- Peninsula Outreach Welcome House
- Preventing Alcohol Related Trauma in Salinas
- Second Chance Youth Program
- Suicide Prevention Center of Monterey County
- Volunteer Center of California
- Volunteer Center of Monterey County
- Youth Music Monterey

## NAPA

- "We Care" Animal Society
- Community Health Clinic Ole
- Friends of Lincoln Theater
- Friends of the Napa River
- Lifeworks
- Napa Valley Alano Club
- Second Helping Thrift Shop
- St. Helena Family Center
- Trinity Education Center

## NEVADA

- Food Bank of Nevada County
- Foundation of Resources for Equality & Employment
- Gold Country Telecare
- Milhaus School/Milhaus Children's Services
- Sierra Adoption Services
- Sierra Nevada Childrens Services

## ORANGE

- Alano Club of Garden Grove
- Alliance for the Mentally Ill of Orange County
- Alzheimer's Association of Orange County
- Anaheim Community Foundation
- Anaheim Independencia Community Center
- Anaheim Interfaith Shelter
- Annie's House
- Asian American Senior Citizens Service Center
- Assistance League of Newport-Mesa
- 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 Guidance Center
- Child or Parental Emergency Services
- Choral Conductors Guild
- Christian Center for Family Care
- Concept 7
- Cooper Fellowship
- Costa Mesa Senior Corporation
- Court Appointed Special Advocates of Orange County
- Development Solutions
- Disabled American Veterans Charities/Greater L.A.
- EFG Curriculum Collaborative
- El Sentido Humano
- Equipping Today's Church
- Fair Housing Council of Orange County
- Fashioned Forward Ministries
- Gay and Lesbian Community Services Center of Orange County
- Girls & Boys Club of Garden Grove
- God's International Resource Link
- H.O.M.E.S.
- Inside Edge
- International Visitors & Protocol Foundation
- Irvine Senior Foundation
- Irvine Temporary Housing
- Jewish Senior Center & Geriatric Services
- Just Jazz
- Kids Cancer Connection
- La Monte Academie





*Southern California Indian Center of Garden Grove. A NIAC member since 1993, the Indian Center provides employment assistance to Indian families through counseling, vocational training, and career guidance.*

- Latino Center for Prevention and Action in Health
- Laurel House
- Leadership Tomorrow
- Mary's Shelter
- Newport Mesa Halfway House
- Orange County Bicycle Coalition
- Orange County Community Development Council

## 1 9 9 6 N I A C M E M B E R S

- People for Irvine Community Health
- Pilgrimage Family Therapy Center
- Pressing On Christian Fellowship
- Project Independence
- S.E.E. Center for the Advancement of Deaf Children
- Saint Mary and All Angels School
- Sally's Fund
- Samadana
- San Clemente High School
- Triton Booster Club
- San Clemente Seniors
- Sheepfold
- Shelter for the Homeless
- South County Senior Services
- Southern California Indian Center
- Southwest Minority Economic Development Association

- Speech & Language Development Center
- Syntone Treatment Center
- Toastmasters International
- Trinity College of Graduate Studies
- Vietnamese Community of Orange County
- Villa Center
- Volunteer Center of Greater Orange County
- Western Youth Services
- YWCA of South Orange County

### PLACER

- Alliance for the Mentally Ill of Placer County

- Child Abuse Council of Placer County
- Childrens Psychological Clinic
- 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 Foothills AIDS Foundation
- Sierra Vista Center
- Squaw Valley Community of Writers

### PLUMAS

- Plumas Crisis Intervention Resource Center
- Plumas Job Training Center
- RAINBOW Family Support & Resource Network

### RIVERSIDE

- Arrid Club
- Assistance League of Riverside
- Banning Youth Center
- Beaumont State Pre-School Corp.
- Boys & Girls Club of Coachella Valley
- CASA For Riverside County
- Children of Parkinsonians
- Coachella Valley Historical Society
- Double Check Retreat
- Esperanza Youth and Family Center
- Fair Housing Council of Riverside County
- Idyllwild HELP Center
- Inland Empire Community Action Council
- Inland Empire Concilio De La Raza
- Johnson Manor
- Kris' Camp/Therapy Intensive Programs

- Living Free Animal Sanctuary
- National Parenting Institute
- Partnership to Preserve Independent Living
- Prime of Life
- Ramona Bowl Music Association
- Reichart and Dodd Foundation
- Reynaldo J. Carreon M.D. Foundation
- Riverside County Community Investment Corporation
- Riverside County Latino Commission on Alcohol
- Riverside Medical Foundation
- Riverside Recovery Resources
- San Geronio Child Care Consortium
- San Jacinto Valley School of the Arts
- Senior Daycare Center/David Kahn Center
- Shelter from the Storm
- Soroptimist House of Hope
- Sun City Concern
- Teen Challenge of Southern California
- United Way of the Inland Valleys
- Valley Restart Shelter
- Variety Children's Charities of the Desert
- Tent 66
- Village Center for the Arts

### SACRAMENTO

- Alzheimer's Association Greater Sacramento Area
- Asian Peace Officers Association
- Associated Family Therapy for Effective Recovery
- Better Life Children Services
- Big Brothers/Big Sisters of the Greater Sacramento
- Boys & Girls Clubs of Greater Sacramento



## 1 9 9 6 N I A C M E M B E R S

- Breaking the Cycle Treatment Programs
- California Channel
- California Child Youth and Family Coalition
- California Freedom House Fellowship
- California Inland Fisheries Foundation
- California Institute of Public Affairs
- California Native Plant Society
- California State Student Association
- California Wildlife Federation
- Californians for Population Stabilization
- Capitol Area Indian Resources
- Chemical Dependency Center
- Child & Family Institute
- Child Abuse Prevention Council of Sacramento



*The Stanford Home for Children of Sacramento. A NIAC member since 1996, Stanford Home provides care and treatment for teenage boys and girls in a therapeutic environment.*

- Children's Research Institute of California
- Community Enterprises
- Diogenes Youth Services
- Dr. Martin Luther King Jr. Expo and Job Fair
- El Hogar Mental Health and Community Services
- Elk Grove Historical Society
- Families United
- Family Service Agency of the Greater Sacramento Area
- Getting Sober Staying Sober
- Happy Tails Pet Sanctuary
- Head Trauma Support Project
- Home Assistance & Repair Program for Seniors
- Human Resources Consultants
- Indian Dispute Resolution Services
- Interfaith Service Bureau
- Jinan-Sacramento Sister City
- Law Enforcement Chaplaincy
- Lekotek Family Resource Center
- Living in Familiar Environments
- Mental Health Association Sacramento Chapter
- Mexican-American Alcoholism Program
- Michels Education Institute
- National Foundation for the Treatment of Abused Children
- National Visiting Teachers Association
- New Horizons Counseling Center
- Omni Programs /Peers Against Substance Abuse
- One Shoe Crew
- Options Group Homes
- Pacific Crest Trail Association
- Positive Option Family Services
- River City Recovery Center

- River Oak Center for Children
- SacraMentor Program
- Sacramento Alliance for the Mentally Ill
- Sacramento Area Emergency Housing
- Sacramento Area Fire Fighters Burn Center Committee
- 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
- Somerset Home School
- St. Francis Home for Children
- St. John's Shelter for Women & Children
- Stanford Home for Children**
- Training Toward Self-Reliance
- Treat'em Like a King
- Vinny's Care Home
- Visions Unlimited South Area Mental Health Clinic
- Volunteers of America Sacramento & Central Valley
- Women Escaping a Violent Environment
- Womens Civic Improvement Club of Sacramento
- Works in New Directions
- YWCA of Sacramento

### SAN BENITO

- 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

- Alzheimer's Disease and Related Disorders Association
- Christian Counseling Service
- Crest Forest Community Services Council
- Elijah's Blessing
- Fair Housing Council of San Bernardino County
- Fontana We Care
- Foothill AIDS Project
- Inland Area Native American Association
- Lytle Creek Senior Citizens Association
- Morongo Basin Adult Health Services
- Morongo Basin Mental Health Services Association
- New Testament Community Outreach
- R-SB Harbinger Corporation
- Rancho Cucamonga Friendship for Animals
- Rolling Start
- San Bernardino Child Advocacy Program
- San Bernardino National Forest Association
- San Gorgonio Volunteer Association
- Vigor International Group Homes
- United Cancer Research Society

### SAN DIEGO

- AIDS Walk San Diego
- Alpha of San Diego
- Alzheimer's Disease & Related Disorders Association
- Angel Society of Fallbrook



## 1 9 9 6 N I A C M E M B E R S

- Lilliput Children's Services
- North Valley Symphony Orchestra
- Share Homes

### SAN LUIS OBISPO

- Atascadero Recreation Center Committee
- Central Coast Neurobehavior Center
- Clark Ovitt Foundation
- Economic Vitality Corporation of San Luis Obispo
- Family Care Network
- Food Bank Coalition of San Luis Obispo County
- 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
- Hearthstone Foundation
- Heritage Village Seniors
- Hesed Christian Ministries
- LifeSpan Services Network
- Math/Science Technology Foundation
- NCI Affiliates
- Natural History Association of San Luis Obispo Coast
- Pacific Polytechnic Institute
- 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 Luis Obispo Literacy Council
- South County Performing Arts Building Foundation

### SAN MATEO

- Adopt International
- Al-Anon Family Groups District 13
- All Stars Helping Kids
- Alliance for the Mentally Ill of San Mateo
- Bayshore Child Care Services
- Burlingame Historical Society
- California Council for the Social Studies
- Carey School
- Childcare Coordinating Council of San Mateo County
- Daly City Emergency Food Pantry
- Dreamkeeper-Partners in Education Learning Program
- East Palo Alto Senior Center
- Emergency Hunger Fund of Redwood City
- Foundation for Autistic Childhood Education & Support
- Hillsborough Schools Foundation
- Human Investment Project
- Institute for the Advancement of Human Behavior
- Jean Weingarten Oral School for the Deaf
- Kainos Home and Training Center
- La Casa de San Mateo
- La Honda Educational Foundation
- Latino Commission on Alcohol & Drug Abuse Service
- MATE Foundation
- Marin Association for Retarded Citizens
- Peninsula Community Foundation
- Peninsula Humane Society
- Peninsula League
- Peninsula Network of Mental Health Clients
- Peninsula Outreach Programs
- Redwood City Friends of Literacy
- Shule Mandela Academy



*San Francisco League of Urban Gardeners. A NIAC member since 1992, SLUG provides environmental education workshops and community garden assistance.*

- Solidarity Fellowship
- Sor Juana Ines
- South Coast Children's Services
- This Side of the Hill Players
- Tri City Community Concert Association

### SANTA BARBARA

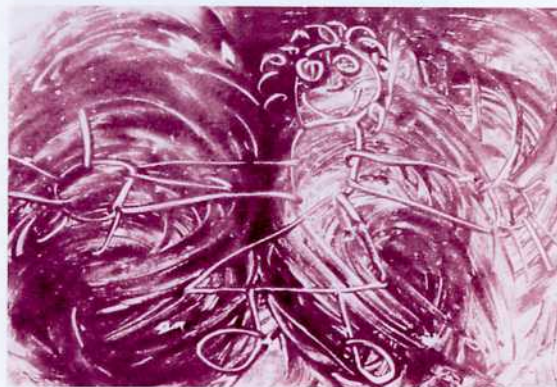
- ARC of Santa Maria Valley
- American Philanthropy Association
- Anger Management & Counseling Services
- Boys & Girls Club of Santa Maria Valley
- CASA of Santa Barbara
- Center for the Preservation of Modern History
- Central Coast Headway
- Community Environmental Council
- Direct Link for the Disabled

- Endowment for Youth
- Good Samaritan Shelter
- Jodi House
- 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 Chapter American Cetacean Society
- Santa Barbara Rape Crisis Center
- Santa Barbara Rescue Mission
- Santa Maria Arts Council
- Santa Maria Civic Theatre
- Santa Maria Museum & Art Center
- Santa Maria Valley Youth & Family Center
- Senior Programs of Santa Barbara

• denotes NIAC member for five or more years



## 1 9 9 6 N I A C M E M B E R S



*San Francisco Children's Art Center .  
A NIAC member since 1990, the Center  
works with children of all ages teaching the  
joys of artwork.*

- Greenlining Institute
- Haight Ashbury Food Program
- Health Initiatives for Youth
- Hills Project
- Holocaust Oral History Project
- Homeless Prenatal Program
- Housing Development And Neighborhood Preservation
- IQRAA Educational Academy & Services
- Independent Housing Services
- Instituto Pro Musica de California
- International Gay & Lesbian Human Rights Commission
- International AIDS Society – USA
- International Development Exchange
- Kearny Street Workshop
- Kid's Turn
- Korean Community Service Center
- La Casa de las Madres

- Latino Issues Forum
- Lavender Youth Recreation & Information Center
- Lesbian Gay Chorus of San Francisco
- Lifeline Mission of San Francisco
- Men Overcoming Violence
- Meals on Wheels of San Francisco
- Mexican Cultural Center
- Mexican Museum
- Mid-Weeklies
- Mission Childcare Consortium
- Mission Cultural Center for Latino Arts

- Museum of the City of San Francisco
- National Concilio of America
- National Council on Crime & Delinquency
- National Sanctuary Defense Fund
- National Task Force on AIDS Prevention
- Network on Women in Prison
- New Fillmore Community Theater
- Northern California Service League
- Northern California Supplier Development Council
- OMI Neighbors in Action
- OMICA/Oceanview Merced Ingleside Community Association
- Oakland Youth Services
- One at a Time Foundation
- Options for Women Over Forty
- Orchidmania
- Planning Association for the Richmond
- Partners in School Innovation
- Patient Assistance Foundation
- Precita Eyes Mural Arts Center
- Presidio World College
- Radiology Research and Education Foundation

### Redefining Progress

- Refugee Transitions
- Renaissance Parents of Success
- Richmond District Neighborhood Center
- Smuin Ballets
- Saint Vincent de Paul Society, San Francisco
- San Francisco Adult Day Health Network
- San Francisco African American Historical
- San Francisco Arts Education Project
- San Francisco Bay Area Broadcast Skills Bank
- San Francisco Baykeeper**
- San Francisco Black Coalition on AIDS
- San Francisco Camerawork
- San Francisco Center for the Book
- San Francisco Challenge
- San Francisco Child Abuse Council
- **San Francisco Children's Art Center**
- San Francisco Cinemateque
- San Francisco Clothing Bank
- San Francisco Community Television Corporation
- San Francisco Education Fund
- San Francisco Educational Services
- San Francisco Family Foundation
- San Francisco Free Clinic
- San Francisco Friends of the Urban Forest
- **San Francisco League of Urban Gardeners**
- San Francisco Network of Mental Health Clients
- San Francisco Peniel Missions
- San Francisco Performing Arts Library & Museum
- San Francisco Psychotherapy Research Group
- San Francisco Regional Cancer Foundation
- San Francisco S.A.F.E.
- San Francisco Study Center

San Francisco Urban Service Project

Save the Redwoods League

Shakespeare San Francisco

- Sojourner Truth Foster Family Service Agency
- South Bayshore Community Development
- Square & Circle Club of San Francisco
- Stop AIDS Project
- Summerbridge National Project
- Support Center for Nonprofit Management
- Tax-Aid
- Tenderloin AIDS Resource Center
- U.S. El Salvador Institute for Democratic Development
- Victorian Alliance
- Volunteer Center of San Francisco
- Volunteers In Parole
- Wagner Society of Northern California
- We Care Bay Area
- West Bay Local Development Corporation
- Western Addition Senior Citizens Service Center
- Western Roundup/Living Sober of San Francisco
- Wiley W. Manuel Law Foundation
- William G. Irwin Charity Foundation
- Women's Initiative for Self Employment
- World Centre-San Francisco
- Yerba Buena Gardens Studio for Technology/Arts
- Young Audiences of the Bay Area

### SAN JOAQUIN

Asian Pacific Self-Development & Residential Association

Beacon Lighthouse

Boys & Girls Club of Stockton

Family Resource Network



## 1 9 9 6 N I A C M E M B E R S

- Lilliput Children's Services
- North Valley Symphony Orchestra
- Share Homes

### SAN LUIS OBISPO

- Atascadero Recreation Center Committee
- Central Coast Neurobehavior Center
- Clark Ovitt Foundation
- Economic Vitality Corporation of San Luis Obispo
- Family Care Network
- Food Bank Coalition of San Luis Obispo County
- 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
- Hearthstone Foundation
- Heritage Village Seniors
- Hesed Christian Ministries
- LifeSpan Services Network
- Math/Science Technology Foundation
- NCI Affiliates
- Natural History Association of San Luis Obispo Coast
- Pacific Polytechnic Institute
- 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 Luis Obispo Literacy Council
- South County Performing Arts Building Foundation

### SAN MATEO

- Adopt International
- Al-Anon Family Groups District 13
- All Stars Helping Kids
- Alliance for the Mentally Ill of San Mateo
- Bayshore Child Care Services
- Burlingame Historical Society
- California Council for the Social Studies
- Carey School
- Childcare Coordinating Council of San Mateo County
- Daly City Emergency Food Pantry
- Dreamkeeper-Partners in Education Learning Program
- East Palo Alto Senior Center
- Emergency Hunger Fund of Redwood City
- Foundation for Autistic Childhood Education & Support
- Hillsborough Schools Foundation
- Human Investment Project
- Institute for the Advancement of Human Behavior
- Jean Weingarten Oral School for the Deaf
- Kainos Home and Training Center
- La Casa de San Mateo
- La Honda Educational Foundation
- Latino Commission on Alcohol & Drug Abuse Service
- MATE Foundation
- Marin Association for Retarded Citizens
- Peninsula Community Foundation
- Peninsula Humane Society
- Peninsula League
- Peninsula Network of Mental Health Clients
- Peninsula Outreach Programs
- Redwood City Friends of Literacy
- Shule Mandela Academy



*San Francisco League of Urban Gardeners. A NIAC member since 1992, SLUG provides environmental education workshops and community garden assistance.*

- Solidarity Fellowship
- Sor Juana Ines
- South Coast Children's Services
- This Side of the Hill Players
- Tri City Community Concert Association

### SANTA BARBARA

- ARC of Santa Maria Valley
- American Philanthropy Association
- Anger Management & Counseling Services
- Boys & Girls Club of Santa Maria Valley
- CASA of Santa Barbara
- Center for the Preservation of Modern History
- Central Coast Headway
- Community Environmental Council
- Direct Link for the Disabled

- Endowment for Youth
- Good Samaritan Shelter
- Jodi House
- 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 Chapter American Cetacean Society
- Santa Barbara Rape Crisis Center
- Santa Barbara Rescue Mission
- Santa Maria Arts Council
- Santa Maria Civic Theatre
- Santa Maria Museum & Art Center
- Santa Maria Valley Youth & Family Center
- Senior Programs of Santa Barbara

• denotes NIAC member for five or more years



# 1 9 9 6 N I A C M E M B E R S

South Coast Business Network  
Thresholds to Recovery  
V.I.V.A./Volunteers for Inter-Valley Animals  
Valley of Flowers Half Century Club

## SANTA CLARA

A Place for Teens  
Advantage Youth Homes  
Alano Club West of San Jose  
• Ananda Marga of Los Altos Hills  
Arts Council of Santa Clara County  
Association of Former Vietnamese Political Prisoners  
Bay Area Irish Cultural Society  
• Bill Wilson Center  
Braille Transcription Project of Santa Clara County  
California Council for the Promotion of History  
Campbell Union Elementary Education Foundation  
Center for Excellence in Nonprofits  
Champs Foundation  
Child Quest International  
Christian Environmental Association  
Christian Family Fellowship  
• Christmas Dinner Fund  
Combined Addicts & Professionals Services  
• Community Coordinated Child Development Council  
Community Family Services  
Community Resources in Support of Families in Santa Clara County  
Court Designated Child Advocates of Santa Clara  
Cupertino Senior Day Services  
Daybreak Childcare Network

• Diabetes Society of Santa Clara Valley  
• EE's Residential Group Homes  
Esprit de Corp Foundation  
Ethiopian Community Services  
• Family Giving Tree  
• GRASP Foundation  
Graystone Home & School Club  
• Green Pastures  
• HandsNet  
Heart of the Valley Services for Seniors  
Higher Education Policy Institute  
• Homeless Care Force  
• Information and Referral Services  
InterGenerational Health Center  
KARA  
Kids in Common  
• Korean American Community Services  
• LO\*OP Center  
Literacy Alliance for the South Bay  
• Live Oak Adult Day Services  
Los Gatos Athletic Association  
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  
• PACT (People Acting in Community Together)  
PFLAG/Peninsula Parents & Friends of Lesbians and Gays  
• Pacific Autism Center for Education  
Palomares  
• Parents Helping Parents  
• Parkinson's Institute

• Peninsula Area Information & Referral Service  
Process Therapy Institute  
Project Sentinel Fair Housing  
San Francisco Bay Bird Observatory  
San Jose Children's Musical Theater  
San Jose Day Nursery  
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  
Sensory Access Foundation  
Shoot for the Stars  
Silicon Valley Pollution Prevention Center  
• Silicon Valley Toxics Coalition  
South Valley Symphony  
Spark Foundation  
Stanford Bay Area Charities  
• Summit League  
Timpany Center  
• Vietnamese American Cultural & Social Council  
• WATCH  
West Bay Opera Association  
• Youth Focus  
Youth Service California

## SANTA CRUZ

Agricultural History Project  
Alzheimer's Association of Santa Cruz  
Cabrillo Guild of Music  
• California Association of Nonprofits  
• California Grey Bears  
Capacitar  
Center for the Future of Teaching and Learning  
• Children's Placement Service  
Cindy's Celebrations  
• Community Action Board of Santa Cruz County  
Community Options  
• Conflict Resolution Center  
• Corralitos Padres  
• Court Appointed Special Advocates of Santa Cruz County  
• Defensa de Mujeres  
• Democratic Management Services  
Dientes the Community Dental Clinic  
Doran Resource Center for the Blind  
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 Chinese Medicine  
• Friends of the Santa Cruz Public Libraries  
• Future Families  
• Good Shepherd Fund  
• Group Home Society



## 1 9 9 6 N I A C M E M B E R S

- Lilliput Children's Services
- North Valley Symphony Orchestra
- Share Homes

### SAN LUIS OBISPO

- Atascadero Recreation Center Committee
  - Central Coast Neurobehavior Center
  - Clark Ovitt Foundation
  - Economic Vitality Corporation of San Luis Obispo
  - Family Care Network
  - Food Bank Coalition of San Luis Obispo County
  - 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
  - Hearthstone Foundation
  - Heritage Village Seniors
  - Hesed Christian Ministries
  - LifeSpan Services Network
  - Math/Science Technology Foundation
  - NCI Affiliates
  - Natural History Association of San Luis Obispo Coast
  - Pacific Polytechnic Institute
  - 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 Luis Obispo Literacy Council
  - South County Performing Arts Building Foundation
- SAN MATEO**
- Adopt International
  - Al-Anon Family Groups District 13
  - All Stars Helping Kids
  - Alliance for the Mentally Ill of San Mateo
  - Bayshore Child Care Services
  - Burlingame Historical Society
  - California Council for the Social Studies
  - Carey School
  - Childcare Coordinating Council of San Mateo County
  - Daly City Emergency Food Pantry
  - Dreamkeeper-Partners in Education Learning Program
  - East Palo Alto Senior Center
  - Emergency Hunger Fund of Redwood City
  - Foundation for Autistic Childhood Education & Support
  - Hillsborough Schools Foundation
  - Human Investment Project
  - Institute for the Advancement of Human Behavior
  - Jean Weingarten Oral School for the Deaf
  - Kainos Home and Training Center
  - La Casa de San Mateo
  - La Honda Educational Foundation
  - Latino Commission on Alcohol & Drug Abuse Service
  - MATE Foundation
  - Marin Association for Retarded Citizens
  - Peninsula Community Foundation
  - Peninsula Humane Society
  - Peninsula League
  - Peninsula Network of Mental Health Clients
  - Peninsula Outreach Programs
  - Redwood City Friends of Literacy
  - Shule Mandela Academy



*San Francisco League of Urban Gardeners. A NIAC member since 1992, SLUG provides environmental education workshops and community garden assistance.*

- Solidarity Fellowship
- Sor Juana Ines
- South Coast Children's Services
- This Side of the Hill Players
- Tri City Community Concert Association

### SANTA BARBARA

- ARC of Santa Maria Valley
- American Philanthropy Association
- Anger Management & Counseling Services
- Boys & Girls Club of Santa Maria Valley
- CASA of Santa Barbara
- Center for the Preservation of Modern History
- Central Coast Headway
- Community Environmental Council
- Direct Link for the Disabled

- Endowment for Youth
- Good Samaritan Shelter
- Jodi House
- 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 Chapter American Cetacean Society
- Santa Barbara Rape Crisis Center
- Santa Barbara Rescue Mission
- Santa Maria Arts Council
- Santa Maria Civic Theatre
- Santa Maria Museum & Art Center
- Santa Maria Valley Youth & Family Center
- Senior Programs of Santa Barbara

• denotes NIAC member for five or more years



## I N D E P E N D E N T   A U D I T O R S '   R E P O R T

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**W**e have audited the accompanying consolidated balance sheet of Nonprofits' Insurance Alliance of California (the Company) as of December 31, 1996 and the related consolidated statements of income, members' equity and cash flows for the year 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 audit. The financial statements of the Company for the year ended December 31, 1995 were audited by other auditors whose report, dated March 6, 1996, expressed an unqualified opinion on those statements.

**W**e conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 audit provides a reasonable basis for our opinion.

**I**n our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 1996 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

*Deloitte & Touche LLP*

Deloitte & Touche, LLP  
San Jose, California

March 7, 1997



## CONSOLIDATED BALANCE SHEETS

Years Ended December 31, 1996 and 1995

ASSETS	1996	1995
Investments:		
Restricted investments at market	\$ 1,906,859	\$ 1,784,608
Investments at market	<u>14,072,831</u>	<u>10,916,485</u>
Total investments	15,979,690	12,701,093
Cash	285,848	302,322
Premiums receivable, net of allowance for doubtful accounts of \$10,317 in 1996 (none in 1995)	1,046,293	974,480
Interest receivable	249,863	162,782
Prepaid expenses and deposits	23,148	21,185
Reinsurance recoverable	7,312,456	4,873,781
Prepaid reinsurance premium	1,160,454	1,190,833
Deferred acquisition costs	748,118	580,707
Income tax receivable	1,005,236	332,101
Deferred tax asset	605,755	474,635
Property and equipment, net of accumulated depreciation of \$210,699 in 1996 and \$151,243 in 1995	<u>169,008</u>	<u>153,459</u>
<b>TOTAL</b>	<b>\$ 28,585,869</b>	<b>\$ 21,767,378</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Loss and loss adjustment expense reserves	\$ 16,960,335	\$ 12,667,029
Unearned premiums	4,602,502	4,154,078
Reinsurance payable	1,401,701	1,315,387
Accounts payable	527,755	228,389
Other accrued liabilities	291,496	19,104
Income taxes payable	<u>866,300</u>	<u>—</u>
	24,650,089	18,383,987
Subordinated debt	1,300,000	1,300,000
Commitments and contingencies (Note 10)		
Members' equity:		
Members' contributions	705,359	601,234
Unrealized gains on investments, net of deferred tax of \$43,156 in 1996 and \$94,487 in 1995	83,772	183,414
Other paid-in capital	31,054	31,054
Retained earnings	<u>1,815,595</u>	<u>1,267,689</u>
Total members' equity	<u>2,635,780</u>	<u>2,083,391</u>
<b>TOTAL</b>	<b>\$ 28,585,869</b>	<b>\$ 21,767,378</b>

See notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31, 1996 and 1995

	1996	1995
<b>REVENUES:</b>		
Gross written premium	\$ 10,305,225	\$ 9,342,824
Ceded premium	<u>(2,687,077)</u>	<u>(2,736,266)</u>
Net written premium	7,618,148	6,606,558
Increase in unearned premium	<u>(478,802)</u>	<u>(242,861)</u>
Net earned premium	7,139,346	6,363,697
Net restricted investment income	81,482	95,466
Net investment income	770,986	636,625
Net realized gain (loss) on sales of investments	(38,162)	112,606
Other income	<u>177,175</u>	<u>87,110</u>
Total revenues	<u>8,130,827</u>	<u>7,295,504</u>
<b>EXPENSES:</b>		
Losses and loss adjustment expenses incurred	5,072,325	4,445,009
Salaries and employee benefits	1,250,737	1,004,893
Commission expense	854,497	660,632
Other expense	<u>101,985</u>	<u>316,739</u>
Total expenses	<u>7,279,544</u>	<u>6,427,273</u>
INCOME BEFORE INCOME TAXES	851,283	868,231
INCOME TAX EXPENSE	<u>303,377</u>	<u>295,939</u>
<b>NET INCOME</b>	<b>\$ 547,906</b>	<b>\$ 572,292</b>

See notes to consolidated financial statements.



## CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

Years Ended December 31, 1996 and 1995

	Members' Contributions	Other Paid-In Capital	Retained Earnings	Unrealized (Losses) Gains on Investments Available for Sale	Total Members' Equity
BALANCES, January 1, 1995	\$ 509,332	\$ 31,054	\$ 695,397	\$(315,696)	\$ 920,087
Unrealized gain during the year, net of deferred tax of \$94,487	—	—	—	499,110	499,110
Members' contributions	91,902	—	—	—	91,902
Net income	—	—	572,292	—	572,292
BALANCES, December 31, 1995	601,234	31,054	1,267,689	183,414	2,083,391
Unrealized loss during the year, net of deferred tax of \$51,331	—	—	—	(99,642)	(99,642)
Members' contributions	104,125	—	—	—	104,125
Net income	—	—	547,906	—	547,906
BALANCES, December 31, 1996	<u>\$ 705,359</u>	<u>\$ 31,054</u>	<u>\$ 1,815,595</u>	<u>\$ 83,772</u>	<u>\$2,635,780</u>

See notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 1996 and 1995

	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 547,906	\$ 572,292
Adjustments to reconcile net income to net cash provided by operating activities:		
Net realized (gains) losses on sales of investments	38,162	(112,606)
Depreciation	62,001	43,047
Deferred income tax benefit	(131,120)	(146,856)
Changes in assets and liabilities:		
Premiums receivable	(71,813)	(165,656)
Interest receivable	(87,081)	(54,593)
Prepaid expenses and deposits	(1,963)	31,714
Reinsurance recoverable	(2,438,675)	(1,327,284)
Prepaid reinsurance premium	30,379	70,755
Deferred acquisitions costs	(167,411)	(45,234)
Income tax receivable	(673,135)	(332,101)
Loss and loss adjustment expense reserves	4,293,306	4,291,149
Unearned premiums	448,424	172,106
Reinsurance payable	86,314	251,910
Accounts payable	299,366	(89,206)
Other accrued liabilities	272,392	52,846
Income taxes payable	866,300	(96,233)
Net cash provided by operating activities	<u>3,373,352</u>	<u>3,116,050</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(10,794,123)	(10,913,949)
Sales of investments	6,551,722	7,902,970
Maturities of investments	826,000	—
Purchases of property and equipment	(77,550)	(82,352)
Net cash used in investing activities	<u>(3,493,951)</u>	<u>(3,093,331)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from members' contributions	<u>104,125</u>	<u>91,902</u>
NET INCREASE (DECREASE) IN CASH	(16,474)	114,621
CASH, Beginning of year	<u>302,322</u>	<u>187,701</u>
CASH, End of year	<u>\$ 285,848</u>	<u>\$ 302,322</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Federal income taxes	<u>\$ 190,000</u>	<u>\$ 871,129</u>
Interest expense	<u>\$ 26,000</u>	<u>\$ 26,000</u>

See notes to consolidated financial statements.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 1996 and 1995

### 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).

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, SCC Reinsurance Limited (SCC Re), which was incorporated in December 1996 (see Note 2). All intercompany balances and transactions have been eliminated.

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 coverage to its members. Coverage is provided on an occurrence basis. 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 limits available up to a \$1,000,000 aggregate including defense and indemnity is available for improper sexual conduct claims. Directors' and officers' liability is available to members on a claims-made basis. The typical limit of coverage is \$1,000,000. The Company also offers umbrella coverage for general liability policies up to \$10 million in excess of \$1 million.

The Company receives a one-time contribution from each new member in the form of a nonrefundable membership contribution, which are recorded as an addition to members' equity. During 1996 and 1995, the contribution amount was 10% of the commercial general liability premium.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Financial Statement Estimates** — 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.

**Revenue Recognition** — Premiums are recognized as earned on a pro rata basis over the terms of the policies, usually twelve months. Unearned premiums represent the difference between premiums written and premiums earned.

**Deferred Acquisition Costs** — Policy acquisition costs incurred are deferred and amortized over the period of premium recognition. These costs generally include commissions, underwriting, policy issuance and marketing costs. Amortization of acquisition costs was \$1,307,861 for 1996 and \$1,127,190 for 1995. Anticipated investment income is not considered in determining if a premium deficiency exists.

**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.

**Investments** — The Company has classified all of its investment portfolio as "available-for-sale securities." Investments that are classified as "available-for-sale securities" are reported at fair value, with unrealized gains and losses excluded from earnings and reported as a separate component of members' equity. Net realized investment gains or losses are recognized based upon the specific identification of investments sold. Gross realized gains and gross realized losses on those sales were \$19,656 and \$(57,818), respectively, in 1996 and \$132,801 and \$(20,195), respectively, in 1995.

**Loss and Loss Adjustment Expense Reserves** — Loss and loss adjustment expense reserves are estimates based on an expected loss and loss adjustment expense ratio. The expected ratio is based on the Company's historical experience and industry statistics. 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. 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.

**Reinsurance** — 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 insured contracts.

**Income Taxes** — The Company has previously been granted tax-exempt status by the state of California. On August 1, 1996, federal legislation was passed which allows the Company to elect federal tax-exempt status effective January 1, 1997. As of March 7, 1997, the Company has an application pending to obtain federal tax-exempt status.

In anticipation of potentially becoming a tax-exempt entity, the Company incorporated SCC Re in December 1996. SCC Re is a taxable entity incorporated under the laws of the Island of Nevis, an independent federation in the West Indies.

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 financial statement carrying amounts of 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.

**Reclassifications** — Certain amounts in the 1995 financial statements have been reclassified to conform to the 1996 financial statement presentation.

### 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.

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 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 1996 and 1995.

Restricted investments, carried in the accompanying balance sheets at estimated market value, consist of the following as of December 31, 1996 and 1995:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Market Value
1996:				
Corporate obligations	\$ 870,976	\$ 8,493	\$ —	\$ 879,469
Money market account	7,669	—	—	7,669
Mortgage-backed securities	601,998	—	(368)	601,630
Asset-backed securities	306,945	1,241	—	308,186
Other debt securities	<u>109,424</u>	<u>481</u>	<u>—</u>	<u>109,905</u>
	<u>\$ 1,897,012</u>	<u>\$ 10,215</u>	<u>\$ (368)</u>	<u>\$ 1,906,859</u>
1995:				
Corporate obligations	\$ 811,517	\$ 17,171	\$ —	\$ 828,688
Money market account	67,388	—	—	67,388
Mortgage-backed securities	399,299	4,080	—	403,379
Asset-backed securities	305,170	—	(1,165)	304,005
Other debt securities	<u>179,770</u>	<u>1,378</u>	<u>—</u>	<u>181,148</u>
	<u>\$ 1,763,144</u>	<u>\$ 22,629</u>	<u>\$ (1,165)</u>	<u>\$ 1,784,608</u>

The amortized cost and estimated market value of restricted investments at December 31, 1996, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Estimated Market Value
Due in 1 year or less	\$ 37,800	\$ 37,991
Due after 1 year through 5 years	640,556	643,557
Due after 5 years	309,713	315,495
Mortgage-backed securities	601,998	599,782
Asset-backed securities	<u>306,945</u>	<u>310,034</u>
<b>TOTAL</b>	<u><b>\$ 1,897,012</b></u>	<u><b>\$ 1,906,859</b></u>

### 4. INVESTMENTS

Unrestricted investments, carried in the accompanying balance sheets at estimated market value, consist of the following as of December 31, 1996 and 1995:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Market Value
1996:				
Corporate obligations	\$ 9,586,457	\$ 94,156	\$ —	\$ 9,680,613
U.S. government and agency obligations	249,839	—	(3,745)	246,094
Money market account	90,856	—	—	90,856
Mortgage-backed securities	2,542,386	7,372	—	2,549,758
Asset-backed securities	464,748	8,673	—	473,421
Other debt securities	<u>1,021,464</u>	<u>10,625</u>	<u>—</u>	<u>1,032,089</u>
	<u>\$ 13,955,750</u>	<u>\$ 120,826</u>	<u>\$ (3,745)</u>	<u>\$14,072,831</u>
1995:				
Corporate obligations	\$ 6,092,362	\$ 190,147	\$ —	\$ 6,282,509
U.S. government and agency obligations	249,818	5,416	—	255,234
Money market account	266,848	—	—	266,848
Mortgage-backed securities	2,776,183	63,030	—	2,839,213
Asset-backed securities	627,080	—	(6,060)	621,020
Other debt securities	<u>647,757</u>	<u>3,904</u>	<u>—</u>	<u>651,661</u>
	<u>\$ 10,660,048</u>	<u>\$ 262,497</u>	<u>\$ (6,060)</u>	<u>\$10,916,485</u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

*Years Ended December 31, 1996 and 1995*

The amortized cost and estimated market value of unrestricted investments at December 31, 1996, 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 repayment penalties.

	Amortized Cost	Estimated Market Value
Due in 1 year or less	\$ 1,986,552	\$ 1,989,787
Due after 1 year through 5 years	3,481,497	3,512,440
Due after 5 years	5,480,567	5,547,425
Mortgage-backed securities	2,542,386	2,549,758
Asset-backed securities	<u>464,748</u>	<u>473,421</u>
<b>TOTAL</b>	<b><u>\$ 13,955,750</u></b>	<b><u>\$ 14,072,831</u></b>

### 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":

	1996		1995	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Restricted investments	\$ 1,906,859	\$ 1,906,859	\$ 1,784,608	\$ 1,784,608
Investments	14,072,831	14,072,831	10,916,485	10,916,485

Estimated market values of investments, which are debt securities, are primarily obtained from an independent external pricing service. This service 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 amounts 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 are as follows:

	1996	1995
Current	\$ 477,653	\$ 442,795
Deferred	<u>(174,276)</u>	<u>(146,856)</u>
<b>TOTAL</b>	<b><u>\$ 303,377</u></b>	<b><u>\$ 295,939</u></b>

Total income tax expense differed from the amounts computed by applying the U.S. federal income tax rate of 35% to income before taxes as follows:

	1996	1995
Computed tax expense at federal statutory rate	\$ 297,949	\$ 295,198
Other, net	<u>5,428</u>	<u>741</u>
<b>TOTAL</b>	<b><u>\$ 303,377</u></b>	<b><u>\$ 295,939</u></b>

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

	Gross Deferred Tax Asset	Valuation Allowance	Gross Deferred Tax Liability	Net Deferred Tax Asset
Balances at January 1, 1995	\$ 750,476	\$ (107,337)	\$ (220,873)	\$ 422,266
1995 changes	<u>68,263</u>	<u>107,337</u>	<u>(123,231)</u>	<u>52,369</u>
Balances at December 31, 1995	818,739	—	(344,104)	474,635
1996 changes	<u>141,994</u>	<u>—</u>	<u>(10,874)</u>	<u>131,120</u>
Balances at December 31, 1996	<b><u>\$ 960,733</u></b>	<b><u>\$ —</u></b>	<b><u>\$ (354,978)</u></b>	<b><u>\$ 605,755</u></b>

The types of temporary differences that primarily comprise the net deferred tax asset at December 31, 1996 and 1995 include loss and loss adjustment expenses, the unearned premium reserve, unrealized gains (losses) on debt securities available for sale, and deferred acquisition costs.

Management believes that the net deferred tax asset as of December 31, 1996 and 1995 will be recoverable from income taxes paid and from future taxable income of its wholly-owned subsidiary, SCC Re, which is a taxable entity (see Note 2).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

*Years Ended December 31, 1996 and 1995*

### 9. REINSURANCE

In its normal course of business, the Company reinsures 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 1996 and 1995, the Company's reinsurance was in three layers as follows:

Layer	Contract Year	Company Retention	Reinsurance Limits
First Excess	1996	\$ 100,000	\$ 150,000
First Excess	1995	\$ 75,000	\$ 175,000
Second Excess	1995-1996	\$ 250,000	\$ 750,000
Third Excess	1995-1996	\$ 1,000,000	\$ 1,000,000
Umbrella	1995-1996	\$ 1,000,000	\$ 10,000,000

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. These policies are 100% ceded on a treaty basis. The Company received ceding commission on this business of \$193,604 in 1996 and \$102,124 in 1995.

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

Reinsurance Ceded	1996	1995
Premiums earned	\$ 2,717,456	\$ 2,807,017
Loss and loss adjustment expenses incurred	3,025,540	1,947,362

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 at December 31, 1996 and 1995 includes \$1,285,122 and \$1,046,508, 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 and has subsequently repaid to the reinsurer \$172,785 and \$74,324 in 1996 and 1995, respectively, due to subsequent development. 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.

Reinsurance recoverable includes \$3,057,000 (41.8%) and \$2,954,000 (40.4%) at December 31, 1996 and \$2,193,000 (45%) and \$1,560,000 (32%) at December 31, 1995, respectively, due from two reinsurance companies, both of which are rated A or better by A.M. Best.

### 10. COMMITMENTS

The Company has entered into a 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 rents) are as follows:

Year Ending December 31:

1997	\$ 108,000
1998	<u>18,000</u>

Total minimum lease payments \$ 126,000

Total rent expense for 1996 and 1995 was \$113,925 and \$94,141, respectively.

### 11. 401(k) PROFIT SHARING PLAN

The Company sponsors an employee 401(k) Profit Sharing Plan (the Plan). Employer non-matching contributions were \$1,000 and \$750 per employee to its employee/plan participants for 1996 and 1995, respectively. The employer matching contributions were limited to \$1,000 per employee during 1996 and 1995. The amounts contributed to the Plan were \$41,012 and \$23,362 in 1996 and 1995, respectively. Employees qualify for the employer portion of the contribution after one year of service with the Company.



## 7. LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

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

	1996	1995
Net loss and loss adjustment expense reserves, January 1	\$ 7,793,248	\$ 4,829,383
Incurred related to:		
Current year	5,049,730	4,219,635
Prior years	<u>22,595</u>	<u>225,374</u>
Total incurred	5,072,325	4,445,009
Paid related to:		
Current year	691,414	367,231
Prior years	<u>2,526,280</u>	<u>1,113,913</u>
Total paid	<u>3,217,694</u>	<u>1,481,144</u>
Net loss and loss adjustment expense reserves, December 31	9,647,879	7,793,248
Reinsurance recoverables	<u>7,312,456</u>	<u>4,873,781</u>
Gross loss and loss adjustment expense reserves, December 31	<u>\$16,960,335</u>	<u>\$12,667,029</u>

As a result of changes in estimates of insured events in prior years, the loss and loss adjustment expense reserves increased by \$22,595 and \$225,374 in 1996 and 1995, respectively, due to recurring and normal adjustments in anticipated losses and loss 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	<u>100,000</u>
<b>TOTAL</b>	<b><u>\$ 1,300,000</u></b>

The Company pays 2% simple interest per year on these funds. Payment of interest is made in quarterly installments and amounted to \$26,000 in both 1996 and 1995.

Repayment of the principal was scheduled to begin September 1993; however, several provisions govern the repayment process. Principal amounts are considered to be due and payable only when an independent actuary certifies that to make such repayment would in no way jeopardize the financial stability of the Company. Interest payments may be postponed at any time if Company management determines that paying interest would jeopardize the financial stability of the Company.

In 1996, an independent actuary performed its annual 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 the principal repayments not be made in 1996. Actuarial analyses will continue to be performed annually.

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

December 31, 1999	\$ 240,000
December 31, 2000	848,000
December 31, 2001	<u>212,000</u>
<b>TOTAL</b>	<b><u>\$ 1,300,000</u></b>

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 exceeds 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 of 10% per annum. 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Years Ended December 31, 1996 and 1995

### 9. REINSURANCE

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## OFFICIAL NAME

Nonprofits' Insurance Alliance of California (NIAC)

## STATEMENT OF PURPOSE

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.

## ORGANIZED

Under Section 5005.1 of the California Corporations Code, we are a member-owned nonprofit public benefit corporation with a board of directors elected by its member nonprofit organizations.

## MAJOR COVERAGES

Comprehensive general liability, miscellaneous professional liability, business auto liability, business auto physical damage, non-owned and hired auto liability, improper sexual conduct liability, directors and officers liability, and umbrella liability. Other coverages available through companion programs.

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General Reinsurance (Best's A++)

Swiss Re America (Best's A)

*A list of names and addresses of current NIAC members is available at our offices:*

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