

A MESSAGE FROM THE PRESIDENT

During 1997 membership grew by 351 new members to 1,674. We are particularly pleased that 93 percent of our members renewed with us this year. We extend special appreciation to the 615 members who have been with NIAC for five or more years. Our net income of \$766,671 was stronger than expected given the remaining tax issues for 1997. Written premium of \$11,598,848 is an increase of 12.5 percent over 1996.

In 1997 we expanded our educational resources by publishing booklets about hosting safer special events and key facts about directors and officers liability and insurance. We distributed one copy of each booklet free of charge to members and offered to supply additional copies. The response was a bit overwhelming! We have distributed 14,000 booklets and requests are still coming in. We learned the power of nonprofit networking when, without any advertising, we received requests

for these publications from more than 40 states!

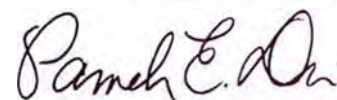
During 1997 we settled an unexpected demand from the California Franchise Tax Board. It is a complicated story, but I will keep it simple. As a step in the process to gain federal tax exemption, NIAC challenged the federal law in an appeal to the federal Claims Court. That court's decision was not favorable to NIAC's position, but it motivated Congress to change the law to enable NIAC to achieve federal 501(c)(3) tax exemption. Based on some of the material in the Claims Court decision, however, the Franchise Tax Board reexamined NIAC's state exemption and threatened to revoke it.

NIAC and its legal counsel strongly disputed the right of the Franchise Tax Board to change the exemption which had been in place since 1991. We concluded that their claim was without merit because

of the differences in federal and state law. However, to avoid a prolonged and costly legal battle, NIAC's board of directors reluctantly agreed to settle this last tax litigation with a one-time payment to the state. Federal and state legislation was passed in 1996 clarifying that NIAC is tax-exempt. All of these tax matters are, thankfully, behind us.

On a visit to a NIAC member a few months ago, one of the managers told me that I was his "hero." Before joining NIAC his nonprofit had struggled with insurance every year, never quite sure how they would fare at renewal. Now, he knows how much to budget for insurance and the renewal process is not a worry. I marveled at his dedication and at how much his organization accomplishes for the community with so few resources. I told him that I was honored to be his hero, but that he and so many others like him, are our inspiration.

NIAC's mission is simple; to make the insurance purchase painless and predictable and to provide members with resources to keep insurance costs down. We don't expect to make "hero" status very often, but, we promise to try!



Pamela E. Davis
President/CEO



BOARD OF DIRECTORS



Back row, left to right:

Marianne Franks, *Associate Director
Education Programs Associates, Campbell*
Phillip Kimble, *Executive Director
Friendship Center for the Blind, Fresno*
Richard Welch, *Risk Manager
City of Los Angeles*

Middle row, left to right:

Julius D. Cartwright, *CFO
Orange County Community Development
Council, Garden Grove*
Elizabeth Dietrich, *Fiscal Manager
California Grey Bears, Santa Cruz*
R. Lawrence Bacon, *President
Bacon and Company, Carmel*
Roger Gilbert, *President, Retired
Great American West, Orange*
John Christensen, *President/CEO
Skills Center, Santa Cruz*

Front row, left to right:

Nancy Johnston-Bellard, *COO
Conservation & Liquidation Office
California Department of Insurance,
San Francisco*
Pamela E. Davis, *President/CEO
NLAC, Santa Cruz*
Audrey Harrison, *Risk Manager
Watts Health Systems, Los Angeles*
Meredeth Clark, *President, CIS
California Association of Nonprofits, Los Angeles*

Jude Kaye, *Senior Staff Consultant
Support Center for Nonprofit Management,
San Francisco (not pictured)*

FROM THE CHAIRMAN OF THE BOARD

When I joined the NIAC board of directors in 1990, NIAC had about 200 members and just over \$1 million in annual premiums written. NIAC was just a year old and we faced the typical challenges of a small, growing company. We also had some unusual challenges as a nontraditional insurance mechanism. Eight years later, as I prepare to leave the post of NIAC's chairman of the board, I can say with confidence that NIAC's future looks very bright.

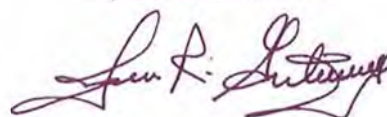
Since 1990, NIAC has added more than 1,500 new members. Annual written premiums have increased more than tenfold. Throughout this growth we have adhered to financial fundamentals and have kept the long term goal of insurance independence for nonprofits firmly in mind. We have continued to put service to our members and brokers first and remained firm in our commitment to price stability. Our members have responded to these principles by rewarding us in 1997 with our highest member renewal rate ever.

In our role of trailblazer, NIAC's early years were not without some disappointment. Our struggles gaining federal tax-exemption and then dealing with a potential reversal at the state level, drained energy and resources. That is behind us now. Also, it took time for NIAC to gain visibility and trust in the marketplace. Nonprofits and their brokers were frustrated with the treatment they were receiving from commercial insurers, but hesitant, at first, to try the NIAC alternative. Now, NIAC is the standard to which other insurers of nonprofits are compared.

NIAC has attracted a highly skilled and dedicated staff and management team. With NIAC, they have found a place to have their best ideas implemented, unhampered by the bureaucracy often found in larger insurance companies. And, they can make things happen for the world's best clients, the nonprofit sector.

As a testament to what NIAC has accomplished in California, the David & Lucile Packard Foundation recently made a grant to NIAC of \$150,000 to develop a plan to expand NIAC's products and services into other states. This is both a timely and appropriate next step for NIAC.

While I will miss having a hand in the future of such a terrific company, I pass the baton with great confidence. I will be watching and cheering the success of your company, if only from the sidelines!



Jess R. Gutierrez
Chairman



NIAC STAFF

*Insurance Operations
Support
(clockwise from left)*

Sabrina Diaz,
Steven Moody,
Sharon Felice,
Sue Davis



*Claims/Loss Control
(on left)*

Vickie Vehrs,
Lola Hogan,
Angela Rasbeary

*Administration
(on right)*

Michael Paul Parker,
Dottie Lechtenberg
Sarah Burns
(not pictured)



*Finance
(standing from left)*

Bill Chappellear,
Kim Gisse,
Gyce Martin,
Jim Westbrook

*Management
Information Systems
(seated from left)*

Betty Johnson,
Sean Kelly



*Insurance Operations Teams
South Team
(standing from left)*

Paul Roman,
Michele Thomas,
Michael Pramuk,
Carla Cramblett

*North Team:
(seated from left)*

Claudia Weeks,
Randy Gorman,
Lisa Edelman,
Kim Christensen (not pictured)

NIAC FEATURED ON PBS DOCUMENTARY

"A moment of glory for the good guys!"

—Stephen Goude, *Washington Times* about the *Visionaries* series

NIAC received a special honor in 1997 by being selected from a field of 3,000 applicants to be featured on the *Visionaries*. This documentary series emphasizes positive images of ordinary people engaged in the process of creating social change. The series, now in its fourth season, airs on PBS stations across the country.

Unlike most of the episodes which feature a nonprofit's service to members of the community, NIAC was featured because of its service to other nonprofits. The five NIAC members featured in the show were: San Francisco Bay-Keeper, Women's Crisis Support, California Grey Bears, Watts Health Systems and Heads Up. These organizations were selected by the *Visionaries* to show the variety of activities NIAC insures as well as the breadth and depth of nonprofits' contributions to their communities. We were quite honored to have the NIAC story told with such heart and insight.

VHS copies of the one-half hour documentary may be borrowed from NIAC's free video lending library.



California Grey Bears of Santa Cruz. A NIAC member since 1989, Grey Bears' primary operations consist of a recycling program and food delivery program for home-bound members of Santa Cruz County. Pictured above (facing the camera) are Lynn Francis, Grey Bears Executive Director, and Pamela Davis, NIAC President and CEO, who appeared in the documentary.

Photo by John Corvillo

THE NIAC STORY

At its most basic level, NIAC collects premiums and pays claims. But between the lines we do a lot more. NIAC was created as a response to a crisis. Insurers would not provide insurance to some nonprofits at any price. NIAC was founded on the principal that insurance companies should not determine which social services could be offered simply by controlling which nonprofits could obtain insurance. Those types of decisions should be in the hands of the nonprofit community. And, that is where they are with NIAC. With NIAC, nonprofits have gained control over their insurance source. They have assumed the responsibility and enjoy the freedom that comes with that choice.

NIAC's eight years of experience have demonstrated that nonprofit organizations have better than average claims experience. Nevertheless, we maintain strong financial backing to cover any contingencies.

Six foundations provided the original capital funding for NIAC. These foundations are:

- Ford Foundation
- David & Lucile Packard Foundation
- Wallace Alexander Gerbode Foundation
- San Francisco Foundation
- Marin Community Foundation
- Walter S. Johnson Foundation



Indigenous Nations Child and Family Agency. A NIAC member since 1996, the Agency is a licensed foster family agency serving American Indian children and their families.

Adding to NIAC's financial strength is the consistent backing by strong reinsurers who provide coverage for claims in excess of \$100,000. The same three reinsurers, which are among the world's largest, have provided this coverage for NIAC for many years. They are:

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

COVERAGES AVAILABLE FOR MEMBERS

- 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

1997 PREMIUM BY LINE

TOTAL \$11,598,848



FRIENDLY, EFFICIENT SERVICE

For most people, purchasing insurance or trying to get a claim paid ranks as low on the fun scale as going to the dentist. At NIAC, we consider it our job to make the insurance transaction as painless as possible for members and brokers. Our members and brokers trust us to investigate claims promptly and to handle them efficiently.

SPECIAL SERVICES FOR MEMBERS

We believe it is our obligation to help members keep claims to a minimum. To assist members, NIAC provides the following resources free of charge to members:

Publications

- 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*
- Nonprofit Directors and Officers: *Key Facts about Insurance and Legal Liability*

Driver Training

During 1997 we provided driver training to more than 300 employees at member locations.

Newsletters

Three newsletters on risk management topics of interest to nonprofits were distributed to members in 1997.

Video Lending Library

The video collection includes nearly 40 titles available free-of-charge for member in-service trainings. A few of the topics are driver safety, employment practices, and preventing sexual abuse.

Workshops

NIAC staff made many presentations at locations around the state on topics including general insurance information, directors and officers insurance, and how to host safer special events.

Through alliances with the Nonprofit Risk Management Center, the California Association of Nonprofits, the Nonprofit Organizations Committee of the California State Bar, several Community Foundations, and the Support Center for Nonprofit Management, we plan to expand access to risk management training through workshops and booklets as well as information via the Internet.

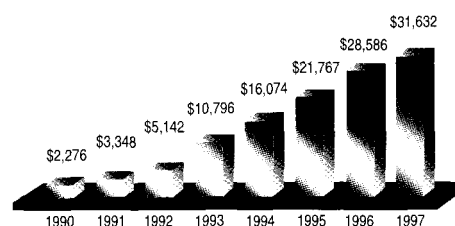
On-site Visits

NIAC employees made nearly 300 visits to members and brokers in 1997. We need to continue to learn more about nonprofits if we are to evaluate their operations fairly from an insurance perspective.

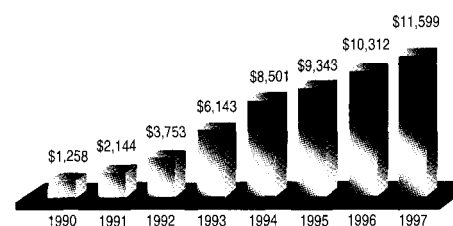
Website

NIAC maintains a website at www.niac.org. Members may order publications and videos through the website. Check it out for helpful insurance information.

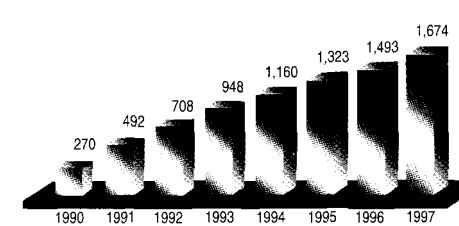
ASSETS (Thousands)



PREMIUMS (Thousands)



MEMBERS



CLAIMS

Why do they happen—what do they cost?

During its eight years of operation, NIAC has accumulated valuable information on the more than 2,000 claims we have handled for our nonprofit members. We know the type of claims experienced by nonprofits and the cost of settling these claims. Armed with this information, we can develop targeted training programs to help members avoid these accidents.

SLIP AND FALL

The charts to the right show that roughly one-third of all claims paid under the general liability policy are slip and falls. There are two basic causes for these claims: structural defects and foreign objects on the floor. Structural causes include inadequate lighting, defective stairs or banisters, uneven flooring, loose carpeting and cracked blacktop. The foreign objects on the floor include hors d'oeuvres, melting ice cubes, and spilled wine to name just a few. Another problem is residue remaining

on floors that have been improperly cleaned. Many, if not all, of these claims can be avoided.

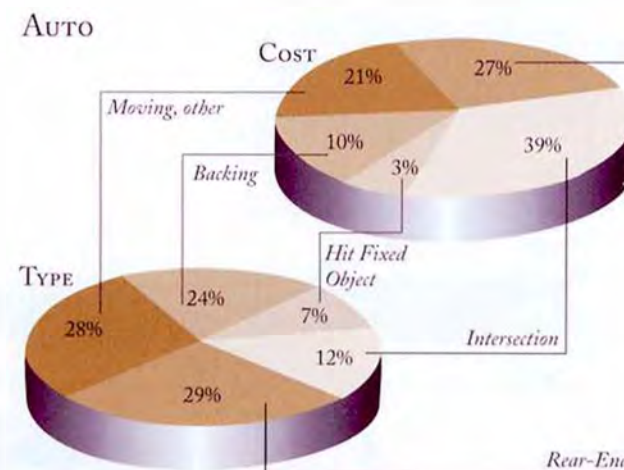
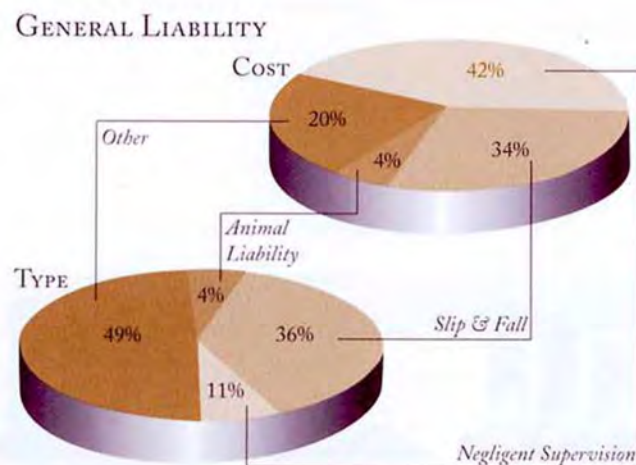
AUTO

For autos there are two main causes that account for more than one-half of all auto claims: backing and hitting a fixed object. Rear-end collisions cause one out of four claims. NIAC provides free driver training at member locations across the state to raise awareness and improve driving skills.

DIRECTORS AND OFFICERS

Though not as frequent as other types of claims, there has been a steep increase in the number of lawsuits against directors and officers alleging wrongful termination, harassment and discrimination. Obtaining proper advice before terminating an employee is essential in these situations. Consequently, all NIAC members who purchase Directors and Officers coverage from NIAC have access to free legal assistance for help prior to employee terminations.

We still have far to go to reduce avoidable claims. But, we have come a long way from where we were only a decade ago. We will continue to do our best to equip members with the information and tools they need to take positive steps to reduce claims and keep costs down.

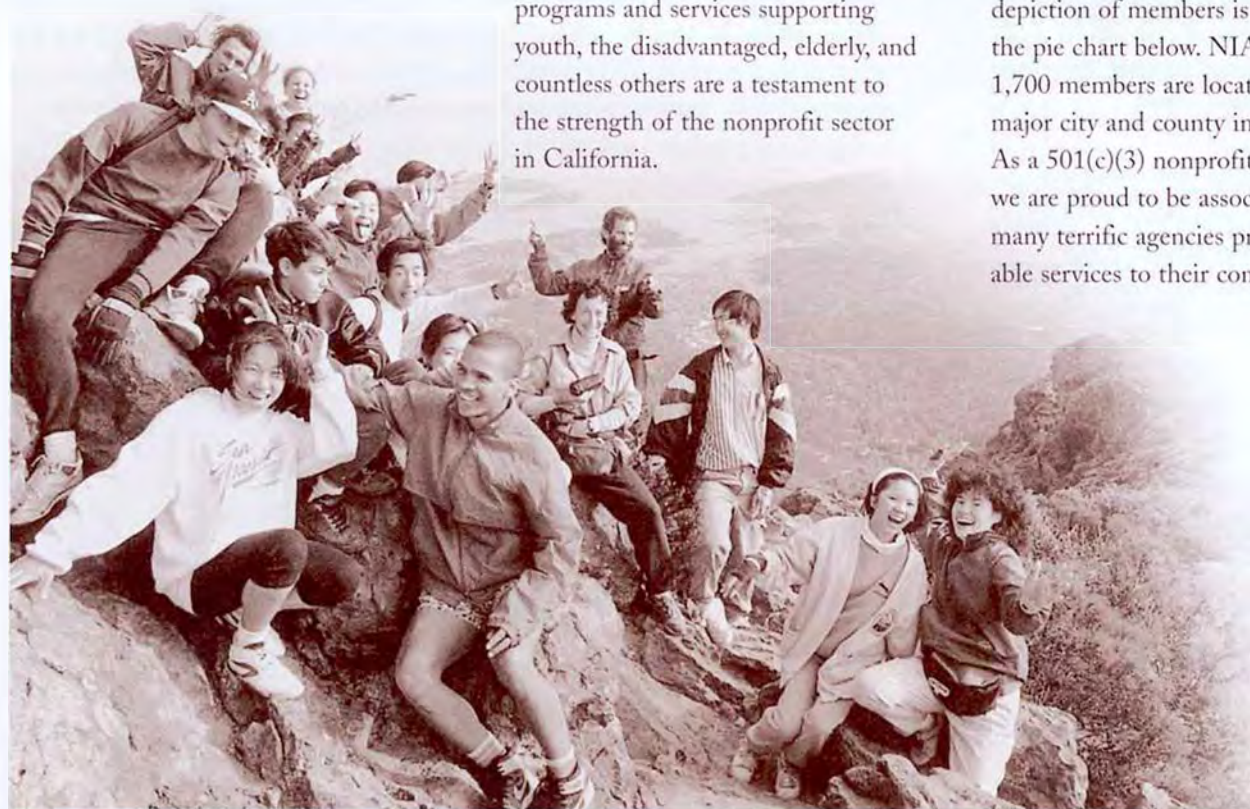


MEET OUR MEMBERS

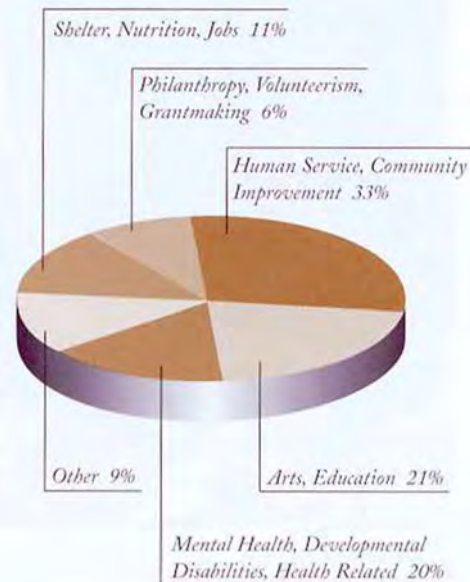
We are constantly amazed at the dedication, creativity, and entrepreneurship we encounter when we visit our members. Their valuable programs and services supporting youth, the disadvantaged, elderly, and countless others are a testament to the strength of the nonprofit sector in California.

NIAC's membership grew by 12% in 1997, but the general composition of the members remained steady. The statistical depiction of members is shown on the pie chart below. NIAC's nearly 1,700 members are located in every major city and county in California. As a 501(c)(3) nonprofit ourselves, we are proud to be associated with so many terrific agencies providing valuable services to their communities.

Our members tell the whole story. To learn more about the diverse group of nonprofits who comprise NIAC, take a few moments to read the member profiles, enjoy the pictures, and scan the member list on the following pages.



Trips for Kids, Mill Valley. A NIAC member since 1996, Trips for Kids promotes the health and environmental benefits associated with bicycle riding to youth. This photo depicts some of the kids on a bike outing on Mt. Tamalpais above the San Francisco Bay.



SENIOR ACCESS

San Anselmo



"For the last 18 years, my 90 year-old mother has attended Senior Access four days a week. Their highly professional, caring and supportive staff has provided me with a partner for her care. My mother has flourished in their environment, and each day that I leave for work, I know she will be well cared for."

—A letter of support for Senior Access from a thankful Marin resident.

Senior Access has served the residents of Marin County since 1973. Senior Access provides adult day health care and managed care services to the elderly and their families. Their current programs and services continue to support the agency's original mission: to help the elderly maximize their independence and extend the time that they can stay at home and in the community.

A NIAC member since 1996, Senior Access serves more than 400 people a

day in its various programs. Programs include three state-licensed adult day care centers, nutritional meals, health monitoring, physical and occupational therapy, exercise, enrichment classes, and socialization for the elderly. The Corte Madera Center was the first, and remains the only Alzheimer's specific center in Marin County. The agency's in-home program also provides home caregiver referrals, in-home case management, and care-plan coordination.

PLUMFIELD ACADEMY

Sebastopol

Plumfield Academy was founded in 1964 as a residential care facility for boys. Children come to Plumfield when they have demonstrated problems in school, with family or in the community, and frequently have experienced abuse, neglect, and separation from their known worlds. Plumfield is committed to providing a safe, highly structured environment where change and growth can occur through the goal of re-integration into the community.

Now serving 24 boys from 6 to 18 years old, Plumfield has four residences and a school in a semi-rural area of Northern California. They use a language based program in which emphasis is placed on social interaction. Combining components of behavioral and psychotherapeutic techniques, Plumfield helps the children to develop effective communication and socialization skills. Their innovative music program, in which the boys perform at parades and community events, has won numerous awards.

A NIAC member since 1994, Plumfield came to NIAC at the recommendation of their broker, Don Allison. According to Darcee Drakulich, Plumfield Executive Director, "Don spoke highly of NIAC and we have enjoyed significant premium savings the last four years. Moving our coverage to NIAC has been one of the best cost saving moves our agency has made."



WILDCARE:

TERWILLIGER NATURE EDUCATION AND WILDLIFE REHABILITATION

San Rafael

Wildcare provides medical care for ill, injured, or orphaned wild birds and mammals and learning adventures for children and adults. Nearly 200 volunteers care for over 3,500 wild animals each year. Over 175 different species are treated annually, and are provided with the specialized diet and treatment necessary to give them a second chance at life. Over 75% of Wildcare patients are returned to the wild in a healthy state.

Their interactive environmental education programs are based on those principles pioneered by Mrs. Elizabeth Terwilliger, a world renowned environmental teacher. Wildcare volunteers and staff reach out to nearly 40,000 people a year, and their programs are designed to help children and adults develop a love and respect for nature.

According to Shawn Steele, Membership Director at Wildcare, "NIAC was recommended to us by our insurance agent, Dan Costello. We were having a hard

time finding the insurance coverage we needed, and we appreciate NIAC's awareness of the problems nonprofits face and the prompt way they work to solve them." Wildcare has been a NIAC member since 1995.



Photo by Penny Gladstone

CHALLENGERS BOYS AND GIRLS CLUB

Los Angeles

Challengers Boys and Girls Club is dedicated to enriching the lives of young people in Metropolitan Los Angeles. "We try to develop kids to be better... to overcome troubles and offer them hope with an activity, a role model, or enthusiasm," says founder and President/CEO, Lou Dantzler.

In 1968, Lou noticed many neighborhood kids in need of guidance. He provided rides in the back of his pickup truck, and took kids to local parks to teach them the importance of character, education, and sportsmanship. Shortly thereafter, Challengers opened its doors offering recreational activities and programs dedicated to fostering positive values in youth.

Thirty years later, Challengers' mission has not changed: to promote the optimum social development of youth 6 to 17 years of age. Their five club sites serve over

3,500 children annually, and their core programs emphasize citizenship and leadership, cultural enrichment, health and physical education, outdoor and environmental education, and social and recreational activities. Challengers has been a NIAC member since 1996.



DRAMATIC RESULTS

Long Beach

Dramatic Results is an award-winning educational program whose mission is to reach out to those children who have been labeled "most likely to fail" by the educational system because of behavioral problems. Dramatic Results uses a variety of art forms, such as drawing, theater, storytelling/writing, movement and poetry. These activities help children develop their communication, self-esteem, anger management and academic skills within a context that is meaningful to each child.

Dramatic Results offers both a 12-week self esteem and 22-week violence prevention program. All of their programs are free to children and take place on school campuses. Since 1992, Dramatic Results has served over 5,000 students in the 4th through 6th grades. Dramatic Results gives what its name promises: 33% of their students show a significant improvement in their school attendance and 75% of the students improve their academic performance by at least one full letter grade.



When asked why they became a NIAC member, Christi Wilkins, Executive Director, stated, "as a small nonprofit, we feel confident knowing we can rely on the expertise and sensitivity of NIAC to take care of our special insurance needs. This leaves us more time and energy to do what we love to do, serve children." Dramatic Results has been a NIAC member since 1994.

ARTHRITIS ASSOCIATION

ADAPTIVE AQUATICS CENTER

Bakersfield

The Arthritis Association Adaptive Aquatics Center was founded in 1981 to provide support and education to those suffering from arthritis. The Center is dedicated to enhancing the wellness, independence, and productivity of Kern County residents by reducing and preventing the physical and emotional limitations and pain caused by disabling conditions.

Their unique building houses an indoor heated pool equipped with handrails, a hydraulic chair lift and wheelchair ramp, spa, exercise room, classroom and shower rooms. Operating six days a week, the Center provides both warm water and "dry" land programs to over 200 people a day ranging in age from infants to seniors. Their popular Tai Chi classes, pictured above, enhance flexibility, circulation and posture for the participants.

When asked why they became a NIAC member, Debbie Oftedal, the Executive Director at the Arthritis Association stated, "We appreciate and feel more secure with an insurance carrier that understands the challenges and heart of the non-profit sector. NIAC was highly recommended by our broker John Pryor, and we're pleased we are insured by NIAC." The Arthritis Association has been a NIAC member since 1995.



1997 NIAC MEMBERS

ALAMEDA

- 100 Black Men of the Bay Area
- 2311 Corporation
- 45th Street Artists Cooperative
- After School Activities of Pleasanton
- Aid Employment
- 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 and Curriculum Association
- Bay Area American Indian Council
- Bay Area Black Consortium for Quality Health Care
- Bay Area Friends of Tibet
- Bay Area HIV Support and Education Services
- Bay Area Kinder Stube
- Bay Area Urban League
- Bay Area Women Against Rape
- Berkeley Architectural Heritage Association
- Berkeley Group Therapy Education
- Berkeley Public Charter School Working Group
- Berkeley Women's Health Center
- Bio Integral Resource Center
- Bodega Bay Institute of Pollution Ecology
- Bonita House
- Buddhist Peace Fellowship
- California Institute for Clinical Social Work
- California Oak Foundation
- California Working Group
- Californians for Justice Education Fund

- Canaan Place
- Castro Valley Boys and Girls Clubs
- Cazadero Performing Arts Camp
- Center for Urban Education About Sustainable Agriculture
- Child Abuse Prevention Agency
- Child Assault Prevention Training Center of California
- Children Accepting Responsibility Everywhere
- Children's Health and Well Being
- Classical Philharmonic of Northern California
- Conciliation Forums of Oakland
- Donald P. McCullum Youth Court
- Dunsmuir House and Gardens
- East Bay Counseling and Referral Agency for the Deaf
- East Bay Depot for Creative Reuse
- East Bay Intergroup
- East Bay Urban Gardeners
- Eden Youth Center
- Emeryville Community Action Program
- Fallen Leaf Foundation
- 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 Children's Home
- Friends of the Alameda Free Library
- Girls, Inc. of Alameda County
- Glorious Communication Network
- Gold Key Club
- HIV Education and Prevention Project of Alameda County

Habitot Children's Museum

- Help Another Toward Creative Happiness
- Hispanics in Philanthropy
- I-Pride
- Institute For Policy Analysis and Research
- 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
- Kristi Yamaguchi's 'Always Dream' Foundation
- 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 Children's Alliance
- Northern California Chapter of the National Hemophilia Foundation
- Narika
- National Black Aging Network
- National Latina Health Organization
- Newark Schools Foundation
- Nurses in Action
- Oakland Citizens Committee for Urban Renewal
- Oakland Community Fund
- Oakland Lyric Opera Association
- Oakland Peniel Missions
- Oakland Youth Chorus

Photo by Mary Mixer



Habitot Children's Museum, Berkeley. A NIAC member since 1995, Habitot is designed to help infants, toddlers and young children to appreciate the world around them.

- Organized People of Elmhurst Neighborhoods
- Our Family and Friends Foster Care Services
- Over 21
- Pacific Rim Homestays
- R & L Children's Home
- Rubicon Children's Center
- Rural Urban Dynamics
- San Antonio Community Development Corporation
- San Francisco Early Music Society
- Seneca Residential and Day Treatment Center
- Shelter Against Violent Environments
- Stiles Hall
- Third Age
- University of California Berkeley Foundation
- University of Creation Spirituality and Friends of Creation
- Volunteers of America—Bay Area
- W.E. Value Families
- Walden Foundation
- Women's Economic Agenda Project
- WORLD

• denotes NIAC member for five or more years

1997 NIAC MEMBERS

AMADOR

- ARC of Amador and Calaveras Counties

BUTTE

- Access for Independence
- Alzheimer's Disease and Related Disorders Association
- Butte County Children's World
- Butte Folk Music Society
- Catalyst Women's Advocates
- Chico Art Center
- Chico City Opera
- Chico Creek Theatre Festival
- Chico Museum Association
- Community Action Agency of Butte County
- Exceptional Family Support, Education and Advocacy
- Family Life Foundation
- Four Winds of Indian Education
- Gridley Guardian
- Help-4-People
- Independent Living Services of Northern California
- Innovative Preschool
- Kyle Foundation
- North Valley Schools
- Paradise Center for Attitudinal Healing
- Paradise Scholarship Foundation
- Paradise Strive Center
- Peg Taylor Center for Adult Day Health
- Private Industry Council
- Ridge Area Coalition of Senior Citizens
- St. Vincent De Paul Society—Sacramento District Council
- 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

- Gold Country Alliance for the Mentally Ill
- Humane Society of Calaveras County
- Volunteer Center of Calaveras County

CONTRA COSTA

- Affordable Housing Association of Pittsburg
- Bay Area Network of Gay and Lesbian Educators
- Behavioral Intervention Associates
- Cambridge Community Center
- Camping Unlimited for Retarded Children
- 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
- Ecumenical Association for Housing Contra Costa
- Elder Abuse Prevention
- Friendship Foundation
- Guardian Adult Health Centers of California
- House of Champions Group Home
- Independent Adoption Center
- Kensington Community Council
- Los Cenizales Mexican Arts Center
- Mt. Diablo Interpretive Association

- Neighborhood House of North Richmond
- Ombudsman Services of Contra Costa County
- Project: Team Work
- Protect the Children Resource Center
- SHELTER
- Springs Academy
- Steven A. Genard AIDS Assistance Foundation
- Sunrise House
- United Council of Spanish Speaking Organizations
- Women's Therapy Center

DEL NORTE

- Wild Feline Rescue

EL DORADO

- Choices Transitional Services
- Court Appointed Special Advocates of El Dorado
- Delora Corporation
- El Dorado Arts Council
- El Dorado Community Foundation for Youth
- El Dorado National Forest Interpretive Association
- Foothill Indian Education Alliance
- Mother Lode Rehabilitation Enterprises
- Oak Ridge High School Sports Booster Club
- Pinole Area Senior Foundation
- Sacramento Children's Museum
- Sierra Recovery Center
- Tahoe Prevention Network
- Tahoe Tallac Association
- Tahoe Turning Point
- Tahoe Youth and Family Services



Friendship Center for the Blind, Fresno. A NIAC member since 1990, the Friendship Center serves blind or visually impaired people with various adaptive activities.

FRESNO

- Action Foundation
- Alano Club of Fresno
- Alcoholism and Drug Abuse Council of Fresno County
- All About Care
- Alleluia
- Alternative Vocational Choices
- Arte Americas The Mexican Art Center
- Associated Center for Therapy
- Big Brothers/Big Sisters of Fresno County
- California Association for Physically Handicapped—Fresno County Chapter
- Camp Shalom
- Central California Nikkei Foundation
- Central San Joaquin Valley HIV Care Foundation
- Central Valley AIDS Team
- Central Valley Children's Services Network
- Centro La Familia De Fresno
- Evangel Home
- Fair Housing Council of Fresno County
- Fresno Center for New Americans
- Fresno Leadership Foundation
- Fresno Metropolitan Ministry
- Fresno Pacific Service Corporation
- Fresno Recovery Center

1997 N I A C M E M B E R S

- Fresno Rescue Mission
- Fresno Unity Group Homes
Fresno Youth Opportunities Unlimited
- Friendship Center for the Blind
House of Hope for Youth—San Joaquin Valley
Infant of Prague Counseling and Adoption Services
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
YWCA Fresno

GLENN

- Glenn County Seniors Centers

HUMBOLDT

- Arcata McKinleyville Children's Center
Boys and Girls Club of Humboldt County
- Dell Arte
Environmental Protection Information Center
Ferndale Repertory Theater
- Friends of the Arcata Marsh
Hight Community Service
Humboldt Bay Housing Corporation
Humboldt Botanical Gardens Foundation
- Humboldt Family Service Center
- Humboldt Redwoods Interpretive Association
- Institute for Wildlife Studies
- North Coast Big Brothers/Big Sisters
- North Coast Rape Crisis Team

- North Coast Redwood Interpretive Association
Northcoast Lesbian and Gay Community Center
Pacific Art Center
Pacific Coast Fish, Wildlife and Wetland Restoration Association
Pacific Dunes High School
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 and Mono Counties

KERN

- Arthritis Association of Kern County
—Adaptive Aquatics Center
Bakersfield Society for the Prevention of Cruelty to Animals
Bethany Services
Court Appointed Special Advocates of Kern County
- Cat People
Community Medical Education and Research Foundation
- High Desert Child Abuse Prevention Council
Kern Bridges Youth Homes
- Kern County Hispanic Commission on Alcohol and Drug Abuse
Kern County Mental Health Association
Kris' Camp
New Advances for People with Disabilities
- Redrock Canyon Interpretive Association
- Rosamond Senior Citizens

- Valley Achievement Center
Youth Connection

KINGS

- Kings Community Action Organization
Kings United Way
Lemoore Christian Aid
- Lemoore Senior Citizens

LAKE

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

LASSEN

- Lassen County Council on Aging
Mountain High Homes
- Spare A Dime

LOS ANGELES

- Activities for Retarded Children
- African Community Resource Center
Akila Concepts
- Al Wooten, Jr. Heritage Center
Ala Nest
American Media Council on Child Abuse
An Claidheamh Soluis
Apollo West Theatre Drama and Workshop
Aresis Ensemble
Arroyo Arts Collective

- Asian Pacific American Dispute Resolution Center
Assistance League of Antelope Valley
Assistance League of Downey
Assistance League of the East San Gabriel Valley
Associated League of Mexican Americans
Awareness Foundation
Baldwin Park Community Food Center
Bell Gardens Community Services Center
- Beverly Hills Theatre Guild
Break the Cycle
Brittany Foundation Animal Sanctuary
Building on Sobriety
CHP 11-99 Foundation
- CLARE Foundation
- California Association of Nonprofits



CLARE Foundation, Santa Monica. A NLAC member since 1991, CLARE addresses the recovery and educational needs of individuals who suffer from alcohol and other drug related addictions.

• denotes NLAC member for five or more years

1997 NIAC MEMBERS

- California Congress of Parents, Teachers
California Men's Gathering



Pasadena Shakespeare Company. A NIAC member since 1996, the Shakespeare Company promotes the works of William Shakespeare in intimate stage settings throughout Southern California.

- California Youth Chess League
- California Youth Theatre
- Camp Pacific Heartland
- Cantori Domino
- Casa Grande Group Home
- Catalina Youth Arts Exchange
- Catholic Big Brothers
- Center for the Partially Sighted
- Central San Fernando Valley Alliance
- Centro Latino De Education Popular
- Challengers Boys and Girls Club
- Chaminade College Preparatory
- Child Focus
- Children's Cancer Research Fund
- Children's Institute International
- Chinese American United for Self Empowerment
- Christian Outreach Appeal
- City Impact
- Coalition of Mental Health Professionals
- Community Coalition for Substance Abuse Prevention
- Community Development Center
- Community Outreach Center of Pasadena
- Concern Foundation
- Conejo Players
- Cri-help
- D'Veal Corporation
- Daybreak Community Development
- 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
- Dramatic Results
- Drew Child Development Corporation
- Earth Communications Office
- East Los Angeles Rape Hot Line
- Eco-Home Network
- Ecumenical Council of the Pasadena Area Churches
- Edgewood Transitional Living
- Ehlers-Danlos National Foundation
- El Camino Children and Family Services
- El Rescate Legal Services
- Family Empowerment Agency
- Family Hope
- Fiesta Educativa
- Foothill Friends of Music
- Fred Brown's Recovery Services
- Friends of Banning Park Corporation
- Friends of Choices
- Friends of McGroarty Cultural Arts Center
- Friends of Robinson Gardens
- Friends of the Antelope Valley Indian Museum
- Friends of the Open School
- Friends of the San Marino Public Library
- Futuro Infantil Hispano Foster Family Agency
- Getty House Foundation
- Goodwill Industries of Ventura and Santa Barbara
- Goodwill of Southern California
- Grace Homes for Waiting Children
- Grant Beckstrand Cancer Foundation
- Guidance Community Development Center
- Hancock Park Elementary School Booster Club
- Harbor Area Gang Alternative Program
- Harbor Gateway Center
- Hathman-Daniels-Cook Group Home
- Haven Hills
- Heads-Up
- Health Promotion Institute
- Healthcare and Elder Law Program
- Hemophilia Foundation of Southern California
- Henderson Community Center
- Hernandez Mexicana Nacional
- Hero Center
- Hollywood Urban Project
- Homenetmen Ararat Chapter
- Homestead Hospice and Shelter
- Hospice of Pasadena
- Inglewood Neighborhood Housing Services
- Inner Circle Foster Family Agency
- Inner City Arts
- Institute for Multicultural Counseling and Education Services
- International Foster Family Agency
- Iraida Foundation
- 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. Coalition to End Homelessness
- L.A. Family Housing Corporation
- L.A. Tenth District PTA Congress of Parents
- La Puente Valley Food Pantry
- Life Services
- Little Tokyo Service Center
- Long Beach Ballet Arts
- Long Beach Central Area Association
- Long Beach Coalition for Healthy Kids
- Los Angeles Baroque Orchestra
- Los Angeles Chamber Singers
- Los Angeles Children's Chorus

1997 NIAC MEMBERS

- Los Angeles Municipal Art Gallery Associates
Los Angeles Shanti Foundation
- Los Angeles Womens Foundation
Marianne Frostig Center of Educational Therapy
Marina del Rey Anglers
Mary Pickford Foundation
Meals on Wheels of La Mirada
Montebello Community Gang Diversion Task Force
- Mothers Club Community Center
Multicultural Service Center
Musical Arts Society of Pasadena
National Council on Alcoholism and Drug Dependency—Long Beach Area
- National Council on Alcoholism and Drug Dependency—Los Angeles
National Health Foundation
Neighborhood Youth Association
Neumen Group Homes
Ninos Latinos Unidos
North Hollywood Group
Nuevo Amanecer Latino Children's Services
- OPICA Adult Day Care Center
- Ocean Park Community Center
- One Institute: International Gay and Lesbian Archives
Operation Youth Educational Services
Oralingua School for the Hearing Impaired
Oxnard Recovery Homes
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
Peninsula Friends of the Library
Peregrinos De Emaus
Pets Are Wonderful Support
Planet Hope
- Pomona Valley Community Services
Pomona Valley Youth Employment
Portals House and the Corporate Cookie
Positive Alternative Choices
- Pueblo Y Salud
Purple Heart Veterans Services
Reason Foundation
Refugio Para Ninos
Region 2 of Overeaters Anonymous
- Roscomare Road Booster Club
- Rosemary Children's Service
S.F. Valley Friends of Homeless Women and Children
- 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
Sequoiah Educational Center
- Services Center for Independent Living
- Shalhevet High School
Sino Charity Foundation
- Society for Calligraphy
- Society of Saint Vincent de Paul—Council of Los Angeles
Soledad Enrichment Action
Songwriters Resources and Services
- Sonshine Youth Services
- South Bay Boys and Girls Club
- South Bay Coalition

- South Central Food Distributors
- Southern California Association of Non-Profit Housing
- Southern California Ecumenical Council
Southern California Foster Family Agency
- Southern California Rehabilitation Services
- Southern California Women for Understanding
Southwest Chamber Music Society
- St. Francis House
- Substance Abuse Foundation of Long Beach
Tana Group Home
Teens Happy Home
Thelma's Group Home
- Therapeutic Living Centers for the Blind
- Tomorrow's Entrepreneurs Today
- Tree Musketeers
United Lesbians of African Heritage
United Latino Fund
Urban Health Care Project
Valley Home for Women
Verdugo Hills Alanon Club
- Verdugo Woodlands Dads Club
Victory Foundation
Vista Nova Home for the Blind
- Volunteers of America of Los Angeles
- Watts Health Systems
- West Antelope Valley Educational Foundation
West Covina Foster Family Agency
West Pasadena Residents Association
- Whittier Cultural Arts Foundation
Witherbee Foundation
WRAP Agency



Heads Up, Saugus. A NIAC member since 1995, Heads Up uses horseback riding as a unique therapy curriculum for disabled children.

MADERA

Madera Coalition for Community Justice
Shared Ministries—Eastern Madera County

MARIN

- A Broader Living Experience
Alliance for the Mentally Ill—Marin
American Communications Foundation
- American Decorative Arts Forum of Northern California
- American Sports Institute
- Amigos de las Americas
- Angel Island Association
- Association of Housing Management Agents
Asthma Education and Resource Council
Bay Area Discovery Museum
- Bay Institute of San Francisco
- California Neuropsychology Services
Canal Community Alliance
- Cascade Canyon School
- Center Point

• denotes NIAC member for five or more years

1997 NIAC MEMBERS

- Children's Garden of California
- Chorale Singers of Marin
- Corte Madera Larkspur Schools Foundation
- Cultural Homestay International
- Dental Health Foundation
- Digital Village Foundation
- Drawbridge: An Arts Program for Homeless Children
- Elpida House
- 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
- Just Think Foundation*
- Klaas Kids
- Liss Fain Dance
- Marin AIDS Interfaith Network
- Marin Athletic Foundation
- Marin Bocce Federation
- 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 Performing Stars
- Marin Senior Coordinating Council
- Marin Services for Men
- Marin Services for Women
- Matrix
- Meals of Marin
- Mill Valley Schools Community Foundation
- Mountain Play Association
- Mt. Tamalpais Interpretive Association
- National Society of Fund Raising Executives Golden Gate Chapter
- New Century Chamber Orchestra
- Northbay Children's Center
- Northbay Ecumenical Homes
- Novato Human Needs Center
- Novato Youth Center
- Olive Avenue Apartments
- Parent Services Project
- Parents United
- Phillips-Morrison Institute of California
- Public Art Works
- Replenish
- San Geronimo Valley Art Center
- Sausalito Salvage Shop
- Senior Access
- School Environmental Education Docents
- Shakespeare at the Beach
- Summer Search Foundation
- Teen Inspiration
- Trips for Kids
- Voices of Healing
- Volunteer Center of Marin County
- WILDCARE: Terwilliger Nature Education and Wildlife
- Youth Service California



MARIPOSA

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

MENDOCINO

- Arena Renaissance Company
- Emergency Sanctuary for Coastal Acts
- Ford Street Project
- Gualala Community Center
- Lords Land
- Mendocino Coast Botanical Gardens
- Preservation Corporation
- Mendocino Coast Christian School
- Mendocino County Public Broadcasting
- KZYX Radio
- Mendocino Dispute Resolution
- Mendocino Food and Nutrition Program
- Mendocino Latinos Para La Comunidad
- Pacific Environmental Education Center
- Pacific Textile Arts
- Project Sanctuary
- Redwood Project for Healing
- Thomas More Preparatory School

Just Think Foundation, Sausalito. A NIAC member since 1997, Just Think teaches young people about today's media and provides them with tools to create their own media projects.

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
- Blind and Vision Impaired Center of Monterey County
- Business and Education Alliance of the Monterey Peninsula

1997 NIAC MEMBERS

- Carmel Performing Arts Festival
- Central Coast Center for Independent Living
- Central Coast Hospice Foundation
- Central Coast Lighthouse Keepers
- Charitable Council of Monterey County
- Coalition of Homeless Services Providers
- Community Human Services
- Dixieland Monterey
- F.O.O.D. Crops
- Forest Theatre Guild
- Friends of Sunset Foundation
- John XXIII AIDS Ministry
- Lyceum of Monterey County
- Meals on Wheels of the Monterey Peninsula
- Monterey Bay Blues Festival
- Monterey County Youth Museum
- Monterey Peninsula Chamber Music Society
- Monterey Peninsula College Foundation
- Monterey Peninsula Jr. Golf Association
- Operation Shoe Strings
- Pacific Cetation Group
- Pacific Repertory Theatre
- Peacock Acres Group Homes
- Peninsula Outreach—Welcome House
- Preventing Alcohol Related Trauma in Salinas
- Second Chance Youth Program
- Suicide Prevention Center of Monterey County
- Volunteer Center of Monterey County
- Youth Music Monterey

NAPA

- Alternatives in Action
- Choix de Vie
- Community Health Clinic Ole
- Friends of Lincoln Theater

- Friends of the Napa River
- Lifeworks
- Napa Alternatives for Children
- Napa County Council for Economic Opportunity
- Napa Valley Alano Club
- Second Helping Thrift Shop
- St. Helena Family Center
- St. Helena Montessori School
- Suscol Council
- Trinity Education Center
- Volunteer Center of Napa County
- 'We Care' Animal Society
- Wildlife Rescue Center of Napa County

NEVADA

- Christian Encounter Ministries
- Food Bank of Nevada County
- Foundation of Resources for Equality and Employment
- Gold Country Telecare
- Milhous School
- Sierra Adoption Services
- Sierra Nevada Children's Services

ORANGE

- Alano Club of Garden Grove
- Alliance for the Mentally Ill of Orange County
- Alzheimer's Association of Orange County
- Anaheim Independencia Community Center
- Anaheim Interfaith Shelter
- Annie's House
- Asian American Senior Citizens Service Center
- Assistance League of Newport-Mesa
- Blind Children's Learning Center
- Boys Club of Laguna Beach

- Boys and Girls Club of Tustin
- California Health Decisions
- California Institute for Chinese Performing Arts
- California State University—Fullerton Alumni Association
- Cardiac Arrhythmias: Research and Education Foundation
- Casa Teresa
- Child Guidance Center
- Child or Parental Emergency Services
- Choral Conductors Guild
- Christian Center for Family Care
- Community Crime Fighter
- Concept 7
- Cooper Fellowship
- Costa Mesa Senior Corporation
- Court Appointed Special Advocates of Orange County
- D.A.V. Charities of Greater Los Angeles
- Delhi Community Center
- Development Solutions
- Disability Awareness Coalition
- El Sentido Humano
- Equipping Today's Church
- F.A.C.E.S
- Fair Housing Council of Orange County
- Fashioned Forward Ministries
- Gay and Lesbian Community Services Center
- Girls and Boys Club of Garden Grove
- God's International Resource Link
- Health Education Foundation at Newport Center
- Hearts for the Homeless
- H.O.M.E.S.

- Inside Edge
- International Visitors and Protocol Foundation
- Irvine Senior Foundation
- Irvine Temporary Housing
- Jewish Homes for the Aging
- Jewish Senior Center and Geriatric Services
- Just Jazz
- Kids Cancer Connection
- La Monte Academic
- Laurel House



Lyceum of Monterey County. A NIAC member since 1997, Lyceum develops educational enrichment programs where students get to participate in real-life, hands-on activities that expose them to various careers.

• denotes NIAC member for five or more years

1997 N I A C M E M B E R S

Leadership Concepts

- Leadership Tomorrow
 - Mary's Shelter
 - Newport Mesa Halfway House
 - No Square Theater
 - Orange Coast Interfaith Shelter
 - Orange County Community Development Council
 - Pat McCormick Educational Foundation
 - 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 and Language Development Center
 - Star 6 Children's Foundation
 - Star Para Ninos Foster Family Agency
 - Syntone Treatment Center
 - Toastmaster's International
 - Trinity College of Graduate Studies
 - Valley View Christian Preschool of Laguna Hills
 - Vietnamese Community of Orange County
 - Vietnamese League of Orange County
- denotes NIAC member for five or more years.

- Volunteer Center of Greater Orange County
- Western Youth Services
- YWCA of Central Orange County
- YWCA of South Orange County

PLACER

- Alliance for the Mentally Ill of Placer County
 - Auburn Women's Center
 - Child Abuse Prevention Council
 - Children's Psychological Clinic
 - Placer Dispute Resolution Service
- Roseville Community Health Foundation
 - Roseville Home Start
 - Sierra Council on Alcoholism and Drug Dependence
 - Sierra Family Services
 - Sierra Foothills AIDS Foundation
- Sierra Vista Center
 - Somerset Home School
- Squaw Valley Community of Writers
 - St. Ambrose Acting Group
 - Sun City Roseville Charities

PLUMAS

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

RIVERSIDE

- Angelica Group Homes
- As Chosen to Serve Ministries
- Assistance League of Riverside
- Banning Youth Center
- Beaumont State Pre-School Corporation

- Boys and Girls Club of Coachella Valley
- Central County United Way
- Chastella
- Children of Parkinsonians
- Children's Playtime Productions
- Coachella Valley Historical Society
- Colombiere Retreat Center
- Court Appointed Special Advocates of Riverside County
- Desert Forum
- Double Check Retreat
- Esperanza Youth and Family Center
- Fair Housing Council of Riverside County
- Family Care Foundation

- Idyllwild HELP Center
 - Inland Empire Concilio De La Raza
 - Johnson Manor
 - Jumpstart Your Life
 - Kris' Camp/Therapy Intensive Programs
- Living Free Animal Sanctuary
 - National Parenting Institute
 - North County Community AIDS Partnership
 - Palm Canyon Theater
- Partnership to Preserve Independent Living
- Prime of Life
 - Ramona Bowl Music Association
 - Reichart and Dodd Foundation



Leadership Concepts, San Juan Capistrano. A NIAC member since 1997, Leadership Concepts trains young people to be creative leaders through retreats, leadership camps and workshops.

1997 NIAC MEMBERS

Reynaldo J. Carreon M.D. Foundation
 Riverside County Community Investment Corporation
 Riverside County Latino Commission on Alcohol and Drug Abuse Services
 • Riverside Medical Clinic 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
 'U' Turn for Christ
 Valley Lutheran Retirement Community
 • Valley Restart Shelter
 Variety Children's Charities of the Desert Tent 66
 Well in the Desert

SACRAMENTO

Alzheimer's Association—Greater Sacramento Area Chapter
 American Leadership Forum—Mountain Valley Chapter
 Asian Peace Officers Association
 Asian Resources
 Associated Family Therapy for Effective Recovery
 Better Life Children Services
 Big Brothers/Big Sisters of the Greater Sacramento Area
 Boys and Girls Clubs of Greater Sacramento
 Breaking the Cycle Treatment Programs
 California Association of Homes and Services for the Aging

• California Channel
 California Child, Youth and Family Coalition
 California Consortium for the Prevention of Child Abuse
 California Freedom House Fellowship
 California Hispanic Commission on Alcohol and Drug Abuse
 California Inland Fisheries Foundation
 California Rural Indian Health Board
 • California State Student Association
 California State University Sacramento Trust Foundation
 California Wildlife Federation
 Californians for Population Stabilization
 Center for Fathers and Families
 Chemical Dependency Center for Women
 Child and Family Institute
 Child Abuse Prevention Council of Sacramento
 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 of Sacramento
 • Elk Grove Historical Society
 Fairytale Town
 Families United
 • Family Service Agency of the Greater Sacramento Area
 Francis House of Sacramento
 Happy Tails Pet Sanctuary
 • Head Trauma Support Project
 Healthy Community Forum for the Greater Sacramento Region
 His Farm
 Home Assistance and Repair Program for Seniors

Home at Last
 Human Resources Consultants
 • Indian Dispute Resolution Services
 • Interfaith Service Bureau
 Iroko Foundation
 Italian Cultural Society
 • Jinan-Sacramento Sister City Corporation
 Kaplan Foundation
 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
 Project Ride North
 • River City Recovery Center
 • River Oak Center for Children
 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 and Fishes
 • Sacramento Museum of History, Science and Technology

• Sacramento Occupational Advancement Resources
 Sacramento Society for the Blind
 SacraMentor Program
 Senior Center of Elk Grove
 Serene Community Homes
 Sierra Curtis Neighborhood Association
 Sierra Regional Ski for Light
 SMART Kids
 St. Francis Home for Children
 • St. John's Shelter for Women and Children
 Stanford and Lathrop Memorial Home for Friendless Children
 Training Toward Self-Reliance
 Treat'em Like a King
 Upper Sacramento River Exchange
 Uptown Arts
 Visions Unlimited—South Area Mental Health Clinic
 • Volunteers of America, Sacramento and Central Valley
 W.E.A.V.E.
 Wellspring Women's Center
 Women's Civic Improvement Club of Sacramento
 YWCA of Sacramento

SAN BENITO

• Baler Foundation
 • Chamberlain's Children Center
 Community Pantry of San Benito County
 • Cuddly Critters
 • Jovenes de Antano Del Condado de San Benito
 • San Benito Health Foundation

• denotes NLAC member for five or more years

1997 NIAC MEMBERS

SAN BERNARDINO

- Alameda Empire
- Alzheimer's Disease and Related Disorders Association
- Andmar Residential Home
- ASA Learning Center
- Christian Counseling Service
- Fair Housing Council
- Inland Area Native American Association
- Lytle Creek Community Center
- Lytle Creek Senior Citizens Association
- Morongo Basin Adult Health Services
- Morongo Basin Mental Health Services Association
- P.H.I.L.O.S Adolescent
- Rancho Cucamonga Friendship for Animals
- Rolling Start
- San Bernardino Child Advocacy Program
- San Bernardino National Forest Association
- San Geronio Volunteer Association
- Superior Image Economic Development Corporation
- United Cancer Research Society
- Vigor International Group Homes

SAN DIEGO

- AIDS Walk San Diego
- Alpha of San Diego
- Alzheimer's Disease and Related Disorders Association
- Angel Society of Fallbrook
- Ariday Hispanic Women's Program
- Assistance League of Escondido Valley
- At Your Home Services
- Bayview Community Development Corporation

- Big Brothers of San Diego County
- Big Sister League Residency
- Big Sister League
- Borrego Springs Children's Center
- Borrego Springs Youth Center
- Boys and Girls Club of Fallbrook
- Boys and Girls Club of National City
- California Black Health Network
- California Southern Small Business Development Corporation
- Center for Social Services
- Centro Cultural de la Raza
- Che Cafe Collective
- Children's Education with Care
- Christian Assisted Recovery Environments
- Clairemont Friendship Center
- Classics for Kids
- College Area Economic Development
- Community Care for Adults
- Community Connection Resource Center
- Community Economic Development Association
- Corrective Behavior Institute
- Crisis House
- Deaf Community Services of San Diego
- ElderHelp of San Diego
- Environmental Health Coalition
- Escondido Community Child Development Center
- Escondido Historical Society
- Fallbrook Child Development Center
- Fallbrook Players
- Fresh Start Surgical Gifts
- Group Conscience
- Harborside School
- Harry E. and Rachael M. Moeller Foundation

- Home Start
- International Mutual Assistance Association
- J.W. Sefton Foundation
- Ken Jewish Center
- Kids on the Block
- Lakeside Historical Society
- MJB Homes
- Meeting Place
- Mid-City Christian Services
- Motor Transport Museum
- Mountain Empire Historical Society
- National Network of Grant Makers
- Newport Mesa School Foundation
- Normal Heights Community Development
- Ocean Beach Community Development
- Operation Understanding of San Diego
- Pacific Intercultural Exchange
- Palomar Family Counseling Service
- Partners—A UMC Mentoring Program
- Progressive Social Service Systems Technology
- San Diego BayKeeper
- San Diego Brain Injury Foundation
- San Diego Catholic Worker
- San Diego Children's Choir
- San Diego Christian Servicemen's Center
- San Diego Comprehensive Oral Health Center
- San Diego Future Leaders
- San Diego Second Chance Program
- San Diego Youth Symphony
- San Pasqual Battlefield Volunteer Association
- Sanctuary, Domestic Violence Resources
- Schizophrenics in Transition
- Southern Regional Resource Center
- Southwest Wetlands Interpretive Association
- Support Center/Executive Service Corps of San Diego

Teatro Mascara Magica
Trabajadores—San Diego

- Veteran's Memorial Center
- Vietnam Veterans of San Diego
- Vista Foundation
- Voices for Children and Friends of Voices for Children
- Walden Environment
- Wellness Community of San Diego
- William D. Lynch Foundation for Children
- Youth for Progress

SAN FRANCISCO

- AIDS Vaccine Advocacy Coalition
- Academy of Friends
- Alternative Family Services
- American Society on Aging
- Angel Island Immigration Station Foundation
- Architectural Foundation of San Francisco
- Asian Pacific American Community Fund
- Audrey L. Smith Developmental Center
- Bay Area Career Women Association
- Bay Area Classic Learning
- Bay Area Physicians for Human Rights
- Bayview Opera House
- Bernal Heights Community Foundation
- Better Health Foundation
- Black Coalition on AIDS
- Booker T. Washington Community Services Center
- Breast Cancer Action
- Bridge to Asia Foundation
- CVE, Inc.
- California Court Appointed Special Advocates Association
- California Environmental Trust

1997 NIAC MEMBERS

- California Northern Coastal Area of Alcoholics Anonymous
- California Summer Music
- Capp Street Project
- Center for Critical Architecture
- Center for Environmental Health
- Central County United Way
- Central Works
- Centro Latino de San Francisco
- Chemical Awareness and Treatment Service
- Children's Psychological Trauma Center
- Chinese for Affirmative Action
- College Bound Foundation
- Committee for Ciudad de los Ninos de Salamanca
- Committee to Restore the Opera House
- Committee to Save St. Brigid's Church
- Communities in Harmony Advocating for Learning
- Community Design Center
- Community Housing Partnership
- Concentric Media
- Continuum HIV Day Services
- Digital Queers
- Dolores Street Community Services
- EDGE: Alliance of Ethnic and Environmental Organizations
- ETVC: Educational TV Channel
- Emanuel Achievement Program
- Episcopal Community Services of San Francisco
- Esprit de Corp Foundation
- Family Link
- Farallon Documentary Films
- Faralone Marine Sanctuary
- Fellowship Academy and Preschool
- Filipino American Council of San Francisco
- Filipino Task Force on AIDS
- Florence Crittenton Services
- Food Runners
- Footloose Dance Company and Venue 9
- Fort Mason Community Garden
- Friends of Ethnic Arts
- Friends of Scrap
- Gay Asian Pacific Alliance Community HIV Project
- George Coates Performance Works
- Girls and Boys Against Gangs
- Global Exchange
- Greater Bay Area Family Resource Network
- Greenlining Institute
- Haight Ashbury Food Program
- Hands on San Francisco
- Harrison's Out of School Program
- Harvey Milk Institute
- Health Access Foundation
- Health Initiatives for Youth
- Homecare Companions
- Homeless Prenatal Program
- Housing Development and Neighborhood Preservation
- I Have A Dream Foundation—Oakland
- Improvworks—The San Francisco Center for Improvisation
- Independent Housing Services
- Instituto Pro Musica de California
- International Gay and 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 and 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
- Names Project Foundation
- National Concilio of America
- Network on Women in Prison
- New Fillmore Community Theater
- Northern California Supplier Development Council
- OMI Neighbors in Action
- Oceanview Merced Ingleside Community Association
- Oakland Youth Services

Operation Understanding, San Diego. A NIAC member since 1996, Operation Understanding promotes interracial harmony, understanding and cooperation between African Americans and Jewish Americans.

- One at a Time Foundation
- Orchidmania
- Partners in School Innovation
- Patient Assistance Foundation
- Pesticide Action Network North America Regional Center
- Planning Association for the Richmond
- Portola Family Connection Center
- Precita Eyes Mural Arts Center
- Presidio World College
- Private Industry Council of San Francisco
- Program Planetree
- Project Respect
- Public Glass
- Radiology Research and Education Foundation
- Redefining Progress
- Refugee Transitions
- Renaissance Parents of Success
- Richmond District Neighborhood Center
- Saint Vincent de Paul Society of San Francisco
- San Francisco Adult Day Health Network
- San Francisco African American Historical
- San Francisco Arts Education Project

• denotes NIAC member for five or more years

1997 NIAC MEMBERS

- San Francisco Bay Area Broadcast Skills Bank
- San Francisco BayKeeper
- San Francisco Boys and Girls Club
- 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 Chinese Parents School Committee
- San Francisco Clothing Bank
- 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 Ministry to Nursing Homes
- San Francisco Network of Mental Health Clients
- San Francisco Peniel Missions
- San Francisco Performing Arts Library and 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
- Smuin Ballets
- Society for Art Publications of the Americas
- Sojourner Truth Foster Family Service Agency
- Square and Circle Club of San Francisco
- Starr King Park
- STOP AIDS 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

- Western Roundup/Living Sober of San Francisco
- Western States Seismic Policy Council
- Wiley W. Manuel Law Foundation
- William G. Irwin Charity Foundation
- Women's Educational Media
- Women's Initiative for Self Employment
- World Centre—San Francisco
- Yerba Buena Gardens Studio for Technology and the Arts
- Yoga Society of San Francisco
- Young Audiences of the Bay Area

SAN JOAQUIN

- Asian Pacific Self-Development and Residential Association
- Beacon Lighthouse
- Boys and Girls Club of Stockton
- Circle C Ranch
- Cottage Oaks Medical Outreach
- Family Resource Network
- Lilliput Children's Services
- Share Homes
- Society of St. Vincent De Paul of Stockton
- Stocktonians Taking Action to Neutralize Drugs

SAN LUIS OBISPO

- Allied Arts Association
- Atascadero Recreation Center Committee
- Clark Ovitt Foundation
- Economic Vitality Corporation of San Luis Obispo
- Family Care Network
- Food Bank Coalition of San Luis Obispo County
- Foundation for the Performing Arts Center

- Foundation for Community Design
- Friends Outside in San Luis Obispo County
- Friends of San Luis Obispo Botanical Garden
- Heritage Village Seniors
- Hesed Christian Ministries
- LifeSpan Services Network
- NCI Affiliates
- Natural History Association of San Luis Obispo Coast
- Paso Robles Foundation for Culture and the Arts
- People Helping People
- Pioneer Players
- Robert H. Jansen Foundation
- 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
- American Society for Microbiology
- Bayshore Child Care Services
- Burlingame Historical Society
- California Council for the Social Studies
- Carey School
- Daly City Emergency Food Pantry
- Death with Dignity
- Dreamkeeper—Partners in Education Learning Program
- Edgewood Transitional Living



Photo by Rosemarie Lion

San Francisco BayKeeper. A NIAC member since 1993, BayKeeper keeps a protective eye on the San Francisco Bay and reports possible environmental violations to state and federal agencies.

- We Care Bay Area
- West Bay Local Development Corporation
- Western Addition Senior Citizens Service Center

1997 NIAC MEMBERS

El Centro de Libertad—The Freedom Center
Emergency Hunger Fund of Redwood City
Foundation for Autistic Childhood Education
and Support
Foundation for the Fine and Performing Arts
GATE Parents Group of the San Mateo
Union High School Girls' Middle School
Gorilla Foundation

- Hillsborough Schools Foundation
Holocaust Oral History Project
- 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
Latino Commission on Alcohol and Drug
Abuse Services of San Mateo
- Marin Association for Retarded Citizens
Mate Foundation
Neutral Zone
Performing Arts for Youth Society
PCC/Zonta and Peninsula Children's Center
Charter
- Peninsula Community Foundation
Peninsula Humane Society
- Peninsula League
- Peninsula Network of Mental Health Clients
Peninsula Outreach Programs
Rape Trauma Services
Redwood City Elementary Schools Citizens'
United Effort
Redwood City Friends of Literacy
- San Mateo Coast Natural History Association
- Shule Mandela Academy
Solidarity Fellowship

Sor Juana Ines
• South Coast Children's Services
• Tax-Aid
Thear International
• This Side of the Hill Players
Tri-City Concert Association

SANTA BARBARA

- ARC of Santa Maria Valley
American Philanthropy Association
- Anger Management and Counseling Services
Animal Shelter Assistance Program of
Santa Barbara
Boys and Girls Club of Santa Maria Valley
Central Coast Headway
- Community Environmental Council
Contemporary Music Theatre
Cornerstone House of Santa Barbara
Court Appointed Special Advocates of
Santa Barbara
- Endowment for Youth
Family Life Counseling Services
Foundation for Horses and Other Animals
- Good Samaritan Shelter
Jodi House
Life Options, Vocational and Resource Center
Lompoc Housing Assistance Corporation
Meals on Wheels of Lompoc
Music and Arts Conservatory of Santa Barbara
- New Directions for People with Disabilities
Northern Santa Barbara County Alliance for
the Mentally Ill
Santa Barbara Electric Transportation Institute
Santa Barbara Family Care Center
Santa Barbara Marine Mammal Center
- Santa Barbara Rape Crisis Center

Santa Barbara Rescue Mission
Santa Maria Arts Council
Santa Maria Civic Theatre
Santa Maria Valley Youth and
Family Center
• Senior Programs of Santa Barbara
• SMILE
• SMOOTH
• South Coast Business Network
Volunteers for Inter-Valley
Animals
Valley of Flowers Half Century
Club

SANTA CLARA

- A Place For Teens
Active Learning in the Arts
Advantage Youth Homes
Alano Club West of San Jose
Alliance For Community Care
- Ananda Marga of Los Altos Hills
Arts Council of Santa Clara County
Beginning Steps to Independence
- Bill Wilson Center
- Braille Transcription Project of Santa Clara
County
- California Council for the Promotion of
History
Center for Excellence in Nonprofits
- Child Quest International
Christian Environmental Association
Christian Family Fellowship
Christmas Dinner Fund
Combined Addicts and Professionals Services
- Community Coordinated Child Development
Council
Community Family Services

- Community Health Awareness Council
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
- Ethiopian Community Services
- Family Giving Tree
- Good Shepherd Fund
- GRASP Foundation
Graystone Home and School Club
- Green Pastures
Heart of the Valley Services for Seniors

• denotes NIAC member for five or more years



Photo by Ron Cohen, Gorilla Foundation

The Gorilla Foundation, Woodside. A NIAC member since 1997, the Foundation is dedicated to the protection, preservation and propagation of gorillas and other endangered primates. Pictured above is Koko with her kitten, Smoky.

1997 NIAC MEMBERS

- Higher Education Policy Institute
- Homeless Care Force
- Information and Referral Services
 - Joy Adolescent Treatment Center
 - Jumpstart Your Life
 - KARA
 - Kids in Common
 - Kokoro No Gakko
- 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
 - Morgan Center
 - Morgan Hill Historical Society
 - Nonprofit Development Center
 - Northside Theatre Council of San Jose
- People Acting in Community Together
 - Peninsula Parents and Friends of Lesbians and Gays
- Pacific Autism Center for Education
- Parents Helping Parents
- Parkinson's Institute
- Peninsula Area Information and Referral Service
- Process Therapy Institute
 - Project Sentinel Fair Housing
 - Resources for Families and Communities
 - San Francisco Bay Bird Observatory
 - San Jose Children's Musical Theater
 - San Jose Day Nursery
- San Jose Shelter
- San Jose Tomorrow

- San Juan Bautista Child Care Center
- Santa Clara County Bar Association Law Foundation
- Santa Clara County Committee for Employment of the Disabled
- Santa Clara Historical and Genealogical Society
- Santa Clara Valley MultiService Center
- Saratoga Area Senior Coordinating Council
- Saratoga Historical Foundation
- Sensory Access Foundation
- Shoot for the Stars
- Silicon Valley Pollution Prevention Center
- Silicon Valley Toxics Coalition
- South Valley Civic Theatre
- South Valley Symphony
- Stanford Bay Area Charities
- Summit League
- Theater Angels' Art League
- Timpany Center
- Vietnamese American Cultural and Social Council
- Vision Morgan Hill Foundation
- Women and their Children's Housing
- West Bay Opera Association
- Youth Focus

SANTA CRUZ

- Above the Line
- Agricultural History Project
- Alzheimer's Association of Santa Cruz
- Cabrillo Guild of Music
- 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
- Friends of the Santa Cruz Public Libraries
- Future Families
- Group Home Society
- Homeless Community Resource Center
- La Que Sabe Art Foundation
- Life Lab Science Program
- Live Oak Multipurpose Senior Center
- Loch Lomond Celtic Society



Photo by Pat Kirk

San Jose Children's Musical Theater. A NIAC member since 1994, the Musical Theater teaches children enjoyment of the performing arts through musical productions and outreach classes.

- Monterey Bay Salmon and Trout Project
- Mountain Parks Foundation
- Native Animal Rescue
- New Horizons School
- Organic Farming Research Foundation
- Pacific Coast Youth Home
- Pacific Village School
- Pajaro Valley Historical Association
- Pajaro Valley Housing
- Pajaro Valley Shelter Services
- Parents Center
- Project Scout
- San Lorenzo Valley Main Street
- San Lorenzo Valley Mountain Community Theater
- Santa Cruz AIDS Project
- Santa Cruz Bluegrass Society
- Santa Cruz Campus Bike Center
- Santa Cruz Citizen's Committee for the Homeless

1997 N I A C M E M B E R S

- Santa Cruz Clean and Sober Homes
- Santa Cruz County Junior Golf Association
- Santa Cruz County Symphony Association
- Santa Cruz County Veterans Memorial Building
- Santa Cruz Lesbian, Gay Community Center
- Santa Cruz SPCA
- Sembrando El Futuro
- Senior Network Services
- Seniors Council of Santa Cruz and San Benito Counties
- Skills Center
- Spiritual Emergence Network
- Traveling School
- Triad Community Services
- Trichotillomania Learning Center
- United Services Agency
- United Way of Santa Cruz
- Valley Churches United
- Valley Resource Center
- Walnut Avenue Women's Center
- Watsonville YWCA Child Care Center and Watsonville YWCA
- Welfare and Low-Income Support Network
- William James Association
- Women's Cancer Advocacy Resources and Education
- Women's Crisis Support and Shelter Services
- Young at Heart Project
- Youth Opportunities—Santa Cruz

SHASTA

- Alternatives to Violence
- Changing Lives
- Cottonwood Community Park
- Empire Recovery Center

- Good News Rescue Mission
- Northern California Center for Family Awareness
- Riverfront Playhouse
- Senior Legal Center of Northern California
- Shasta County Child Abuse Prevention Coordinating Council
- Shasta County Women's Refuge
- Shasta Sierra Work Furlough
- United Lumbee Nation of Northern California and America
- United Way of Northern California
- Youth Enrichment Services

SISKIYOU

- FieldGuides
- Great Northern Corporation
- Josephine Taylor Foundation
- Siskiyou Child Care Council
- Siskiyou Domestic Violence Program
- Siskiyou Performing Arts Center
- Siskiyou Youth Shelter
- S.T.A.R.T.
- TeenEdge

SOLANO

- ARC—Solano
- Arts Benicia
- Benicia Community Arts
- Coalition Against Homelessness in Solano County
- M-2/Match Two
- Solano Family and Childrens Services
- Solano Women's Crisis Center
- USARC/PACE

SONOMA

- Actors' Theatre of Sonoma County
- Ananda Institute
- Association of Behavior Consultants
- Becoming Independent
- Bird Rescue Center
- Boys and Girls Club of Santa Rosa
- Care Children's Counseling Center
- Circuit Rider Productions
- Coastwalk
- Community Childcare Council of Sonoma County
- Community Projects
- Diabetes Society of Sonoma County
- Extended Child Care Coalition
- Family Service Agency and Community Counseling Services
- Fort Ross Interpretive Association
- Friends of the Animals in the Redwood Empire
- Gray Foundation
- Greenacre Homes
- Healdsburg Boys and Girls Club
- Henry House
- Homeless Prevention Group of Rohnert Park, Cotati and Pennbrook
- Hope Counseling Services
- Hospital Chaplaincy Services
- Individuals Now
- Institute for the Musical Arts
- Inter-Faith Shelter Network
- Jewish Community Agency of Sonoma County
- Jewish Day School
- Joy Riders Foundation
- Latino Commission on Alcohol and Drug Abuse Services of Sonoma

- Life Management Institute
- Local Earth Action Forum—Sonoma Ecology Center
- My Body is Healthy
- Napa Valley Opera House
- New Directions Adolescent Services
- Northwestern Pacific Railroad Historical Society
- On Our Own
- Pet's Lifeline
- Plumfield Academy
- R Hotse and Rincon School
- Redwood Arts Council
- Russian River Jazz Festival
- Schools Plus
- Service Outreach Motivation Empowerment
- Sonoma City Opera



New Horizons School, Santa Cruz. A NIAC member since 1997, New Horizons provides an alternative school to address the unique needs of homeless and economically disadvantaged youth ages 4-18.

• denotes NIAC member for five or more years

1997 N I A C M E M B E R S

- Sonoma Community Center
- Sonoma County A.I.D.E.
- Sonoma County AIDS Network
- Sonoma County Academic Foundation for Excellence in Medicine
- Sonoma County Alzheimer's Task Force
- Sonoma County Community Foundation
- Sonoma County Indian Health Project
- Sonoma County Men's Support Center
- Sonoma County People for Economic Opportunity
- Sonoma County Rental Information and Mediation
- Sonoma State Historic Park Association
- Sonoma Valley Chorale
- Technical Assistance and Support Services
- True to Life Children's Services
- Vietnam Veterans of California
- Vintage House Senior Multipurpose Center
- Volunteer Center of Sonoma County
- West Coast Academy
- West Santa Rosa Local Action Council

STANISLAUS

- Center for Senior Employment
- Community Transitional Resources
- Comprehensive Continuum of Service
- Disability Resources Agency for Independent Living
- Friends Outside Modesto Stanislaus County
- Na Ohana O Ke Awawa
- Parent Resource Center
- Society for Handicapped Children and Adults
- Stanislaus County Child and Infant Care

SUTTER

- California Age Research Institute
- Family Life Foundation
- Yuba Sutter Alliance for the Mentally Ill
- Yuba-Sutter Economic Development
- Yuba-Sutter Gleaners Food Bank

TEHAMA

- Deer Creek Watershed Conservancy
- Tehama Recovery Center

TULARE

- Central California Family Crisis Center
- Community Services and Employment Training
- Court Appointed Special Advocates of Tulare County
- El Granito Foundation
- Lindsay-Strathmore Coordinating Council
- Love, Inc. of Tulare County
- Pioneer Home Outreach
- Porterville Gleaning Seniors
- Pro-Youth Visalia
- Tulare County Alcoholism Council
- Tulare County Hispanic Commission on Alcoholism
- Tulare County League of Mexican-American Women
- Turning Point of Central California
- Visalia Rescue Mission

VENTURA

- Alzheimers Disease/Related Disorders Association
- Arts Council of the Conejo Valley
- Center for Studies of the Future

- Coalition to End Domestic and Sexual Violence
- Corriganville Preservation Committee
- Friends of the Thousand Oaks Library
- Khepera Recovery Homes
- Long Term Care Services of Ventura County
- Marine Mammal and Wildlife Center
- Meadowlark Service League
- Oakbrook Park Chumash Indian
- Project Understanding of Ventura
- Raptor Rehabilitation and Release Program
- Santa Paula Theater Center
- Sarah's House
- Tri-County Easter Seal Society
- Ventura Family Center
- Youth Connection of Ventura County

YOLO

- Cache Creek Lodge
- Citizens Who Care
- Community Care Car
- Court-Appointed Special Advocates of Yolo County
- Davis Community Meals
- Davis Mutual Housing Association
- FamiliesFirst
- Friends of the Allied Non-Profits
- Mental Health Association of Yolo County
- Morning Star Summer Enrichment Program
- People Resources
- Re-Runs
- Sexual Assault and Domestic Violence Center
- Short Term Emergency Aid Committee of Davis
- Solar Community Housing Association

- Summer House and Davis Summer House
- Woodland Youth Services
- Yolo Community Care Continuum
- Yolo Connections
- Yolo County Coalition Against Hunger
- Yolo Wayfarer Center

YUBA

- Tri-County Respite Care

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

We have audited the accompanying consolidated balance sheets of Nonprofits' Insurance Alliance of California (the Company) as of December 31, 1997 and 1996 and the related consolidated statements of income, members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 audits provide a reasonable basis for our opinion.

In 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, 1997 and 1996 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Deloitte & Touche LLP

Deloitte & Touche, LLP
San Jose, California

March 6, 1998



CONSOLIDATED BALANCE SHEETS

Years Ended December 31, 1997 and 1996

ASSETS	1997	1996
Investments:		
Restricted investments at market	\$ 2,057,077	\$ 1,906,859
Investments at market	<u>17,050,365</u>	<u>14,072,831</u>
Total Investments	19,107,442	15,979,690
Cash	—	285,848
Premiums receivable, net of allowance for doubtful accounts of \$5,859 in 1997 and \$10,317 in 1996	1,952,858	1,046,293
Interest receivable	272,051	249,863
Prepaid expenses and deposits	33,220	23,148
Reinsurance recoverable	7,584,120	7,312,456
Prepaid reinsurance premium	1,177,502	1,160,454
Deferred acquisition costs	994,850	748,118
Income tax receivable	15,497	1,005,236
Deferred tax asset	374,918	605,755
Property and equipment, net of accumulated depreciation of \$203,054 in 1997 and \$210,699 in 1996	<u>119,481</u>	<u>169,008</u>
TOTAL	<u>\$ 31,631,939</u>	<u>\$ 28,585,869</u>
LIABILITIES AND MEMBERS' EQUITY		
Outstanding checks	\$ 102,192	\$ —
Loss and loss adjustment expense reserves	18,238,613	16,960,335
Unearned premiums	5,368,694	4,602,502
Reinsurance payable	1,814,884	1,401,701
Accounts payable	600,698	527,755
Other accrued liabilities	496,952	291,496
Income taxes payable	<u>—</u>	<u>866,300</u>
	26,622,033	24,650,089
Subordinated debt	1,300,000	1,300,000
Commitments and contingencies (Note 10)		
Members' equity:		
Members' contributions	784,917	705,359
Other paid-in capital	31,054	31,054
Retained earnings	2,582,266	1,815,595
Net unrealized gains on investments, net of deferred tax of \$54,833 in 1997 and \$43,156 in 1996	<u>311,669</u>	<u>83,772</u>
Total members' equity	<u>3,709,906</u>	<u>2,635,780</u>
TOTAL	<u>\$31,631,939</u>	<u>\$28,585,869</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31, 1997 and 1996

	1997	1996
REVENUES		
Gross written premium	\$ 11,598,848	\$ 10,305,225
Ceded premium	<u>(2,631,928)</u>	<u>(2,687,077)</u>
Net written premium	8,966,920	7,618,148
Increase in unearned premium	<u>(749,145)</u>	<u>(478,802)</u>
Net earned premium	8,217,775	7,139,346
Net restricted investment income	93,185	81,482
Net investment income	972,124	770,986
Net realized gain (loss) on sales of investments	36,787	(38,162)
Other income	<u>266,984</u>	<u>177,175</u>
Total revenues	<u>9,586,855</u>	<u>8,130,827</u>
EXPENSES		
Losses and loss adjustment expenses incurred	5,502,796	5,072,325
Salaries and employee benefits	1,426,558	1,250,737
Commission expense	1,216,486	854,497
Other expense	<u>276,245</u>	<u>101,985</u>
Total expenses	<u>8,422,085</u>	<u>7,279,544</u>
INCOME BEFORE INCOME TAXES	1,164,770	851,283
INCOME TAX EXPENSE	<u>398,099</u>	<u>303,377</u>
NET INCOME	<u>\$ 766,671</u>	<u>\$ 547,906</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

Years Ended December 31, 1997 and 1996

	Members' Contributions	Other Paid-in Capital	Retained Earnings	Net Unrealized (Losses) Gains on Investments	Total Members' Equity
BALANCES,					
January 1, 1996	\$ 601,234	\$ 31,054	\$ 1,267,689	\$ 183,414	\$ 2,083,391
Change in net unrealized gain, 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	705,359	31,054	1,815,595	83,772	2,635,780
Change in net unrealized gain, net of deferred tax of \$11,677	—	—	—	227,897	227,897
Members' contributions	79,558	—	—	—	79,558
Net income	—	—	766,671	—	766,671
BALANCES,					
December 31, 1997	\$ 784,917	\$ 31,054	\$ 2,582,266	\$ 311,669	\$ 3,709,906

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 1997 and 1996

	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 766,671	\$ 547,906
Adjustments to reconcile net income to net cash provided by operating activities:		
Net realized (gains) losses		
on sales of investments	(36,787)	38,162
Depreciation and amortization	156,733	62,001
Deferred income tax benefit	230,837	(131,120)
Changes in assets and liabilities:		
Premiums receivable	(906,565)	(71,813)
Interest receivable	(22,188)	(87,081)
Prepaid expenses and deposits	(10,072)	(1,963)
Reinsurance recoverable	(271,664)	(2,438,675)
Prepaid reinsurance premium	(17,048)	30,379
Deferred acquisitions costs	(246,732)	(167,411)
Income tax receivable	989,739	(673,135)
Loss and loss adjustment expense reserves	1,278,278	4,293,306
Unearned premiums	766,192	448,424
Reinsurance payable	413,183	86,314
Accounts payable	72,943	299,366
Other accrued liabilities	205,456	272,392
Income taxes payable	(866,300)	866,300
Outstanding checks	102,192	—
Net cash provided by operating activities	2,604,868	3,373,352
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(25,437,503)	(10,794,123)
Sales of investments	20,053,674	6,551,722
Maturities of investments	2,425,280	826,000
Purchases of property and equipment	(11,725)	(77,550)
Net cash used in investing activities	(2,970,274)	(3,493,951)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from members' contributions	79,558	104,125
NET INCREASE (DECREASE) IN CASH	(285,848)	(16,474)
CASH, Beginning of year	285,848	302,322
CASH, End of year	\$ —	\$ 285,848
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid (received) during the year for:		
Federal income taxes	\$ (134,620)	\$ 190,000
Interest expense	\$ 26,000	\$ 26,000

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 1997 and 1996

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, directors and officers policies up to \$5 million in excess of \$1 million, and improper sexual conduct policies up to \$1 million in excess of \$1 million.

The Company receives one-time contributions from each new member in the form of a non-refundable membership contribution, which are recorded as an addition to members' equity. Effective July 1, 1997, the contribution amount decreased to 5% of the commercial general liability premium from the prior rate of 10%.

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 \$1,713,089 for 1997 and \$1,307,861 for 1996. 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, net of accumulated depreciation, 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 market 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 \$51,699 and \$(14,912), respectively, in 1997 and \$19,656 and \$(57,818), respectively, in 1996. The Company has investments in commercial paper. Although such investments meet the criteria for cash equivalents, the Company has elected to include commercial paper in investments.

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, for certain lines of business, industry statistics. Industry statistics are used for those lines in which the Company does not have sufficient experience 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 was previously granted tax-exempt status by the state of California. Effective January 1, 1997, the Company elected federal tax-exempt status.

In anticipation of 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 differences between financial statement carrying amounts of assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards.

Recent Accounting Pronouncements - In June 1997, SFAS No. 130, "Reporting Comprehensive Income," was issued. SFAS No. 130 requires that an enterprise report, by major components and as a single total, the change in its net assets during the period from nonowner sources. Adoption of this statement will not impact the Company's financial position, results of operations or cash flows. This statement is effective for fiscal years beginning after December 15, 1997, with earlier application permitted.

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 1997 and 1996.

Restricted investments, carried in the accompanying balance sheets at estimated market value, consist of the following as of December 31, 1997 and 1996:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Market Value
1997:				
Corporate obligations	\$ 773,498	\$ 17,042	\$ —	\$ 790,540
Money market account	2,549	—	—	2,549
Mortgage-backed securities	635,320	7,899	—	643,219
Asset-backed securities	293,394	5,492	—	298,886
Other debt securities	320,298	1,585	—	321,883
	<u>\$ 2,025,059</u>	<u>\$ 32,018</u>	<u>\$ —</u>	<u>\$ 2,057,077</u>
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	109,424	481	—	109,905
	<u>\$ 1,897,012</u>	<u>\$ 10,215</u>	<u>\$ (368)</u>	<u>\$ 1,906,859</u>

The amortized cost and estimated market value of restricted investments at December 31, 1997, by contractual maturity, are shown below. Actual 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	\$ 72,390	\$ 72,765
Due after 1 year through 5 years	714,716	721,814
Due after 5 years	309,239	320,393
Mortgage-backed securities	635,320	643,219
Asset-backed securities	<u>293,394</u>	<u>298,886</u>
TOTAL	<u>\$ 2,025,059</u>	<u>\$ 2,057,077</u>

4. INVESTMENTS

Unrestricted investments, carried in the accompanying balance sheets at estimated market value, consist of the following as of December 31, 1997 and 1996:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Market Value
1997:				
Corporate obligations	\$ 9,483,308	\$ 265,599	\$ —	\$ 9,748,907
U.S. government and agency obligations	249,860	2,874	—	252,734
Money market account	85,945	—	—	85,945
Mortgage-backed securities	4,244,860	41,993	—	4,286,853
Asset-backed securities	419,269	8,801	—	428,070
Other debt securities	<u>2,232,358</u>	<u>15,498</u>	<u>—</u>	<u>2,247,856</u>
	<u>\$16,715,600</u>	<u>\$ 334,765</u>	<u>\$ —</u>	<u>\$17,050,365</u>
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>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

Years Ended December 31, 1997 and 1996

The amortized cost and estimated market value of unrestricted investments at December 31, 1997, by contractual maturity, are shown below. Actual maturities may 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	\$ 1,612,047	\$ 1,624,542
Due after 1 year through 5 years	4,367,699	4,402,241
Due after 5 years	6,071,725	6,308,659
Mortgage-backed securities	4,244,860	4,286,853
Asset-backed securities	<u>419,269</u>	<u>428,070</u>
TOTAL	<u>\$16,715,600</u>	<u>\$17,050,365</u>

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below reflects a summary of fair value disclosures of financial instruments:

	1997		1996	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Restricted investments	\$ 2,057,077	\$ 2,057,077	\$ 1,906,859	\$ 1,906,859
Investments	17,050,365	17,050,365	14,072,831	14,072,831

Estimated market values of investments, which are debt securities, are 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:

	1997	1996
Current	\$ 178,939	\$ 477,653
Deferred	<u>219,160</u>	<u>(174,276)</u>
TOTAL	<u>\$ 398,099</u>	<u>\$ 303,377</u>

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:

	1997	1996
Computed tax expense at federal statutory rate	\$ 407,670	\$ 297,949
Earnings of tax-exempt entity	(131,376)	—
State tax settlement, net of federal benefit	125,665	—
Other, net	<u>(3,860)</u>	<u>5,428</u>
Total	<u>\$ 398,099</u>	<u>\$ 303,377</u>

In 1997, the Company paid \$190,401 to settle a state tax dispute related to prior years. Net of the related federal tax benefit, this resulted in a current-year charge of \$125,665.

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, 1996	\$ 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	960,733	—	(354,978)	605,755
1997 changes	<u>(313,944)</u>	<u>—</u>	<u>83,107</u>	<u>(230,837)</u>
Balances at December 31, 1997	<u>\$ 646,789</u>	<u>\$ —</u>	<u>\$ (271,871)</u>	<u>\$ 374,918</u>

The types of temporary differences that primarily comprise the net deferred tax asset at December 31, 1997 and 1996 include loss and loss adjustment expenses, the unearned premium reserve, unrealized gains on debt securities available for sale, state income taxes and deferred acquisition costs.

Management believes that the net deferred tax asset as of December 31, 1997 and 1996 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).

7. LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

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

	1997	1996
Gross loss and loss adjustment expense reserves, January 1	\$ 16,960,335	\$ 12,667,029
Reinsurance recoverables	<u>(7,312,456)</u>	<u>(4,873,781)</u>
Net loss and loss adjustment expense reserves	9,647,879	7,793,248
Incurred related to:		
Current year	5,490,964	5,049,730
Prior years	<u>11,832</u>	<u>22,595</u>
Total incurred	5,502,796	5,072,325
Paid related to:		
Current year	1,112,328	691,414
Prior years	<u>3,383,854</u>	<u>2,526,280</u>
Total paid	<u>4,496,182</u>	<u>3,217,694</u>
Net loss and loss adjustment expense reserves, December 31	10,654,493	9,647,879
Reinsurance recoverables	<u>7,584,120</u>	<u>7,312,456</u>
Gross loss and loss adjustment expense reserves, December 31	<u>\$ 18,238,613</u>	<u>\$ 16,960,335</u>

As a result of changes in estimates of insured events in prior years, the loss and loss adjustment expense reserves increased by \$11,832 and \$22,595 in 1997 and 1996, 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:

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>
Total	<u>\$ 1,300,000</u>

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 1997 and 1996.

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 1997, 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. However, any reduction in earned surplus, 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), 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 1997. 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>
TOTAL	\$ 1,300,000

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

Recourse on the subordinated debt is generally limited to earned surplus. 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, 1997 and 1996

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 1997 and 1996, the Company's reinsurance was in three layers as follows:

Layer	Contract Year	Company Retention	Reinsurance Limits
First Excess	1997	\$ 100,000	\$ 900,000
First Excess	1996	\$ 100,000	\$ 150,000
Second Excess	1997	\$ 1,000,000	\$ 1,000,000
Second Excess	1996	\$ 250,000	\$ 750,000
Third Excess	1996	\$ 1,000,000	\$ 1,000,000
Umbrella	1996-1997	\$ 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 \$207,634 in 1997 and \$193,604 in 1996.

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

Reinsurance Ceded	1997	1996
Premiums earned	\$ 2,614,877	\$ 2,717,456
Loss and loss adjustment expenses incurred	2,953,365	3,025,540

In 1997, the Company paid a fixed reinsurance premium based on gross premium written, subject to a profit-sharing arrangement which could result in a refund of reinsurance premium as a result of favorable loss experience. As a result of experience to date, no provision has been made for potential profit sharing under this agreement. For the second layer, the Company pays a fixed reinsurance premium based on gross premiums written.

In 1996, for the first layer of reinsurance, the Company paid 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. Based on expected loss experience, the Company has accrued the maximum possible premium. Reinsurance payable at December 31, 1997 and 1996 includes \$1,323,244 and \$1,285,122, 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. As a result of experience to date, 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 received an additional refund of \$38,123 in 1997 and 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 \$3,125,948 (41.2% of total reinsurance recoverable) and \$3,081,948 (40.6%) at December 31, 1997 and \$3,057,000 (41.8%) and \$2,954,000 (40.4%) at December 31, 1996, 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. The Company has elected to renew the lease for a period of three years, through March 2001.

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

Year Ending December 31:

1998	\$ 128,174
1999	136,400
2000	140,492
2001	<u>29,448</u>
Total minimum lease payments	<u>\$ 434,514</u>

Total rent expense for 1997 and 1996 was \$81,753 and \$113,925, 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 per employee for 1997 and 1996. The employer matching contributions were limited to \$1,000 per employee during 1997 and 1996. The amounts contributed to the Plan were \$38,873 and \$41,012 in 1997 and 1996, respectively. Employees qualify for the employer portion of the contribution after one year of service with the Company.

NONPROFITS' INSURANCE ALLIANCE OF CALIFORNIA (NIAC)

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 our member nonprofit organizations. NIAC is a 501(c)(3) tax-exempt organization.

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.

REINSURERS

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

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Bacon and Company, Carmel

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Sabrina Diaz

CONSULTANTS

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Auditor
Deloitte & Touche LLP

Claims Adjusters
Carl Warren & Company

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**effective 7/1/98, area code (831)*