Dear Members and Friends of CalNonprofits:

If you are reading this Annual Report, you’re one of our shareholders: a CalNonprofits member, advocacy partner, supporter or friend. This means we have worked together to bring the voices of nonprofits to public discussions. For that, we thank you!

As we look back on the last year, we have exciting news to report:

- We worked hard with partners in the healthcare reform transition, supporting nonprofit enrollment in Covered California and providing help for the (frequently not-covered) part-timers and dependents of nonprofit employees.

- We strengthened our Vote with Your Mission work through a merger with the California Participation Project.

- We produced a dynamic statewide policy convention featuring keynoter Robert Reich.

- We continued to build successful efforts and partnerships in Sacramento on legislation for arts funding, enhancing revenue streams for nonprofits and making CalNonprofits the go-to voice for our sector in the Capitol.

- We launched the California Nonprofit Advocates Caucus (CNAC), a platform for coordinated information and action among statewide policy coalitions, with 97 members. — continued on page 3
The power of advocacy:
A report on our recent policy work

We worked hard in 2013 to make sure your voice was heard in Sacramento. Thanks to your support and the advocacy of CalNonprofits and our allies, seven of the eleven bills we supported were signed into law, ranging from voting rights, to emergency powers for nonprofit boards, to liability protection for nonprofits, to voluntary contributions for nonprofits on state income tax returns. Here are a few of the highlights:

▶ We were proud to support AB 149, which requires county probation departments to inform those on probation about their voting rights. There’s a lot of misinformation about the voting rights of people with felony convictions, resulting in false disenfranchisement for thousands at every election. CalNonprofits worked with other advocates to make sure AB 149 passed and to ensure as many Californians as possible are aware of their voting rights.

▶ CalNonprofits prioritizes the ability of nonprofit boards to govern organizations effectively. What happens in an emergency situation if your bylaws don’t let you respond in appropriate ways? Thanks to AB 491, nonprofits can now adopt “emergency powers” so the organization may continue to operate during catastrophes and emergencies. We were proud to support AB 491, along with the State Bar Association, to make sure California’s nonprofits can continue to serve the community, even in the toughest circumstances.

▶ CalNonprofits’ direct advocacy got three laws passed that allow individuals to make donations to specific causes on our state income tax returns. “American Red Cross, California Chapters Fund” will support emergency response services carried out by the Red Cross chapters in California. “California Beach and Coastal Enhancement Account” will grant money to nonprofits for programs that preserve or enhance our coastal resources and provide education about marine life to underserved communities. The “Keep Arts in Schools Fund” will allocate money to the Arts Council to distribute as grants that support arts programs for kids in California.

▶ CalNonprofits believes California is served best when nonprofits and government work well together. When the state couldn’t keep some state parks open nonprofits stepped in. But what happens to the parks that aren’t on the “cut” list the next year? Now law, AB 594 allows the State Parks department to enter into an operating agreement with nonprofits to many nonprofits’ program delivery. Now those who help others see are protected by SB 724, which provides liability protection to nonprofits while protecting clients from negligence.

▶ CalNonprofits was proud to cosponsor AB 580 - Arts Council: Grants - Assemblymember Adrin Nazarian (D- Van Nuys), which called for an annual allocation of $75 million to the California Arts Council for grants to nonprofit arts organizations. We worked with Californians for the Arts, Latino Arts Network of California, and others to build support for this proposal. Not surprisingly in a challenging budget year, the bill stalled in the Assembly Appropriations Committee. But thanks to our collective advocacy on AB 580, Assembly Speaker John Perez made a discretionary allocation of an additional $2 million to the California Arts Council for grantmaking, doubling what the Arts Council was slated to receive. We’re continuing to work with the arts community to win more funding for arts in the coming years.

Looking ahead to 2014
The voice of California’s nonprofit sector continues to get stronger as CalNonprofits’ public policy advocacy programs grow. In 2014 we’re tackling more issues in the Legislature, while continuing to grow relationships and build alliances that mean more influence for the nonprofit community.
The power of membership

Every member of CalNonprofits adds to our collective clout, and that means policy makers and the media listen to what we have to say. Participating in our Annual Convention, joining a Policy Task Force, or signing on to Vote with Your Mission are some of the ways you can increase the impact of your membership. When you join CalNonprofits, you become part of a leadership network advocating for nonprofits and our communities. Through our lobbyist and policy director in Sacramento, our legislative update webinars, research and briefings, we help raise your voice to policy makers, philanthropy and the public, and strengthen your ability to advocate on behalf of your community. And CalNonprofits also offers you a whole range of individual benefits, with access to great programs and discounts that save you money and make life easier. Find out how to join at www.calnonprofits.org.

why do nonprofits join CalNonprofits?

- Strengthen the voice of nonprofits in California
- Participate in advocacy
- Get health insurance and other insurances
- Save money on office supplies, background checks, and more
- Access online library of finance, HR, and governance resources
- Learn how to stay compliant
- Enter annual Award of Excellence competition for $10,000

Join us!

www.calnonprofits.org

Annual Report letter, continued from page 1

Last but certainly not least, we initiated the first-ever economic study of California’s nonprofit sector, to be released this July.

We also welcomed Fred Ali of the Weingart Foundation to our board of directors, made presentations on advocacy to 57 groupings of nonprofits, and grew our staff to (the gigantic number of) 5.5.

Thank you for joining us, and please don’t hesitate to contact us with questions, comments, suggestions, requests, or simply a “hi.” Onward!

Jan Masaoka
CEO, CalNonprofits
janm@calnonprofits.org

Ashley McCumber
Chair, CalNonprofits Board of Directors
Executive Director, Meals on Wheels of San Francisco
amccumber@mowsf.org
Funders

Thank you to our 1,500 members, funders and Sustaining Members who made it possible to raise California nonprofit voices over this last year.

In addition, we want to give special appreciation to the foundations that provided us with core, unrestricted support, which supports all of our work:

Wallace Alexander Gerbode Foundation
Evelyn and Walter Haas, Jr. Fund
William and Flora Hewlett Foundation
James Irvine Foundation
David and Lucile Packard Foundation
Philanthropic Ventures Foundation
Weingart Foundation

Thanks, too, to the foundations that supported particular programs in 2013:

The California Endowment
The California Wellness Foundation
Fund for Santa Barbara
Dean and Margaret Lesher Foundation
Levi Strauss Foundation
Ralph M. Parsons Foundation
Y&H Soda Foundation

SUSTAINING MEMBERS 2013

ABC Learn, Inc.
Frank H. and Eva B. Buck Foundation
California Chamber of Commerce (CalChamber)
California State Parks Foundation
The California Wellness Foundation
Cars 4 Causes
Wallace Alexander Gerbode Foundation
Josephine S. Gumbiner Foundation
Walter and Elise Haas Fund
Humboldt Area Foundation
Irvine Health Foundation
Kidango
Kings Community Action Organization Inc.
Liberty Hill Foundation
MoveOn.org
Provident Credit Union
RBZ, LLP
Turning Point Community Programs
Valic
Weingart Foundation

Where is CalNonprofits?

Main office: San Francisco
180 Howard St., Suite 300
San Francisco, CA 94105
Phone: (800) 776-4226
Fax: (866) 731-1672

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Sacramento, CA 95814
Phone: (916) 207-2737

Los Angeles
1000 North Alameda, Suite 240
Los Angeles, CA 90012

CalNonprofits Insurance Services (CIS)
Main office:
1500 41st Ave., Suite 280
Capitola, CA 95010
Phone: (800) 776-4226

CalNonprofits Insurance Services (CIS)
Southern California office:
3435 Wilshire Blvd., Suite 1930
Los Angeles, CA 90012
Phone: (800) 776-4226

Everywhere via the web: www.calnonprofits.org

Our Staff Team

Left to right: Dishauna Walker, Member and Program Support; Kris Lev-Twombly, Director of Public Policy; Cheryl Thompson, Accountant, CalNonprofits Insurance Services; Katie Kleinsasser, Communications Director; Christina Dragonetti, Membership Director; Deborah Connors, CFO, CalNonprofits Insurance Services; Kristen Wolseigel, Project Director; Jan Masaoka, CEO; Edan Enriquez, Project Director (not pictured: Kim Patterson, Receptionist, CalNonprofits Insurance Services)
The power of health coverage:
Implementing our healthcare reform initiative

Our June study of nonprofits confirmed what we suspected to be true: that nonprofits provide health insurance to their staff at twice the rate that similarly-sized small businesses do. This study helped squash the myth that nonprofits fail to support their own employees’ healthcare.

But the big news in California this last year was the launch of the flawed-but-successful Covered California. Healthcare reform was a big win for nonprofit advocates and California communities, and nonprofits across the state worked to make its implementation help the un- and under-insured millions of Californians.

At CalNonprofits we’ve made dozens of presentations to nonprofit coalitions and conferences on how your nonprofit can make use of Covered California for your staff, the dependents of your staff, and your constituents.

And through our wholly-owned social enterprise, CalNonprofits Insurance Services (CIS), we’ve not only enrolled many nonprofits into the Small Business Health Options Program (SHOP), we’ve provided free assistance to hundreds of part-time and seasonal employees who are not covered by their nonprofit employers, and crucially, for the dependents of nonprofit staff in families that have too much money to qualify for MediCal, but too little to afford the cost of adding their children and others to employer-based policies.

“My personally, I’m eternally grateful that CalNonprofits has a policy of helping family members of nonprofit staff who are NOT covered by the employer to get insurance individually. My partner got a lot of help navigating Covered California (the Affordable Care Act), and our family is now saving hundreds of dollars a month!”

— Myra Levy, Lavender Youth Recreation & Information Center

The power of information:
Exploring new territory through a groundbreaking research study on the impact of California nonprofits

Surprisingly, there has yet to be a statewide study of the economic and social impact of California’s nonprofit sector. Partnering with the University of San Diego, we launched this study in late 2013 and will release the report in July of 2014 at our Policy Convention. Based on comprehensive Form 990 data from every reporting nonprofit in the state, Department of Labor data on employment, and proprietary data on foundation giving, the study also incorporates two surveys (one of nonprofits and another of the public) along with published and unpublished data. Stay tuned!
The power of democracy: Extending the reach of Vote with Your Mission

Vote with Your Mission galvanizes the power of the nonprofit community and emphasizes the importance of voting for the ideals and values that brought each of us to our nonprofit work. Too often nonprofits shy away from anything “political.” But we have a right and indeed a duty to be heard.

Nonprofit voter engagement can benefit the sector, our communities and the nation—far beyond the outcome of any particular election. There are over 100,000 nonprofit organizations in California that, taken together, employ hundreds of thousands of people, rely on millions of volunteers and serve millions more. Imagine if everyone we touched voted with their values!

The Vote with Your Mission campaign aims to have 100% of eligible nonprofit staff, board members and volunteers vote. Join us by signing on to Vote with Your Mission!

2014 Vote with Your Mission activities will include:

- Four candidate forums for Secretary of State, co-presented with the ACLU, the League of Women Voters Education Fund and other partners. As the office that oversees elections as well as corporate registrations, we want to elevate the profile of this office and reinforce the importance of a proactive Secretary of State in voter access and in speedy processing of nonprofit formation and corporate changes.

- Workshops for nonprofits interested in advocacy and voter engagement.

- A new “Count Me In” campaign to promote voting by nonprofit staff members and volunteers in the June 3rd and November 4th elections.
The power of connection: Building relationships with you

It’s a big state... but we got to 44 California locations in person this last year. Our small staff were thrilled to be invited to these gatherings of California nonprofits to make presentations – on advocacy, voter engagement, strategies for nonprofits, and a variety of California policy issues. Just a sample at right:

We are happy to come and talk to your group of nonprofits! Contact Edan Enriquez at edane@calnonprofits.org

Balances Sheet

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<th>Assets</th>
<th>Year ended December 31, 2013 (Pre-audit)</th>
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<tr>
<td>Cash &amp; Cash Equivalents</td>
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<td>Accounts Receivable</td>
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<td>Grants Receivable</td>
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<td>Dividend Receivable from Wholly-Owned Subsidiary</td>
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<td>Investment in Wholly-Owned Subsidiary</td>
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<tr>
<td>Property and Equipment (Net)</td>
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<tr>
<td>Prepaid Expenses and Deposits</td>
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<tr>
<td><strong>Total assets</strong></td>
<td><strong>3,324,711</strong></td>
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<table>
<thead>
<tr>
<th>Liabilities</th>
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<tbody>
<tr>
<td>Accounts Payable</td>
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<tr>
<td>Accounts Payable to Wholly-Owned Subsidiary</td>
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<tr>
<td>Accrued Liabilities</td>
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<td>Accrued Vacation</td>
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<td>Deferred Revenue</td>
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<td><strong>Total liabilities</strong></td>
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<table>
<thead>
<tr>
<th>Net assets</th>
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</thead>
<tbody>
<tr>
<td>Unrestricted Net Assets</td>
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<tr>
<td>Investment in Wholly-Owned Subsidiary</td>
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<tr>
<td>Temporarily Restricted Assets</td>
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<tr>
<td><strong>Total net assets</strong></td>
<td><strong>3,196,415</strong></td>
</tr>
</tbody>
</table>

| **Total liabilities & net assets**    | **3,324,711**                             |
2014 Policy Convention
The State of the Nonprofit Sector in California

Presenting the Results of the Statewide Economic & Social Impact Study

SAVE THE DATE
July 31 & August 1, 2014

The California Endowment, Los Angeles