Dear Members, Colleagues and Friends:

“Thank you for being there.” This simple sentence has meant so much to us over the last year! We hear it from nonprofits who are glad we were able to stop a bill in Sacramento that would have limited the amount of “overhead” that nonprofits can have. We hear it from members who are able to provide affordable health insurance to their employees. We hear it from nonprofits who were as amazed as we were with the first-ever economic impact report on California’s nonprofit sector: Causes Count.

As I start my fourth year on the job as CalNonprofits’ CEO, I am frankly surprised at how much appreciation we get for filling important roles in three areas:

- Speaking with the voice of California’s nonprofit community to government, philanthropy and the public
  - This last year we testified at dozens of government hearings and worked with bill authors at city, county and state levels. Jennifer Fearing is our fearless (!) advocate in Sacramento juggling dozens of bills and hundreds of legislators at any given moment, work that is made more effective because she can say that we represent, 9,400 nonprofit organization members.
  - The survey we conducted on nonprofits and the minimum wage led to our thoughtful stance supporting both increases and provisions to

— continued on page 2
protect nonprofits and constituents. Our work in this area (and many others) is led by our remarkable Policy Director Nancy Berlin.

- We launched the partnership with Northern California Grantmakers, San Diego Grantmakers and Southern California Grantmakers on an 18-month initiative to engage foundations on the subjects of overhead, funding the real costs of programs, and the role of unrestricted funding.

Supporting community nonprofits where they need help
- We’re proud that more than 16,000 nonprofit staff get their health, dental and vision insurance through CalNonprofits, and especially proud of how we help the dependents, part-timers and temporary staff of nonprofits — people often overlooked in the health insurance puzzle.

- Through the new Nonprofit Overhead Project, we are working with government to ensure full implementation of the OMB Uniform Guidance to help nonprofits recover more of their indirect costs, and supporting nonprofits in the technical and messaging aspects of overhead.

- Partnering with the State Controller’s Office and the State Board of Equalization, we’ve been able to bring compliance and fundraising information to thousands of nonprofits, often in less-served areas (1,200 in Carson for instance!).

Research and leadership
- The publication of Causes Count electrified the nonprofit community with startling data about nonprofits and the economic and community leadership roles that we collectively play. With more than 35 in-person presentations and thousands of downloads, Causes Count is a hammer, a crowbar and a megaphone for nonprofits and philanthropy. With its unique data set, engaging infographics, and deeply considered analysis and conclusions, Causes Count fulfilled its promise of describing the magnitude and variety of California’s nonprofit sector – and the significant implications of that data for the sector and beyond.

- This year we are building on networks developed to convene a “Nonprofit Caucus” of state senators and assemblymembers who have nonprofit backgrounds — there are now enough such folks to have a caucus!

Our aspiration is to continue to “be there” for and with California’s gloriously diverse nonprofit community, and together we will continue to change California.

We — Ashley McCumber, board chair and Jan Masaoka, CEO — welcome your thoughts, questions, criticisms, and partnerships.
Membership Counts

CalNonprofits accomplishes amazing things on behalf of our members. We move the needle on important issues and create stronger, healthier communities. We don’t have the money to buy influence the way Chevron or Google do, so we have to use elbow grease — show up at every hearing, talk to every legislator, meet with every official, and most of all, pay attention to everything government and foundations are doing. We can do these things because we work together — and collectively we are powerful. Join us in flexing the power of the nonprofit sector!

Working together, we...
- stopped an unfair bill that would revoke the nonprofit status of organizations deemed to be spending too much on overhead.
- worked to pass a bill that will allow for parent nonprofit organizations to claim funds that may have been left with the State Controller’s office from an old sister organization from the same nonprofit. Now organizations such as the Girl Scouts can claim leftover funds from groups that they chartered or approved that no longer exist.
- helped to pass Proposition 47, which has changed sentencing for low-level nonviolent crimes such as simple drug possession and petty theft from felonies to misdemeanors and re-directs the hundreds of millions of dollars that the secretary of state’s office estimates would have been spent annually to house prison inmates to education, mental health and drug treatment programs, and victims’ assistance. Many of the most successful programs are run by community-based nonprofits.
- saved nonprofits millions of dollars by raising the annual budget threshold for nonprofits required to file independent financial audits from $250,000 to $2 million.

And our power doesn’t stop there!
- collectively we save members thousands each year on office supplies, background checks, and other daily business needs through our buying power.
- 16,000+ nonprofit employees get health care coverage through CalNonprofits Insurance Services.
- and much more!

Where is CalNonprofits?

Main office: San Francisco
400 Montgomery St, Suite 500
San Francisco, CA 94104
Phone: (800) 776-4226
Sacramento
5714 Folsom Blvd. Suite 218
Sacramento, CA 95819
Phone: (800) 776-4226
Los Angeles
1000 North Alameda, Suite 240
Los Angeles, CA 90012
Phone: (213) 500-2274

CalNonprofits Insurance Services (CIS)
Headquarters Office:
1500 41st Ave., Suite 280
Capitola, CA 95010
Phone: (888) 427-5222

CalNonprofits Insurance Services (CIS)
Regional Office:
3435 Wilshire Boulevard, Suite 1930
Los Angeles, CA 90010
Phone: (888) 427-5222

Everywhere via the web: www.calnonprofits.org

Funders

Our most important funders are our 9,400 members whose dues give them access to many discounts and benefits, in addition to supporting our collective advocacy work:

INSTITUTIONAL FUNDERS 2014
Annenberg Foundation
California Wellness Foundation
Evelyn & Walter Haas, Jr. Fund*
David & Lucile Packard Foundation
James Irvine Foundation*
Nonprofits Insurance Alliance of California*
Ralph M. Parsons Foundation
Weingart Foundation*

* We are especially grateful to these funders that have provided unrestricted support, which, along with membership dues and earned income, gives us the ability to respond quickly and strongly to urgent policy and nonprofit structural issues as they emerge.

SUSTAINING MEMBERS 2014
California State Parks Foundation
California Wellness Foundation
Frank H. and Eva B. Buck Foundation
Humboldt Area Foundation
Josephine S. Gumbiner Foundation
Kidango
MoveOn.org
Provident Credit Union
RBZ, LLP
S.H. Cowell Foundation
The Wallace Alexander Gerbode Foundation
Turning Point Community Programs
Valic
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A salute to our 25 year members

Last year was California Association of Nonprofits’ 30th birthday! A lot has changed in California but the fact that nonprofits remain the glue holding our communities together has not. To celebrate our birthday we thought we’d see if any of the members who joined us in the beginning are still with us – and it turns out that 18 of the organizations who joined in the first two years of CalNonprofits’ existence (though we were called CAN at the time) continue to be part of our coalition today! In addition to the original 18, we found that more than 100 members have been with us for over 25 years.

We asked a few of them why they continue to renew their membership year after year and these are some of the answers we heard. In celebrating our 30th birthday we are really celebrating all of you – and your commitment to the power of all of us working together for change.

“CalNonprofits is a partner I can fully trust. We joined for the insurance services and that’s the main reason we continue to be members – we are confident that the staff there is proactive in getting us the best value for our insurance fees. The other benefits of membership are a bonus.” – John Beleutz, Health Projects Center

“I am busy working on behalf of some incredible people in long term care facilities – I even met someone who knew Mother Teresa! - so I need someone else to keep track of the laws and regulations that impact my organization. CalNonprofits does a great job of lobbying on our behalf and keeping us informed.” – Karen Jones, Long Term Care Ombudsman Services of San Luis Obispo County

“Our philosophy in community organizing and policy advocacy is to work in broad-based coalitions because, for example, successfully wheelchair blockading Governor Schwarzenegger’s office isn’t the work of just one group. We appreciate that our membership with CalNonprofits connects us with an even broader coalition working for change.” – Evan LeVang, Disability Action Center (formerly Independent Living Services of Northern California)

CALNONPROFITS 25+ YEAR MEMBERS

10,000 Degrees
ACLU of Northern California
Alcoholism Council of Antelope Valley
Alleluia
Alpha Plus Corporation
Amador-Tuolumne Community Resources
American Society on Aging
Ann Martin Center
Atwater Park Center
Audubon Canyon Ranch, Inc.
Berkeley Student Cooperative
Bernal Heights Neighborhood Center
Big Brothers Big Sisters of Santa Cruz
Build Rehabilitation Industries, Inc.
California Interscholastic Federation Southern Section
California Native Plant Society
California State Parks Foundation
Canal Alliance
Center for Human Services
Center for Volunteer & Nonprofit Leadership of Marin
Changing Echoes
Children Now
Children’s Church Homes of Northern California
Community Center for the Blind and Visually Impaired
Community Options/Court Referral
Constitutional Rights Foundation
Disability Action Center
E Center
Eden IGR, Inc.
Elkhorn Slough Foundation
Family Emergency Shelter Coalition (FESCO)
Family Service Agency of the Central Coast
Foundation For National Progress - Mother Jones Magazine
Fresno Metro Ministry
Friends Committee on Legislation of California
Glenn County Seniors Centers, Inc.
Greater Los Angeles Zoo Association
HAART, Inc.
Harbor Community Development Corporation
Harbor Interfaith Services
Health Projects Center
Holden High School
Hope Counseling Services
Human Options
Human Response Network, Inc.
Infant Child Enrichment Services
Interval House
Irvine Campus Housing Authority
Junior League of Los Angeles
Kings Community Action Organization Inc.
Kronos Performing Arts Association
League of Volunteers Of Newark
Learning Disabilities Association Of California
Legal Aid Society of Santa Clara County
Life Lab Science Program
Listen Foundation Inc.
Living Desert Zoo and Gardens
Long Term Care Ombudsman Services of San Luis Obispo County
Los Altos Mountain View Children’s Corner
Los Angeles Conservancy
Marin Treatment Center
Monterey County Rape Crisis Center
Napa Emergency Women’s Services
National Academy of Recording Arts & Sciences
New Bridge Foundation
Next Door - Solutions To Domestic Violence
Nonprofits Insurance Alliance Group
North Coast Rape Crisis Team
Northern California Community Loan Fund
Northern California Indian Development Council, Inc.
OneJustice
OneOC
OPICA Adult Day Care Centers, Inc.
Pacific Resident Theatre Ensemble
Pajaro Valley Shelter Services
Parents Center
Peace & Justice Center of Sonoma County
Peace Over Violence
Peninsula School Ltd.
People’s Self-Help Housing Corp.
Philharmonia Baroque Orchestra
Plumas Rural Services. Inc.
Progress House, Inc.
Project Understanding
Reproductive Technologies-Sperm Bank of CA
Richstone Center
San Francisco Performances
Santa Cruz County Parents Association, Inc.
Santa Cruz Museum of Natural History
Siskiyou Training & Employment Program, Inc.
Soroptimist House of Hope, Inc.
South County Housing
Southern California Municipal Athletic Federation
SPCA of Monterey County
St. Francis Home for Children
Stiles Hall
Tamalpa Institute
The Arc of Amador and Calaveras
The California Channel
The Center for Social and Environmental Stewardship
The Reason Foundation
UKiah Valley Association for Habilitation
Volunteer Center Of Santa Cruz County
Walter and Elise Haas Fund
WATCH Resources, Inc.
West Marin Senior Services
Westside Children’s Center
Youth and Family Service, Inc.
Youth Music Monterey
Advocacy Counts

CalNonprofits Policy Director Nancy Berlin with United Farm Workers Co-Founder Dolores Huerta at the Los Angeles County Board of Supervisors, testifying in support of a motion to study a minimum wage increase.

Nonprofit Taxes and Compliance

Several times each year, CalNonprofits partners with the State Controller’s Office or members of the Board of Equalization to present in-person workshops on nonprofit taxes and compliance. At right is elected Board of Equalization Member Fiona Ma at an event co-hosted by CalNonprofits and the State Board of Equalization.
Everybody’s talking about nonprofit overhead. Now CalNonprofits is doing something about it. CalNonprofits is pleased to announce the launch of a multicomponent initiative to change how we all think about overhead.

A window for changing the paradigm on nonprofit overhead and indirect costs has opened, thanks to new OMB guidance on overhead in nonprofit contracts with government and increased philanthropic attention to the funding of nonprofit overhead. This window presents a tremendous opportunity to increase the financial sustainability of nonprofits and service ecosystems, and to create government-foundation-nonprofit partnerships working together to increase the efficiency of the nonprofit capital market.

With $11 billion in government contracts to California nonprofits each year, and $2 billion in California foundation grants to California nonprofits, the stakes are high. If we move the needle just a little bit, a great deal of money can be leveraged for nonprofits.

The new initiative — the Nonprofit Overhead Project — will leverage millions of flexible dollars for nonprofits in California and elsewhere by changing government reimbursement rates, foundation grants and donor analyses. Components include:

► Working with state and county governments for full implementation of the new Office of Management and Budget Uniform Guidance on indirect costs;
► Engaging foundations and nonprofits in discussions of restricted and overhead funding;
► Giving nonprofits a Nonprofit Overhead Toolkit for accounting for overhead, managing indirect cost rates, and business model analysis;
► Equipping nonprofits to be effective advocates on overhead;
► Developing a forum for provocative new thought leadership to emerge.

Partners on the Nonprofit Overhead Project include California Strategies, the Nonprofit Finance Fund, the Weingart Foundation, the California Wellness Foundation, the National Council of Nonprofits and others. Key partners in working with philanthropy are Northern California Grantmakers, San Diego Grantmakers, and Southern California Grantmakers.

CalNonprofits will be convening a statewide leadership task force to help guide the effort. Stay tuned for the launch of our new Nonprofit Overhead Project website and much more!
Causes Count

How powerful is the nonprofit sector in your region? CalNonprofits can tell you!

If you’ve read our groundbreaking report “Causes Count: the Economic Power of California’s Nonprofit Sector,” you know that nonprofits are a powerful economic force in our state, generating 15% of the state’s GDP and employing more people than the construction or finance industries.

But have you wondered about what this all means for the local nonprofits in your community? We’ve got answers for you about your region!

How many nonprofits are there? What sectors are they working in? How many people are employed? How many foundations are there? And more! See what Causes Count has to say about your region. Find your region and download the report here: www.calnonprofits.org/causes-count/regionalbreakdown

This kind of local nonprofit information is invaluable for helping to raise awareness about the value of nonprofits in strengthening our communities. The clear message to state and local government is that nonprofits can help generate and bring in more resources that benefit all of us. Whenever someone says, “What does the Chamber of Commerce think?,” the next question should be: “What does the nonprofit sector think?” So spread the word!

Finances 2014

STATEMENT OF ACTIVITIES
Year Ended December 31, 2014
Pre-audit

Revenue and Support
Memberships 390,207
Grants and Contributions 260,575
Products and Services 30,316
Advertising 400
Conferences and workshops 82,973
Honoraria 4,700
Royalties 40,000
Interest Income and Other 1,336
Earnings from Investment in Subsidiary 423,000
Total 1,233,507

Expenses
Program Services 830,144
Management & Administrative 157,966
Fundraising 7,725
Total 995,835

BALANCE SHEET
December 31, 2014 Pre-audit

Assets
Cash and Cash Equivalents 693,655
Accounts Receivable 4,076
Grants Receivable 25,000
Dividend Receivable from Subsidiary 255,000
Investment in Subsidiary 2,478,097
Property and Equipment (Net) 980
Prepaid Expenses and Deposits 32,105
Total assets 3,488,913

Liabilities & Net Assets
Accounts Payable 53,732
Accounts Payable to Subsidiary 7,186
Accrued Vacation 14,356
Deferred Revenue 219
Total liabilities 75,492

Net Assets
Unrestricted Net Assets 769,074
Investment in Wholly-Owned Subsidiary 2,478,097
Temporarily Restricted Assets 166,250
Total net assets 3,413,421

Total Liabilities & Net Assets 3,488,913
Annual Policy Convention 2015
Economic and Political Forecast for the Nonprofit Sector

Save the date to look into a crystal ball. The focus of our 2015 convention will be an economic and political forecast for California’s nonprofit sector. We’ll be bringing together elected officials, economists, analysts and nonprofit and foundation leaders on November 4 – the day after the election – to chart a forecast we can use.

SAVE THE DATE
November 4, 2015
Oakland, CA Convention Center