

CAPS

CALIFORNIANS FOR POPULATION STABILIZATION

ANNUAL REPORT 2013

MISSION STATEMENT

Californians for Population Stabilization (CAPS) works to formulate and advance policies and programs designed to stabilize the population of California, the U.S. and the world at levels which will preserve the environment and a good quality of life for all.

CHAIRMAN'S MESSAGE



In 2013, we fought powerful forces pressing for the amnesty of an estimated 11 million illegal aliens in the United States and a massive increase in the number of legal immigrants through S.744, the “Border Security, Economic Opportunity, and Immigration Modernization Act.”

Familiar open-borders groups and unions, such as the SEIU and LIUNA, were joined by the money and influence of the ever-present, hard-lobbying U.S. Chamber of Commerce, and multi-billionaires Mark Zuckerberg of Facebook and Bill Gates of Microsoft.

Pushing for the importation of cheap labor too were other corporate players, including Reid Hoffman of LinkedIn, Ruchi Sanghvi of Dropbox, Tim Armstrong of AOL, Steve Ballmer of Microsoft, Barry Diller of IAC, Reed Hastings of Netflix, Andrew Mason of Groupon, Marissa Mayer of Yahoo, Jon Orringer of Shutterstock, Eric Schmidt of Google and Padmasree Warrior of Cisco.

The agenda of high-tech CEOs to triple legal immigration by increasing H-1B and other work visas—despite continuing high unemployment and no evidence of a shortage of U.S. high-tech talent—was more evident this year than ever, even as the importation of foreign workers continued to outpace job creation, and even as the majority of American citizens opposed the continual undercutting of our labor force by importing cheap labor.

While the push from the high-tech side was very visible with Zuckerberg publicly leading the charge, other businesses from accounting to nursing, on the higher end, as well as low-wage industries, may not have been as publicly vocal but continued to seek cheap, imported labor.

So there was no downtime in 2013 for CAPS in its fight against amnesty—a fight that, at its core, is about limiting growth so that Americans can have a sustainable country and a good quality of life for all here. Besides the negative impact on labor, which Americans have felt most acutely in the last seven years, unchecked population growth impacts virtually every aspect of American life.

Thus, CAPS talked and wrote not only about how the mass importation of workers is impacting American workers, but also about the impacts of overpopulation on our air, farmlands, forests, water and wildlife, along with the schools, housing, roads and other infrastructure of our communities. We continued to use as many communications methods as possible to engage our membership—who sent thousands of emails, faxes and petitions to elected officials urging the defeat of amnesty.

CHAIRMAN'S MESSAGE

CAPS also ran hard-hitting advertising in markets across the country that called out the anti-American, pro-amnesty positions of legislators such as Senators John McCain and Jeff Flake in Arizona, and Senator Marco Rubio in Florida. In California, we ran ads in the home district (Bakersfield) of House Majority Whip Kevin McCarthy, asking why he wanted to legalize 11 million illegal aliens at a cost to U.S. taxpayers of \$6 trillion.

Amnesty legislation was unsuccessful in getting through both the Senate and House in 2013, but we were well aware that the second push would be coming in 2014. We began laying the foundation in late 2013 to prepare for the fight in 2014. This included setting up the processes to have more content, and much greater visibility and engagement, on social media to better reach Americans concerned about the issues of high immigration and high population growth. We also in the second half of the year created the basis for a program that will show how California has changed through high population growth.

We experienced disappointments in California too in 2013 when Gov. Brown signed several pieces of legislation that served to blur the distinctions among citizens, legal immigrants and illegal aliens, and further contribute to population growth. But CAPS resolved to redouble its efforts in addressing population growth in California and in the country. The immigration component of growth is a federal issue. So that the nation is not destined to follow the path that California is on, we will continue to show this is not the path to sustainability. And we will continue our work to get California off this path and onto a more sustainable one.

In 2013, as well, here in California we experienced the driest year since records have been kept. Indicators were that 2014 would not be better, with the expectation of agricultural lands left fallow for lack of water, rationing and communities with severe water shortages. While none of us wants to see hardship, we knew this situation would create opportunities for us to talk about the impacts of growth and advocate for real change in 2014. The state is projected to gain another 13 million residents by 2050, and the water crisis presents the backdrop for us to look at the realities of growth and talk honestly about why we must slow growth in our numbers.

As we look back on 2013, it's most important for us to acknowledge our deep appreciation to all of you, our members, for what you have done throughout the year to help defeat amnesty and increases to legal immigration that would grow U.S. population by another 100 million people during the next 38 years. The combined American voices that we can channel through our efforts at CAPS are the best hope of stopping amnesty and creating a sustainable population.



Dick Schneider

Member and Chairman of the Board of Directors of CAPS

HISTORY AND PURPOSE

CAPS is a nonpartisan, nonprofit organization dedicated to preserving our environment, natural resources and quality of life for current California and U.S. residents and for future generations. The specific and primary purpose of CAPS is to inform and educate the public about the effects of overpopulation on the quality of the environment and on the quality of human life, striving to achieve a stable population by voluntary and non-coercive means without regard to race, ethnicity, national origin, religious affiliation or gender.

CAPS is vigorously confronting the most important issue facing California and the United States—runaway population growth. Failure to slow this growth will result in severe and irreversible consequences for our children and grandchildren. Overpopulation causes environmental damage and overuse of natural resources, brings pollution and congestion, strains local infrastructure, frays community institutions, affects air and water quality, causes destruction of forests and wildlife, and results in the permanent loss of fertile land and other nonrenewable resources. It also decreases job opportunities and puts pressure on housing, transportation, and, especially, educational facilities and opportunities. The solutions are limiting legal immigration, eliminating illegal immigration, encouraging lower fertility, and educating the public about specific outcomes if we fail to take decisive action today.



History

CAPS is a membership-based, public interest organization that was formed by well-known academics and environmentalists in 1986 when it split from ZPG (Zero Population Growth) because that organization, like many other population groups, decided to focus on the politically safer issue of global overpopulation rather than take a position on the role that immigration and births to immigrants plays here at home. While we agree that global overpopulation is a serious problem, CAPS works to influence population policy in our state and country and uses education and advocacy to accomplish this goal. Our Golden State, in particular, has allowed population growth (and some unwise resource decisions) to erode the qualities that originally made California so attractive.

GOALS AND PROGRAMS

Goals

CAPS is determined to work to end policies and practices that cause overpopulation and the resultant decline in our environment and quality of life here in California and in the United States. CAPS will work to grow its membership in all categories (donors, Action Alert members, social media followers) to be the most powerful and effective voice of sane immigration policy on the West Coast.

2013 Programs

CAPS continues to keep the problem of overpopulation on the agendas of interested and influential Americans. CAPS conducts extensive public education programs, works with the U.S. Congress and the California legislature, develops special projects and events, and informs a growing membership through our newsletters, web and social media sites and the CAPS *Issues* series.

In addition to working at the state level, CAPS works nationally since the country has followed in the footsteps of California. We conduct much-needed research and create widespread and hard-hitting media campaigns to educate the media, public and policymakers about the causes, impacts, consequences and solutions to the problems caused by of overpopulation.

Because conventional environmental organizations have abrogated their responsibility to oppose continued U.S. population growth, a huge gap exists that CAPS is determined to fill. CAPS is also unique among population and immigration reduction organizations in our advocacy of less immigration, small family size and making available family planning and contraceptive information. Our campaigns are part of a long-term commitment by CAPS to raise public awareness of the magnitude of immigration-driven overpopulation problems.

Our key programs this year were:

- Online Advocacy** (work with key legislators)

- Overpopulation Awareness Campaign**

 - Media Program

 - Open Dialogue Program

 - Issues Outreach Program

 - The California We Are Losing: Views of Our Golden State from Pristine to Imperiled*

 - Population Education for Environmental Scientists

ONLINE ADVOCACY

CAPS continued to engage in lobbying, education and advocacy programs designed to influence elected officials in California and at the federal level on a variety of issues. We also continued to use our *Action Alert* system to notify members of proposed legislative actions and other relevant news and to offer our members an easy way to contact legislators. CAPS members who joined our *Action Alert Team* (new membership grew by more than 500% this year) were notified whenever urgent action was needed—giving them a chance to do something important for their state and nation by expressing their concerns to elected officials.

The conventional wisdom that emerged after last year's election was that "comprehensive immigration reform" with a massive amnesty would sweep through Congress in 2013, but some speed bumps altered that course. Partly, this stemmed from political developments and scheduling issues—the Syria crisis, budget clashes, the government "shutdown" and the debt-ceiling limit interceded and consumed too much of the House calendar

GOALS AND PROGRAMS

(fortunately for our cause). But, this also stemmed from the unrelenting resistance of concerned Americans like CAPS *Action Alert Team* members who have flooded Congress with phone calls and emails and peppered town hall meetings with tough questions.

Meanwhile, the special interests behind enormous immigration increases continued to tap into a virtually unlimited supply of funds to push their agenda.

In 2013, our activists sent hundreds of thousands of messages to legislators through our website, and thousands wrote, faxed and called legislators directly.

In California, CAPS members unrelentingly e-mailed, faxed and called the legislature and the Governor; still efforts to dissolve the distinctions between citizens and non-citizens and between those who follow our laws and those who break them continued.

Gov. Brown signed A.B. 60 to award driver's licenses to illegal immigrants, although, thankfully, the licenses will carry a special designation stating that the document is not official federal identification and cannot be used to prove eligibility for employment or public benefits. Brown also signed A.B. 4, the TRUST Act (Transparency and Responsibility Using State Tools Act), to prohibit local authorities from detaining illegal aliens for ICE unless they had certain previous criminal convictions. He also signed A.B. 1024 to allow certain illegal aliens to practice law in California. The legislature passed A.B. 1401, which would have allowed permanent resident aliens, non-citizens with green cards, to serve on juries. The idea was so outrageous that even the *Los Angeles Times* opposed it, and Brown vetoed it.

With the Obama Administration and many in Congress pushing amnesty for illegal aliens as one of their top priorities in 2013, we contacted our members early and often to urge defeat of S.744 (Border Security, Economic Opportunity, and Immigration Modernization Act). We also sent CAPS representatives to Washington, D.C. to deliver eyeglasses to senators urging them to "Read the Bill," stating that the 1,000+ page Senate bill S.744 weighed more than 24 pounds and making the point that if they actually read the bill, they couldn't possibly vote for it. The bill was passed by the Senate but not introduced into the House.

We also urged the passage of H.R. 2278, The SAFE Act (Strengthen and Fortify Enforcement Act), which would give local police the authority to investigate and arrest illegal aliens and transfer them to federal authorities for deportation. As well, we supported H.R. 2124 (Keeping the Promise of IRCA Act), which would provide tools for real border security, enhance interior enforcement and mandate E-Verify.

CAPS activists contacted all House members urging defeat of H.R. 15, Minority Leader Nancy Pelosi's amnesty bill which was similar to the Senate legislation, but without even the additional border fencing of S.744. While the House focused on several individual bills which might have been used to conference with the Senate bill, our activists worked diligently to forestall that occurrence.

CAPS mailed thousands of petitions that were hand signed by members and activists asking President Obama, and House and Senate leadership, to 1) reject amnesty for millions of illegal aliens, 2) abandon the "Dream Act," 3) reverse the Executive Order that halted the deportation of illegal aliens who engaged in criminal acts, 4) enact real border security that will truly defend our borders and 5) pass real, effective and bipartisan legislation which will control illegal and legal immigration.

CAPS also mailed petitions from members to Speaker of the House John Boehner, urging him to use his power and influence to ensure that the Gang of Eight's Trojan Horse immigration reform (amnesty) plan was not debated or voted on in the U.S. House of Representatives.

GOALS AND PROGRAMS

CAPS also asked our activists to contact new University of California President, Janet Napolitano, asking why she directed that \$5 million in university funds be given to students in the country illegally.

In addition, we asked our members to send messages to their Congresspersons asking that they look at the long-term impact of high immigration levels on our workforce.

Locally, CAPS Board Members and Executive Director Jo Wideman submitted comments on the Draft Economic Impact Report for the Proposed 2040 Regional Transportation Plan and Sustainable Communities Strategy prepared by the Santa Barbara County Association of Governments (SBCAG).

The CAPS representatives stated that as “long-term California and Santa Barbara County residents and as directors of the Santa Barbara-based Californians for Population Stabilization we implore SBCAG to carefully consider the comments provided. Projected population growth is the overarching problem facing Santa Barbara County, our natural environment, our agricultural economy, and our quality of life. Measures to accommodate a rapidly growing population will not relieve the multifaceted adverse impacts of growth and in some cases will make them worse (urban traffic congestion, for example). County officials need to make clear what the trade-offs are with growth so we can let our elected representatives know what we want our future to be. Current trends don’t have to be our destiny.” CAPS made plans to assist members in other counties when testifying regarding similar plans.

ONGOING WORK ON THE OVERPOPULATION AWARENESS CAMPAIGN



Media Program

Through this campaign, now in its 12th year, CAPS drew the important connections between environmental degradation, unchecked immigration and overpopulation using a variety of communications means. The campaign has included television, radio and print ads, which have received earned media coverage due to their compelling content. This campaign also included the distribution of op-eds and blog postings, as well as CAPSNews and CAPS Issues pieces to thousands of members, legislators and media throughout the country.

CAPS also reiterated its belief that the United States needs a population policy that limits the overall numbers of immigrants legally admitted, eliminates illegal immigration and encourages family planning resources for all. Within admission limits, we promoted consideration for admitting immigrants with needed skills, rather than merely having quotas on a country-by-country basis or a random lottery system.

Through live interviews and outreach with print materials, along with timely and frequent updating of content on our new website, as well as YouTube, Facebook, Twitter and Pinterest pages, we were fully committed to getting out our messages. Using this mix of communications tools allowed us to share targeted messages that a decrease in all legal immigration is needed, illegal immigration must come to an end, and birthrates must be reduced by voluntary means.

Print media coverage of CAPS activities included the Los Angeles Times, Arizona Central, Sacramento Bee, Washington Post, Miami Herald, Tampa Bay Times, Politico, National Journal, Atlantic, Daily Caller, Houston Chronicle, Riverside Press Enterprise and a seven-part series in the Washington Times featuring CAPS Executive Director Jo Wideman. CAPS fellows and staff were interviewed more than 200 times on various radio and television stations across the country and on the Internet.

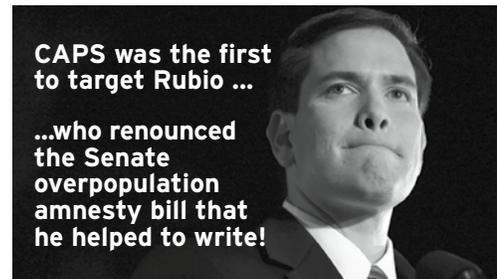
GOALS AND PROGRAMS

As part of this year's campaign, we ran a series of TV, radio, print and online ads in various markets, including California, Arizona and Florida (all ads can be viewed at the CAPS website, CAPSweb.org).

California is still one of the best places to live in the world, but rapid population propelled by excessive immigration erodes the quality of life for all. With more people comes the need for more jobs. With more people, the pressure to deliver more entitlement benefits ratchets up, and more people threaten fragile ecosystems and our natural environment. We made the point that it's time to slow mass immigration and "save some America for tomorrow" for our children and grandchildren.

Once again CAPS was able to stir immigration/population discussions across the country. **We launched a TV and radio campaign in Arizona that created buzz, getting the attention of Senators John McCain and Jeff Flake.** The ads urged Arizonans to call Senators McCain and Flake and ask them to stop their push for huge increases in immigrant workers and amnesty for 11+ million illegal aliens.

Press representatives for the senators were forced to respond to the ads in the first week of launch. Senator McCain's voice mailbox at his Phoenix office got so many phone calls it was filled to capacity and unable to accept more within the first five days of starting the ads. Media wrote about the ads, and McCain's approval rating dropped to an all-time low after CAPS ran the ads.



After building credibility by running hard-hitting ads in Phoenix, **CAPS was the first to run TV and radio ads in several Florida markets featuring Senator Marco Rubio, one of the key members of the "Gang of Eight,"** urging him to stop promoting plans to increase the flow of foreign workers at a time when so many Americans are out of work. We also ran full-page ads in *Roll Call* and the *Tampa Tribune* asking if Senator Rubio had read and understood his own bill which promised amnesty first, border security maybe. The ads showed Senator Rubio with reading glasses drawn on his face. Again, the media covered these ads. Then, in a stunning turn of events, Senator Rubio renounced the bill that he helped to write.

Versions of the TV ads that focused on Senators Flake, Rubio and McCain also were highlighted in Facebook ads targeting hundreds of thousands of viewers, also driving viewers to CAPS' YouTube page.



CAPS then ran TV and radio ads in Bakersfield, California, asking why House Majority Whip Kevin McCarthy wants to bring in more immigrant workers when tens of thousands in his own district can't find jobs. Another ad asked why McCarthy is talking about legalizing 11 million illegal aliens when legalization is predicted to cost U.S. taxpayers more than \$6 trillion. We asked if he doesn't believe in the American worker anymore, or if he simply wants to bring in more cheap labor to satisfy big corporate donors who want to fatten their bottom lines.

CAPS chose Labor Day to conclude this campaign to help underline the devastating effect that increasing immigration labor would have on American workers, especially the 20 million unemployed or under-employed. Our national media director was interviewed by more than a dozen TV and radio stations and several newspapers about these ads.

Members of CAPS attended Town Hall meetings across the state during the Congressional recess and reported that the majority of attendees were firmly opposed to amnesty and any form of population increase from immigration.

GOALS AND PROGRAMS

In October CAPS launched radio ads in the California markets of Los Angeles, Bakersfield and Modesto calling for respect for all American workers.

The ads ran as special interest groups prepared to stage rallies throughout California demanding American workers show illegal aliens respect by supporting amnesty for millions who came here illegally.

We asked, "What about showing some respect for American workers who lost their jobs to illegal aliens? What about some respect for American workers whose wages have decreased as a result of job competition from illegal aliens? What about some respect for this country's laws and the idea that no group should get preferential treatment over others? And how about some respect for those immigrants who waited patiently in line to come to America the right way? Don't they deserve respect before people who have no respect for our laws and little respect for American workers?" Feedback from listeners was overwhelmingly positive.

In November CAPS ran ads in Modesto asking why Congressman Jeff Denham is putting illegal aliens ahead of jobless Modesto workers and veterans.

Denham had recently become the first House Republican to announce his support for Nancy Pelosi's immigration bill that would provide amnesty to 11 million illegal aliens and admit millions more immigrant workers to take American jobs. Denham announced his support for Pelosi's bill on national Spanish language television and since then continued publicly pushing to pass Pelosi's amnesty bill before the end of the year. Denham took this position even while the unemployment rate in his district remained around 18%, about 11 percentage points higher than the national average and three points higher than the current state unemployment rate.

We also began the first of many planned **targeted micro-marketing campaigns** to affinity groups with concerns about overpopulation's effects on their special activities.

1. We ran a half-page ad in a magazine distributed to 6,000 attendees at the "Bringing Back the Natives" garden tour in northern California. The ad copy read, "Habitat loss due to human population growth presents the single greatest problem facing native plants and animals in California," and encouraged people to contact CAPS to find out what they could do to help save the Bay Area's precious resources.
2. CAPS paid for a large banner which read: "HONK! America's jobs belong to Americans." It was placed by volunteers on the pedestrian bridge overpasses in Washington, D.C. where President Obama's motorcade and returning congressmen passed as well as more than 20,000 vehicles on November 3.
3. We placed a full-page ad in the December issue of *The Chronicle of Philanthropy* with the headline: "20 Million Americans Are Unemployed. And it's not due to lack of jobs."

Issues Outreach

We published and distributed three CAPS *Issues* pieces this year and three newsletters, each which were mailed to our members and/or distributed electronically to supporters. The first *Issues* piece, *Exploding Southwest Population on Collision Course with Water Scarcity*, by CAPS Senior Writing Fellow Leon Kolankiewicz, discussed the tenacious, withering drought in California, the Colorado River's dire situation and the fact that only population growth is within our ability to modify directly. A second, *Population Growth: The 'Not' In Not Sustainable*, by CAPS Board Member Otis L. Graham, Jr., chronicles the history of worldwide concern with Sustainability and the need to remember the truth well stated by Paul Ehrlich: "Whatever your cause, it's a lost cause without population control."

PROJECTS AND ACTIVITIES

The most recent *Issues* piece, *OverPOPulation in POP Culture*, also by Leon Kolankiewicz, examined our celebrity-saturated pop culture and its romance with babies born to film stars and others in the public eye, making a connection to the promotion of population growth. Our newsletters covered important topics such as unemployment, legal and illegal immigration, and demographic trends.

Online Presence

We launched our new website and included several new dynamic features to entice and educate our growing base of viewers.

CAPS Blog

CAPS-blog.org focuses on population issues, including immigration (both legal and illegal), jobs, crime, environmental concerns and more. The blog tackles current events, debunks opposition arguments and encourages comments and discussions about the topics raised.

We've added more contributing authors to the blog to expand the range of voices and further the diversity of thought on population growth (from immigration and the environment to family planning).

Blog contributors include Joe Guzzardi (CAPS Senior Writing Fellow), Michael Cutler (CAPS Senior Fellow and retired INS Agent), Maria Fotopoulos (CAPS Senior Writing Fellow), Don Rosenberg (entertainment executive, public safety advocate), Inger Eberhart (a government relations professional), Leon Kolankiewicz (a CAPS Senior Writing Fellow and Advisory Board member, wildlife biologist, and environmental scientist and planner), Paul Nachman (a retired physicist and immigration-sanity activist), Fred Elbel (Internet marketing consultant, spokesperson and director of the Colorado Alliance for Immigration Reform), Jonette Christian (head of Mainers for Sensible Immigration Policy), Frosty Wooldridge, John Vinson, Gene Nelson, and students Nick Gailey and Sarah Zepeda, to name a few, along with CAPS Board and staff members, CAPS members and like-minded bloggers.

In 2013, the CAPS blog had more than 100,000 visitors and 300,000 page views.

Social Media

CAPS continued to use social media as a means to reach activists and supporters by linking our blog, website articles and Action Alerts to our *YouTube*, *Facebook*, *Twitter* and *Pinterest* pages, while providing one-click access to those and other social media sites such as *Digg*, *Friend Feed*, *LinkedIn* and *Stumble Upon*.

Our online presence was greater than ever in 2013, with the help of other blogs, *YouTube* and other social media sites. CAPS received more than **200,126** views of various uploaded videos on *YouTube*, and was discussed, quoted in interviews or mentioned in more than **200** blog posts. This resulted in even more notice of our positions and issues on *Twitter* and *Facebook*.

We continued advertising with Google AdWords, an online service that allows us to reach people searching the Internet for specific key words and phrases or visiting a website that has content aligned with CAPS' mission, and brings thousands of new visitors to our website, **CAPSweb.org**. We garnered more than 600,000 impressions and more than 3,000 clicks this year.

PROJECTS AND ACTIVITIES

Open Dialogue Program

In March, CAPS' Board Chair and a major donor hosted a discussion about "Comprehensive Immigration Reform and the U.S. Population Problem" at a private home in San Francisco. At this lively event, discussion centered on individual interests and experiences dealing with overpopulation (U.S. and global), and environmental and immigration issues, particularly in California.

Many of the guests described their interest in the population issue as having arisen from their travels abroad, especially to places that were very overpopulated, such as China and the Philippines. Attendees said they didn't want to see the U.S. face the population-related challenges that these countries are experiencing.

CAPS hosted several other well-attended events for potential members and service groups in Santa Barbara. At these events, attendees received an overview of CAPS history, purpose, programs and activities.

Michael W. Cutler provided testimony about Comprehensive Immigration Reform at a hearing conducted by the Senate Judiciary Committee on March 20, 2013, titled "Building an Immigration System Worthy of American Values." In addition, he represented CAPS at the Black American Leadership Alliance March for Jobs in Washington, D.C. on July 15 where he spoke about security issues and the influx of immigrants.

These talks are often reported in the press, thus bringing our organization and our mission to a wider audience.

In October, CAPS Executive Director Jo Wideman and CAPS National Media Director Joe Guzzardi attended an intensive all-day training in executive media communication presented by the Pincus Group in Alexandria, VA. They learned media rules of engagement and received help in improving both content and delivery for maximum impact in television and radio interviews.

Population Education for Environmental Scientists

CAPS staff and member volunteers staffed booths May 15 and 16 at the *20th Annual Conference of the California Society for Ecological Restoration* at the University of California, Santa Barbara along with Scientists and Environmentalists for Population Stabilization (SEPS). We distributed information packets about overpopulation and CAPS to the more than 175 attendees.

On June 24 and 25, CAPS Board and staff hosted a booth at the *California Higher Education Sustainability Conference* at the University of California, Santa Barbara. The conference highlighted cutting-edge research, as well as case studies with proven successes in curriculum development, operational programs and community partnerships. Materials and lectures challenged the hundreds of attendees to share ideas for reducing our environmental footprint and to protect the Earth for future generations.

We also provided materials, including hundreds of books and other documents, to SEPS for display at the following conferences: *Association for the Sciences of Limnology & Oceanography*, *San Diego Earth Fair* and the *Canadian Society for Ecology & Evolution, California*.

The California We Are Losing—Views of Our Golden State from Pristine to Imperiled

We Californians and many Americans are proud of and cherish the beauty of our "Golden State" but are dismayed by what has happened over the last 80-plus years due primarily to relentless population growth.

PROJECTS AND ACTIVITIES

We completed Phase One of the project with plans in place for Phase Two. The goal of this “then and now” project is to continue to increase awareness about the long-term effects of relentless population growth on special places near and dear to the hearts of many. And, most importantly, call the public to action to help us save our treasured “Golden State” from further irreversible environmental degradation. Aspects completed for Phase One of this project include:

- **Production of :30 and :60 videos** showing the visual juxtaposition of yesterday’s and today’s changed California landscapes which have been sent to public service and public affairs contacts at more than 100 television stations throughout the state asking that they play them as public service announcements. These videos show examples of what CAPS is looking for as interested Californians prepare their own “then and now” stories. The call to personal action motivates them to search their own attics for materials depicting special California places of the past, now changed, from their diaries, books, photos or maps. We have received positive feedback and requests for more information from stations and stories from several individuals. More follow-up is in process.
- **We hired a USC history major graduate as an intern** dedicated solely to this project for three months whose research at historical societies, museums, aerial repositories and online sources helped enable production of a six and a half minute PowerPoint photo/narrative presentation entitled “California Then and Now.” We view this as a dynamic, living vehicle that will benefit from continued enhancement as we receive more memories and photos from the public to show additional changes in air quality, density, infrastructure, land use (open space, parks, farms, suburban/urban development), water, wetlands and wildlife (flora and fauna), as well as more views of changes in specific areas of California, including the Central Valley, Imperial Valley, Riverside and San Diego.

The story of our golden state is multi-faceted, and we have attempted to find the most appropriate and striking images to tell the story in the most compelling manner, determining the best narrative given the number of changes that have occurred in California through relentless population growth and piecing it together in a visually articulate and consistent manner.

Educational Outreach

Thanks to our Senior Writing Fellows, especially Joe Guzzardi, Ric Oberlink, Maria Fotopoulos, Mike Cutler, Leon Kolankiewicz, Inger Eberhart, Frosty Wooldridge and other op-ed and blog writers, we received excellent print and Internet coverage. We also used several different talented consultants to respond to media interview requests. (Please see attached list of media coverage.)

All of our educational and media work continued to emphasize California’s escalating problems with too many people as an example of what will happen to other states and localities: pollution, traffic congestion, housing scarcity, power and water shortages, stagnant wages and school overcrowding—the whole array of overpopulation-generated problems.

The effectiveness of the public education campaign is measured by tracking increased hits to our website, calls and requests for interviews and more information about our organization, and increased donations during and immediately after the run of the ads, the sponsored events and the publication of articles. All articles, speeches and ads are featured on our website.

NEW BOARD MEMBERS

New CAPS Board & Advisory Board Members

Charles K. (Kim) Fletcher, Jr. was elected to the CAPS Board of Directors. Kim graduated from Stanford University and served in the U.S. Army in World War II. He joined Home Federal as a management trainee in 1950 and was chairman of the board when he retired in 1992. He also served as director of the Federal Home Loan Bank of San Francisco.

Kim currently is president of Investors Leasing Corporation, a real estate investment company. Active in many nonprofit organizations, Kim is a member of the San Dieguito Boys & Girls Clubs and a lifetime member of The Salvation Army Advisory Board.

A founding director of the San Diego Economic Development Corporation, Kim also was a trustee of the University of San Diego and served a two-year term as president of the United Way of San Diego.

Keith J. Mautino was elected to the CAPS Advisory Board of Directors and then to the CAPS Board of Directors. He is a fifth-generation Santa Barbaran, a descendent of George W. Moore, an early 19th century pioneer settler and Northern Santa Barbara County rancher.

Keith attended Occidental College in Los Angeles, Westmont College and UCSB Graduate School in Asian Studies. He is a trustee of The Trust for Historic Preservation, which works with the State of California in preserving historic landmarks. He was appointed in 2007 to the Santa Barbara County Historic Landmarks Commission representing the Second District.

He is a member of the Compeer Program at The Music Academy of The West in Montecito, as well as The Lotus Society at Lotusland. He is a former Trustee of the Pacific Asia Museum in Pasadena and has served as an appraiser for the Los Angeles branch of The Questers, a service organization focusing on historic restoration efforts nationwide.

Keith is a fine art dealer and Asian art specialist. He has participated in Asian Art exhibitions in New York, San Francisco and overseas for many years. His longstanding family connections in California make him especially sensitive to the effects on the quality of life in California attributed to overpopulation, as well as border control issues.

Charles Westoff, Ph.D., emeritus professor of Demographic Studies and Sociology at Princeton University, joined the CAPS Advisory Board of Directors.

Charles, who earned a Ph.D. at the University of Pennsylvania, is a former director of the Office of Population Research. He has studied fertility and family planning in the U.S. and developing countries, as well as population policy. He served as director of the Office of Population Studies at Princeton and has written several books, including *Family Growth in Metropolitan America* and *The Later Years of Childbearing*.

A fellow of the American Academy of Arts and Sciences and a member of the Institute of Medicine of the National Academy of Sciences, Charles was executive director of the Commission on Population Growth and the American Future in Washington, D.C., and was on the Committee on Population of the National Academy of Sciences.

2013 MEDIA OUTREACH, COVERAGE

During 2013 CAPS spokespersons appeared on television, news, and radio talk shows, were quoted in newspapers, magazines and hundreds of blogs, discussing every aspect of U.S. population growth and immigration policies.*

Print Media

Africa Science News
Arizona Central
Baxter Bulletin
Bemidji Pioneer
California Chronicle
Desert Sun
East Valley Tribune
Eastern Arizona Courier
Forbes
Great Bend Tribune
Huntington Herald-Press
Idaho Press-Tribune
Lodi News
Lompoc Record
Los Angeles Times
Miami Herald
Pittsburgh Post-Gazette
San Francisco Business Times
San Marcos Daily Record
Santa Barbara Independent
Santa Clarita Valley Signal
Santa Monica Daily Press
Santa Ynez Valley News
Statesman Journal
Tampa Bay Times
The Atlantic
The Bakersfield Californian
The Daily Caller
The Daily Courier
The Franklin Banner-Tribune
The Hill
The Houston Chronicle
The New York Times

Print Media (cont.)

The Press Enterprise
The Sacramento Bee
The Wall Street Journal
The Washington Post
The Washington Times
Thomasville Times Enterprise
Tucson Citizen
USA Today
Wabash Plain Dealer
Waxachachie News

Radio

TalkBack with Chuck Wilder
The Armstrong Williams Show
The Bill Martinez Show
The Bobbie Gunther Walsh Show
The Curtis Sliwa Show
The Helen Glover Show
The Jack Hatfield Show
The Jeff Rense Program
The Joyce Kaufman Show
The Marc Bernier Show
The Michael Cutler Hour
The Wells Report
Zeb at the Ranch with Zeb Bell

Television

KGET News
KERO News Fox News
NBC News

*This is a partial list. For more details please visit www.CAPSweb.org or call the CAPS office.

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FINANCIAL STATEMENTS

DECEMBER 31, 2013



INDEPENDENT AUDITORS' REPORT

REED S. SPANGLER
JANE E. RUSSELL
GAIL H. ANIKOUCHINE
WILLIAM L. JACKSON

JAMES W. FISCHER
TIMOTHY A. O'KEEFFE
ARJUN S. McAVOY
HOWARD B. ATKINSON
KATHY J. SCROGGS
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To the Board of Trustees of

Californians for Population Stabilization, Inc.

We have audited the accompanying financial statements of Californians for Population Stabilization, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and functional expenses for the year ended December 31, 2013, and the statements of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Californians for Population Stabilization, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Californians for Population Stabilization, Inc.'s December 31, 2012, financial statements, and our report dated May 17, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Santa Barbara, California
May 30, 2014

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STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2013 AND 2012

	<u>ASSETS</u>	
	<u>2013</u>	<u>2012</u>
Current Assets:		
Cash and cash equivalents	\$ 24,647	\$ 62,830
Contributions receivable (Note 3)	22,957	16,747
Other receivables	141	141
Prepaid expenses	<u>16,710</u>	<u>8,971</u>
Total current assets	<u>64,455</u>	<u>88,689</u>
Property and Equipment - net (Note 4)	<u>20,585</u>	<u>16,109</u>
Other Assets:		
Investments (Note 5)	838,259	1,247,041
Interest in charitable remainder trust (Note 6)	287,658	260,880
Charitable gift annuity (Note 7)	4,408	4,408
Deposit	<u>2,002</u>	<u>2,002</u>
Total other assets	<u>1,132,327</u>	<u>1,514,331</u>
Total Assets	<u>\$ 1,217,367</u>	<u>\$ 1,619,129</u>
	<u>LIABILITIES AND NET ASSETS</u>	
Current liabilities:		
Accounts payable	\$ 8,786	\$ 16,200
Accrued payroll, vacation, and other related items	<u>13,427</u>	<u>13,593</u>
Total current liabilities	<u>\$ 22,213</u>	<u>\$ 29,793</u>
Net Assets:		
Unrestricted	654,090	700,002
Temporarily restricted (Note 8)	<u>541,064</u>	<u>889,334</u>
Total net assets	<u>1,195,154</u>	<u>1,589,336</u>
Total Liabilities and Net Assets	<u>\$ 1,217,367</u>	<u>\$ 1,619,129</u>

CALIFORNIANS FOR POPULATION STABILIZATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2013 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2013 Total</u>	<u>2012 Total</u>
Public Support and Revenue:				
Contributions	\$ 601,872	\$ 215,000	\$ 816,872	\$ 1,496,326
Membership	126,337	-	126,337	91,856
Interest and dividend income	41,940	-	41,940	26,127
Realized (loss)/gain from sale of investments	(30,207)	-	(30,207)	1,621
Unrealized (loss)/gain on investments	(98)	-	(98)	19,220
Change in value of charitable remainder trust	-	26,778	26,778	14,336
Realized loss on disposal of assets	-	-	-	(383)
Other income	185	-	185	345
Net assets released from restriction due to program expenditure	<u>590,048</u>	<u>(590,048)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>1,330,077</u>	<u>(348,270)</u>	<u>981,807</u>	<u>1,649,448</u>
Expenses:				
Program services	1,064,904	-	1,064,904	723,489
Management and general	167,956	-	167,956	153,690
Fundraising	<u>143,129</u>	<u>-</u>	<u>143,129</u>	<u>131,378</u>
Total expenses	<u>1,375,989</u>	<u>-</u>	<u>1,375,989</u>	<u>1,008,557</u>
Change in Net Assets	(45,912)	(348,270)	(394,182)	640,891
Net Assets at Beginning of Year	<u>700,002</u>	<u>889,334</u>	<u>1,589,336</u>	<u>719,515</u>
Net Assets at End of Year	<u>\$ 654,090</u>	<u>\$ 541,064</u>	<u>\$ 1,195,154</u>	<u>\$ 1,360,406</u>

CALIFORNIANS FOR POPULATION STABILIZATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2013 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2012

	Program Services			Support Services	
	Program Services	Management and General	Fundraising	Total 2013 Expenses	Total 2012 Expenses
Salaries and Related Expenses					
Salaries	\$ 122,342	\$ 60,211	\$ 26,846	\$ 209,399	\$ 232,167
Payroll taxes	10,449	5,143	2,293	17,885	20,070
Employee insurance and benefits	11,846	5,830	2,599	20,275	12,855
Total Salaries and Related Expenses	144,637	71,184	31,738	247,559	265,092
Advertising campaigns	621,003	1,687	1,687	624,377	315,413
College outreach	-	-	-	-	16,446
Rent and facility expense	7,566	22,697	7,566	37,829	37,940
Insurance	1,122	3,366	1,122	5,610	6,324
Development	4,569	-	84,157	88,726	79,619
Public relations	4,635	775	-	5,410	2,360
Telephone	3,010	3,010	669	6,689	4,400
Internet and web presence	44,286	1,932	1,120	47,338	56,846
Investment expenses	-	10,088	-	10,088	4,040
Office expense	7,299	11,886	2,645	21,830	23,852
Office supplies	1,164	3,491	1,164	5,819	4,667
Legal and accounting	2,764	17,391	-	20,155	21,284
Other outside services	176,917	8,215	3,127	188,259	113,695
Board meetings and travel	5,738	4,024	2,305	12,067	9,192
Registration fees	504	126	-	630	1,626
Printing and postage	37,485	3,653	3,780	44,918	39,471
Equipment rental	1,092	1,092	936	3,120	3,775
Depreciation	1,113	3,339	1,113	5,565	2,515
Total Expenses - December 31, 2013	\$ 1,064,904	\$ 167,956	\$ 143,129	\$ 1,375,989	
Total Expenses - December 31, 2012	\$ 723,489	\$ 153,690	\$ 131,378		\$ 1,008,557

CALIFORNIANS FOR POPULATION STABILIZATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (394,182)	\$ 640,891
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	5,565	2,515
Change in value of interest in charitable remainder trust	(26,778)	(14,336)
Contribution of stock	(10,066)	-
Realized loss on disposal of assets	-	383
Realized loss/(gain) on sale of investments	30,207	(1,621)
Unrealized loss/(gain) on investments	98	(19,220)
Changes in:		
Contributions receivable	(6,210)	74,243
Prepaid expenses	(7,739)	11,547
Accounts payable	(7,414)	(1,106)
Accrued payroll, vacation, and other related items	(166)	(575)
Net cash (used)/provided by operating activities	<u>(416,685)</u>	<u>692,721</u>
Cash Flows from Investing Activities:		
Purchase of investments	(1,018,254)	(855,995)
Proceeds from sale and maturity of investments	1,406,797	159,072
Purchase of property and equipment	<u>(10,041)</u>	<u>(13,725)</u>
Net cash provided/(used) by investing activities	<u>378,502</u>	<u>(710,648)</u>
Net Decrease in Cash	(38,183)	(17,927)
Cash and Cash Equivalents at Beginning of the Year	<u>62,830</u>	<u>80,757</u>
Cash and Cash Equivalents at End of The Year	<u>\$ 24,647</u>	<u>\$ 62,830</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

General:

Californians for Population Stabilization, Inc. (CAPS), incorporated under the laws of California on March 12, 1979, as Zero Population Growth - California Foundation, Incorporated. The name was changed to Californians for Population Stabilization, Inc. on March 5, 1986. CAPS is registered in 30 states.

The specific and primary purpose of CAPS is to inform and to educate the public about the effects of overpopulation on the quality of the environment and on the quality of human life, striving to achieve a stable population by voluntary and noncoercive means without regard to race, ethnicity, national origin, religious affiliations, or gender.

Programs:

CAPS' primary programs are:

Online Advocacy

CAPS maintains direct contact with federal and state legislators by fax and e-mail from CAPS website, www.CAPSweb.org.

Overpopulation Awareness Media Campaign

Throughout 2013 and 2012, CAPS continued to receive media coverage of its positions highlighting the connections between population growth, excessive immigration, and environmental degradation.

Successful campaigns included radio campaigns which linked population growth to environmental degradation and television campaigns, one focusing on the fact that immigration-driven population growth increases demand for scarce natural resources and others highlighting the loss of American jobs to legal and illegal foreign workers.

Work with State Legislature and Congress

CAPS continues to engage in education and advocacy programs designed to influence elected officials by mail, fax, e-mail, and phone calls both in California and at the federal level.

Senior Writing Fellows Program

CAPS sponsors and encourages the publication of well-written research articles relating to the primary purpose of the organization.

Open Dialogue Program

CAPS' members, Board, and invited experts speak on population, immigration, and environmental issues at various venues throughout California and the nation.

Public Education

CAPS continued to support the project, *Population Education for Environmental Scientists: The Need to Go Where They Are*. We provided materials for several scientific conferences on the nature of U.S. population growth and on the feasibility of curbing it.

CAPS completed phase 1 of the project, *The California We Are Losing - Views of our Golden State's transition from pristine to imperiled*. The project goal is to educate the public to population growth's long-term effects on special places near and dear to Californians.

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The accounts of CAPS are maintained in accordance with the principles of fund accounting. This accounting and reporting method classifies resources by their nature and purpose based on the presence or absence of donor-imposed restrictions into three classes of net assets:

Unrestricted net assets consist of funds without any donor-imposed restrictions and are classified as either undesignated funds or Board designated funds.

Temporarily restricted net assets consist of contributions and other inflows of funds temporarily subject to donor-imposed restrictions. The restrictions are temporary in that they are expected to expire with the passage of time or be satisfied and removed by actions of CAPS that fulfill donor stipulations.

Permanently restricted net assets consist of contributions and other inflows of funds subject to donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of CAPS. CAPS had no permanently restricted net assets at year end.

Cash and Cash Equivalents - For the purposes of the statement of cash flows, cash and cash equivalents consist of cash on hand, cash in bank accounts and highly liquid investments having original maturities of three months or less.

Investments - Investments are carried at estimated fair market value measured by quoted market prices.

Fair Value of Financial Instruments - The carrying amount of contributions receivable, other receivables, prepaid expenses, deposits, accounts payable, and accrued payroll, vacation and other related items approximates fair value. The carrying amount of the interest in charitable remainder trust and the charitable gift annuity at net present value is described more fully in footnotes 6 and 7, respectively. Fair value is discussed further in Note 16.

Property, Equipment and Furnishings - CAPS records property, equipment and furnishings of \$500 or more at cost if purchased, or at fair market value if donated. Depreciation expense is computed using the straight-line method over the useful lives of the assets. Depreciable lives of the assets range from three to seven years.

Revenues - CAPS records membership dues as revenue when received.

Contributions - Contributions and other inflows of funds temporarily subject to donor-imposed restrictions are reported as temporarily restricted. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets.

Unconditional promises to give are recorded as contributions, net of an allowance for uncollectible amounts. The promises to give that are expected to be collected within one year are recorded at their net realizable value.

Contributed Services - A substantial number of volunteers have donated their time to the CAPS' board and in an advisory capacity. As this volunteer service does not meet the recognition requirements in accordance with accounting standards, no amount has been recorded in these financial statements for these services.

Tax Status - CAPS is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and Section 23701d of California's Revenue and Taxation Code. CAPS is not considered a private foundation. CAPS is unaware of any uncertain tax positions at December 31, 2013, or for any period for which the statute of limitations remains open.

Estimates - Preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses.

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant estimates used in preparing these financial statements include:

- Lives of fixed assets and method of depreciation
- Allocation of certain expenses by function
- Valuation of interest in charitable remainder trust
- Allowance for uncollectible pledges receivable
- Fair market value of contributed assets

It is at least reasonably possible that these estimates could change in the coming year.

Functional allocation of expenses - The costs of certain programs and supporting services have been allocated based upon the nature and purpose of the expenditure. Expenses that can be identified with a specific program and support service are allocated directly according to the expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

Reclassifications - Certain reclassifications have been made to the prior year balances to make them comparable to the current year.

NOTE 3: UNCONDITIONAL PROMISES TO GIVE

During the year, several people made financial commitments to CAPS in support of CAPS' programs. Management believes these unconditional promises are fully collectible; therefore, no allowance for uncollectible promises to give has been recorded. Unconditional promises at year end 2013 and 2012 totaled \$22,957 and \$16,747, respectively.

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at year end:

	<u>2013</u>	<u>2012</u>
Computers	\$ 16,615	\$ 14,176
Furniture and fixtures	24,364	24,364
Software	<u>13,290</u>	<u>5,688</u>
Total cost	54,269	44,228
Less accumulated depreciation	<u>(33,684)</u>	<u>(28,119)</u>
Property and equipment, net	<u>\$ 20,585</u>	<u>\$ 16,109</u>
Depreciation expense	<u>\$ 5,565</u>	<u>\$ 2,515</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5: INVESTMENTS

Investments at December 31 consist of:

2013	Cost	Fair Market Value
Money Market	\$ 15,795	\$ 15,795
US Government Agency Bonds	8,765	7,216
Mutual Funds - Bonds	701,968	705,166
Mutual Funds - Equities	91,605	86,381
Equities	17,202	23,701
Total	\$ 835,335	\$ 838,259
Unrealized Gain		\$ 2,924
Change in unrealized gain		\$ (98)

2012	Cost	Fair Market Value
Money Market	\$ 308,382	\$ 308,382
US Government Agency Bonds	8,765	9,950
Mutual Funds - Bonds	870,270	871,020
Mutual Funds - Equities	49,821	48,989
Equities	6,781	8,700
Total	\$ 1,244,019	\$ 1,247,041
Unrealized Gain		\$ 3,022
Change in unrealized gain		\$ 19,220

NOTE 6: INTEREST IN CHARITABLE REMAINDER TRUST

The Organization has a beneficiary interest in a charitable remainder trust. Since the Organization is not the trustee for the charitable remainder trust in which it is named as the remainderman, the trust was initially recorded as a contribution and an asset equivalent to the present value of the trust assets and estimated future income net of the present value of estimated future payouts to the income beneficiaries in 2009.

The change in the present value of the estimated future benefits to be received when the trust assets will be distributed is recorded in the statement of activities as a change in value of charitable remainder trust. This change was \$26,778 and \$14,336 for the years ended December 31, 2013 and 2012, respectively.

Charitable trust agreements are classified as temporarily restricted net assets unless the donor has permanently restricted the Organization's use of its interest in the asset.

The assets are recorded at approximate fair market value based upon the most recent tax return filed by the trust which is available to the Organization or current values provided by the settlor to the Organization. The present value of the estimated future value of assets to be received by the Organization is calculated using the IRS annuity tables and a discount rate based on the Organization's historic risk free rate of return of 4%.

NOTES TO FINANCIAL STATEMENTS

NOTE 7: GIFT ANNUITY

CAPS is the beneficiary of a charitable gift annuity agreement. Pursuant to the agreement, a community foundation received the assets and is obligated to make annual payments for the remainder of the donor's life and to keep the assets related to the annuity physically and legally segregated from the other assets of the foundation pursuant to the California Insurance Code. As CAPS is not liable for the payments, CAPS recorded on its books the net value of the gift annuity.

NOTE 8: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31 are restricted to the following:

	<u>2013</u>	<u>2012</u>
Media campaign	\$ 233,806	\$ 607,021
Population education	15,193	17,025
Future periods	<u>292,065</u>	<u>265,288</u>
Total	<u>\$ 541,064</u>	<u>\$ 889,334</u>

NOTE 9: COMMITMENTS

Leases

In May 2001, CAPS leased office space for a base rent plus utilities. In May 2013, CAPS entered into a sixth amendment of the lease commencing May 1, 2013, which extends the lease term three years, with the lease terminating in 2016, adjusts the base rent to \$2,694 per month, and grants one additional three-year term. Rental expense for the years ended December 31, 2013 and December 31, 2012 was \$34,298 and \$33,964, respectively.

The future minimum lease payments for the next two years, without regard to cost of living adjustments or utilities, are:

2014	\$	32,328
2015		32,328
2016		<u>10,776</u>
Total	\$	<u>75,432</u>

On November 9, 2007, CAPS entered into a contract with a company to assist CAPS with fundraising. The fee structure is based upon the work the company performs. The contract contains a 60-day cancellation clause under which CAPS would be obligated to compensate the company for projects commenced.

NOTE 10: UNSECURED CREDIT

CAPS has two credit cards. One credit card has a limit of \$20,000, with a cash advance limit of \$4,000, and bears interest of 13.24%. The second card has a \$7,000 limit, with a \$3,500 cash advance limit, and bears an annual interest rate of 17.9%. CAPS routinely pays amounts due in full each month. At December 31, 2013, CAPS has included the outstanding liabilities on these cards in accounts payable.

NOTES TO FINANCIAL STATEMENTS

NOTE 11: RETIREMENT PLAN

CAPS has established a 403(b) retirement plan (Plan). Employees who are 21 years or older are eligible to participate. In 2013, CAPS began to contribute to the Plan up to 5% of an employee's salary, provided the employee was participating in the Plan. During the year ended December 31, 2013, CAPS contributed \$8,660.

NOTE 12: CONCENTRATION OF RISK

CAPS' membership and donor base is largely drawn from the state of California.

The standard Federal Deposit Insurance Corporation (FDIC) insurance coverage, beginning December 31, 2010 and running through December 31, 2012, is unlimited for all noninterest-bearing transaction accounts and is limited to \$250,000 per depositor and per bank institution for interest-bearing accounts. All of the interest-bearing accounts held by CAPS were fully FDIC insured at December 31, 2013.

Certain of the CAPS' investments and cash and cash equivalents are held at several broker-dealers and are subject to Securities Investor Protection Corporation (SIPC) broker-dealer regulations. Under SIPC, cash and cash equivalents are insured up to \$250,000 per broker-dealer. CAPS did not have any uninsured cash and cash equivalents at December 31, 2013. In addition, investments are insured against being lost, missing, or stolen up to \$500,000 per broker-dealer. Exposure for uninsured losses varies per broker-dealer depending upon the percentage of securities the broker-dealer has loaned as a percentage of total investments as losses are spread among all investors. Investments not held at a broker-dealer are not insured by SIPC. At December 31, 2013, CAPS had no such investments.

During 2013, one foundation contributed approximately 48% and another approximately 10% of CAPS total revenue. During 2012, one foundation contributed approximately 37% and another approximately 10% of CAPS' total revenue.

NOTE 13: RELATED PARTIES

CAPS has adopted a formal conflict of interest policy whereby business and personal relationships are disclosed at a minimum annually to the board.

NOTE 14: ALLOCATION OF JOINT COSTS

In the years ended December 31, 2013 and 2012, CAPS incurred joint costs of approximately \$32,955 and \$39,535, respectively, for informational materials and activities that included fundraising appeals.

NOTE 15: FAIR VALUE

The Organization is subject to ASC Topic 820-10, *Fair Value Measurements*, which defines fair value, establishes a framework for measuring fair value, and expands disclosures regarding fair value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. Investments measured and reported at fair value are classified and disclosed in one of the following categories. The categorization of an investment within the hierarchy is based on the pricing transparency of the investment and does not necessarily correspond to the Organization's perceived risk of that investment.

NOTES TO FINANCIAL STATEMENTS

NOTE 15: FAIR VALUE (CONTINUED)

Level I – Quoted prices are available in active markets for identical investments as of the reporting date. This category includes active exchange traded money market funds and equity securities.

Level II – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined using models or other valuation methodologies.

Level III – Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. Investments that are included in this category generally include privately held investments and securities held in partnership format. Reported valuations of Level III securities may differ materially from the values that would have been used had a ready market for these investments existed.

The investments and interests in trusts carried on the statement of financial position by level within the valuation hierarchy as of December 31, 2013 and 2012, are as follows:

Description	Level I	Level II	Level III	Total
2013				
Money Market	\$ 15,795	\$ -	\$ -	\$ 15,795
US Government Obligations	7,216	-	-	7,216
Mutual Funds				
Bonds	705,166	-	-	705,166
Equity	86,381	-	-	86,381
Equities	23,701	-	-	23,701
Interest in Trusts	-	-	292,066	292,066
Total	\$ 838,259	\$ -	\$ 292,066	\$ 1,130,325
2012				
Money Market	\$ 308,382	\$ -	\$ -	\$ 308,382
US Government Obligations	9,950	-	-	9,950
Mutual Funds				
Bonds	871,020	-	-	871,020
Equity	48,989	-	-	48,989
Equities	8,700	-	-	8,700
Interest in Trusts	-	-	265,288	265,288
Total	\$ 1,247,041	\$ -	\$ 265,288	\$ 1,512,329

NOTES TO FINANCIAL STATEMENTS

NOTE 15: FAIR VALUE (CONTINUED)

The changes in the fair value of assets classified at Level III are:

	<u>2013</u>	<u>2012</u>
Interest in trusts, beginning of year	\$ 265,288	\$ 250,952
Change in value	<u>26,778</u>	<u>14,336</u>
Interest in trusts, end of year	<u>\$ 292,066</u>	<u>\$ 265,288</u>

In accordance with ASU No. 2009-12, *Investments in Certain Entities that Calculate Net Asset Value Per Share (NAV)*, the NAV per share or its equivalent is used to fair value investments that follow the American Institute of Certified Public Accountants Guide in arriving at their reported NAV. Otherwise, investments with a readily available active quoted price for which fair value can be measured are reported at the quoted price.

The fair value of the gift annuity trust and charitable remainder trust are valued based upon Level III inputs and the methods of calculating fair value are described in Notes 6 and 7.

There were no transfers between Levels I, II, and III of the fair value hierarchy during 2013 and 2012.

NOTE 16: SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 30, 2014, which is the date the financial statements were issued. Management has determined that no subsequent events requiring disclosure or significantly impacting disclosure have occurred.

CAPS Board of Directors

Dick Schneider, M.S., Chairman of the Board, Oakland, CA. Mr. Schneider is an environmental activist, writer and policy analyst who lectures on the role of population growth in degrading natural ecosystems and eroding the quality of life. With expertise in the effects of acid rain and metals pollution on high altitude lakes, he helped establish the first acid rain monitoring station on the western slope of the Rocky Mountains. A resident of the San Francisco Bay Area, he led passage of an Alameda County open space protection initiative in 2000 and currently advises citizens groups on local growth management policies. In 2012, he received the Excellence in Preservation Award from the Tri-Valley Conservancy. He is a board member of the Institute for Population Studies in Berkeley, a former trustee of the Head-Royce School in Oakland, and former board member of Transform (formerly the Bay Area Transportation and Land Use Coalition). He co-authored *Toxics A to Z: A Guide to Everyday Pollution Hazards* (University of California Press). He received bachelor's and master's degrees from the University of California at Berkeley.

Ben Zuckerman, Ph.D., Vice President, Los Angeles, CA. Dr. Zuckerman holds bachelor's and master's degrees from MIT and a Ph.D. from Harvard University. He is a Professor Emeritus of Physics and Astronomy and a Research Professor at UCLA. He developed and co-taught a UCLA Honors course entitled "The 21st Century: Society, Environment, Ethics" and co-edited six books including *Human Population and the Environmental Crisis* (Jones & Bartlett, 1995). He was cited by *Science* in 2008 for obtaining the first-ever image of a new planetary system. He is a longtime environmentalist and served on the Sierra Club's national Board of Directors. He is a current member of the Board of Directors of Sea Shepherd Conservation Society.

Kenneth Pasternack, J.D., Treasurer, Santa Barbara, CA. Mr. Pasternack is an investor. During the 1990s he was a technical writer of computer software manuals. During the 1970s and 1980s he practiced banking law in Los Angeles. He became concerned and active about overpopulation while attending college during the 1960s, when he was also active in the anti-Vietnam War movement and volunteered in the civil rights movement in Mississippi. As a CAPS Senior Writing Fellow, many of his letters to the editor and guest columns have been published in newspapers. He holds a bachelor's degree from Brown University in Sociology, and received a law degree from the University of Arizona.

Otis L. Graham, Jr., Ph.D., Secretary, Santa Barbara, CA. Dr. Graham is an historian of modern America, a Professor Emeritus at the University of California, Santa Barbara, and was a Visiting Scholar at the University of North Carolina, Chapel Hill. He is a graduate of Yale University (B.A.), earned a Ph.D. from Columbia University and served as an artillery officer in the U.S. Marine Corps. He is the author and/or editor of 17 books and numerous articles on the history of the United States, especially on American reform movements, political economy, and environment and immigration. He is a Guggenheim Fellow, a Fellow at the Woodrow Wilson Center for Scholars, the National Endowment for the Humanities, and the Center for Advanced Study and Behavioral Sciences. He received the Robert Kelley Memorial Award from the National Council on Public History.

Tim Aaronson, M.A., Executive-at-Large, El Cerrito, CA. Mr. Aaronson is a retired mathematics and science educator at the University of California's Lawrence Hall of Science in Berkeley. His concerns about population growth arose from his stint as a Peace Corps Volunteer in the Philippines and experiencing the 400% population increase in his native California. He is a board member of the El Cerrito Trailtrekkers, a group building urban trails, and volunteers with several organizations, including the Tilden Botanical Gardens, the East Bay Depot for Creative Reuse and the West Edge Opera Company. He earned a B.A. from the University of California at Berkeley in Physical Science and an M.A. in Science Education from San Jose State University.

Marilyn Brant Chandler DeYoung, M.A., Member, Montecito, CA. With a master's degree in Urban Planning from UCLA has served as an executive or partner in several Southern California architect/planning firms and was President of Marilyn Brant & Associates. Her population interest began with her service on President Nixon's Commission on Population Growth and the American Future (1970-72). She served on the board of the international Population Crisis Committee for 23 years. She founded and chaired the Population Education Committee, which merged into Population Communication, Inc. She served on the board of PCI for eight years. She also has a strong record of service on government committees and numerous corporate, educational, nonprofit and civic boards.

Kim Fletcher, Jr., Member, Del Mar & Rancho Santa Fe, CA. Mr. Fletcher is President of Investors Leasing Corp. He graduated from Stanford University, served in World War II, was Chairman of the Board of Home Federal, and Director of the Federal Home Loan Bank of San Francisco. Mr. Fletcher has been active in many nonprofit organizations and is currently a member of the San Dieguito Boys & Girls Clubs. He is a lifetime member of The Salvation Army Advisory Board, served as President of the United Way of San Diego, sat on the Stanford University Athletic Board, was Founding Director of the San Diego Economic Development Corporation, Trustee at University of San Diego and Trustee at Sharp Hospital, San Diego.

Keith J. Mautino, Member, Santa Barbara, CA. A fifth-generation Californian concerned with quality of life and urban density issues in the state, Mr. Mautino attended Occidental College, Westmont College and UC Santa Barbara graduate school in Asian Studies, focusing on Japanese language and Chinese history. He has enjoyed a long career as an Asian art dealer and appraiser and served on the board of the Pacific Asia Museum in Pasadena, as well having been appointed the chair of the Museum's 2013 gala fundraiser held at the California Club in Los Angeles. Mr. Mautino also serves on the boards of the Santa Barbara Courthouse Legacy Foundation and the Trust for Historic Preservation, a joint effort with the state of California in preserving and interpreting numerous historic sites in Santa Barbara County. He helped spearhead as co-chair the Trust's 50th anniversary celebration, bringing attention to El Presidio de Santa Barbara, a state park and historic landmark. Concerned with the effect that population shifts have on rural communities, he has served as a commissioner to the County Historic Landmarks Commission, representing the Second Supervisorial district of Santa Barbara county. His family's long history in agricultural pursuits makes him especially sensitive to changes in the demographics of rural ranching and farming communities.

Eddie Tabash, J.D., Member, Beverly Hills, CA. Mr. Tabash is a practicing attorney in the Los Angeles area. He was admitted to the California Bar in December 1976. His work emphasizes constitutional law. He graduated from UCLA, *magna cum laude*, before attending Loyola Law School. He has been active in family planning and population issues since 1981. As the son of an Auschwitz surviving mother, he takes no pleasure in keeping people from coming to the United States. However, because of the extensive growth of population, particularly here in California, over the past few decades, he sees the importance of ending illegal immigration, curtailing legal immigration, and providing a full range of family planning services.

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