

CAPS

CALIFORNIANS FOR POPULATION STABILIZATION

ANNUAL REPORT 2016

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.

PRESIDENT'S MESSAGE



For the nation and for CAPS, 2016 was a pivotal year. In many ways, it was the year we have been waiting for.

For better or worse, the year was dominated by ugly politics in the race for the White House. Early on, pundits and pollsters seemed confident of a win for Democrats in the November election. Their seemingly preordained candidate, Hillary Clinton - former Secretary of State, U.S. Senator and First Lady - did, however, encounter surprising competition from the upstart socialist-leaning senator from Vermont, Bernie Sanders.

But Clinton prevailed and offered a troubling prospect for those concerned about decades of unchecked illegal immigration, given her claim that she would go further on immigration matters than President Obama, who had through his eight years in office used executive actions to further weaken law and order on immigration - by extending benefits to those in the country illegally, hampering enforcement efforts at the border and doing little to discourage Central American border surgers.

An extremely large field of Republican candidates didn't offer much better than the Dems on how to fix the country's 30-years-in-the-making immigration disaster. That was until the candidate who was not considered a serious one gained traction and ultimately won the Republican nomination and the Presidency. While the no-holds-barred, take-no-prisoner approach of Donald Trump left scars, his forthright message of fixing immigration, revamping unfair trade agreements and bringing back jobs resonated. Not surprisingly, all three issues, which CAPS has consistently addressed, are intimately connected.

CAPS worked throughout the year to take communications advantage of the momentum that took hold throughout the country on immigration-related issues, including birthright citizenship, crime, employment, growth, law enforcement, refugees, sanctuary cities, trade and visas. Our combined efforts resulted in increased impressions for the year, generated through editorial placement, interviews, advertising, social media, newsletters, direct mail and websites.

While we were pleased that 2016 at long last saw attention on these all-important issues facing the country and that long-suffering victims of illegal immigration finally were acknowledged, our optimism for positive change was tempered. The November surprise, elation and hope of many at the election of a candidate who ran on a platform to fix immigration was extremely short-lived as the rancor of the prior 18 months went into overdrive with protests and calls for "resistance" to the new administration.

PRESIDENT'S MESSAGE

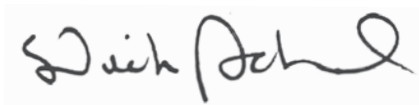
Even so, by year end, Trump voters felt vindicated that the win was a repudiation of Democrats' Open Borders stance. They believed that the new President's campaign promises related to immigration enforcement, removing illegal aliens who committed serious crimes, implementing E-Verify and revisiting H-1B visas, among other matters, were realizably actionable, particularly with Republicans controlling the White House, Senate and House.

Evident though was that there was no "done deal" in connection with righting the many immigration policy failings, even with the election of Trump. The road ahead will be mined. Trump's boundless energy and commitment to fixing immigration will be opposed at every turn by strong and well-funded interest groups that remain committed to unchecked immigration, cheap labor and blurring the distinction between illegal aliens and American citizens. So by the end of 2016, we knew there could be no let-up in our efforts in the year ahead.

Although reducing both illegal and legal immigration has been a focus, it is essential to recognize why CAPS is committed to addressing this issue. At our core is an understanding of the need for lower population - in California, the U.S. and around the world - in order for us to have a sustainable planet. Population growth in the U.S. continues to be driven by immigration. Accompanying this unchecked growth are multiple negative impacts on our natural environment.

So while 2016 was very immigration-driven on the issues front, we did not lose sight of continuing to educate and communicate about the very real implications of too much growth on biodiversity, air, water and other natural resources, and on quality of life.

Our mission to slow population growth remains viable only through your continuing support. We are extremely grateful to all of our long-time supporters and our new members. As we look to the challenges in the coming year, we thank you for all of your efforts and contributions in 2016.



Dick Schneider

Member and Chairman of the Board of Directors of CAPS

Disclaimer: CAPS does not endorse political candidates. We do, however, educate the public about the positions of elected officials and political candidates on issues related to CAPS's mission within our constraints as a 501(c)(3) charitable organization.

HISTORY AND PURPOSE

Out-Of-Control Population Growth Threatens the California Dream

It's true. California is one of the greatest places on Earth to live. The climate is nearly perfect; environmental treasures abound, and the California lifestyle is unique and admired worldwide. We're truly lucky to live here. It's easy to understand why so many other people want to live here. In the last 40 years, more than 20 million people moved to California. That's right; California's population has doubled, from 20 million to nearly 40 million in just the last 40 years.

That rapid pace of population growth has put major strains on California. More population growth has meant more pollution, more degradation of our environmental treasures, more traffic, overcrowded schools, higher taxes, longer waits at emergency rooms and even more job competition. And while these population-oriented strains are more pronounced in California, the changes are occurring all across America.

Concerned Californians Rise to the Challenge

That's why a concerned group of California environmentalists, doctors, lawyers, professors, writers and surfers banded together in 1986 to start Californians for Population Stabilization. They saw the California dream slipping away and along with it, the American Dream. It was important to them that the next generation of Americans have the same opportunities they had growing up. They wanted to save some California, some America, for their grandchildren.

Today, Californians for Population Stabilization, often referenced as "CAPS," has grown into one of the largest member-based population stabilization organizations in the state with tens of thousands of members. And the influence of CAPS reaches beyond California. The organization is recognized as a national leader in the population stabilization movement. Countless news stories have been filed about the work of CAPS, locally and nationally.

CAPS regularly meets with state lawmakers as well as the nation's power players on Capitol Hill. And the CAPS mission today is the same as it was in 1986: to help Californians and all Americans understand the consequences of out-of-control population growth so that our leaders can develop informed and appropriate policies to ensure we save some America for future generations. And like in 1986, CAPS continues as a nonprofit organization, dedicated to a bipartisan approach to population stabilization.

PROJECTS AND ACTIVITIES

Overpopulation Awareness Media Campaign

CAPS continues outreach to emphasize escalating overpopulation-related problems in California, as well as the U.S., and the multiple impacts of immigration-driven growth.

In 2016, CAPS worked to inform the public, elected officials and the media about the destructive results of rampant population growth primarily driven by massive legal and unchecked illegal immigration. We discussed economic and job-related issues, security and employment issues, compromised environment, loss of biodiversity, weakened infrastructure, stressed educational and medical systems and overall diminished quality of life.

CAPS 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.

Through live interviews and outreach with print materials, along with timely and frequent updating of content on our website, as well as *YouTube*, *Facebook*, *Twitter*, *Instagram* and *Pinterest* pages, we were committed to engaging communities on our issues. Our *Engage Action Alert* system for contacting legislators was well utilized by our members to make their voices heard on proposed legislative actions.

As part of this year's campaign, we converted our impactful Earth Day TV ad to a radio ad and ran it on three radio stations in Los Angeles in drive time, to coincide with Earth Day and the Supreme Court hearing arguments about the future of President Obama's executive actions on immigration. We again utilized our ad featuring a child asking questions about California's growth.

The ad suggests that California should implement policies to slow immigration in order to slow population growth, given the negative impact on water, natural resources, the environment and quality of life for future generations.



CAPS Fast Facts

Facebook Team *Grew by 121%*

Twitter Followers *Up 68%*

Since January 1, 2016

In talking about this issue, we point to the statistics that nearly 100 percent of California's growth during a ten-year period came from immigration and births to immigrants and that more people means more of everything - more cars, trucks and buses on our roads, and more air pollution. More construction and development - housing, commercial property and

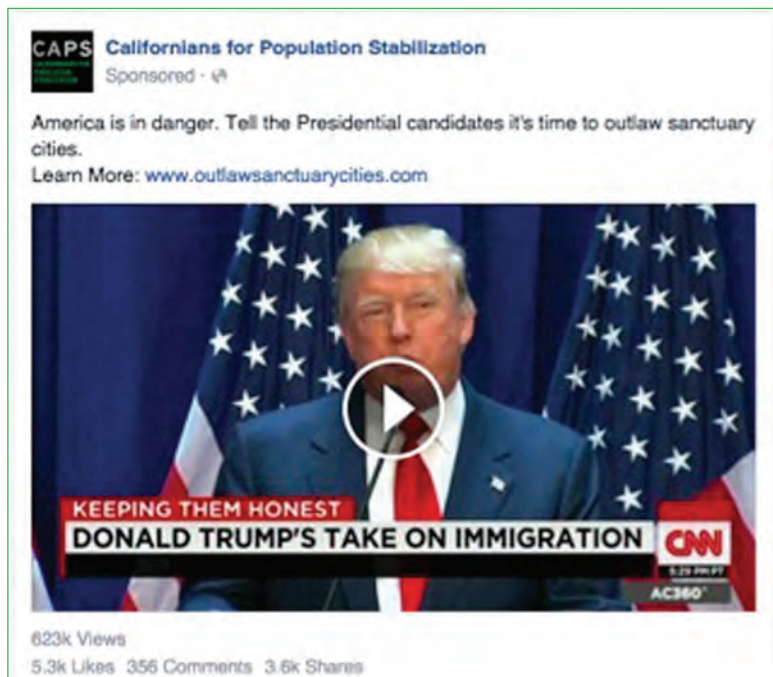
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roads. More environmental impact on California's rich biodiversity of wildlife - both plant and animal. The message remains the same: slow population growth and save some of California for our children and grandchildren.

CAPS then continued attacking national sanctuaries policies, raising public awareness and passion for the issue, as well as directly pressuring decision-makers. A **hard-hitting video was created and then disseminated** on social media. It opened with then San Francisco Sheriff Mirkarimi and his infamous defense of sanctuary policies in the wake of Kate Steinle's murder by an illegal alien which caused him to lose re-election.

To most effectively reach our intended demographic, CAPS video targeted Facebook and Twitter fans and followers of presidential candidates. The launch coincided with the December 2015 Republican debate in Las Vegas and then continued into 2016. This digital avenue for ad campaigns proved successful, resulting in more than **623,000** video views on Facebook and 7,628 video views on Twitter in just one week. The video drove viewers to a landing page, where activists could share the video with their networks and join CAPS. FAIR also posted the video front and center on its home page.

For the second part of the campaign, we changed the video to include our **BLINDFOLD INITIATIVE**. This time the video and landing page at **OutlawSanctuaryCities.com** offered activists the opportunity to contact officials in designated sanctuary jurisdictions with a blindfold, a visual message that they are turning a "blind eye" to dangerous policies. Using a CIS updated report, and targeting **44** states and Washington, D.C., we sent blindfolds and CAPS' simple solutions to **474** sanctuary jurisdiction officials.



This effort prompted dialogue both on cooperation with ICE and the barriers to fully enforcing immigration law. While provocative, our message reinforced the importance of this issue. Interestingly, multiple sheriffs called CAPS to dispute their jurisdiction's sanctuary status, wanting to be taken off the list. By appealing to a mixture of common sense and the clear majority of public opinion, we were successful in getting some sheriffs to clarify their positions on sanctuaries and, in many cases, vocalize their commitment to enforcing immigration law.

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In May and June we ran TV spots in Wisconsin for three weeks featuring Civil Rights leader and former Executive Director of the Congressional Black Caucus Foundation, Frank Morris, reminding Speaker Paul Ryan that it's not racist to put Americans' jobs first. The ad encouraged Speaker Ryan to stand up for working-class Americans instead of continuing his push for more foreign workers, more immigration and amnesty for illegal aliens. The ad concluded that slowing mass immigration and the flow of foreign workers so working-class Americans have

a better chance at good paying jobs is simple common sense. After the run of this ad Speaker Ryan changed his stance regarding admitting Syrian refugees.

Subsequently, we repurposed the Frank Morris TV ad for radio and ran the spot on several Los Angeles area stations, including traditionally African-American stations. We also adapted the TV spot and ran it in prime time on CNN during the Republican National convention on the night that Donald Trump gave his acceptance speech. The ad was seen by 2.5 to 3 million viewers.



CAPS also produced a campaign related to the Middle East migrant crisis. The landing page HelpMoreRefugees.com asked for viewers to keep

compassion in line with common sense, proposing that efforts be made to help more refugees closer to their homes in stable areas of the Middle East, instead of bringing a select few to the U.S.

Ignoring strong objections from millions of Americans - including governors of 31 states - the Obama administration in 2016 continued to advocate resettling more refugees in America. CAPS pushed back with its *Misguided Compassion* social media campaign, launched in March, which engaged 100,000 people in the first five weeks.



Supporters were encouraged to contact President Obama and tell him to keep compassion in line with common sense. **Resettling a Middle Eastern refugee in the U.S. costs 12 times more for a five-year period than sheltering that person closer to home.**

The campaign also emphasized that resettling refugees closer to home allows them to be in a better position to return home and rebuild their societies when it is safe to do so. Meeting the crisis at the

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source allows Americans to help, while also addressing legitimate safety and security concerns about admitting thousands of refugees to the U.S. who cannot be properly vetted.

In June, at the FAIR-sponsored **Feet to the Fire** event, CAPS National Media Director Joe Guzzardi was joined on "radio row" by U.S. Senators Jeff Sessions and David Vitter, as well as U.S. Representatives Steve King, Lamar Smith and Lou Barletta, for a series of radio interviews. Also present were sheriffs, border patrol officials and ranchers impacted by illegal immigration. Guzzardi gave 22 interviews in two days that included broadcasts in the major media markets of New York, Los Angeles, Washington, D.C., Richmond, Boston, Portland and several other cities.



CAPS launched media materials in September, including videos and pre-roll advertising, to counter the charge that working to fight mass immigration is racist - accusations of racism fly at even the slightest suggestion of reducing immigration these days. All too often this charge is used only to silence much needed and potentially productive discussions. We believe that brow-beating Americans who care about their communities and environment into feeling ashamed for wanting less mass immigration is completely unacceptable.

We reached more than a million people on social media and preroll through itsnotracist.com with an accompanying video.

A very successful pre-roll campaign aired on foxnews.com using a revised 15-second cut of the above video, which reached more than 1 million viewers (combined Facebook and pre-roll). While this method of advertising will not replace other forms of radio and TV advertising, it provides a useful and cost-savings adjunct for disseminating our messages.

Documentary on Environmental Heroes

CAPS funded a new documentary on the environmental and philosophical evolutions of former Colorado Governor and CAPS Advisory Board member, Richard Lamm, and John McBride, being produced by Roger Cotton Brown of Summit Films. Filming is expected to be completed in 2017.

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Micro-Marketing

We again implemented a targeted micro-marketing campaign to affinity groups with concerns about overpopulation's effects on their special activities.

For example, we again ran a full-page ad in a magazine this time seen by more than 10,500 visitors to the "Bringing Back the Natives" garden tour in northern California.



"Take-The-Tour" of special plants in California's floristic province on the CAPS website.

Legislative Activism and Outreach

CAPS Plaintiff in Lawsuit against DHS

CAPS became a primary plaintiff, one of nine, in a lawsuit brought by the Immigration Reform Law Institute (IRLI), and filed in the U.S. District Court in San Diego, charging the Department of Homeland Security (DHS) with disregarding the National Environmental Protection Act (NEPA) when making decisions about our nation's immigration policies. We asked that DHS follow the laws of transparency that other agencies must follow.

The 1,400 page Complaint alleges that DHS disregarded NEPA and violated environmental law by neglecting the effects of unregulated immigration. Supporting affidavits were offered by seven CAPS affiliates, including CAPS Board Chairman Dick Schneider, former Colorado Governor and CAPS Advisory Board Member Richard Lamm, former CAPS Executive Director Ric Oberlink and Jo Wideman, current Executive Director of CAPS.

Stuart Hurlbert, current President of Scientists and Environmentalists for Population Stabilization, CAPS member and former CAPS Board Member; CAPS member Don Rosenberg, whose son was killed by an illegal alien, and CSU Northridge Professor Claude Willey also prepared affidavits. Leslie Blackner, a long-time CAPS supporter and environmental law attorney, assisted in case preparation, along with Kristin Larson, CAPS Board Member and environmental law attorney.

CAPS encouraged our members to write op-eds and blog posts, and use social media to drive public support of this landmark lawsuit.

Day-to-Day Activism

CAPS continued to engage in direct and indirect education and advocacy programs designed to influence elected officials in California and at the federal level.

Members who joined our *Engage Action Alert Team* 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.

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CAPS activists contacted members of Congress and attended town hall meetings, prepared to ask tough questions.

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

In 2016, our **157,543** advocates sent petitions, letters and faxes, and made phone calls to keep the pressure on our legislators to not consider any amnesties. CAPS mailed thousands of member-signed petitions.

In California, the Legislature continued its efforts to dissolve the distinctions between citizens and noncitizens and between those who follow our laws and those who break them. In the face of a serious multi-year drought, our members urged Gov. Brown to stop supporting the population growth that exacerbates these shortages.

Our members contacted state senators and Gov. Brown asking that they not support SB 1139, designed to fund more scholarships and loan forgiveness for students here illegally.

Members vehemently opposed SB 10, which would include illegal aliens in the state's health care exchange.

CAPS activists spoke out against AB 2792 which would impose further road blocks to stopping sanctuary cities in California, now considered by some to be a sanctuary state.

Our California members stood firmly against SB 54, legislation designed to further limit state and local police from cooperating with federal immigration officers.

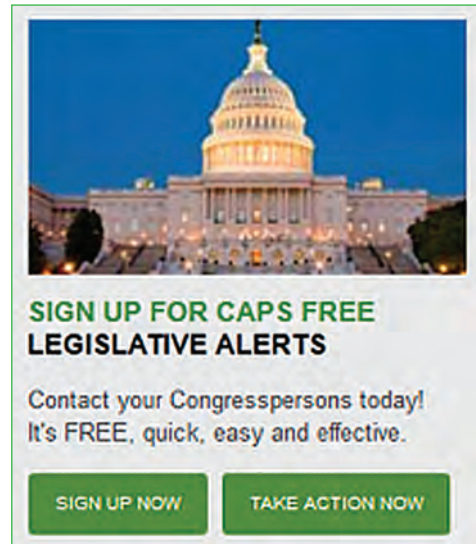
Enraged by SB 6, CAPS members told the California State Senate and Assembly to reject state efforts to fund legal fights against valid deportations.

CAPS continued to fight the passage of these pieces of legislation through petitions, activist action and through frequent contact with our state representatives.

On the national stage, CAPS was active in continuing to help defend American jobs from cheap foreign replacement labor. Our members also urged passage of HR 2848 to bring penalties for visa overstays in line with existing immigration laws.

Further, our members supported S 2538, the ICE Agent Support Act to enable ICE agents to fine illegal aliens for ignoring orders to leave the country.

They urged support for the Protection of Children Act to discourage the influx of unaccompanied minors at the southern border, and for S 79 to permit the taxing of \$54 billion in wire transfer remittances sent by illegal aliens to other countries.



**SIGN UP FOR CAPS FREE
LEGISLATIVE ALERTS**

Contact your Congresspersons today!
It's FREE, quick, easy and effective.

[SIGN UP NOW](#) [TAKE ACTION NOW](#)

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CAPS members asked Congress to pass HR 4731 and assert control over U.S. refugee policies. They wrote and called their representatives urging support for HR 5102 which would require the prosecution of illegal alien adults, regardless of where they were detained.

CAPS activists also urged passage of HR 1147, the Legal Workforce Act, to make E-Verify simpler and mandatory. They told their senators to amend S 2123 and to pass HR 5103 so that criminal aliens would be deported upon their release from prison.

CAPS activists supported Kate's Law, S 2193, which would impose mandatory sentencing for certain criminal aliens and repeat illegal border crossers. Our supporters also urged passage of S 3100 which sought to officially define sanctuary jurisdictions and to make them ineligible for federal grants. And, CAPS continued to protest the Trans Pacific Partnership (TPP) which would lead to increased immigration and loss of American jobs.

After the presidential election, CAPS activists urged President-elect Donald Trump to work to effect enforcement of immigration laws and the reduction of both legal and illegal immigration.

CAPS Board member Michael Rivera was successful in encouraging the Paso Robles, California City Council to adopt a formal program to use E-Verify for hiring city employees. The methodology of this success is serving as a prototype for implementing E-Verify in other California jurisdictions.

CAPS assisted member Henry Bernard in his efforts to stop the practice of California **day labor centers** fraudulently indicating to homeowners that their homeowner's insurance will cover injuries obtained by illegal foreign workers on their property. Further educational outreach on this topic is planned.

CAPS began planning for dissemination of a sample **Drought Safety Standard** to any California planning commissions without them. This standard states **the maximum population growth of an area predicated to the lowest level of water in the reservoirs serving the area over an extended period of drought.** If enacted, it limits the population that can be supported by the amount of water that is available in reservoirs at their lowest level over a four- to five-year period. Any county abiding by this Drought Safety Standard would not be able to issue building permits without considering actual water availability.

Additionally, we recruited new CAPS activists willing to protest, march and visit their legislators' offices in addition to sending e-mails, faxes and calling about key issues.

In the face of challenging legislation, a donor survey for CAPS showed that more than 70 percent of respondents think the organization is making a lot of impact, or a moderate impact, on solving immigration-driven population and environmental problems. Another member survey showed overwhelming support for federal implementation of mandatory E-Verify legislation.

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Web and Social Media

CAPS continued to provide daily updates on news related to our issues and provide fresh commentary from our writers. We also expanded our Facebook and Twitter advertising campaigns to educate and grow our base.

Website

The number of unique visitors to our website, CAPSweb.org, and total page views continued to grow as more and more people linked back from Facebook and Twitter posts to CAPS blogs and media coverage. In 2016 Facebook drove approximately 45 percent of total traffic to CAPSweb.org, making it by far the No. 1 single source of traffic. In 2016, the website received 139,698 visitors, 63,244 from Facebook.



We worked with an SEO expert consultant to develop three new related websites so that people searching for the core issues that CAPS addresses would find additional positive, well-reasoned explanations to augment our main website, CAPSweb.org. The sites are Californians-stabilize-population.org, race-to-immigration-sustainability.org and savejobsforamericans.com.

Commentary and Analysis

The CAPS blog focuses on population issues, including immigration (both legal and illegal), jobs, crime, environmental concerns and more. Posts analyze current events and debunk opposition arguments. With content being produced, edited and uploaded on essentially a daily basis, in many ways the blog serves as a mini-newsroom.

Blog contributors included:

- Joe Guzzardi, CAPS National Media Director
- Leon Kolankiewicz, CAPS Senior Writing Fellow and Advisory Board member, wildlife biologist, and environmental scientist and planner
- Michael W. Cutler, CAPS Senior Fellow and retired INS Senior Special Agent
- Maria Fotopoulos, CAPS Senior Writing Fellow
- Frosty Wooldridge, speaker, environmentalist and teacher
- John Vinson, long-time advocate for reasonable immigration policy.

We posted **268** original pieces during the year. This content covered varied topics from analysis of the monthly jobs report and the correlation to immigration, sanctuary cities, trade, terrorism, refugees and E-Verify to the environment and the drought. In 2016, the blog had more than **114,455** visitors.

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Social Media

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

Our online presence was greater than ever in 2016, with the help of other blogs, *YouTube* and other social media sites. CAPS this year received more than **seven million** views of various uploaded videos on *YouTube* and *Facebook*, and was discussed, quoted in interviews or mentioned in more than **350** blog posts.

This resulted in even more notice of our positions and issues across various social media.

Giving blanket amnesty to illegal aliens only encourages more **ILLEGAL IMMIGRATION**. Do you agree?



This *Facebook* post linking to ItsNotRacist.com reached **636,314** people.

We continued a *Facebook* advertising campaign to educate and grow our *Facebook* fan base and increased our number of fans from the beginning of this year **230,155** to **510,442** with our posts reaching an average of **454,521** people per week with over **52,269** weekly engaged users. We have also consistently increased the conversion of social media fans to CAPS activists and supporters.

CAPS received thousands of signed petitions as of December 31, 2016 made available through *Facebook* ads:

Twitter is less about the volume of individuals reached, and more about reaching the right influencers. We also had success in growing our *Twitter*

followers by more than **68 percent** this year. We now have from **5,024** to **9,049** total followers, resulting in more than **5,000 tweets/retweets** this year.

Google AdWords continued to be a reliable advertising vehicle for CAPS. An online service, it connects CAPSweb.org with people searching the Internet for specific key words and phrases or visiting a website that has content aligned with the mission of CAPS. We earned more than **981,692** impressions and more than **10,864** clicks in 2016.

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CAPS Senior Writing Fellows Program

Our fellows and contributing writers were published or interviewed in various media (see media list). With the particular assistance of Joe Guzzardi, Ric Oberlink and Michael W. Cutler, we have consistent radio, print, TV and Internet exposure.

Editorial Writing

On generally a twice-weekly basis, editorials (also referred to as opinion pieces or commentaries) for a daily newspaper audience are written by Joe Guzzardi, and occasionally by Leon Kolankiewicz and Maria Fotopoulos. These are highly topical 500 to 600 word pieces analyzing trending news related to CAPS issues. They are submitted to the Cagle syndicate which distributes content (cartoons and editorials) to about 800 U.S. newspapers. The syndicate picks up approximately 30 percent of what is submitted to them by CAPS.

In the second half of 2016, CAPS began developing a list of editorial page editors at daily publications across the country to submit material directly to these outlets. By the end of the year, the list had been built out to approximately 250 contacts. This outreach generated additional editorial pick-up in publications such as *The Hill* (a top political site), *The Washington Times* (DC), *USA Today*, *Providence Journal* (Rhode Island) and the *Tulsa World* (Oklahoma), along with regular pickup in three outlets. As well, since October, Guzzardi's commentaries have been posted to the *Washington, D.C. Patch*.

Issues Pieces

CAPS produced and distributed two Issues pieces this year. New contributor Claude Willey wrote "The Crush of Urbanity: Fact and Fiction." Willey previously helped CAPS bring Dave Foreman, founder of the Rewilding Institute, to speak. Willey is a lecturer in Urban Studies and Planning at California State University, Northridge, who has investigated Mojave Desert hydrology, trajectories in the Inland Empire and Pleistocene extinctions. A committed bicycle commuter in one of the country's most autogenic regions, he is an asset to the CAPS family.

The second piece was "Carrying Capacity, Populations and People" by Advisory Board Member and Senior Writing Fellow Leon Kolankiewicz. It will serve as an important "evergreen" piece for CAPS.

Both pieces may be downloaded from the homepage at CAPSweb.org.

Open Dialogue/College Outreach Program

CAPS coordinated several talks to college students. Ben Zuckerman, CAPS Vice President and Professor Emeritus of Physics and Astronomy and Research Professor at UCLA, spoke on "Population, Consumption, Overshoot" twice to 250 students in different sections of a UCLA class, Geography: People and Earth's Ecosystems. Dr. Zuckerman also gave the talk "Population, Consumption, Overshoot" to a UCLA class of 130 in Urban Planning and Policy. Dr. Zuckerman explained that only through population stabilization can we sustain the Earth.

Ric Oberlink, J.D., Senior Writing Fellow and former CAPS Executive Director, participated in a debate at the Santa Barbara County Bar Association Bench and Bar Conference on "The State of Immigration Law and Efforts to Reform and Enforce It" before a group of 50.

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CAPS National Media Director Joe Guzzardi traveled the U.S.-Canadian border with a Center for Immigration Studies-sponsored trip that covered nearly 1,000 miles, including upstate New York, Vermont, Ottawa and Quebec. Guzzardi met with border patrol agents, the former Canadian ambassador and other dignitaries, all lamenting problems such as vulnerability, crime, trafficking, desperation and exploitation.

Growing Pains Student Outreach Video Contest

CAPS completed the Growing Pains Video Contest created to engage high school students across the country. They were asked to address the following and present solutions:



Students at the awards ceremony

- The U.S. is under huge pressure from population growth.
- Our wildlife and unique environmental treasures are threatened.
- Limited water resources are running dry, schools are crowded, and traffic keeps getting worse.
- Overpopulation is a tough issue, but we need you to be up to the challenge.
- Our quality of life and environment are at stake.
- Spread awareness by making a video that helps others understand the challenges of overpopulation.

We were delighted with the quality entries discussing the important yet difficult topic of U.S. population stabilization and thankful for the opportunity to help us increase overpopulation awareness among young people.

Zach Letson received the first place \$3,000 prize for *Breaking Point*. The second place prize of \$1,500 was awarded to Jessica Stossel for the video, *Trapped in a Box*, and GoPro cameras were awarded to Garrett Kukier for *Abundance* and Isabelle Yang for *Overpopulated*.

Winning entries are online at CAPSweb.org/growing-pains-video-contest-winners.

Crowdifornia Student Outreach College Essay Contest

The contest encouraged U.S. college students to submit an essay focused on the effects of overpopulation on the natural environment and quality of all life, and the benefits that a stabilized population would bring.

The first place \$1,500 winner was Hayley Darling from Mesa, Arizona; the second place \$1,000 winner was Alexis Anderson from Auburn, California,



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and the third place \$500 winner was Samantha Drew from Sussex, New Jersey. CAPS received multiple letters from students expressing their gratitude for being able to participate. For many, this was the first time they were encouraged to think about population and its consequences.

Population Education for Environmental Scientists

CAPS provided informational materials, including **hundreds of books on population and population-environment issues**, to Scientists and Environmentalists for Population Stabilization (SEPS) for booths at annual meetings of environmental scientific societies in the U.S and Earth Day events throughout the U.S. The booths show the past demographic history of the U.S. and projections for the future based on various immigration scenarios. SEPS is dedicated to fighting the widespread suppression of discussion of national population policies by many scientific and environmental organizations, as well as by other U.S. institutions, including Congress, mainstream media and universities.

CAPS Board/Advisory Board - New Members

Michael S. Rivera

CAPS welcomed Michael Rivera, a fifth-generation Hispanic-American, as a new member of its board of directors in 2016. Rivera has a long-time commitment to addressing the impacts of illegal immigration and has advocated the use of E-Verify by local municipalities and governments. Rivera has served on numerous boards and commissions in Central California, including the Santa Maria Recreation and Parks (commissioner and chairman of the board), County of Santa Barbara Private Industry Council (commissioner, chairman and CFO), City of Guadalupe (planning commissioner) and various committees, including the Mayors Housing Task Force.



Frank L. Morris, Sr.

In 2016, CAPS also welcomed Dr. Frank Morris, Sr. to the CAPS Advisory Board. Morris is the former Executive Director of the Congressional Black Caucus Foundation and former Dean of Graduate Studies at Morgan State University. He was previously a Senior Foreign Service Officer for the Agency for International Development in the U.S. State Department, Chief of Planning and Policy Analysis for the federal war on poverty agency and Special Assistant to the Director of the National Institute for Education while serving as a national Educational Policy Fellow. He received a B.A. from Colgate, a Master's in Public Administration from the Maxwell School of Syracuse University and a Ph.D. in Political Science from the Massachusetts Institute of Technology.



FINANCIAL STATEMENTS

DECEMBER 31, 2016



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Californians for Population Stabilization, Inc.

I have audited the accompanying financial statements of Californians for Population Stabilization, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my 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, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements of Californians for Population Stabilization, Inc. as of December 31, 2015, were audited by other auditors whose report dated July 14, 2016, expressed an unmodified opinion on those audited financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in blue ink that reads 'Anikouchine & Associates'.

Santa Barbara, California
June 29, 2017

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

	<u>ASSETS</u>	
	<u>2016</u>	<u>2015</u>
Current Assets:		
Cash and cash equivalents	\$ 110,489	\$ 179,386
Contributions receivable (Note 3)	15,459	15,511
Bequests receivable (Note 3)	-	22,500
Other receivables	141	141
Prepaid expenses	332	12,355
Total current assets	<u>126,421</u>	<u>229,873</u>
Property and Equipment - net (Note 4)	<u>6,561</u>	<u>8,676</u>
Other Assets:		
Investments (Note 5)	309,804	373,228
Interest in charitable remainder trust (Note 6)	265,197	265,717
Charitable gift annuity (Note 7)	4,408	4,408
Beneficial interest in assets (Note 8)	50,339	-
Deposit	<u>2,002</u>	<u>2,002</u>
Total other assets	<u>631,750</u>	<u>645,355</u>
Total Assets	<u>\$ 764,732</u>	<u>\$ 883,904</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 8,609	\$ 10,295
Accrued payroll, vacation, and other related items	<u>31,162</u>	<u>24,483</u>
Total current liabilities	<u>39,771</u>	<u>34,778</u>
Net Assets:		
Unrestricted	158,319	264,657
Temporarily restricted (Note 9)	<u>566,642</u>	<u>584,469</u>
Total net assets	<u>724,961</u>	<u>849,126</u>
Total Liabilities and Net Assets	<u>\$ 764,732</u>	<u>\$ 883,904</u>

See accompanying notes

CALIFORNIANS FOR POPULATION STABILIZATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Public Support and Revenue:				
Contributions	\$ 620,897	\$ 242,000	\$ 862,897	\$ 981,734
Membership	22,980	-	22,980	89,729
Bequests	21,477	-	21,477	107,000
Interest and dividend income	13,449	-	13,449	16,471
Realized (loss)/gain from sale of investments	6,794	-	6,794	(14,447)
Unrealized gain/(loss) on investments	(1,698)	-	(1,698)	2,672
Change in value of charitable remainder trust	-	(521)	(521)	209
Realized loss on disposal of assets	(1,697)	-	(1,607)	(516)
Other income	1,819	-	1,819	1,445
Net assets released from restriction due to program expenditure	259,306	(259,306)	-	-
Total public support and revenue	<u>943,416</u>	<u>(17,827)</u>	<u>925,589</u>	<u>1,184,297</u>
Expenses:				
Program services	730,117	-	730,117	869,910
Management and general	184,341	-	184,341	165,897
Fundraising	135,296	-	135,296	163,350
Total expenses	<u>1,049,754</u>	<u>-</u>	<u>1,049,754</u>	<u>1,199,157</u>
Change in Net Assets	(106,338)	(17,827)	(124,165)	(14,860)
Net Assets at Beginning of Year	<u>264,657</u>	<u>584,469</u>	<u>849,126</u>	<u>863,986</u>
Net Assets at End of Year	<u>\$ 158,319</u>	<u>\$ 566,462</u>	<u>\$ 724,961</u>	<u>\$ 849,126</u>

CALIFORNIANS FOR POPULATION STABILIZATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2016 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Program Services</u>	<u>Support Services</u>		<u>Total 2016 Expenses</u>	<u>Total 2015 Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Salaries and Related Expenses					
Salaries	\$ 107,503	\$ 90,065	\$ 38,752	\$ 236,320	\$ 219,883
Payroll taxes	9,366	7,846	3,376	20,588	20,281
Employee insurance and benefits	8,816	9,020	4,077	21,913	22,955
Total Salaries and Related Expenses	125,685	106,931	46,205	278,821	263,119
Advertising campaigns	306,864	166	166	307,196	398,578
College outreach	9,659	-	-	9,659	17,501
Rent and facility expense	6,802	20,405	6,802	34,009	39,505
Insurance	1,241	3,723	1,241	6,205	6,200
Development	8,019	-	69,515	77,534	126,055
Public relations	700	-	-	700	350
Telephone	3,064	2,723	1,021	6,808	6,290
Internet and web presence	36,461	2,087	1,339	39,887	43,050
Investment expenses	-	3,266	-	3,266	4,107
Office expense	5,737	16,582	2,703	25,022	23,609
Office supplies	1,320	3,886	1,297	6,503	6,012
Legal and accounting	13,089	7,917	-	21,006	21,200
Other outside services	177,488	3,739	287	181,514	181,817
Board meetings and travel	4,839	3,549	322	8,710	12,937
Registration fees	528	66	66	660	851
Printing and postage	26,667	5,632	2,535	34,834	38,454
Equipment rental	1,098	1,098	941	3,137	2,914
Depreciation	856	2,571	856	4,283	6,608
Total Expenses - December 31, 2016	<u>\$ 730,117</u>	<u>\$ 184,341</u>	<u>\$ 135,296</u>	<u>\$ 1,049,754</u>	
Total Expenses - December 31, 2015	<u>\$ 869,910</u>	<u>\$ 165,897</u>	<u>\$ 163,350</u>		<u>\$ 1,199,157</u>

CALIFORNIANS FOR POPULATION STABILIZATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (124,165)	\$ (14,860)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	4,283	6,608
Change in value of interest in charitable remainder trust	181	(209)
Contribution of stock	-	(10,043)
Realized loss on disposal of assets	1,607	516
Realized (gain)/loss on sale of investments	(6,793)	14,447
Unrealized loss on investments	1,698	(2,672)
Changes in:		
Contributions receivable	52	7,635
Bequests receivable	22,500	(15,000)
Prepaid expenses	12,003	(7,628)
Accounts payable	(1,685)	(3,707)
Accrued payroll, vacation, and other related items	6,679	(4,229)
Net cash used by operating activities	<u>(83,640)</u>	<u>(29,142)</u>
Cash Flows from Investing Activities:		
Purchase of investments	(48,465)	(271,017)
Proceeds from sale and maturity of investments	116,984	472,097
Purchase of property and equipment	<u>(3,776)</u>	<u>(1,043)</u>
Net cash provided by investing activities	<u>64,743</u>	<u>200,037</u>
Cash Flows from Financing Activities:		
To create beneficial interest in assets held by others	<u>(50,000)</u>	-
Net cash used by financing activities	<u>(50,000)</u>	-
Net Decrease in Cash	(68,897)	170,895
Cash and Cash Equivalents at Beginning of the Year	<u>179,386</u>	<u>8,491</u>
Cash and Cash Equivalents at End of The Year	<u>\$ 110,489</u>	<u>\$ 179,386</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.

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.

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 2016 and 2015, CAPS continued to receive media coverage of its positions highlighting the connections between population growth, excessive immigration, and environmental degradation.

Successful campaigns included radio, television and print campaigns which linked population growth to environmental degradation, others making the point that it is time to slow mass immigration and "save some America for tomorrow" for our children and grandchildren and also highlighting the loss of American jobs to legal and illegal foreign workers.

Work with State Legislature and Congress

CAPS continued 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 sponsored and encouraged the publication of well-written research articles relating to the primary purpose of the organization.

Open Dialogue Program

Invited speakers, CAPS members, Board, and Advisory Board members spoke on population, immigration, and environmental issues at various venues throughout California and the nation.

Population Education for Environmental Scientists: *The Need to Go Where They Are.*

CAPS supplied materials for conferences throughout the United States of America (U.S.) presenting information on the nature of U.S. population growth and of the clear feasibility of curbing it.

The California We Are Losing - *Views of our Golden State's transition from pristine to imperiled.*

CAPS expanded distribution of a mini-documentary "California Then & Now" through the website, social media and other interested parties. 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 1: ORGANIZATION (CONTINUED)

CROWDIFORNIA Video Contest

CAPS launched a nation-wide scholarship video contest for high school and college students asking that they detail how overpopulation in California is affecting one of the following subjects: biodiversity, natural resource depletion, education, traffic, and infrastructure, and then offer a possible solution.

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 value measured by quoted market prices.

Fair Value of Financial Instruments - The carrying amount of contributions receivable, other receivables, prepaid expenses, deposits, and current liabilities 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 15

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2016, 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.

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 and beneficial interest in 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.

Advertising Costs - Advertising costs are expensed as incurred.

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 AND BEQUEST RECEIVABLE

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 or bequest receivable has been recorded. Unconditional promises at year end 2016 and 2015 totaled \$38,011 and \$30,646, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at year end:

	<u>2016</u>	<u>2015</u>
Computers	\$ 12,711	\$ 16,979
Furniture and fixtures	23,664	23,664
Software	<u>13,290</u>	<u>13,290</u>
Total cost	49,665	53,933
Less accumulated depreciation	<u>(43,104)</u>	<u>(45,257)</u>
Property and equipment, net	<u>\$ 6,561</u>	<u>\$ 8,676</u>
Depreciation expense	<u>\$ 4,283</u>	<u>\$ 6,608</u>

NOTE 5: INVESTMENTS

Investments at December 31 consist of:

2016	<u>Cost</u>	<u>Fair Market Value</u>
Money Market	\$ 1,541	\$ 1,541
US Government Agency Bonds	2,922	3,290
Mutual Funds - Bonds	201,213	201,347
Mutual Funds - Equities	108,242	101,928
Equities	<u>1,182</u>	<u>1,698</u>
Total	<u>\$ 317,100</u>	<u>\$ 309,804</u>
Unrealized Loss		<u>\$ (7,296)</u>
Change in unrealized gain/(loss)		<u>\$ 1,698</u>
2015	<u>Cost</u>	<u>Fair Market Value</u>
Money Market	\$ 18,911	\$ 18,911
US Government Agency Bonds	8,765	9,182
Mutual Funds - Bonds	180,237	176,116
Mutual Funds - Equities	143,204	134,096
Equities	<u>27,709</u>	<u>34,923</u>
Total	<u>\$ 378,826</u>	<u>\$ 373,228</u>
Unrealized Loss		<u>\$ (5,598)</u>
Change in unrealized gain/(loss)		<u>\$ (2,672)</u>

NOTES TO FINANCIAL STATEMENTS

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 \$(521) and \$209 for the years ended December 31, 2016 and 2015, 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%.

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: BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In 2016, CAPS placed funds in the amount of \$50,000 with the Santa Barbara Foundation (SBF) for an endowment (the Fund). CAPS beneficial interest operates under a fund agreement. The Fund attempts to provide stable capital appreciation on a total return basis. Assets of the Fund are fully exposed to market risks and may experience market volatility and principal loss. The beneficial interest in the Fund is reported by CAPS at the estimated fair market value which is based on the reported net asset value of the fund as reported by SBF.

NOTE 9: TEMPORARILY RESTRICTED NET ASSETS

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

	2016	2015
Media campaign	\$ 271,508	\$ 297,619
Population education	25,530	16,725
Future periods	269,604	270,125
Total	\$ 566,642	\$ 584,469

NOTES TO FINANCIAL STATEMENTS

NOTE 10: ENDOWMENT

Interpretation of Relevant Law

The Board of Directors of Company has interpreted the California adopted Uniform Prudent Management of Institutional Funds Act (California UPMIFA) as requiring a long-term investment strategy designed to preserve the value of the original gift, as of the gift date. As a result of this interpretation, CAPS has classified as unrestricted board designated net assets the original value of gifts donated to the unrestricted endowment.

In accordance with California UPMIFA, the organization considers the following factors in making a determination to appropriate or invest board designated endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and donor restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Endowment Investment and Spending Policies

CAPS' endowment is currently invested in SBF. CAPS currently anticipates requesting the allowable amount from SBF as its endowment investment and spending policy. The spending policy will be reviewed annually in light of changing market assumptions, investment returns and the rate of inflation.

As of December 31, 2016, endowment net asset composition by type is as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Endowment Net Assets</u>
Board designated	\$ 50,339	-	\$ 53,339

CAPS did not have any changes in endowment net assets for the year ended December 31, 2015.

NOTES TO FINANCIAL STATEMENTS

NOTE 11: 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. In January

2016, CAPS exercised its option, entering into its seventh amendment of the lease, effective May 1, 2016, for three years and two months, terminating June 30, 2019, and grants an additional three-year term. Under the new lease, base rent, including basic utilities, is \$3,346, \$3,440, and \$3,536 effective May 1, 2016, 2017, and 2018, respectively. Rental expense for the year ended December 31, 2016 and December 31, 2015 was \$32,205 and \$36,033, respectively.

The future minimum lease payments for the next four years are:

2017	\$	40,904
2018		42,048
2019		<u>21,216</u>
Total	\$	<u>143,064</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 12: 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 13.99%. The second card has a \$11,000 limit, with a \$3,500 cash advance limit, and bears an annual interest rate of 18.65%. CAPS routinely pays amounts due in full each month. At December 31, 2016, CAPS has included the outstanding liabilities on these cards in accounts payable.

NOTE 13: 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 years ended December 31, 2016 and 2015, CAPS contributed \$5,622 and \$6,475, respectively.

NOTE 14: 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 is limited to \$250,000 per depositor per bank institution for interest-bearing accounts. All of the interest-bearing accounts held by CAPS were fully FDIC insured at December 31, 2016.

NOTES TO FINANCIAL STATEMENTS

NOTE 14: CONCENTRATION OF RISK (CONTINUED)

Certain of 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, 2016. 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, 2016, CAPS had no such investments.

During 2016, one foundation contributed approximately 57% and another approximately 11% of CAPS total revenue. During 2015, one foundation contributed approximately 54% and another approximately 10% of CAPS' total revenue.

NOTE 15: 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 16: ALLOCATION OF JOINT COSTS

In the years ended December 31, 2016 and 2015, CAPS incurred joint costs of approximately \$31,826 and \$35,858 respectively, for informational materials and activities that included fundraising appeals.

NOTE 17: 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 17: FAIR VALUE (CONTINUED)

The investments and interests in trusts carried on the statement of financial position by level within the valuation hierarchy as of December 31, 2016 and 2015, are as follows:

Description	Level I	Level II	Level III	Total
2016				
Money Market	\$ 1,541	\$ -	\$ -	\$ 1,541
US Government Obligations	3,290	-	-	3,290
Mutual Funds				
Bonds	201,347	-	-	201,347
Equity	101,928	-	-	101,928
Equities	1,698	-	-	1,698
Interest in Trusts	-	-	319,944	319,944
Total	\$ 309,804	\$ -	\$ 319,944	\$ 629,748
2015				
Money Market	\$ 18,911	\$ -	\$ -	\$ 18,911
US Government Obligations	9,182	-	-	9,182
Mutual Funds				
Bonds	176,116	-	-	176,116
Equity	134,096	-	-	134,096
Equities	34,923	-	-	34,923
Interest in Trusts	-	-	270,125	270,125
Total	\$ 373,228	\$ -	\$ 270,125	\$ 643,353

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

	2016	2015
Interest in trusts, beginning of year	\$ 270,125	\$ 269,916
Transfer from Level I to Level III	50,000	-
Change in value	(181)	209
Interest in trusts, end of year	<u>\$ 319,944</u>	<u>\$ 270,125</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 17: FAIR VALUE (CONTINUED)

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.

Mutual funds, US Government obligations, and equities are valued utilizing quoted prices available in active markets for identical investments as of the reporting date.

Money market funds are valued at the closing price from an actively traded exchange. The fair value of the charitable remainder trust, gift annuity trust, and beneficial interest in trust are valued based upon Level III inputs and the methods of calculating fair value are described in Notes 6, 7 and 8.

In 2016, CAPS transferred \$50,000 from Level 1 to Level III to create its beneficial interest in assets held by others. (See Note 8). There were no transfers between Levels I, II, and III of the fair value hierarchy during 2015.

NOTE 18: SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 29, 2017, 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. 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, and in 2014, he received the Sierra Club Outstanding Achievement Award in Land Conservation. He co-authored *Toxics A to Z: A Guide to Everyday Pollution Hazards* (University of California Press). Dick received his bachelor's and master's degrees from the University of California at Berkeley.

Ben Zuckerman, Ph.D., Vice-President. Los Angeles, CA. Professor Emeritus of Physics and Astronomy and Research Professor at UCLA, Dr. Zuckerman is a longtime environmentalist who was cited by Science in 2008 for obtaining the first-ever image of a new planetary system. He received undergraduate and graduate degrees from MIT and Harvard. His major scientific interests have been the birth and death of stars and planetary systems. He has maintained a continuing interest in life -- especially intelligent life -- in the Universe and developed a course on "Life in the Universe". He also developed a UCLA Honors course entitled "The 21st Century: Society, Environment, Ethics." He has co-edited six books including, "Extraterrestrials, Where Are They?" Cambridge University Press 1995, "The Origin and Evolution of the Universe" Jones & Bartlett 1996, and "Human Population and the Environmental Crisis" Jones & Bartlett 1995. He is or has been a member of the Board of Directors of Sea Shepherd Conservation Society and the Sierra Club and is an Advisory Board member of the Wildlife Waystation.

Keith J. Mautino, Secretary. Santa Barbara, CA. A fifth-generation Californian concerned with quality of life and urban density issues in the State, 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. Keith also served on the boards of the Courthouse Legacy Foundation as well as 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, Keith has served as a commissioner to the County Historic Landmarks Commission, representing the 2nd 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.

Kenneth Pasternack, J.D., Treasurer. Santa Barbara, CA. Pasternack is an investor. During the 1990s he was a technical writer of computer software manuals. During the 1970's and 1980's he practiced banking law in Los Angeles. Pasternack became concerned and active about overpopulation while attending college during the 1960's, 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 his letters to the editor and guest columns have been published in several newspapers. He holds a bachelor's degree from Brown University in sociology, and received his law degree from the University of Arizona.

Judith F. Smith Executive-at-Large. Santa Barbara, CA. Judith graduated from Stanford University with a BFA in Art & Architecture and founded an interior design firm with a practice in Los Angeles and Santa Barbara. Her extensive volunteer commitments have included being President of the Community Arts Music Association, the Stanford Alumni Club Santa Barbara County and the Santa Barbara Museum of Art Women's Board. She has previously held board positions in the National Charity League, the Los Positas Park Foundation, the Music Academy of the West, and is currently a board member for Opera Santa Barbara, the Cottage Hospital Rehabilitation Foundation and active in several other non-profit groups.

Marilyn Brant Chandler DeYoung, M.A. Member. Santa Barbara, CA. DeYoung 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, non-profit and civic boards. DeYoung earned a master's degree in urban planning from UCLA.

Kim Fletcher, Jr., Member. Del Mar, CA. A graduate of Stanford University who served in the U.S. Army in World War II, Fletcher joined Home Federal as a management trainee in 1950 and was Chairman of the Board when he retired in 1992. He was formerly Director of the Federal Home Loan Bank of San Francisco, and is currently President of Investors Leasing Corporation, a real estate investment company. Active in many non-profit organizations, he is currently a member of the San Dieguito Boys & Girls Clubs. He is a life time 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.

Otis L. Graham, Jr., Ph.D. Member. Santa Barbara, CA. Graham is an historian of modern America, a Professor Emeritus at the University of California, Santa Barbara, and a retired Visiting Scholar from the University of North Carolina, Chapel Hill. He is the author or editor of 17 books and numerous articles on the history of the United States, especially on American reform movements, political economy, environment and immigration. He has been named 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, and received the Robert Kelley Memorial Award from the National Council on Public History. He is a graduate of Yale University and earned a Ph.D. from Columbia University.

Kristin Larson, Esq., Member. Santa Barbara, CA. Larson holds two degrees in science and a juris doctor. Her international law practice focuses on environmental business law, advising clients on liability risks, compliance and sustainability strategies. Prior to her return to Santa Barbara, Kristin was a lawyer with Skadden, Arps, Slate, Meagher & Flom LLP in Washington DC, where, for more than ten years, she represented a broad array of clients from industrial manufacturing sectors and financial institutions. Recently, Kristin's counseling efforts have been directed to renewable energy generation and sustainability counseling. Before becoming a lawyer, Larson spent almost a decade in Antarctica managing the National Science Foundation's research and environmental compliance matters. She also served in the White House Council for Environmental Quality successfully shepherding a Presidential Order through a multi-agency rule-writing and stakeholder process. Larson served for more than 10 years on the Board and Legal Committee of the venerable Explorers Club of New York. To honor her Antarctic achievements, "Kristin Peak" (located in Antarctica) was named for her in 2001. Larson's interest in population issues relates directly to her concerns for moderating environmental impacts and sustaining healthy ecosystems. She received a J.D. at George Washington University Law School, a Master of Science degree from University of Oregon, Institute of Marine Biology, and a bachelor's degree from Lewis and Clark College, in Portland, Oregon.

Michael S. Rivera, Member. Paso Robles, CA. A fifth-generation American, Mr. Rivera has a long-time commitment to addressing the impacts of legal and illegal immigration and has advocated the use of E-Verify by local municipalities and governments. He has served on numerous boards and commissions in Central California, including Santa Maria Recreation and Parks (commissioner and chairman of the board), County of Santa Barbara Private Industry Council (commissioner, chairman and CFO), City of Guadalupe (planning commissioner) and various committees, including the Mayors Housing Task Force.

CAPS Advisory Board

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