

About Think New Mexico

Think New Mexico is a results-oriented think tank serving the citizens of New Mexico. We fulfill our mission by educating the public, the media and policy makers about some of the most serious problems facing the people of New Mexico and by developing effective, comprehensive, long-term solutions to those problems.

Our approach is to perform and publish sound, non-partisan, independent research. Unlike many think tanks, Think New Mexico does not subscribe to any particular ideology. Our focus is instead on promoting workable solutions. We use advocacy and, as a last resort, legal action but only within the constraints of Federal tax law.

Consistent with our non-partisan approach, Think New Mexico's board is composed of Democrats, Independents and Republicans. They are statesmen and stateswomen, who have no agenda other than to see New Mexico succeed. They are also the brain trust of this think tank.

As a results-oriented think tank, Think New Mexico measures its success based on changes in law or policy that it is able to help achieve and which improve New Mexico's quality of life. We are best known for our successful campaign to make full-day kindergarten accessible to every child in New Mexico.

Think New Mexico began its operations on January 1, 1999. It is a nonprofit, tax-exempt organization under section 501 (c) 3 of the Internal Revenue Code. In order to maintain its independence, Think New Mexico does not accept government funding. However, contributions from individuals, businesses and foundations are welcomed, encouraged and tax-deductible.

To Our Friends and Partners:

In our now familiar role as the proverbial skunk at the garden party, Think New Mexico revealed some unpleasant facts about New Mexico's tax policy in our 2001 report, "Why New Mexico Needs to End the Food Tax and How to Do it."

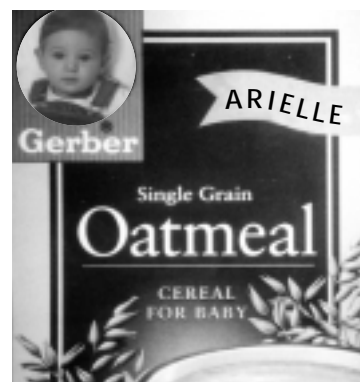
For example, New Mexico is one of only nine states that continues to fully tax groceries. In addition, horse feed is exempt from New Mexico gross receipts tax, but baby food receives the full gross receipts tax hit (more than 6% on average). And while New Mexico taxes food relatively harshly, it taxes cigarettes relatively lightly: 21 cents per pack or about a penny per cigarette.

The food tax report resulted in the introduction of legislation during the last 30-day session, which would have abolished the state portion of the food tax and increased the tax on cigarettes by 60 cents per pack to replace the lost revenue. After a rather remarkable political odyssey, the legislation died on the House Floor on an unrecorded concurrence vote with less than an hour left in the session. That occurred, however, only after two senate committees, the full Senate and two house committees passed it without amendment. The Senate vote was 35-4.

The tobacco lobby and their allies finally succeeded in gutting our bill in the third house committee to hear it and got the House to go along on a 37-27 vote. The Senate responded by removing the weakening amendments and voted in favor of the bill for a second time, but by a larger margin of 38-0. We selected the cartoon by the Albuquerque Journal North's Jonathan Richards for the cover of this Annual Report because it so neatly summarizes both the mission and fate of our food tax legislation.

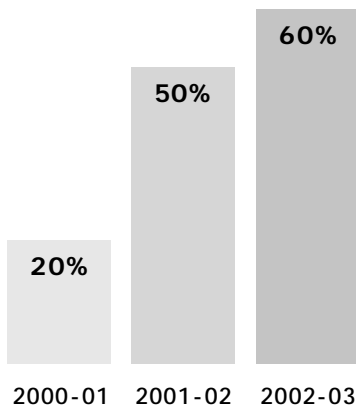
Once again, we received lots of help. We are particularly grateful to Senate Majority Leader Manny Aragon and Senator Ramsay Gorham, who agreed to be our sponsors. They come from different parties and represent opposite ends of the ideological spectrum, but they found common ground on the need to eliminate the food tax in New Mexico. By working together they proved to be enormously effective.

In addition, we want to publicly thank the coalition of grassroots organizations that joined us in the fight to end the food tax. They ranged from The Hispano Chamber of Commerce to



Horse feed is not taxed, while baby food is taxed in New Mexico.

**Full Day Kindergarten Enrollment
Growth in New Mexico**



Common Cause New Mexico. Others included Archbishop Michael Sheehan and Governor Gary Johnson, who publicly promised to sign our bill. A full list of coalition members appears on page 5. Likewise, the food tax report and the resulting legislation received editorial support from 16 different newspapers across the State. A sampling is re-printed on pages 8 and 9. A full list appears on page 10. This broad support makes us optimistic that we will achieve our goal in the upcoming year.

Meanwhile, we have continued to work on our signature issue, the landmark law which phases in full-day kindergarten over a five-year period. It is a testament to the success of the program that in an essentially flat budget year, the Legislature and the Governor added \$4 million to the \$21.8 million base operating budget to expand full-day kindergarten to 60% of the public schools and keep to the original five-year timetable. This means that 222 public schools and about 15,000 students will have access to full-day kindergarten in September, 2002. In addition, the Legislature and the Governor agreed to an additional \$5 million of one time capital outlay money to build new full-day kindergarten classrooms. Given Think New Mexico's \$152,684 budget for 2001, the \$30.8 million total appropriation for full-day kindergarten represents a social return on investment of approximately \$200 for every dollar invested in Think New Mexico.

2001 was also a milestone year for Think New Mexico because we vacated our 153 foot square office and entered into a below market, long-term lease for larger space in a 90 year old house.

Think New Mexico's new Headquarters at 1227 Paseo de Peralta in Santa Fe.



Like our old space, it is in an ideal location, across the street from the State Capitol.

We are fortunate that our board of statesmen and stateswomen remains identical to the one with which we began more than three years ago. On page 12, we profile New Frontiersman, Stewart Udall, our iconoclastic leader and Board Chairman. Brief biographies of the rest of the board are on pages 6 and 7.

With this Annual Report, we also welcome Kristina Fisher to Think New Mexico as our new Research Director (and web master). Kristina, a former Valedictorian at Santa Fe Prep, graduated earlier this year from Williams College *Summa Cum Laude*. She is also a recipient of two prestigious national scholarships: the Harry S Truman Scholarship in Leadership and Public Service and the Morris K. Udall Scholarship in Environmental Studies. Kristina joins a stellar staff that includes Lynne Buchen, who is profiled on page 13 of this report, and Carol Romero-Wirth who was profiled in last year's report.



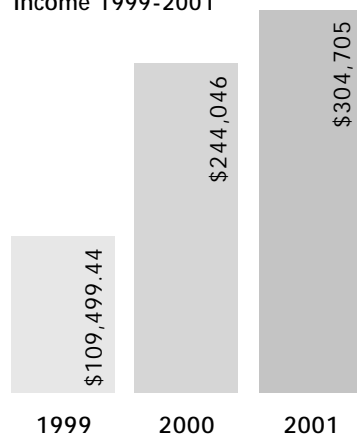
Lynne Buchen
Kristina Fisher
Fred Nathan
Carol Romero-Wirth

Think New Mexico's Balance Sheet and Statement of Income and Expenditures for 2001, as well as administration and fundraising as a percentage of income are on pages 14 and 15. One of our goals in this Annual Report is to give you the financial information about Think New Mexico that we would want if our positions were reversed.

Finally, on pages 17-19, you will find our foundation partners and individual "social investors." The list continues to grow rapidly. This is gratifying and allows us to focus most of our time, resources and energy on getting positive policy results. In this regard, if you like what you read here, I encourage you to make an investment in good government by sending a tax-deductible check to Think New Mexico in the attached envelope.

Fred Nathan
Founder and Executive Director
June 1, 2002

Think New Mexico's Increase in Income 1999-2001



Source: Betts, Bishop and Logains, LLC .

Coalition to Abolish the Food Tax

Agriculture

New Mexico Farmers' Marketing Association
New Mexico Farmers' Union

Business

Hispano Chamber of Commerce
New Mexico Grocers' Association

Community

Governor Gary Johnson
American Association of Retired Persons (AARP)
Common Cause New Mexico
Gray Panthers
Hands Across Cultures
Insurance Superintendent Eric Serna

Health

Cimarron Health Plan
Health Action New Mexico
Lovelace Health Systems
New Mexico BlueCross BlueShield
Presbyterian Health Services

Hunger

New Mexico Association of Food Banks
Albuquerque Roadrunner Food Bank
Clovis Food Bank
Farmington Echo Food Bank
Las Cruces Food Bank
McKinley County Food Bank
Santa Fe Food Depot

Poverty

Center on Law & Poverty
Human Needs Coordinating Council
Hunger & Poverty Network

Religious

Archbishop Michael Sheehan
New Mexico Conference of Churches
New Mexico Family Council
Lutheran Office of Governmental Ministry

Think New Mexico's Board of Directors

Edward Archuleta, a 13th generation New Mexican, is the Director of the Santa Fe office of 1000 Friends of New Mexico, a nonprofit organization that advocates responsible land-use planning, growth management and sustainable development. Edward previously served as the top assistant to former New Mexico Secretary of State Stephanie Gonzales.



Paul Bardacke served as Attorney General of New Mexico from 1983-1986. Paul is a member of the American College of Trial Lawyers. He currently handles complex commercial litigation with the firm of Eaves, Bardacke, Baugh, Kierst & Kiernan.



David Buchholtz has served on a long list of New Mexico boards and commissions and has advised several New Mexico governors on fiscal matters. David recently served as Chairman of the Association of Commerce and Industry. He is a senior shareholder and former President of Sutin, Thayer & Browne.



Garrey Carruthers served as Governor of New Mexico from 1987-1990. Currently, Garrey is President and CEO of Cimarron Health Plan. He is a member of the Board of Directors of the U.S. Chamber of Commerce, the National Center for Public Policy and Higher Education and the New Mexico Business Roundtable for Educational Excellence.



Elizabeth Gutierrez is an organizational development consultant who is pursuing a doctoral degree in public policy. Liz was a marketing executive with IBM for nearly two decades. She has also served as Director of Administrative Services Department for the City of Santa Fe.



LaDonna Harris is an enrolled member of the Comanche Nation. LaDonna is Chairman of the Board and Founder of Americans for Indian Opportunity, a national nonprofit organization that serves as a catalyst for new concepts and opportunities for Native peoples. She was a leader in the effort to return the Taos Blue Lake to Taos Pueblo.





Rebecca Koch is the owner of Rebecca Koch & Associates which provides management consulting services in the areas of development and strategic planning to local and national non-profits. Rebecca was the organizational development consultant for the Santa Fe Business Incubator, Inc. She is a former President of the Board of New Mexico Literary Arts.



Fred Nathan founded Think New Mexico and is its Executive Director. Fred served as Special Counsel to New Mexico Attorney General Tom Udall from 1991 to 1998. In that capacity, he was the architect of several successful legislative initiatives and was in charge of New Mexico's successful 1.25 billion dollar lawsuit against the tobacco industry.



Frank Ortiz, a career Foreign Service Officer of the United States, has served as United States Ambassador to several countries, including Argentina, Guatemala and Peru. Frank serves on many boards throughout New Mexico.

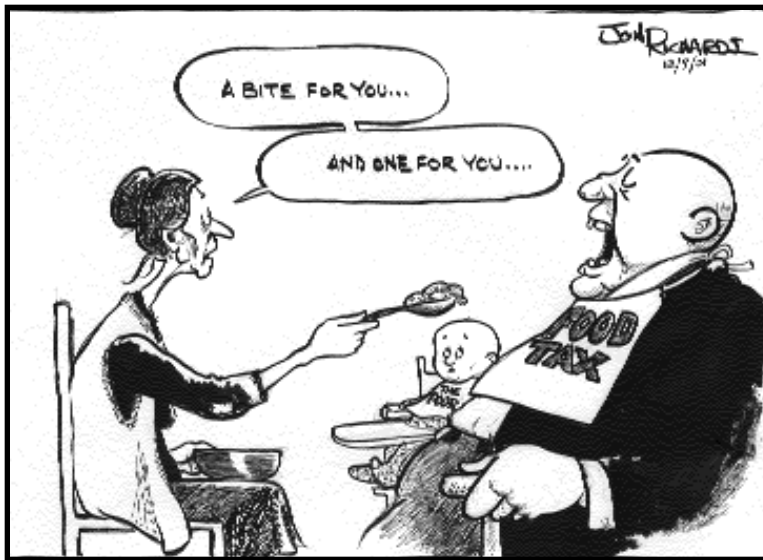


Roberta Cooper Ramo is the first woman elected President of the American Bar Association. Roberta is a former President of the Board of Regents of the University of New Mexico. She is a shareholder with the Modrall law firm and serves on many national boards.



Stewart Udall served as Secretary of the Interior under Presidents Kennedy and Johnson. Prior to that, Stewart served three terms in Congress. He is the author of *The Quiet Crisis* (1963) that tells the story of humankind's stewardship over the planet's resources, and *To the Inland Empire: Coronado and Our Spanish Legacy* (1987) which celebrates Hispanic contributions to our history.

The Year in Review



THE SANTA FE **NEW MEXICAN**

Sunday, November 4, 2001

The West's Oldest Newspaper

Founded 1849

Robin M. Martin, Editor and Publisher

Robert M. McKinney, Editor and Publisher, 1949-2001

William W. Waters,
Editorial Page Editor

Robert Dean,
Managing Editor

202 E. Marcy St. · Santa Fe, N.M. 87501

Lawmakers have chance to end food tax

Of all the taxes conjured up by the world's oppressors, none is as oppressive — or regressive — as the one on food. Historically, it has led to revolution. In modern America, it merely makes the poor poorer.

Enacted in New Mexico as an emergency tax when the Depression rendered property tax a low-yield proposition, the sales tax in various guises remains a revenue mainstay — and it still applies to groceries in a state that's No. 1 in the U.S. Department of Agriculture's roll of "prevalence of food insecurity and hunger."

Thirty-three states don't tax food; eight others give groceries a break of one form or another. Only nine, including the handful so often found at the bottom of our nation's socioeconomic heap, tax food at the same rate as frivolities.

It's a statewide shame, and it should stop. Over the years, some of the biggest hearts in the New Mexico Legislature have tried to reduce or eliminate the food tax. A big reason they failed was that food tax

supplies about \$50 million a year in revenue — and no new revenue sources were offered to plug that hole in the treasury.

Now comes Think New Mexico, the public-policy organization dedicated not just to studying our state's problems but to solving them as well with a bipartisan approach. This is the bunch that amazed political cynics two years ago when it persuaded the Legislature and Gov. Gary Johnson to enact full-day kindergarten.

They did it during the Legislature's monthlong "short" session. How? They countered such arguments as "not enough money" with concrete proposals for public-spending cuts, if necessary. Most of all, they convinced lawmakers of both parties that all-day kindergarten was the right thing to do.

That argument will go a long way on the food-tax front as well — but what about the lost revenue? It can be covered with a whopping increase in the excise tax on cigarettes. By raising today's 21-cent-a-pack tax to 80 cents a pack, our legislators could eliminate the food tax and still cover such predictable effects as:

- Increased Indian-reservation cigarette purchases.
- Some New Mexicans giving up smoking — a public-health byproduct of this measure.

To be sure, the tobacco lobbyists will fight this effort tooth and nail. But theirs is a deservedly losing cause. Four years ago, Alaska boosted its cigarette tax from 29 cents all the way to a dollar a pack. New Mexico's current rate ranks nationally in the bottom 15 — with the tobacco-growing states. Anybody seen any Lucky Strike farms along the Rio Grande?

Tobacco tax for food tax is a trade as good as it is overdue. We salute Think New Mexico — its tiny staff, its inspired board of directors and the foundations and individuals supporting it — for the homework and thought behind this campaign to end the food tax. We urge our senators and representatives, and the governor, to carry out this proposal on behalf of all their fellow New Mexicans.

Think, New Mexico, Repeal Food Tax

Commentary by R. Braiden Trapp

Think New Mexico, an independent think tank, has hatched another great idea, this one urging the repeal of gross receipts tax on food. Repealing any tax is difficult because once the pork spenders in Santa Fe get attached to a revenue flow, they're like drug addicts giving up a source.

New Mexico is once again at the top of a bad list or the bottom of a good list, depending on how it's viewed. It is one of nine states in

the country that fully taxes food. Additionally, it taxes food at one of the highest rates, an average of 6 percent.

New Mexico leads the country in prevalence of hunger. Fifteen percent of our population fall into that category, a full percent ahead of Mississippi.

Think New Mexico theorizes eliminating the tax on food would allow lower income people to buy more of it, helping to reduce hunger.

The Rio Grande Sun 1/24/02

Food tax bill promoted fairness

A proposal to bring more fairness to our tax system died in this year's legislative session, which ended Thursday.

The House rejected a Senate proposal to eliminate the state's portion of the food tax and offset the revenue loss with a big increase in the cigarette tax.

In so doing, the House turned down an effort to help our state's poorest residents. The food tax is

one of the most regressive because it consumes a far greater portion of poor families' budgets. It's hard to avoid the tax because everyone needs to eat.

What's particularly disturbing is that both Senate Pro Tem Richard Romero, D-Albuquerque, and Republican Gov. Gary Johnson blamed the bill's demise on the influence of the tobacco lobby. Let's hope that is not the case.

Eliminating the food tax drew the support of both liberals and conservatives. Indeed the bill's sponsors were the liberal Sen. Manny Aragon and conservative Sen. Ramsay Gorham.

It's time all lawmakers jump on the bandwagon.
The Carlsbad Current-Argus 2/17/02

Food Tax Should Go

Editor:

This is for all the people who believe New Mexico's food tax is no big deal. Here's just a little food for thought on how many in New Mexico try to survive without government assistance, like food stamps.

First, you pay the rent so you won't be homeless and the utilities so you won't freeze. Next, you pay the water bill so you can bathe and flush the toilet. Then

there is gas for the car and car insurance so you can go to work, school and the doctor. Last, but not least, are groceries.

After the other necessities, you may have as much as \$200 left to buy soap, toilet paper, toothpaste shampoo and food for your family to last one month. In my case, if there is not enough money or food, then I go without or eat too little so that my boys, 11 and 13, can eat.

It's true when you hear people say they live off beans, rice, potatoes and pasta.

Have you even been to the grocery store and had to tell your children that they can't have a salad with spaghetti because you can't afford it? I have and it shouldn't have to be that way.

Linda Williams,
Silver City, N.M.

Deming Headlight 4/23/01

Editorial and Opinion Support for Abolishing the Food Tax

Alamagordo Daily News, *Cutting Food Tax a Good First Step for Lawmakers*, 2/7/02.

Albuquerque Journal, *The Trouble with Taxing Food*, 1/31/02 (David Alire Garcia).

Albuquerque Tribune, *Take Advantage of This Time of Political Accord*, 1/29/02 (Jack Ehn).

Carlsbad Current-Argus, *Eliminating Tax Would Help Poor*, 1/19/02 (David Giuliani).

Carlsbad Current-Argus, *Food Tax Bill Promoted Fairness*, 2/17/02 (David Giuliani).

El Defensor Chieftain (Socorro), *Eliminating the Food Tax a Break for Families*, 1/12/02.

Hobbs News-Sun, *Food Tax Bill a Good Idea*, 2/13/02.

La Cocinita, *New Mexico's Food Tax: Time to Phase It Out*, 1/1/02

Las Vegas Daily Optic, *State Think Tank 's Proposal Would End Food Tax*, 1/25/02.

Raton Range, *Good Ideas Die at Legislature*, 2/22/02 (Kristen Davenport).

Rio Grande Sun, *Think, New Mexico, Repeal Food Tax*, 1/24/02 (R.Braiden Trapp).

Ruidoso News, *That Wonderful Pooh Bear, Manny Aragon*, 2/13/02 (Ned Cantwell).

Sangre de Cristo Chronicle (Angel Fire), *Quit Taxing Our Sustenance!* 1/31/02 (Ellen Miller-Goins).

Santa Fe New Mexican, *Lawmakers Have Chance to End Food Tax*, 11/4/01 (Bill Waters).

Santa Fe New Mexican, *Bipartisan Support to End Food Tax*, 1/28/02 (Bill Waters).

Silver City Sun-News, *Eliminate Food Tax*, 2/1/02.

Taos News, *Gross Receipts Tax on Food Should be Eliminated Now*, 1/24/02 (Gary Maitland).

Weekly Alibi, *Food Tax Died a Senseless Death*, 2/28/02 (Tim McGivern).

Think New Mexico Hosts Second Annual "Best Practices" Conference for Full-Day Kindergarten Teachers and Principals

Helping to enact good laws is only part of what we do at Think New Mexico. We also work to ensure high quality implementation. For example, we identified the lack of professional development for full-day kindergarten teachers as a threat to the program's quality. So in September 2000 we conducted a professional development conference for about 100 full-day kindergarten teachers.

Because of the success of that conference, Think New Mexico organized and hosted its Second Annual "Best Practices" Conference for Full-Day Kindergarten Teachers and Principals on September 28 and 29, 2001, at the Hyatt Regency Hotel in Albuquerque. The conference brought together nearly 200 full-day kindergarten teachers, principals and some of the best early childhood experts in New Mexico.

Speakers included Dr. Steven Miller, Vice-President of Research at the Santa Fe Institute, who addressed "Minds, Brains and How Young Children Learn," Dr. Eric Lopez, Assistant Professor at New Mexico State University, who discussed, "Meeting the Needs of Culturally and Linguistically Diverse Young Children," and Dauna Howerton of the State Department of Education, who addressed "the Six Elements of Reading Readiness."

Generous funding from Bank of America Foundation, Intel, Los Alamos National Laboratory Foundation, New Mexico BlueCross BlueShield and the Ethel Jane Westfeldt Bunting Foundation made it possible for Think New Mexico to pay all of the travel, food and lodging expenses of the participants. This allowed us to roughly double attendance from the 2000 conference.



Sherry DeHoog



Margaret Ware

Feedback on the conference was overwhelmingly positive. A typical example came from Sherry DeHoog, a full-day kindergarten teacher at Animas Elementary in Farmington, who said, "Lots of insight for me, helpful for understanding my students. Overall the conference was terrific." Margaret Ware, Principal at Valley View Elementary in Las Cruces added in her evaluation: "Thank you for the opportunity to bring my teachers and myself to this conference at a price that we could afford. (Our) time was well spent."

Board Profile: Stewart Udall

Stewart Udall is the first and has been the only Chairman of the Board of Think New Mexico since its inception more than three years ago.

During his tenure, he has been known to make cameo appearances before the state legislature and editorial boards to boost Think New Mexico policy recommendations when they were not progressing quite fast enough. (Stewart also runs a crisp board meeting: although everyone has an ample opportunity to participate, you never want to pause too long between thoughts or you may lose your turn to speak.)

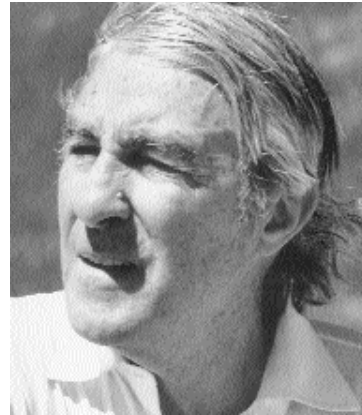
However, it is his iconoclasm that makes this former New Frontiersman the ideal person to lead our small, but ambitious organization in our uphill battles against the status quo and conventional political wisdom in New Mexico.

After serving three terms in Congress and eight years as Interior Secretary under Presidents Kennedy and Johnson, Stewart rejected the more lucrative job opportunities available to someone of his stature had he remained in Washington D.C.. He and Lee chose instead to move back West.

Eventually he moved to New Mexico in part to represent Navajo uranium miners and their widows. Because of the perceived urgencies of the Cold War, these humble Navajo people had not been warned of the dangers of cancer associated with exposure to radiation in the mines. After losing a series of court cases over a dozen years, Stewart ultimately won passage of the Radiation Exposure Compensation Act in Congress and with it a large measure of justice for his clients.

He grew up in a Mormon farm village in St. John's, Arizona just across the state line from Catron County, New Mexico. Stewart, however, was not much of a farmer as his brother, Burr, now laughingly recalls. "We would go out in the morning, and you could count on it – pretty soon Stewart's horses would be wandering around without Stewart because he'd be off somewhere thinking about some big world problem, Hitler or something."

Agriculture's loss was government's (and Think New Mexico's) gain and now Stewart has passed on what he calls the "defective [political] gene" to his son, Tom, who represents New Mexico in Congress.



Staff Profile: Lynne Loucks Buchen



As she sat down for her job interview with Think New Mexico last year, Lynne Loucks Buchen announced "I don't like partisan politics." We explained that we don't either and shortly thereafter offered her the job. Lynne accepted and has been over-worked and underpaid ever since.

As Think New Mexico's Office Manager/Finance Manager, she has computerized the accounting system, converted our primitive mail lists to a new database software system, obtained health insurance coverage, developed personnel policies, orchestrated all of the logistics for Think New Mexico's Second Annual "Best Practices" Conference for Full-Day Kindergarten Teachers and Principals and engineered our office move.

This is in addition to Lynne's regular duties, which include overseeing all revenues and expenditures, producing monthly financial reports, tracking budgets and grants, handling payroll taxes and reports, and coaching our colorful corps of volunteers.

Somehow Lynne has been able to accomplish all this while working part-time. While major corporations and governments have "organizational infrastructure," Think New Mexico has Lynne.

Perhaps best of all, Lynne is a militant recycler, who regularly delights us by finding new and innovative ways to save money. (Her frugality is reflected in our financial statements that you will find on the following two pages.)

"I enjoy the challenge of helping to manage a successful non-profit and allow the passionate individuals with whom I work to concentrate on the program goals," says Lynne. "It's also immensely inspiring and rewarding to work for an organization that is making a tangible difference in New Mexico."

Lynne is a Los Alamos native. In fact, if you were born between 1955 and 1988 in Los Alamos, it's a pretty safe bet that her father, Dr. James Loucks, was the doctor who delivered you. Lynne is married to Jerry, who among many other things, has repaired or built virtually all of Think New Mexico's office furniture. Together they have three daughters and two grandchildren. In her spare time, Lynne sings with the nationally recognized Santa Fe Women's Ensemble along with her daughter, Elizabeth, a student at the University of New Mexico Medical School.

Statement of Income and Expenditures

INCOME

Grants	268,430
Contributions	31,099
Interest & Miscellaneous Income	5,176
Total Income	\$304,705

EXPENDITURES

Salaries	82,418
Payroll Taxes & Benefits	15,033
Audit/Accounting	2,966
Contract Services	5,210
Depreciation	3,554
Full-Day Kindergarten Conference	8,810
Graphic Design	In-kind
Insurance	912
Miscellaneous	785
Office Supplies	1,416
Postage	5,453
Printing & Bulk Copying	12,202
Rent/Utilities	8,366
Stewardship/Board Expenses	130
Telephone/Fax/Internet	4,014
Training/Subscriptions/Dues	1,415
Total Expenses	\$152,684

Note: These financial statements do not include in-kind contributions and materials from 2001, which totaled \$23,590.

Source: Think New Mexico's IRS Form 990 for 2001. Statement of Functional Allocation of Expenses and Independent Audit by Betts, Bishop and Loggains, LLC Certified Public Accountants.

Administration & Fund-Raising as a Percentage of Income

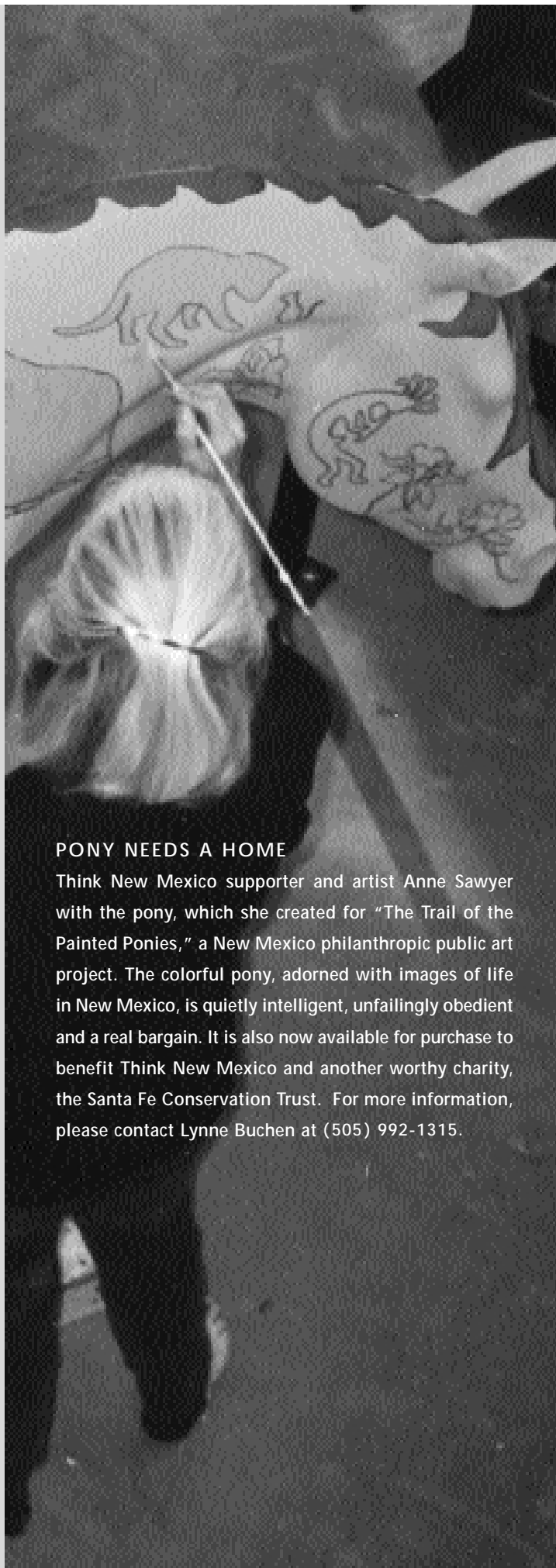


Think New Mexico's administrative overhead as a percentage of income in 2001 was 4.8%.

The McCune Charitable Foundation underwrites all of Think New Mexico's administrative overhead expense through an exceptionally generous two-year grant.

Think New Mexico's fund raising as a percentage of income in 2001 was 3.5%.

Source: Statement of Functional Allocation of Expenses and Independent Audit by Betts, Bishop and Loggains, LLC Certified Public Accountants.



PONY NEEDS A HOME

Think New Mexico supporter and artist Anne Sawyer with the pony, which she created for "The Trail of the Painted Ponies," a New Mexico philanthropic public art project. The colorful pony, adorned with images of life in New Mexico, is quietly intelligent, unfailingly obedient and a real bargain. It is also now available for purchase to benefit Think New Mexico and another worthy charity, the Santa Fe Conservation Trust. For more information, please contact Lynne Buchen at (505) 992-1315.

FINANCIAL SUMMARY

Balance Sheet

ASSETS

Cash and Cash Equivalents	240,907
Contributions Receivable	56,000
Property and Equipment, Net of Accumulated Depreciation	11,446
Total Assets	\$308,353

LIABILITIES

Accrued Expenses	2,358
Accounts Payable	3,000
Total Liabilities	\$ 5,358

NET ASSETS

Unrestricted	215,111
Temporarily Restricted	87,884
Total Net Assets	\$302,995
Total Liabilities and Net Assets	\$308,353

Source: Independent Auditor's Report for the Year Ended December 31, 2001. Betts, Bishop & Loggains, LLC Certified Public Accountants.

What Others are Saying about Think New Mexico:

"Think New Mexico's unique, solution-oriented approach to some of the unyielding problems that confront New Mexico is most welcome and needed."

Owen Lopez,

Executive Director, the McCune Charitable Foundation

"...[A] major player again behind innovative changes in the [school reform] bill was Think New Mexico (TNM), the unique and increasingly influential non-profit...In a short time, TNM is soaring as a major asset for the State."

GalleryWatch.com (3/22/01)

"I believe Think New Mexico is absolutely on the right track. Systemic change in the way we provide education as well as how we support and pay for education in New Mexico is of such critical importance...It is refreshing to see ideas advanced that, if implemented, will result in real, meaningful change..."

Vickie Sewing,

Principal, Salazar Elementary School, Santa Fe (10/4/00)

"What a stalwart advocate your Think New Mexico (is) for children...Thanks again for the work you have done to promote [Full-Day Kindergarten] in New Mexico."

The Honorable J. Paul Taylor,

New Mexico House of Representatives (Mesilla, District 33)

"Research suggests that full-day kindergarten better prepares children for the first grade and even gives them long-term protection against school failure. But it would not have happened without Fred Nathan and Think New Mexico, a nonpartisan think tank he founded last year."

The Santa Fe New Mexican,

"Ten Who Made a Difference," (9/10/00)

In our grant making, we search for groups that bring an extraordinary level of passion to what they do. This is one of the many important qualities that distinguishes the work of Think New Mexico and it shows in the results that they have been able to achieve against remarkably steep odds.

Jeanne and Jim Manning
the Azalea Foundation

Foundation Partners:

(JANUARY 1, 2001 — MAY 31, 2002)

The Azalea Foundation
Ethel Jane Westfeldt Bunting Foundation
Sidney and Sadie Cohen Foundation
Cudd Foundation
Daniels Fund
Shelby Cullom Davis Foundation
EMA Foundation
The Foster Foundation
Foundation for Child Development
The Frost Foundation
Garfield Street Foundation
M.A. Healy Foundation
The Allene & Jerome LaPides Foundation
Lemberg Foundation
Los Alamos National
Laboratory Foundation
McCune Charitable Foundation
Messengers of the
Healing Winds Foundation
New Cycle Foundation
New Mexico Charities
New Mexico State
Employees Charity Campaign
Oppenheimer Brothers Foundation
Santa Fe Community Foundation
The Shefa Fund
The Solis-Cohen Spigel Family Fund
Thaw Charitable Trust
Thornburg Charitable Foundation
Edith M. Timken Family Foundation
Richard D. Wallen
Family Charitable Foundation
The Witkin Family Fund

Individual Social Investors : (JANUARY 1, 2001 — MAY 31, 2002)

Kathy and Rick Abeles	Elizabeth Sarnoff Cohen	Rod and Randi Gesten
Abigail Adler and Paul Abrams	Joan Z. Cohen	Marilyn Gevitz
Ann Aceves	Bennet and Barbara Cohn	Wilmot and Mary Gilland
Lewis Agnew	John Connell	Betsy Glenn
Pamela and David Albin	Martha Daly and Rob Eaton	Diane and Donald Goldfarb
Anonymous	Raymond W. Davenport	Ruth and Sandy Gottesman
Jarratt Applewhite	Jordan P. Davis	Bruce Backus and Ann Gowdey
Edward Archuleta	Mary A. DeBare	Liz Gutierrez and
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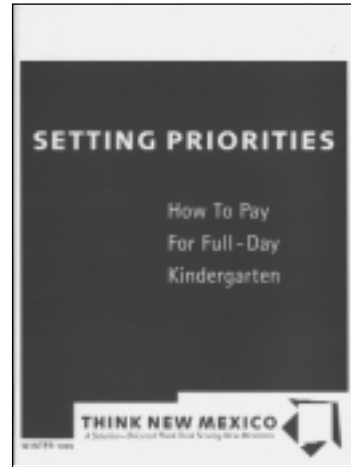
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