

About Think New Mexico

Think New Mexico is a results-oriented think tank serving the citizens of New Mexico. We fulfill this mission by educating the public, the media and policy makers about some of the most serious problems facing New Mexico and by developing effective, comprehensive, sustainable 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, which is especially important because New Mexico is at or near the bottom of so many national rankings. 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 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 any government money. However, contributions from individuals, businesses and foundations are welcomed, encouraged and tax-deductible.

To Our Friends and Partners:

Think New Mexico made significant progress on each of its three policy initiatives in 2002.

Full-Day Kindergarten

The state budget that was passed by the Legislature and signed by Governor Bill Richardson includes \$8 million of additional money to expand access to full-day kindergarten from 60% to 80% of New Mexico's five-year-olds. That represents a total of approximately 18,000 children, who will be served in 300 public schools across the state during the 2003-2004 school year.

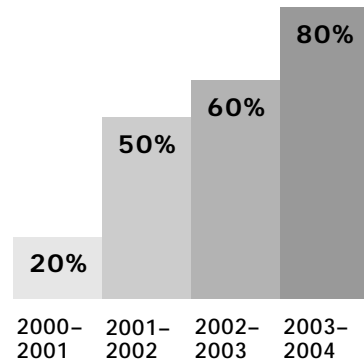
For the first time ever, the percentage of New Mexico children attending full-day kindergarten will exceed the national average, as the accompanying chart demonstrates. In the next legislative session Think New Mexico will advocate to complete the implementation by finally making full-day kindergarten universally accessible to every child in New Mexico. The budget is always a struggle given the competing demands for funding and the relative power of those seeking it. Please call your local legislators and urge their support. If we are successful, it will mean that New Mexico will have gone from the bottom to the top of at least one national ranking in just five years.

Information about Think New Mexico's continuing work on full-day kindergarten and excerpts from a recent case study, which profiled Think New Mexico's role in enacting New Mexico's landmark full-day kindergarten law, can be found on pages 8 and 9 of this annual report.

The Foundation for Child Development, a national foundation based in New York City, published the case study, which was authored by Dr. Anthony Raden, Associate Director of the Institute for Child and Family Policy at Columbia University. Naturally, we are honored by this recognition of our work and we hope that in some small way it might inspire a "race to the top" among states to make full-day kindergarten accessible to more children nationally.

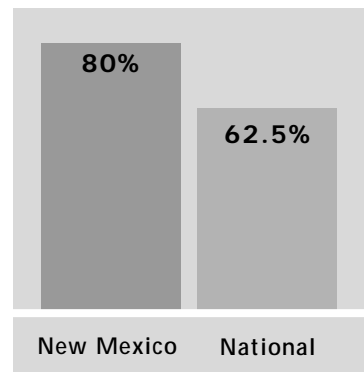
The full text of the case study is available on Think New Mexico's revamped website, which we encourage you to visit at www.thinknewmexico.org, to learn more about our work in this area as well as our other policy initiatives.

Full-Day Kindergarten Enrollment Growth in New Mexico 2000-04



Source: State Dept. of Education

2003-04 Projected Access to Full-Day Kindergarten: New Mexico Versus National Average



Source: National Center for Education Statistics, U.S. Department of Education.

School Reform

We are delighted that the Legislature placed a constitutional amendment on the ballot to establish a cabinet secretary for public education, which will increase accountability and is something Think New Mexico has pushed since the release of our report on school reform in 2000.

The constitutional amendment also may ultimately have the effect of demoting the state school board from a policy-making group to an “advisory” commission. Our school reform report recommended abolishing the state school board altogether. However, the “advisory” commission is a pragmatic compromise, which achieves the same result of draining more politics out of our public schools.

Another key component of our school reform report focused on the need for site-based management of the public schools. We are pleased that the school reform bill that passed this year emphasized school-based decision-making by moving hiring decisions away from the local school board and by also moving more of the school budgeting responsibilities away from the local school board to school principals. This will allow each public school to better tailor its budgeting and hiring to the needs of their individual student population.

That is the good news. The bad news is that we did not succeed in winning passage of our recommendations to economize at the district administrative level and move more resources to the schools and classrooms where the actual learning takes place. Our ideas are set out in the editorial we wrote for the *Albuquerque Tribune*, which is reprinted on page 10 of this annual report. We believe that these ideas will become more attractive to policy-makers as balancing the state’s budget becomes increasingly difficult in the years ahead.

Repeal of the Food Tax

In this business, timing is everything. Although our effort to repeal New Mexico’s food tax had built considerable momentum after the 2002 legislative session when we came so close to victory, we made a calculated gamble not to introduce a bill in the 2003 session and instead wait for the special session on tax reform that Governor Richardson is planning for October 2003.

Momentum for repeal of the food tax continues to build. In the 2002 elections, almost every candidate for the Legislature and Governor promised to repeal the food tax. In his State of the State speech, Governor Richardson, our most important ally, called the food tax "an unconscionable reach into the pockets" of New Mexicans. He also appointed me and former Governor Garrey Carruthers of Think New Mexico's Board to the 23-member Tax Reform Commission. Thus, you can be assured that there will be at least two very loud voices on the commission advocating for the repeal of the food tax.

Think New Mexico's Statement of Income and Expenditures and Balance Sheet for 2002 appear on pages 14 and 15. One goal of our annual reports is to give you the financial information that we would want if our positions were reversed.

The editorial from *The Rio Grande Sun* reprinted on the next page praises Think New Mexico for voluntarily opening our financial books and for also revealing our donors (whom we always like to refer to as partners and as "social investors.") even though the law does not require it. We do that because we believe organizations that are privileged enough to be tax-exempt have a responsibility to be transparent to the public about their finances and their backers.

We also encourage scrutiny because we are especially proud of the people, businesses and foundations who partner with Think New Mexico, as well as how we, in turn, manage the money that they entrust to us to improve New Mexico. This year each partner and social investor of Think New Mexico is individually listed on pages 16-19. We are pleased to report their ranks have grown each year and have increased by 325% over the last three years. This is strong evidence that Think New Mexico's mission continues to be worth pursuing.

Our small but talented staff does not include a fund-raiser. Thus, if you like what you read in this annual report, I want to encourage you to send a generous check to Think New Mexico in the attached envelope. And, in the words of Garrey Carruthers and Think New Mexico's Board Chairman Stewart Udall, "enjoy that warm feeling of slightly enhanced poverty, which comes from investing in a worthy cause."

Fred Nathan

Fred Nathan Founder and Executive Director. June 1, 2003

Think New Mexico Staff



Lynne Buchen
Office Manager



Kristina Fisher
Research Director



Fred Nathan
Executive Director



Carol Romero-Wirth
Assistant Director



AN INDEPENDENT HOME-OWNED NEWSPAPER
Published Each Thursday in Española, New Mexico

Robert Trapp—Editor and Publisher

Thursday July 25, 2002

Think New Mexico's Open Reporting Pleasant Exception

It's quite shocking in this day and age for a 501c3 non-profit organization to mail their financial statement to you.

The normal procedure is a citizen requests it, the non-profit group says, "Go soak your head. We're not a public entity. We don't have to tell you anything about how we run our show." The citizen writes a letter to the Attorney General's office. She thinks about it awhile then does little or nothing. It's election year.

The citizen makes some calls and requests IRS Tax Form 990 from Salt Lake City, Utah. With that in hand the citizen goes back to the non-profit entity and asks questions that force them to reveal facts about their expenses and revenue.

Then there's Think New Mexico.

The politicians in Santa Fe spending your money should step lightly around these Think New Mexico folks. They're organized, serious, relentless and worst of

all—above board.

The group mailed their 2001 Annual Report and it included financials. There are non-profit agencies in this county that have to make up their financials before they're forced to hand them over. Included in the Think New Mexico report are names of donors and supporters.

Think New Mexico is preparing to tackle the food tax issue again battling legislators in the upcoming 60 day session. Politicians won't have the short session in which to reroute legislation to many committees, thereby dooming the bill. They have probably read enough editorials and news stories around the state to know their constituents want the tax repealed.

While they know they may have to relent and actually do something the voters want, you never know with those crafty folks in the round house.

It's not over until the gavel drops on the last day.

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 was Chairman of Bill Richardson's successful 2002 gubernatorial campaign. He is a member of the American College of Trial Lawyers. Paul currently handles complex commercial litigation and mediation with the firm of Eaves, Bardacke, Baugh, Kierst & Larson.



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 Senior Counsel at Brownstein, Hyatt, and Farber.



Garrey Carruthers served as Governor of New Mexico from 1987–1990. Garrey is Dean of New Mexico State University's College of Business, and was formerly President and CEO of Cimarron Health Plan. He is a member of the Board of Directors of the U.S. Chamber of Commerce and the New Mexico Business Roundtable for Educational Excellence.



Elizabeth Gutierrez is an education consultant and a doctoral candidate in educational leadership and public policy. Liz was recently elected to the Board of the Santa Fe Community College. She has served as Director of Administrative Services Department for the City of Santa Fe and was a marketing executive with IBM for nearly two decades.





LaDonna Harris is an enrolled member of the Comanche Nation. LaDonna is Chairman of the Board and Founder of Americans for Indian Opportunity. She is also a founder of the National Women's Political Caucus. LaDonna 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 1991–1998. In that capacity, he was the architect of several successful legislative initiatives and was in charge of New Mexico's 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.

Excerpts from “Achieving Full-Day Kindergarten In New Mexico: A Case Study”

Think New Mexico was honored to be the subject of a case study published by the Foundation for Child Development in October 2002, titled “Achieving Full-Day Kindergarten in New Mexico.” Dr. Anthony Raden, Associate Director of the Columbia University Institute for Child and Family Policy, authored the case study, which describes Think New Mexico’s role in winning enactment of a landmark full-day kindergarten law. We were especially gratified by the praise we received from many of the people we worked closely with during our campaign for full-day kindergarten, highlighted in the following quotes taken from the study:

“[Senator Sue Wilson (R. Albq.)] stressed that Think New Mexico’s total involvement—from the recalculating of costs to Think New Mexico’s informed and relentless lobbying—is the primary reason the legislation passed. Wilson said: ‘It was just an absolutely single-issue, targeted effort . . . [Think New Mexico] played the crucial role in getting the votes and identifying the problems and rectifying the problems and being the person behind the scenes, keeping the glue on the issue . . . I promise you, if it had just been the three co-sponsors of this bill, full-day kindergarten would not be in place today.’”

“Had it not been for Think New Mexico, [Governor Johnson] would never have signed it”—Senator Cynthia Nava (D. Las Cruces), Chairwoman, Senate Education Committee.

“Some journalists, well-grounded in the contentious machinations of New Mexico politics, find it hard to envision full-day kindergarten succeeding without Think New Mexico’s involvement. ‘They were the entire role,’ said the Santa Fe New Mexican’s Bill Waters. ‘They lobbied from start to finish. . . . They were incredibly persuasive with [Governor Gary Johnson]. . . .’”

“J.D. Bullington from the Association of Commerce and Industry said bluntly that full-day kindergarten would not have risen on the state’s legislative agenda without Think New Mexico’s advocacy. ‘It wouldn’t have gotten far at all,’ he said. ‘It was clearly Think New Mexico that pushed the envelope on this issue.’”

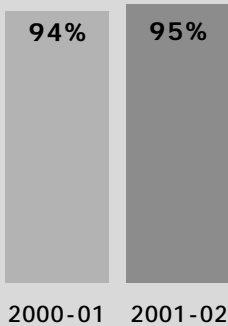
“Think New Mexico was right on top of it. . . . They didn’t let the legislation pass and then go on and leave it alone. They are going to follow it to the very end.”—First Lady Dee Johnson



While some observers of New Mexico politics may quibble over the partitioning of credit, few, if any, question the effectiveness of Think New Mexico’s advocacy in promoting policy change in the state.

Dr. Anthony Raden

**Full-Day Kindergarten
Classes Meeting or
Exceeding Standards.**



Full-Day Kindergarten Exceeding Standards

During the 2001-02 school year, 95 percent of New Mexico's full-day kindergarten programs showed significant student gains in acquiring the language and early literacy skills needed to enter first grade and become proficient readers. This result surpassed last year's impressive score of 94 percent. Of the 170 full-day kindergarten programs funded in 2001-02, 30 exceeded the state's standards, while an additional 132 made sufficient gains. These figures are provided by the State Department of Education, which compares assessments of full-day kindergarten students taken at the beginning and end of the school year.

3rd Annual Full Day Kindergarten Conference:

On September 27, 2002, Think New Mexico hosted its Third Annual "Best Practices" professional development conference for full-day kindergarten teachers and principals. Since the passage of New Mexico's landmark full-day kindergarten law, Think New Mexico has been actively involved in ensuring that the classes are implemented in a high-quality manner. We believe that the key to making full-day kindergarten work is having passionate, well-trained teachers and principals in every school and classroom.

This year's conference included presentations by Dr. Mark Bieda, Postdoctoral Fellow at the Santa Fe Institute, a local scientific think tank, on "Minds, Brains, and How Young Children Learn;" Emily Darnell-Nunez, Former President of the New Mexico Association for the Education of Young Children, on "The Importance of a Child-Centered, Developmentally Appropriate Full-Day Kindergarten Curriculum;" and New Mexico State University Professor Dr. Eric Lopez, on "Meeting the Needs of Culturally and Linguistically Diverse Young Children."

The feedback we received from this year's conference attendees was highly positive. For example, one teacher from the Los Lunas school district wrote, "I enjoyed the conference and feel very lucky that my district ended up allowing our school to attend. The entire district would benefit," while another praised the applicability of the presentations, commenting succinctly, "Excellent conference — will be very useful in my classroom."

04.16.03



THE ALBUQUERQUE TRIBUNE

SAVING SCHOOLS WITH SAVINGS

By Fred Nathan

Gov. Bill Richardson has proposed reallocating savings from Central Office school administration to instruction where it will directly benefit students.

Not surprisingly, the governor's school reform efforts ran into criticism from Central Office administrators, who argued that Richardson's plans would result in program cuts.

The governor proposed shifting 5 percent, or \$90 million, of New Mexico's \$1.8 billion education budget from administrative costs down to the schools and classrooms where the actual learning takes place.

Central Office administrators for the 89 school districts made a counterproposal to reallocate 1 percent of their district budgets, but they claim there is no room for additional administrative savings.

This response, however, conveniently overlooks the potentially enormous savings from eliminating duplication across districts.

For example, New Mexico's system of 89 public school districts fails to exploit the one major competitive advantage the public schools enjoy over private and parochial schools: sheer volume of students — approximately 320,000.

Consider the buying power and economics of scale that could be productively used to benefit students.

Yet, the public school system continues, for the most part, to purchase and deliver non-educational services, such as transportation, food services, computers, software and payroll through 89 school districts.

There are already excellent vehicles for cooperative purchasing in place, such as Cooperative Education Services, regional center cooperatives and regional education cooperatives. Unfortunately, these entities procure only a small fraction of the total volume of school purchasing.

TODAY'S BYLINE

Nathan is founder and executive director of Think New Mexico, a nonpartisan think tank serving New Mexicans. For more information, go to their Web site at: www.thinknewmexico.org

TAP IN

Disagree? The Tribune welcomes differing views. **Write us:** Letters to the editor, The Albuquerque Tribune, P.O. Drawer T, Albuquerque, NM 87103. **Fax us:** 823 3689. **Email us:** letters@abqtrib.com

If school districts would buy more of their noneducational goods and services through these entities, as Think New Mexico suggested back in fall 2000, the savings could be channeled into higher teacher salaries, and the hiring of art, music and physical education teachers.

Another area for big savings across school districts would be to eliminate duplication among district personnel. The potential savings are best illustrated by the two school districts that serve Las Vegas.

Until the consolidation of the city of Las Vegas and West Las Vegas in 1968, Las Vegas had two City Halls, two mayors, two fire departments and two police departments. More than three decades later, however, Las Vegas still has two school districts: one for the city of Las Vegas and one for West Las Vegas at presumably double the administrative cost.

To get an accurate sense of the dimensions of the administrative duplication and bloat among school districts, it is helpful to read the New Mexico Department of Education's "New Mexico Educational Personnel Directory (2002-2003)."

This document lists, for example, the number of food directors in New Mexico's public schools: 62, plus another eight in small districts who hold additional positions. If we were genuinely interested in working to-

gether to put children first, we could probably get by with many fewer directors serving multiple school districts.

Unfortunately, this pattern is repeated across virtually every service that the 89 central administrative offices provide to the schools.

As a consequence, New Mexico spent only 56.4 cents of every public educational dollar on instruction in the 1999-2000 school year. This figure comes from a 50-state comparison by the U.S. Department of Education, which reveals that only Alaska and the District of Columbia spend a greater proportion of each public educational dollar on administration and support services than New Mexico.

Central Office administrators allege the state Department of Education miscounted the number of district-level administrators in New Mexico by 33 percent, and after correcting for this "reporting overage," 60.1 percent is the actual percentage of each educational dollar going to the classroom in New Mexico.

Even so there is plenty of room for reform and savings.

If schools are our real priority rather than the bureaucracies that administer them, then it is time to rethink how we fund public schools.

The \$1.8 billion education budget is appropriated to the state Department of Education and the 89 school districts. After these bureaucracies take their cut for administration, what is left over trickles down to the schools and classrooms.

A better approach would be to turn the pyramid over and fund schools directly. The remaining dollars could then be used for administration.

Gov. Richardson is right. The potential savings exist to reach his original 5 percent goal without cutting programs, if you know where to look.

The adults who run the school system can get us there if they are willing to work together and sacrifice on behalf of the children they serve.

The Case for Repealing the Food Tax

It is always bad tax policy to tax necessities. The Legislature recognized this truth in the 1998 session when it wisely removed the gross receipts tax from prescription drugs. Food, like prescription drugs, of course, is a basic necessity.

Yet, New Mexico continues to exempt horse feed from the gross receipts tax, while baby food takes the full gross receipts tax hit.

Repealing the food tax would effectively increase the paycheck of working middle class New Mexico families by more than \$225 each year.

Some might wonder why we even have a tax on food in New Mexico. The answer is that the Legislature enacted it in 1933, following the lead of Mississippi in 1930, as part of a “temporary” emergency measure to compensate for a severe shortfall in government receipts caused by the Great Depression.

Unfortunately, even though the Great Depression ended a long time ago, the food tax has endured. In fact, it has more than doubled in the intervening seven decades.

In 1958, 41 states taxed food. Since then, however, the states have moved steadily in the direction of exempting food from tax. In the past six years alone, Georgia, Louisiana, Missouri, North Carolina and Virginia have acted to abolish, phase out, or reduce their tax on food.

That leaves New Mexico in the company of only nine states, including Mississippi, which continue to fully tax food.

Other states have discovered that the food tax is a weak foundation on which to base essential government services. This is because food tax revenue grows so much more slowly than state government spending. In New Mexico, revenue from the food tax has grown at only

a 1.7% annual rate over the past decade, according to the Taxation and Revenue Department, while state government spending grew at a rate in excess of 4.5% during the same period.

Repealing the food tax would provide an immediate stimulus for New Mexico’s economy because so many New Mexico families live paycheck to paycheck and would spend their tax savings right away.

A food tax repeal would also help New Mexico’s economy because it would stop the weekly exodus of New Mexico shoppers from our rural border communities to grocery stores in Texas, Arizona and Colorado, which don’t tax food.

For example, Interstate 10 is clogged on weekends with consumers from Las Cruces departing for El Paso to purchase their groceries. While they are in Texas, they shop at other stores in the mall, eat at a restaurant, see a movie and then return to Las Cruces with their wallets empty. Unfortunately, this pattern is repeated around New Mexico’s perimeter.

The food tax is also an anti-family tax. Because larger families need to spend more money on groceries, they spend a greater portion of their income on the food tax. Hispanic and Native American families are disproportionately punished because they tend to be larger than other families, according to U.S. Census data.

It is time to finally abolish New Mexico’s antiquated and anti-family tax on food and to modernize New Mexico’s tax code. As Governor Bill Richardson said in his State of the State speech earlier this year, “the tax on the food that goes on the plates of New Mexico’s families is an unconscionable reach into the pockets of New Mexico’s breadwinners.”

Board Profile: Ambassador Frank Ortiz

Think New Mexico's Vice-Chairman, Ambassador Frank Ortiz, is a member of a family that has lived continuously in Santa Fe since the city's founding.

Some of his ancestors were officials of the Spanish Crown. Four generations of Frank's family received Presidential appointments to high office. President Abraham Lincoln, for example, appointed Frank's Great Grandfather, Felipe Delgado, Superintendent of Indian Affairs for the Territory of New Mexico because of Delgado's success in keeping the pueblos on the Union side during the Civil War.

In the family tradition, Frank devoted his career to public service. He served with the Air Force during World War II and participated in combat missions with the 58th wing of the 20th Air Force. Frank survived the shooting down of his B-29 bomber on July 13, 1945 in the seas off Japan and was awarded the Air Medal.

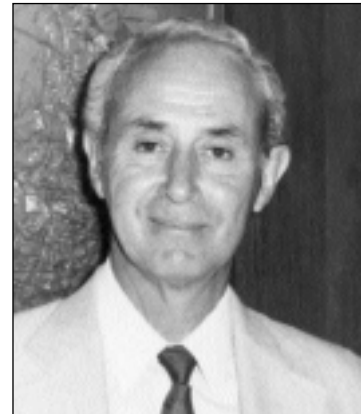
Following graduation from the Georgetown University School of Foreign Service in 1950, Frank became a career Foreign Service Officer and served every United States President from Truman to the first President Bush. Among other duties, he was Ambassador to Barbados/Grenada, Guatemala, Peru and Argentina.

Frank also served on the faculty of the University of New Mexico as diplomat-in-residence. He is a longstanding member of the Museum of New Mexico Board of Regents. In addition, Frank is an officer of the National Dance Institute and El Rancho de las Golondrinas.

For the past 16 years, Frank spearheaded a campaign that raised \$28 million of federal and state funds to renovate and expand the Palace of the Governors History Museum in Santa Fe. Thanks to his efforts, New Mexico will finally be able to adequately exhibit, conserve and store its historic patrimony.

In his spare time, Frank is a quiet and effective lobbyist on behalf of Think New Mexico's policy initiatives.

Frank is married to Dolores and together they have four children and six grand-children.



Board Profile: Roberta Cooper Ramo



Roberta Cooper Ramo is a founding board member of Think New Mexico, where she has put her considerable strategic planning skills and business and legal acumen to good use as Chair of the Management Committee.

Roberta has a long record of forging new territory. For example, she was elected President of the American Bar Association in 1995, the first woman and the first New Mexican to lead the world's largest organization of attorneys. She is a shareholder with Modrall, Sperling, New Mexico's largest law firm.

Roberta also served for six years on the University of New Mexico's Board of Regents, including two years as its first woman President of the Board. In addition, Roberta was the first woman to be selected for the New Mexico Amigos, New Mexico's ambassadors of goodwill with the other states, Canada and Mexico.

She serves on the board of the American Arbitration Association and Oprah Winfrey's CIVITAS a not-for-profit organization. Recently, Senator John McCain named Roberta to co-chair a five member Commission to recommend a re-structuring of the U.S. Olympic Committee to the U.S. Senate Commerce Committee.

In 1993, Roberta received the Governor's Distinguished Public Service Award for her community service in New Mexico. In 2001, she was honored with the first New Mexican of Vision Award and Peacemaker Award.

She was born and raised in Albuquerque, New Mexico. Her father, David Cooper, built Cooper's, Inc, a New Mexico headquartered Western specialty retailer, which has expanded to four states. Roberta has been involved in her family business over the years and currently serves as its Board Chair.

Roberta is married to Barry, a cardiologist. Their son, Josh, is Senior Editor with TIME and the author of the recently published "No Visible Horizon" which tells the story of aerial acrobatics. Their daughter, Jenny, is following in her mom's footsteps as a lawyer in New Orleans.

Statement of Income and Expenditures

INCOME

Grants	201,907
Contributions	46,026
Interest & Miscellaneous Income	3,564
Total Income	\$251,497

EXPENDITURES

Audit/Accounting	2,970
Computer Consulting	662
Graphic Design	In-kind
Depreciation	5,178
Full-Day Kindergarten Conference	4,366
Insurance	1,829
Legal Fees	0
Marketing	1,139
Miscellaneous	193
Office/Security/Janitorial	2,373
Payroll Taxes & Benefits	27,067
Postage	7,902
Printing & Bulk Copying	8,034
Professional Fund Raising Fees	0
Rent/Utilities	18,296
Research and Contract Services	5,168
Salaries	100,164
Stewardship/Board Expenses	13
Telephone/Fax/Internet	4,126
Training/Subscriptions/Dues	1,448
Travel	0
Total Expenses	\$190,928

Note: These financial statements do not include in-kind contributions and materials from 2002, which totaled \$15,200. Although accounting rules permit grants pledged but not yet received to be counted as income, Think New Mexico has only counted grants that were actually received in calendar year 2002 as income here.

Source: Think New Mexico's IRS Form 990 for 2002 and Independent Auditor's Reports and Financial Statements for the year ended December 31, 2002. Statement of Functional Allocation of Expenses and Independent Audit by Betts, Bishop and Loggains, LLC Certified Public Accountants.

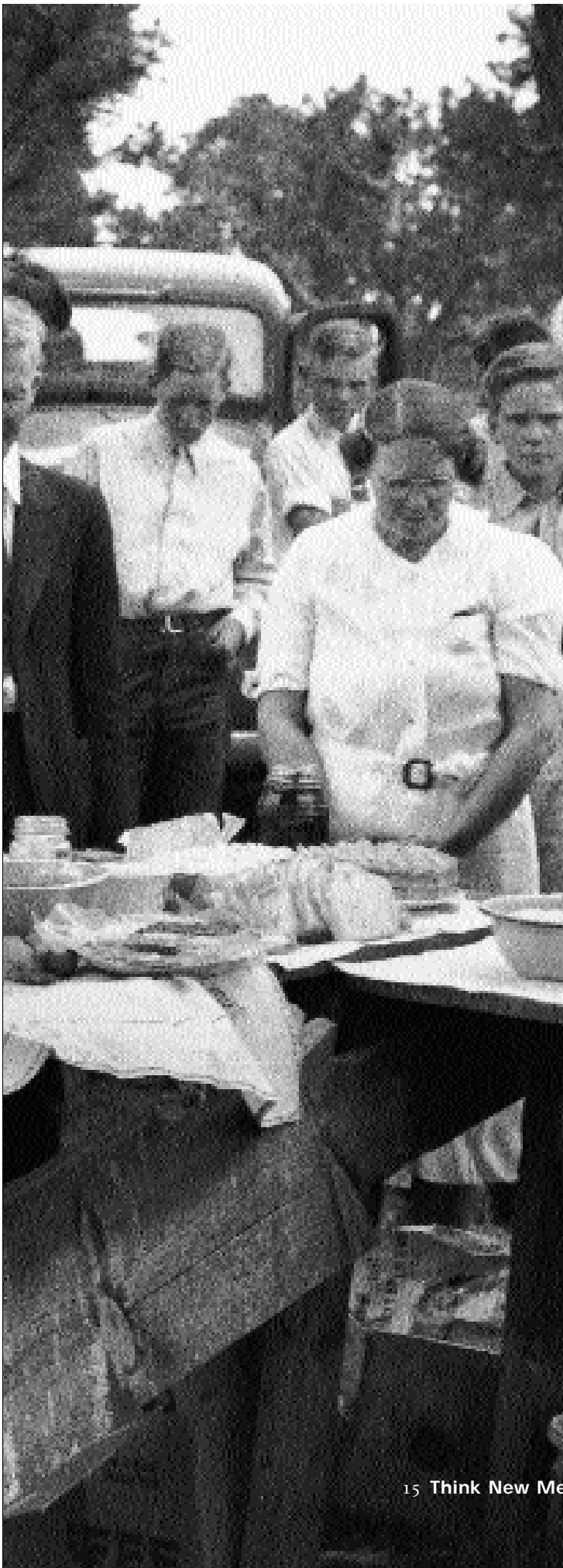
Administration & Fund-Raising
as a Percentage of Income: 2002



Think New Mexico's fund-raising as a percentage of income in 2002 was 5.5%. Think New Mexico's administrative overhead "management and general," as a percentage of income in 2002 was 7.4%.

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

Source: Statement of Functional Expenses from Think New Mexico's IRS Form 990 for 2002



FINANCIAL SUMMARY

Balance Sheet

ASSETS

Cash and Cash Equivalents	283,510
Investments	3,557
Contributions Receivable	12,000
Prepaid Expenses	2,420
Property and Equipment, Net of Accumulated Depreciation	10,891
Total Assets	\$312,378

LIABILITIES

Accrued Expenses	2,814
Total Liabilities	\$ 2,814

NET ASSETS

Unrestricted	297,564
Temporarily Restricted	12,000
Total Net Assets	\$309,564
Total Liabilities and Net Assets	\$312,378

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

Foundation Partners:

(JANUARY 1, 2002 — APRIL 24, 2003)

The Azalea Foundation
Bank of America Foundation
Sanford and Jane Brickner
 Donor Advised Fund
Ethel Jane Westfeldt Bunting Foundation
Sidney and Sadie Cohen Foundation
Cudd Foundation
Daniels Fund
Shelby Cullom Davis Foundation
EMA Foundation
Deborah Fleischaker Tzedakah
 Fund of The Shefa Fund
The Foster Foundation
Foundation for Child Development
The Frost Foundation
Furth Family Foundation
M. A. Healy Foundation
Los Alamos National Laboratory Foundation
McCune Charitable Foundation
Messengers of the Healing Winds
New Cycle Foundation
New Mexico Charities
Oppenheimer Brothers Foundation
Santa Fe Community Foundation
SB Foundation
The Solis-Cohen Spigel Family Fund
St. Francis Cathedral Peace and
 Social Justice Fund
Thornburg Charitable Foundation
The Livingry Fund of the Tides Foundation
Edith M. Timken Family Foundation

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

Individual Social Investors : (JANUARY 1, 2002 — APRIL 22, 2003)

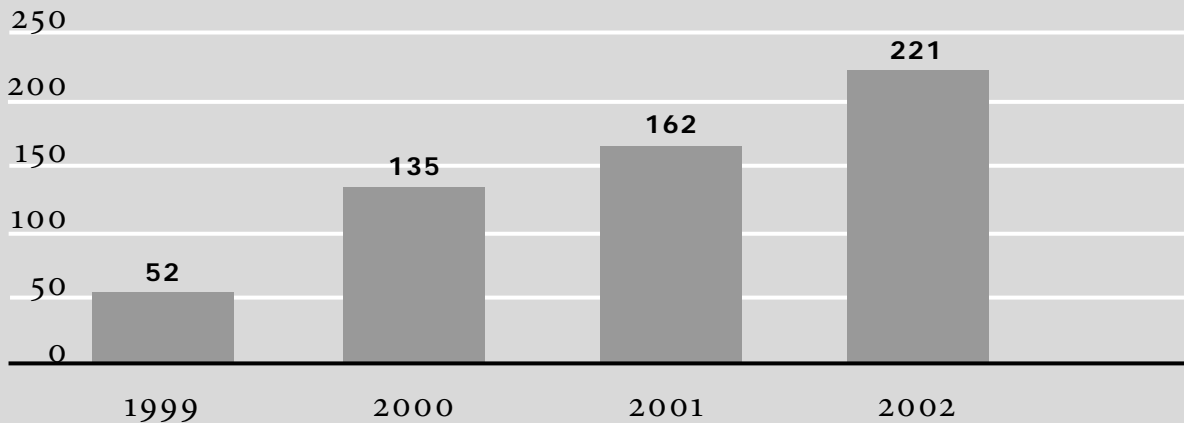
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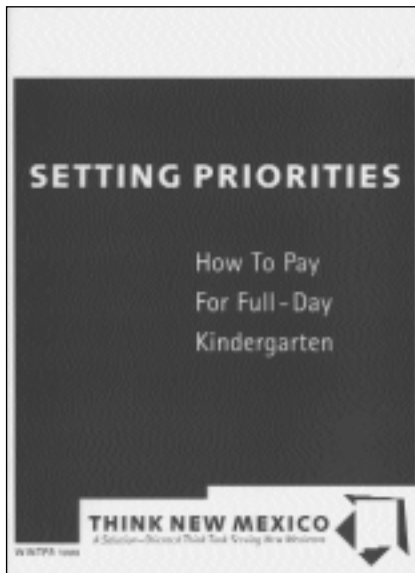
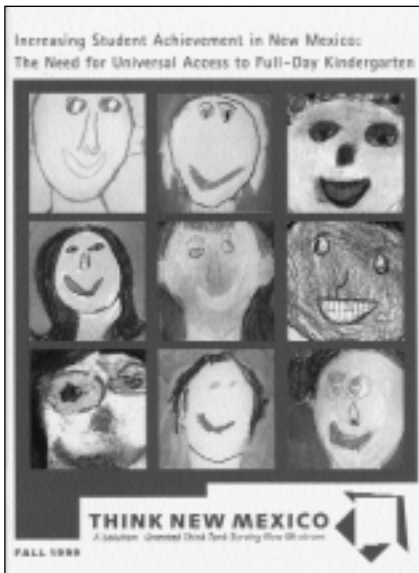
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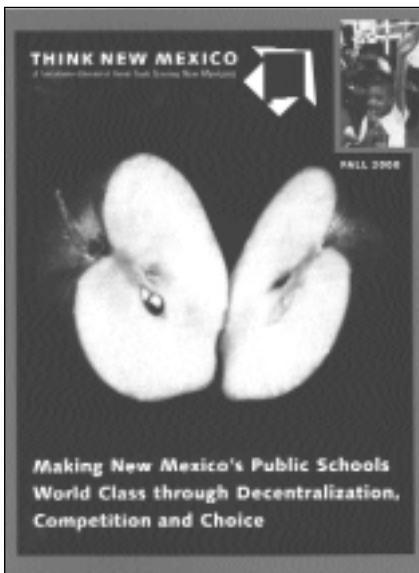
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