

# NCLR

NATIONAL COUNCIL OF LA RAZA

Investing in America's Future

ANNUAL REPORT 2002

## MESSAGE FROM THE PRESIDENT AND BOARD CHAIR

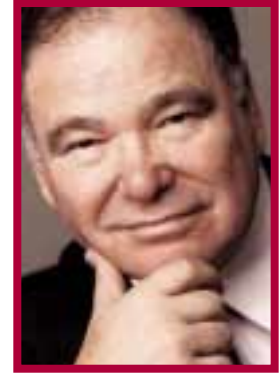
A strong work ethic, an entrepreneurial spirit, and a dedication to family values are three enormous and key contributions that Hispanic Americans make each day in strengthening the fabric of our nation. While Latinos have been intrinsically present throughout the history of the United States and for centuries prior to the founding of the nation, 2002 brought unprecedented recognition that the future of America's Hispanic population is synonymous with the future of America. Headlines hailed Latinos as the nation's largest minority, with their population growing from 22 million in 1990 to 37 million today.

The growth of the U.S. Hispanic population has meant the economic rebirth of communities large and small. As the nation has struggled to recover from an economic slowdown, the Hispanic community represents a significant force for economic growth and expansion. Many corporations have responded by making sound decisions to invest in new efforts to attract Hispanic consumers and employees. Similarly, political candidates of both parties worked enthusiastically to attract Latino voters. Even the news media, which in the past had often featured Latinos predominantly in a negative light, provided greater coverage of the issues concerning the daily lives of Hispanic families.

Such stories highlighted both the great triumphs made by Latinos who have surmounted economic and social barriers as well as the challenges still faced by many Latinos in striving for the milestones that define the American Dream - quality education, economic mobility, homeownership, and access to health care. While many of these challenges may seem daunting to some, they are amenable to solution, thanks in large part to Hispanic Americans' desire for advancement for themselves, their families, and this nation.

The National Council of La Raza (NCLR) and its many partners are committed to the continued investment in America's future. NCLR's strength lies in its growing nationwide network of community-based organizations serving nearly four million Latinos each year. The number of those served is growing as well; as a result of the commitment made by our supporters, our community-focused initiatives provide effective and wide-reaching programs that have direct impact and address the key challenges facing Latinos, while our public policy efforts give the Hispanic community a voice in major national issues.

NCLR's 2002 Annual Report, *Investing in America's Future*, highlights the results of the investments made into the organization and, therefore, into building a better future for all of the people of our nation.



Raul Yzaguirre  
President and CEO



José Villarreal  
Chair, Board of Directors

## NATIONAL COUNCIL OF LA RAZA

Established in 1968, the National Council of La Raza's (NCLR) mission is to reduce poverty and discrimination and improve life opportunities for Hispanic Americans. NCLR achieves this mission by providing a full spectrum of resources to build strong, locally-led institutions for Hispanic communities throughout the United States. NCLR partners with a growing network of 291 affiliated Hispanic community-based organizations directly serving nearly four million Latinos annually. As a private, nonprofit, nonpartisan, tax-exempt organization, NCLR is uniquely positioned to champion the critical social and economic issues affecting not only Hispanic Americans, but all Americans.

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# THE FOUNDING AND EVOLUTION OF NCLR

The Hispanic population is a diverse group of individuals representing many different countries of origin and varied political, cultural, and social views. Despite this diversity, many Latinos face a number of common challenges, including low educational attainment, high rates of poverty, inadequate access to health care, limited English proficiency, and housing and employment discrimination. The need to address these disparities was the impetus for NCLR's formation in 1968.



*New NCLR Executive Director Raul Yzaguirre and Associate Director Eduardo Terrones with staff, 1975*

NCLR began as a regional organization concerned primarily with providing grassroots support to Mexican Americans in the Southwest.

Today, NCLR is the largest constituency-based national Hispanic organization, serving all Hispanic nationality groups in all regions of the country. Headquartered in Washington, D.C., NCLR has field offices in Chicago, Los Angeles, Phoenix, Sacramento, San Antonio, and San Juan, Puerto Rico and in 2002 opened an office in



*Southwest Council of La Raza Legal Counsel Armando de León (center) with Mario Obledo (right) at a 1972 conference on the Administration of Justice and the Mexican American, Phoenix.*

Atlanta, Georgia. NCLR's network of nearly 300 affiliates serves Latinos in 37 states, Puerto Rico, and

the District of Columbia.

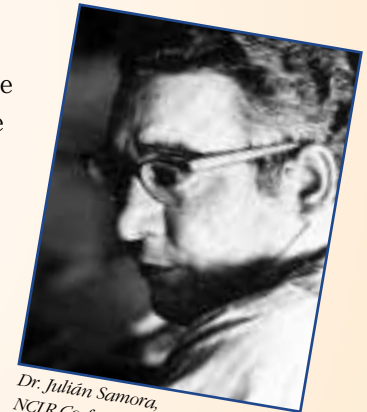
In the early 1960s, a group of young Mexican Americans in Washington, D.C. formed NOMAS (National Organization for Mexican American Services) to provide technical assistance to Hispanic groups and bring them together into a single united front. A meeting that NOMAS held to present a funding proposal at the Ford Foundation contributed to the Foundation's decision to finance a groundbreaking study of Mexican Americans. The Foundation also hired three highly-respected Mexican Americans to consult

with other activists and leaders throughout the Southwest about what else might be done to help the Mexican American community. The findings of these consultants revealed a clear need for more local, grassroots organizations, for a source of ongoing technical assistance to help coordinate and strengthen the work of these local groups, and for national advocacy on behalf of Mexican Americans.

The research of these Ford Foundation consultants led to a series of organizational meetings among Mexican American leaders, and it was from these meetings that NCLR's predecessor, the Southwest Council of La Raza (SWCLR), emerged in Arizona in February 1968. In the summer of 1968, SWCLR began to help establish and support barrio (community) organizations, with the goals of developing and



*NCLR Board member Graciela Olivárez, who led the campaign to require equal representation of men and women on the Council Board of Directors.*



*Dr. Julián Samora, NCLR Co-founder*

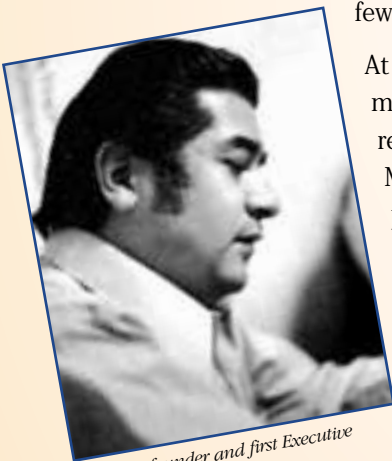
strengthening other local organizations, and promoting empowerment, voter registration, leadership development, and other forms of advocacy.



*Jimmy Lee, Gulf Oil Chairman and CEO, and first Chair fo the NCLR Corporate Board of Advisors, with Raul Yzaguirre, 1983*

During these early years, SWCLR made several formative decisions that have since profoundly shaped the

organization's development. It was at this time, for example, that SWCLR's ideological commitment to nonpartisanship was affirmed, even at substantial cost to the organization. In another important decision, SWCLR bylaws were amended in 1973 to require equal representation of men and women on the 26-member Board of Directors. Today, the organization is one of only a few that maintains such a rule.



*NCLR Co-founder and first Executive Director Herman Gallegos*

At the end of 1972, SWCLR made a commitment to represent and serve all Mexican Americans in all parts of the country, and thus the Board changed the organization's name to the National Council of La Raza (NCLR). In 1973, the Washington office became NCLR's headquarters and its Phoenix location

became a field office. During this time the Board selected Raul Yzaguirre as NCLR's new Director. Throughout the latter half of the 1970s, Yzaguirre worked with the Board and staff to review, reorganize, and develop NCLR's mission, programs, and priorities.

Among the major changes that occurred at this time was the decision in 1975 to increase NCLR's involvement in public policy and to broaden the organization's focus beyond solely Mexican Americans. Yzaguirre argued that effective advocacy required a unified voice for Latinos and that NCLR could speak for the entire community only by establishing connections with other Hispanic subgroups. Thus, NCLR's bylaws were amended in 1984 to require numerical Board representation of the major Hispanic subgroups and regional representation of the Hispanic community based on 1980 Census figures.



*Then-Senator Al Gore at NCLR's 1987 Annual Conference, with NCLR Board Member Dr. Maria Luisa Garza and Board Chair Rita DiMartino*

Under Yzaguirre's leadership, NCLR clarified its mission, identifying four major functions that still provide essential focus to the organization's work: 1) capacity-building assistance to support and strengthen Hispanic community-based organizations, and to help them meet the needs of their communities; 2) applied research, policy analysis, and advocacy on behalf of Hispanic Americans; 3) public information efforts, which provide accurate information and positive images in the Hispanic and mainstream media; and 4) special and international projects which use the NCLR structure and credibility to create other entities.

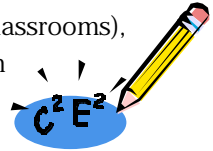


*The Council's Founding Chairperson, Maclovio Barraza, with newly elected Board Chairperson Dr. Maria Sotomayor and Staff, Mexico City, 1978*

*... investing in our children and our teachers*

# N

NCLR's education program efforts are carried out through its Center for Community Educational Excellence (C<sup>2</sup>E<sup>2</sup>), which underwent a restructuring in 2002 to focus its activities and improve its responsiveness to affiliates. There are now four main "teams" under C<sup>2</sup>E<sup>2</sup> including: Educational Leadership and Administration (impacting educational institutions), Teaching and Learning (impacting classrooms), Training and Professional Development (impacting administrators, teachers, and program staff), and Research and Evaluation (evaluating and feeding data back into the system). In the area of education policy, NCLR works to ensure that Latino children have access to a quality education that meets their needs.



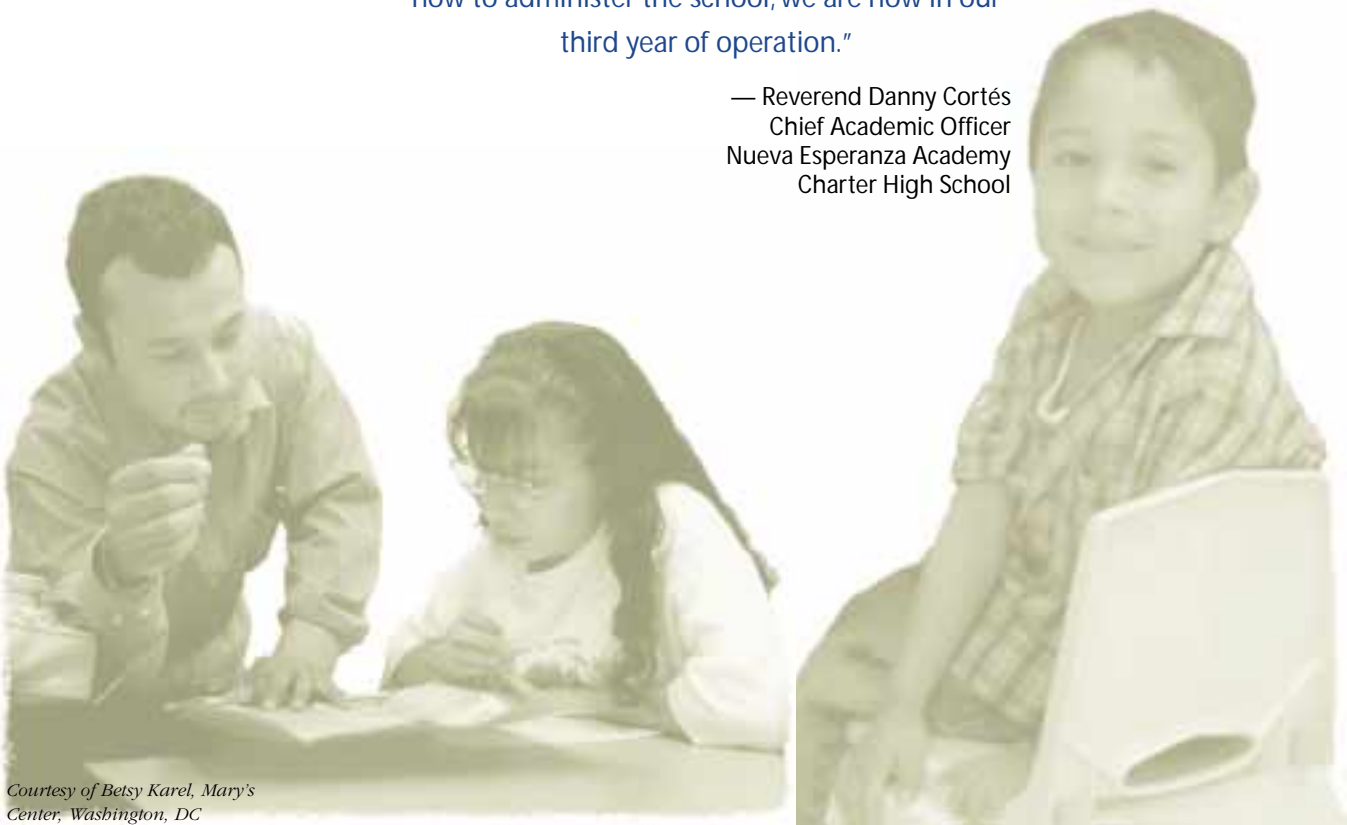
## HIGHLIGHTS

- NCLR was selected to participate in a national Early College High School Demonstration Project, funded primarily by the Bill & Melinda Gates Foundation. Through this project, NCLR will start 12 early college high schools – schools where students graduate not only with a high school diploma, but with two years of college credits.
- NCLR's Charter School Development Initiative has developed a network of 74 alternative and charter schools, with an expected 20 more new charter schools to be funded within the next three years.
- C<sup>2</sup>E<sup>2</sup> is continuing with its Professional Development Institute series to provide training, capacity-building, resource-sharing, and networking to educators serving Latino students. C<sup>2</sup>E<sup>2</sup> conducted three Institutes in 2002, in Phoenix, San Antonio, and Brooklyn, which jointly attracted more than 330 participants.
- NCLR played a key role in ensuring that the No Child Left Behind Act, signed into law by President George W. Bush in January 2002, will increase educational opportunities for Latino children, families, and community-based organizations.
- NCLR provided advocacy training to several hundred Latino advocates, elected officials, and appointed officials involved in implementation of education policies.
- NCLR collaborated with the National Association of Latino Elected and Appointed Officials (NALEO) to train approximately 100 elected officials, community-based organization leaders, and scholars at the Southwest Regional Strengthening Families Conference in San Antonio, Texas.
- NCLR collaborated with the National Immigration Law Center (NILC) and the Oregon-based Coalition for Latino Education to train more than 50 advocates, appointed officials, and educators from throughout the state of Oregon.
- NCLR successfully advocated for increases in important education programs, including bilingual education, migrant education, and after-school programs.



"For years our local community has discussed the need for a school focused on the unique educational needs of Latino students. With a grant from NCLR and a blueprint and training on how to administer the school, we are now in our third year of operation."

— Reverend Danny Cortés  
Chief Academic Officer  
Nueva Esperanza Academy  
Charter High School



*Courtesy of Betsy Karel, Mary's Center, Washington, DC*



...investing in strong communities

# N

NCLR's work in the area of assets/investment is carried out through the NCLR Homeownership Network (NHN) and community development efforts in conjunction with the Raza Development Fund (RDF).

Currently, 35 community-based housing counseling organizations are members of NHN. That number is expected to increase to 45 organizations in 2003. This program is a partnership between NCLR and several investors including the U.S. Department of Housing and Urban Development, Freddie Mac Corporation, and Fannie Mae Corporation, and several private mortgage lenders such as Wells Fargo Mortgage. In the area of community development, NCLR provides technical assistance on real estate projects to affiliates and originates RDF loan requests.

## HIGHLIGHTS

- During FY 2002, NHN supported 29 counseling organizations to provide homeownership services to 20,372 families and assisted 2,689 families to become homeowners.
- In partnership with Freddie Mac, Bank of America, Wells Fargo, and US Bank, NCLR launched *En Su Casa*. This initiative will raise the Latino homeownership rate through demystifying the homebuying process and increasing the numbers of families served by counseling organizations by integrating database and Internet technologies into program operations. In addition, the initiative focuses on integrating private lenders into a cost-effective system to serve the low- to moderate-income market.
- NCLR, through NHN, and Fannie Mae entered into a partnership to address the housing needs of certain targeted Hispanic populations in underserved communities served by designated NHN affiliates. This partnership also seeks to identify new organizations that would be effective in identifying Latino homebuyers.
- The Community Development Program provided assistance to affiliates in obtaining financing for a total to date of 67 projects from NCLR's Hope Fund. The total loan amount to date is \$21,780,291. An overview of the product mix of loans approved demonstrates that 25% of the approved loans have been for housing projects, 40% for community facilities, 10% for acquisitions of lines of credit, and 25% for operation lines of credit. The geographic mix of approved loans is as follows: 24% of the loans are in California, 9% are in the Northwest, 22% are in the Far West, 10% are in Texas, 19% in the Midwest, and 14% of the loans are in the East Coast region.

"Together with NCLR, our goal is to increase homeownership opportunities for Latino families."

— Jackson Cosey  
Senior Vice President  
Emerging Markets  
Wells Fargo



...investing in a skilled labor force

# N

NCLR's workforce development system increases the capacity and quality of performance of Latino community-based organizations providing job readiness, referral, placement, training, basic education, and other services for Latinos in the workforce. Building on the Signature Approach to Workforce Development, the Workforce Development team has been developing partnerships with NCLR Corporate Board of Advisors companies - PepsiCo, Bank of America, Wal-Mart, and ChevronTexaco - and other leading national corporations, including Sears and Home Depot. Various demonstration projects implementing and refining the approach are underway.

## HIGHLIGHTS

- NCLR secured continued grant funding for 2002-2003 from the Department of Labor to provide technical assistance to affiliates engaged in workforce development activities with Project Earning Success Through Employment (ESTE).
- The Workforce Development team completed or surpassed all fiscal year 2002 strategic accomplishments including developing ten collaborative projects with affiliates and other entities, articulating the Signature Approach, and developing four demonstration projects under that approach.
- The Graphic Futures program graduated its first class of 15 students, some of whom are already placed in positions within the printing industry.
- The NCLR Escalera Project: Taking Steps to Success, funded by PepsiCo, completed the junior in school and summer components for the first class of 12 students through affiliate MAHEC in Los Angeles. Plans are underway for a second site in the city of Chicago with affiliate Instituto del Progreso Latino.
- NCLR is developing a National Careers in Health Initiative with pilot projects involving affiliates Alivio Medical Center in Chicago, Illinois and Guadalupe Center, Inc. in Kansas City, Missouri.
- Workforce Development held two very successful tracks at the Professional Development Institute in Phoenix, Arizona and in Brooklyn, New York. Both tracks received positive and enthusiastic evaluations, and the second track, with over 30 participants, was one of the largest tracks at the Institute.
- To date, 555 copies of NCLR's *Job Readiness Tool Kit* have been distributed to NCLR affiliate community-based organizations as well as nonaffiliated community colleges and community-based organizations.

"I had a job before that paid pretty well, but that was what I was going to be doing for my whole life. There was nowhere for me to go, nothing more for me to learn. Through NCLR's Graphic Futures, I am allowed to continue to grow. I have more than a job, I have a career."

— Rocío Gómez, Graduate  
NCLR's Graphic Futures Program



## ...investing in physical and mental well-being

Since 1988, NCLR has been contributing to the health and well-being of Latino communities nationwide through its Institute for Hispanic Health (IHH), formerly known as the Center for Health Promotion (CHP). IHH has developed innovative and successful projects in the areas of HIV, children's health, immunization, and cardiovascular disease, among many other health conditions. Most recently, NCLR has been working diligently on projects in the areas of chronic diseases, infectious diseases, and health insurance.

### HIGHLIGHTS

- IHH sponsored 13 health-related workshops during the 2002 NCLR Annual Conference. In addition, IHH secured the Conference participation of U.S. Department of Health and Human Services (HHS) Secretary Tommy Thompson, Deputy Secretary Claude Allen, and senior staff from over 21 divisions of HHS.
- Over 3,500 people were screened for a variety of health problems and conditions at the Health Fair conducted during NCLR's Latino Expo USA in 2002.
- NCLR's *Charlas Entre Nosotros*, a Latino youth peer-to-peer HIV/AIDS prevention project, has reached approximately 400 youth. The project was implemented at the Calli Ollin Academy in Tucson, Arizona; the Hispanic Health Council, Inc. in Hartford, Connecticut; Salud Para la Gente in Watsonville, California; and Centro Hispano de Hawaii in Honolulu.
- NCLR's Project Focus launched the second round of a lead poisoning prevention media campaign, *Por La Salud de Sus Hijos: Pida La Prueba del Plomo*, to encourage Latino parents to have their children tested for lead poisoning. EPA Administrator Christie Todd Whitman spoke at the launch held at NCLR affiliate Mary's Center in Washington, D.C.
- IHH capped off the project year for its Latino Children's Health Insurance Initiative with a symposium held in July 2002 in Durham, North Carolina in collaboration with NCLR affiliate El Pueblo, Inc. and the North Carolina Governor's Office of Hispanic/Latino Affairs.
- IHH's B.R.E.A.T.H.E. Initiative developed a children's storybook in Spanish, *Los Trucos del FantASMA del Asma*, which teaches parents and their children about how to reduce asthma triggers in their homes.
- NCLR continued its work with Project ACCESS, an initiative that aims to improve the Spanish publications *Medicare y Usted* and *Guía Seguro de Salud para Personas con Medicare* through focus groups targeted to Medicare's Hispanic beneficiaries.
- IHH supports six *promotores de salud* programs in key cities across the nation. *Promotores* (lay health educators) work closely with low-income, low-literacy, and limited-English-proficient Latinos. These educators live in the community where they work and are thus able to educate and promote awareness of various health issues in a linguistically and culturally competent manner.



*Courtesy of Betsy Karel, Mary's Center, Washington, DC*

"The agenda for NCLR as it addresses concerns such as health care, education, and other public policy [issues] is an agenda that should resonate with Corporate America and one we should all be able to embrace."

— Rod Gillum  
Vice President for  
Corporate Relations and Diversity  
General Motors



*Courtesy of Betsy Karel, Mary's Center, Washington, DC*



*Courtesy of Betsy Karel, Mary's Center, Washington, DC*

*...investing in local institutions*

# N

NCLR's Affiliate Member Services (AMS) focuses on maintaining and enhancing the NCLR/Affiliate relationship through communication of NCLR and affiliate resources, facilitation of partnerships between affiliates and NCLR's programmatic components, and brokering resources to benefit affiliates beyond those of NCLR. AMS sponsors and coordinates Regional Affiliate Caucuses in order to help foster collaborative action among NCLR's affiliate network. Each year, NCLR bestows its Affiliate of the Year Award upon one outstanding affiliate for the commitment it shares with NCLR to reduce poverty and discrimination and improve life opportunities for Hispanic Americans.

## 2002 AFFILIATE OF THE YEAR

### Alivio Medical Center

Founded in 1989, Alivio Medical Center is committed to providing access to quality, cost-effective, primary health care to uninsured and low-income families. Today, Alivio is seen as a symbol of pride in the Pilsen neighborhood, not only providing culturally competent primary health care services to predominantly Mexican/Mexican American communities of Chicago's southwest side, but also offering an extensive array of programs and services in prevention, health education, and advocacy. In addition to obstetrics/midwifery, pediatrics, adult/family medicine, and geriatrics, Alivio advocates on behalf of the community on issues ranging from health to affordable housing,

education, and the environment. Alivio serves over 16,000 patients a year at two health center sites, a school-based health clinic, and through home visits. In addition to NCLR's 2002 Affiliate of the Year Award, Alivio Medical Center's commitment to its patients and the communities it serves has been consistently recognized with awards by other groups such as the Spirit of Women Award/University of Illinois-Chicago Center for Research on Women and Gender in 2002, Safe Motherhood Initiative-USA in 2000 and 1999, the Women's Caucus of the American Public Health Association in 1999, and the National Latino Children's Institute in 1998.

"NCLR plays a critical role in the lives of our Latino community both individually and as a whole, especially because it is critical that Latinos have a national voice."

— Carmen Velásquez, Executive Director  
Alivio Medical Center



*Courtesy of the Latin American Youth Center, Washington, DC*





*...investing in new Americans*

T

The Emerging Latino Communities (ELC) Initiative strives to help new Latino communities that have little power or influence and face challenges to obtaining social and economic opportunities to become fully integrated into American society. The emergence of new Hispanic populations has created a significant need for policy advocacy, social services, and education. New Latino communities face a multitude of issues in adapting to their new environment, including English-language instruction, housing, employment and training, employment rights instruction, naturalization training, legal services, and counseling. ELC builds the capacity of these newly-formed Hispanic organizations so that they may continue to serve as reliable sources of leadership, education, and resources for their local communities.

## HIGHLIGHTS

- NCLR's continued work in the Southeast has strengthened relationships with state governments, the corporate sector, and the nonprofit world. With these strengthened partnerships, NCLR has facilitated the development of self-sustaining Hispanic community-based organizations in the South, increasing the services available to the growing Hispanic population.
- ELC provides technical assistance to Hispanic community-based organizations by increasing skills in program and proposal development, helping to establish and maintain effective governance systems, and helping to develop accurate budgets and strong fiscal management systems.



"The NCLR Conference was amazing. The Emerging Latino Communities pre-Conference was invaluable and I learned so much. I met so many contacts; if it were up to me I would not miss any of the NCLR Conferences."

— Mary Sánchez  
Hispanic Women's  
Organization of Arkansas



*...investing in economic opportunities*

# N

NCLR addresses the economic and employment issues that affect Latino workers and their families through its Economic Mobility Initiative (EMI). This past year, NCLR engaged in public policy, research, and community-level activities on issues such as welfare reform, jobs and employment, savings, asset-building, and tax policy. A key component of EMI, the Asset Development Initiative, addresses the financial and wealth-building challenges facing Latino families.

## HIGHLIGHTS

- NCLR has raised public awareness and understanding of key issues including Individual Development Accounts, homeownership, financial literacy tools, predatory automobile finance issues, and taxpayer assistance.
- EMI directed and led NCLR's efforts on the reauthorization of the Temporary Assistance for Needy Families (TANF) block grant. Through this work NCLR has ensured that major proposals moving forward in the reauthorization process include key measures especially beneficial to poor Latino mothers and children.
- Analyses, articles, opinion editorials, and press statements on TANF reauthorization prepared by EMI have reached hundreds of advocates, policy-makers, and community leaders and led directly to requests for NCLR to brief key stakeholders and media and provide expert testimony for Congress.
- EMI released an issue brief on financial security documenting the key issues for Latino families and highlighting policies and programs that promise economic opportunity.
- NCLR's advocacy efforts succeeded in securing the enactment of a new refundable tax credit worth approximately \$8 billion annually for working poor families.
- NCLR developed and pursued a strategy to identify the asset-building routes available to Hispanic workers and families, including exploration of homeownership, pension, and savings avenues.
- EMI raised awareness among Hispanic community-based service providers about the opportunity available to link asset-building programs and strategies.
- NCLR developed a stronger and more visible presence in Puerto Rico on welfare reform issues and helped to lay the groundwork for sustained engagement in antipoverty work on the Island.



"NCLR is the leading advocate for the fastest-growing group in the country. We embrace the goals and ideals of NCLR because they mirror our own commitment to diversity as a critical business tool."

— Raymond Mines, Senior Vice President  
McDonald's Corporation



*...investing in social justice*

# N

NCLR has been advocating for fair and effective immigration policies as well as for civil rights laws and their vigorous enforcement for over two decades. NCLR works to ensure that laws affecting Hispanic Americans in these areas are fairly and equitably enforced. NCLR continues to address the fundamental inequities in immigration law, while focusing on meeting the service and advocacy needs of the Latino immigrant population. In the area of immigration policy, NCLR was forced in 2002 to adopt a posture of extreme vigilance as immigrants came under close scrutiny by enforcement officials focused on security. NCLR's goal is to minimize the harm that might come to Latino communities as a result of these changes, and to ensure that the nation lives up to its values as a nation of immigrants, committed to equal justice for all.

## HIGHLIGHTS

- Immigration policy efforts focused on ensuring immigrant access to safety-net social services, combating driver's license restrictions that harm immigrants and the larger Latino community, and monitoring the creation of a vast new bureaucracy, the Department of Homeland Security, which in 2003 will entirely replace the INS and many other federal agencies.
- NCLR is a leader in the effort to ensure comprehensive immigration reform that provides a path to earned legal status to immigrants living and working in the U.S. without benefit of documents.
- NCLR is vigorously addressing law enforcement discrimination, including the expanding practice of racial profiling under heightened security measures.
- In the area of criminal justice, NCLR has focused on unfair sentencing and incarceration practices, and their disproportionate impact on Latinos.
- NCLR has also been involved in language policy and its impact on welfare reform as well as election reform, with special emphasis on voting rights within the Latino community.



"I know what La Raza means not just to Hispanic Americans but to America itself. You have genuinely fought for the people and guaranteed that the Latin words, *E Pluribus Unum*, embraced all of the Latino people. And through your passionate and principled leadership, you have helped to make those founding ideals of freedom, fairness, and equal opportunity more real for millions of people who were born in America and millions born outside who have come to this country looking for a better life...the values you embrace are American values."

— United States Senator Joe Lieberman (D-CT)



Courtesy of Cathy Joyce/  
Catholic Herald Photo

*...investing in civic engagement*

# N

NCLR's field advocacy activities add a state and local dimension to NCLR's policy analysis and advocacy work while seeking to strengthen the nonpartisan foundation for increased Latino participation in the political process. NCLR's public policy expertise at the federal level has provided fertile ground for collaboration with state and local groups engaged in education, health, economic mobility, civil rights, and immigration issues. NCLR has lent assistance to a large number of state and local groups to strengthen their role as promoters of grassroots leadership and agents of social change. In addition, NCLR selected Texas and California, the two states with the largest Latino populations and with the potential to set policy trends nationwide on issues affecting Latinos, to implement a staff-based field advocacy model. A specific focus of NCLR's field advocacy efforts is to produce measurable and sustainable increases in Latino participation through 2004. The Latino Empowerment and Advocacy Project (LEAP) was launched in 2002 to maximize nonpartisan, repeated voter contact and education through modern campaign and outreach strategies. LEAP will work to expand its network of community-based organizations, link naturalization with voter registration, connect newly-registered voters with voter education and Get-Out-The-Vote activities, and incorporate civic participation themes into high school, English-as-a-Second-Language (ESL), and naturalization curricula.

## HIGHLIGHTS

- NCLR has worked with groups in states including California, Colorado, Maryland, Missouri, Tennessee, Texas, Utah, and Virginia on issues affecting immigrant access to driver's licenses and higher education; assistance ranges from providing materials and training to assisting in drafting and advancing legislation.
- In Texas, NCLR played a key role in passage of legislation affecting charter schools, providing access for undocumented students to in-state college tuition, setting guidelines against racial profiling and hate crimes, and expanding access to health care.
- In California, NCLR has been engaged in legislation contributing to attaining immigrant access to higher education, pushing for culturally and linguistically appropriate services for limited-English-proficient populations, and fighting to maintain health programs that provide services to children who would otherwise not have access to care.
- In 2002, LEAP reached close to 110,000 Latinos through direct mail, phone, and door-to-door efforts, contacting each voter two to six times. Partner organizations included Arizona's Chicanos Por La Causa (CPLC), Colorado's Latin American Research And Service Agency (LARASA), Latino Vote Iowa, and North Carolina's El Pueblo, Inc. These groups organized weekend canvassing and Election Day operations to energize Latino voter participation, partnered with local media outlets to remind Latinos to vote, and offered both polling place information and rides to the polls.

"In my work with the Hispanic community I see the challenges that they face every day, and I think the way to create real opportunities, gain rights, and influence policies that will benefit them as a community is through voting."

— Election Day Volunteer  
El Pueblo Votes!  
Raleigh, North Carolina



**Worth fighting for. *Vale la pena luchar.***



*...investing in future leaders*

# N

NCLR's Center for Emerging Latino Leadership concentrates on organizing young people. There are over one million Latinos enrolled in U.S. colleges now who have the opportunities to develop leadership skills that are essential to securing a positive future. In addition to the Center, the NCLR AmeriCorps program is a national service initiative through which NCLR engages Latino youth in intensive community service to meet the critical needs of their respective communities, specifically regarding education, public safety, health, and the environment.

## HIGHLIGHTS

- A national database/ mailing list/ list server of community-based youth programs (affiliate and nonaffiliate), and campus-based student organizations has been created. It currently has: a database of 294 youth programs/organizations, of which 224 are community-based organizations and 135 are affiliates; a database of 121 student organizations identified through direct contact, and an “unverified” mailing list of 1,422 student organizations; a mailing list of 1,254 individual students; a mailing list of 176 campus administrators; and a *Líderes* email list server with over 600 subscribers. Postings go out approximately once a week.
- Capacity-building assistance includes providing technical assistance (TA) to at least five programs/organizations per year. Intensive TA has been provided to our programs/organizations, and several groups are interested in receiving more support.
- Regional *Congresos* and the National *Líderes* Summit gather network members and create a forum for sharing of information, agenda-setting, and action-planning. Approximately 230 attendees and 24 affiliates are represented; 20 workshops are held, 16 presented by young people, and three affiliate and/or NCLR programs are highlighted.
- NCLR's AmeriCorps program placed over 70 young leaders, ages 18-25, at seven NCLR affiliates across the U.S.



"I commend [NCLR] for the leadership you provide to the Latino community and the invaluable contributions that your organization makes to the richness of our culture and to the fabric of our political system."

— United States Senator  
Sam Brownback (R-KS)



# N

NCLR established itself as a powerful voice in the international arena with its conditional support of the North American Free Trade Agreement (NAFTA) in 1993. Since the passage of NAFTA, NCLR has remained active in international issues interacting with nonprofit organizations, institutional actors, and concerned groups based in Latin America, Canada, and Europe. NCLR's international activity is channeled mainly through the following initiatives:

## HIGHLIGHTS

- **Alianza Latinoamericana de Redes de ONGs** (Latin American Coalition of Nonprofit Networks). Alianza is a gathering of major nonprofit community-serving umbrella organizations active in the Americas created to coordinate and implement bilateral and multilateral cooperation. Within Alianza, NCLR works with partners from Mexico, Guatemala, El Salvador, Venezuela, Colombia, Argentina, Chile, and Brazil.
- **Afro-Latinos**. NCLR developed an initiative to work with Afro-Latinos, both domestically and abroad, raising the visibility of Afro-descendants among the general Hispanic community. NCLR implements its own projects and participates actively within the Inter-Agency Consultation on Race Relations (IAC), a U.S.-based international forum of major domestic and international organizations, foundations, and other institutions working in this field.
- **Transatlantic Dialogue**. Transnational economic integration, the construction of large blocs of nations, and the challenges stemming from multiethnic societies are key issues of interest to North Americans and Europeans which signal the need for an interagency and broadly-based transatlantic dialogue. NCLR's initiative allows for a fluent interaction with European organizations, the development of common projects, and the exchange of delegations of elected officials, experts, and representatives of minority groups interested in transnational integration, minority affairs, immigration, and other related matters.
- **Latino-Jewish Leadership Council**. NCLR participates in this forum along with other prominent Latino and Jewish organizations. The Council was created to institutionalize the vision of Latinos and Jews cooperating both domestically and internationally on representation and economic development.

"I infinitely appreciate the National Council of La Raza for its efforts in raising the visibility of the Afro-Latino community of Latin America."

— Celeo Alvarez Casildo, President Organización de Desarrollo Etnico Comunitario, Honduras



*...investing in positive accomplishments*

# N

NCLR's Strategic Communications Group develops and implements NCLR's special events including the Capital Awards, the ALMA Awards, and the NCLR Annual Conference, as well as NCLR's *ACCENT* magazine.

## HIGHLIGHTS

- The 2002 NCLR Capital Awards was held at the National Building Museum in Washington, D.C. on Tuesday, February 26, 2002. The 15th annual gala honored Senate Majority Leader Thomas A. Daschle (D-SD), Senator Sam Brownback (R-KS), and the Long Island, NY daily *Newsday* for their support and commitment on policy issues critical to Hispanic Americans.
- The eighth annual ALMA Awards was taped May 18, 2002 at the Shrine Auditorium in Los Angeles, California and broadcast on June 1 on ABC. This year the show was preceded by the first-ever Pre-ALMA Awards Gala at the Biltmore Hotel. Both events attracted hundreds of established and emerging talent, as well as community and entertainment industry leaders.
- The 2002 NCLR Annual Conference took place in Miami Beach, Florida July 20-24. The Conference featured U.S. Senator Christopher J. Dodd (D-CT), House Minority Leader Richard A. Gephardt (D-MO), U.S. Secretary of Health and Human Services Tommy G. Thompson, U.S. Secretary of Housing and Urban Development Mel Martínez, author Sandra Cisneros, and entertainers such as Grupo Niche, Michael Salgado, and Morris Day and the Time. The Conference hosted 55 mostly standing-room-only workshops, on issues such as leadership, employment rights, access to education, emerging communities of the Southeast, community technology resources, and health care access.
- NCLR presents a series of coveted awards each year at its Annual Conference. In 2002, author and news anchor Jorge Ramos received the Rubén Salazar Award for Communications, while Guarioné Díaz, President of the Cuban American National Council, received the Maclovio Barraza Award for Leadership. The Graciela Olivárez La Raza Award was given to the President of the United Farm Workers of America, Arturo S. Rodríguez, and the President's Award was presented to Arabella Martínez, CEO of NCLR affiliate Unity Council. Finally, Alivio Medical Center received the Affiliate of the Year Award.
- Latino Expo USA is an integral component of NCLR's Annual Conference. This year's Expo attracted 16,800 attendees over four days and showcased the products and services of over 250 exhibitors. The Expo featured a Health Fair with free screenings and health checks and a Homeownership Fair with free credit reports, one-on-one housing counseling, and education sessions in Spanish and English.

"NCLR is an organization I have long admired. NCLR was one of the first Latino organizations to unite us, to focus our concerns, to put issues out there, and be *una presencia* long before it became popular to be Latino or Latina in this country."

— Julia Alvarez, Author



# AFFILIATE NETWORK

## ARIZONA

Arizona Hispanic Chamber of Commerce Foundation  
Arizona Latin American Medical Association  
Aztlán Academy  
Campesinos Sin Fronteras  
Centro De Amistad, Inc.  
Chicanos Por La Causa, Inc. (Phoenix)  
Community Housing Resources of Arizona  
Espíritu Community Development Corporation  
Friendly House, Inc.  
Hispanic Women's Corporation  
Housing America Corporation  
Housing For Mesa, Inc.  
James Sandoval Preparatory High School  
Luz Social Services, Inc.  
Mexicayotl Academy  
Tertulia: A Learning Community  
Valle Del Sol, Inc.

## CALIFORNIA

Academia Semillas del Pueblo  
Academy of Latino Leaders in Action  
Alianza Charter School  
AltaMed Health Services Corporation  
Asociación Campesina Lázaro Cárdenas  
Cabrillo Economic Development Corporation  
CAFÉ de California  
Calexico Community Action Council  
California Association for Bilingual Education  
Camino Nuevo Charter Academy  
Campesinos Unidos, Inc.  
Casa Familiar, Inc.  
Center for Training and Careers, Inc.  
Centro Cultural de la Raza  
Centro Latino de San Francisco  
César Chávez Dual Language Immersion Charter School  
CHARO Community Development Corporation  
Chicana Service Action Center, Inc.  
Chicano Federation of San Diego County, Inc.  
Clínicas de Salud del Pueblo, Inc.  
Colorado River Community Action Council, Inc.  
Community Child Care Council of Santa Clara County

Council for the Spanish Speaking-CA  
Darin M. Camarena Health Center, Inc.  
Delhi Community Center  
Downtown College Preparatory  
Eastbay Spanish Speaking Citizens' Foundation  
Eastmont Community Center  
El Centro del Pueblo  
El Concilio del Condado de Ventura  
El Proyecto del Barrio, Inc.  
Escuela de la Raza Unida  
Farm Workers Institute for Education & Leadership Development  
Federation of Employed Latin American Descendants  
Foundation Center for Phenomenological Research  
Hermandad Mexicana Nacional Legal Center  
Hispanic Women's Council, Inc.  
Join Hands Save a Life  
La Clínica de La Raza  
La Familia Counseling Service  
Latin American Civic Association  
Latin American Professional Women's Association  
Lighthouse Community Charter School  
Los Angeles Leadership Academy  
MAAC Project  
Mexican Heritage Corporation  
Montebello Housing Development Corporation  
Mujeres Latinas de Stanislaus  
Multicultural Area Health Education Center (MAHEC)  
Multiethnic Small Farm and Community Development Corporation  
National Latino Arts, Education, and Media Institute  
Neighborhood Housing Services of Orange County, Inc.  
New Economics for Women  
Para los Niños  
Parent Institute for Quality Education  
Pomona Valley Center for Community Development  
Pueblo Nuevo Development Corporation  
Rural Community Assistance Corporation  
San Diego County SER/Jobs for Progress, Inc.  
San Diego Home Loan Counseling and Education Center  
San Ysidro Health Center

Self-Help Enterprises  
Society of Hispanic Professional Engineers  
TODEC Legal Center, Perris  
Unity Council  
Valley Community Clinic  
Watts/Century Latino Organization  
**COLORADO**  
Brothers Redevelopment, Inc.  
César Chávez Academy  
Colorado Rural Housing Development Corporation  
Del Norte Neighborhood Development Corporation  
Latin American Research and Service Agency  
Mi Casa Resource Center for Women, Inc.  
NEWSED Community Development Corporation  
Servicios de la Raza, Inc.  
SouthWest Improvement Council  
**CONNECTICUT**  
Bridge Academy  
Hispanic Health Council  
Humanidad, Inc.  
**DELAWARE**  
Delmarva Rural Ministries, Inc.  
Latin American Community Center, Inc.  
**DISTRICT OF COLUMBIA**  
Ayuda, Inc.  
Calvary Bilingual Multicultural Learning Center  
Carlos Rosario International Career Center, Inc.  
Center for the Advancement of Hispanics in Science and Engineering  
Central American Resource Center  
Council of Latino Agencies  
EVS Communications  
Heroes and Heritage  
La Clínica del Pueblo, Inc.  
Latin American Youth Center  
Latino Economic Development Corporation  
Mary's Center for Maternal and Child Care, Inc.  
Mi Casa, Inc.  
Multicultural Career Intern Program  
National Association for Bilingual Education  
Spanish Education Development Center  
Teaching for Change

## FLORIDA

Centro Campesino Farmworker Center, Inc.  
Coalition of Florida Farmworker Organizations, Inc.  
Everglades Community Association  
Hispanic American Alliance  
Hispanic Coalition, Inc.  
Latino Leadership, Inc.  
Mexican American Council, Inc.  
Redlands Christian Migrant Association  
UNO Federation Community Services, Inc.

## HAWAII

Maui Economic Opportunity, Inc.

## IDAHO

Idaho Migrant Council, Inc.

## ILLINOIS

Alivio Medical Center  
Association House of Chicago  
Eighteenth Street Development Corporation  
El Hogar del Niño  
Elgin Community College  
Humboldt Park Economic Development Corporation  
Illinois Migrant Council  
Instituto del Progreso Latino  
Latino Youth, Inc.  
Little Village Community Development Corporation  
Mexican Community Committee of Southeast Chicago  
Mujeres Latinas En Acción  
Resurrection Project

## INDIANA

United Hispanic Americans, Inc.

## IOWA

Midwest Educational Resource Development Fund, Inc.

## KANSAS

El Centro, Inc.  
Harvest America Corporation  
Kansas Advisory Committee on Hispanic Affairs  
SER Corporation of Kansas

## MARYLAND

Casa de Maryland  
Centro de la Comunidad, Inc.

## MASSACHUSETTS

Casa Del Sol  
Centro Presente

Concilio Hispano de Cambridge, Inc.  
 Friends of the Holyoke Community  
 Charter School  
 Hispanic Office of Planning and  
 Evaluation  
 New England Farm Workers Council

**MICHIGAN**

Detroit Hispanic Development  
 Corporation  
 Hispanic American Council, Inc.  
 Hispanic Center of Western Michigan  
 Latin Americans for Social and  
 Economic Development, Inc.  
 Latino Family Services  
 Michigan Commission on Spanish  
 Speaking Affairs  
 New Detroit, Inc.  
 Northwest Michigan Health  
 Services, Inc.

**MINNESOTA**

Academia Cesar Chávez  
 Aurora Charter School  
 Chicano Latino Affairs Council  
 Chicanos Latinos Unidos En Servicio  
 Hispanic Chamber of Commerce of  
 Minnesota Foundation

**MISSOURI**

Cabot Westside Clinic  
 Guadalupe Center, Inc.  
 Hispanic Economic Development  
 Corporation of Greater Kansas  
 Mattie Rhodes Counseling  
 and Art Center  
 Westside Housing Organization

**NEBRASKA**

Chicano Awareness Center  
 Hispanic Community Center  
 Indian Chicano Health Center  
 Mexican American Commission  
 NAF Multicultural Human  
 Development, Inc.

**NEVADA**

East Las Vegas Community  
 Development Corporation  
 Nevada Association of Latin  
 Americans, Inc.  
 Nevada Hispanic Services, Inc.

**NEW JERSEY**

Asociación de Puertorriqueños en  
 Marcha- NJ  
 Latin American Economic  
 Development Association

**NEW MEXICO**

Albuquerque Hispano Chamber of  
 Commerce

Hands Across Cultures  
 Home Education Livelihood Program,  
 Inc.

MANA De Albuquerque  
 Neighborhood Housing Services of  
 Santa Fe  
 New Mexico MESA, Inc.  
 Rio Grande Center  
 Siete Del Norte  
 Southwest Institute for Educational  
 Research and Professional Teacher  
 Development  
 Southwest Creations Collaborative  
 YES Housing, Inc.  
 Youth Development, Inc.

**NEW YORK**

Alianza Dominicana, Inc.  
 Audubon Partnership for Economic  
 Development  
 Committee for Hispanic Children and  
 Families  
 Community Association of Progressive  
 Dominicans  
 Dominican Women's Development  
 Center  
 Latin American Integration Center, Inc.  
 Promesa Systems, Inc.  
 Rural Opportunities, Inc.  
 Spanish Action League  
 Spanish Repertory Theater Co., Ltd

**NORTH CAROLINA**

El Pueblo, Inc.  
 Hispanic Liaison of Chatham County/ El  
 Vinculo Hispano

**OHIO**

Catholic Social Services of Cuyahoga  
 County  
 Commission on Catholic  
 Community Action  
 El Centro de Servicios Sociales, Inc.  
 Farm Labor Research Project  
 Hispanic Urban Minority Alcoholism &  
 Drug Abuse Outreach Program  
 Lorain County Community College  
 Organización Cívica y Cultural Hispana  
 Americana

**OKLAHOMA**

Latino Community Development  
 Agency  
 ORO Development Corporation

**OREGON**

Casa of Oregon  
 Centro Hispano of Southern Oregon  
 Hacienda Community Development  
 Corporation

Housing Development Corporation  
 Oregon Council for Hispanic  
 Advancement

**PENNSYLVANIA**

Asociación de Puertorriqueños en  
 Marcha- PA  
 Congreso de Latinos Unidos, Inc.  
 Hispanic Association of Contractors  
 and Enterprises  
 La Casa de Amistad Ministry, CCU  
 Norris Square Civic Association  
 Nueva Esperanza Academy  
 Nueva Esperanza, Inc.  
 SACA Development Corporation

**PUERTO RICO**

Asociación de Salud Primaria de  
 Puerto Rico  
 Consejo Vecinal Pro-Desarrollo de la  
 Península de Cantera

**RHODE ISLAND**

Center for Hispanic Policy and  
 Advocacy

**SOUTH CAROLINA**

Acercamiento Hispano de  
 Carolina del Sur

**TEXAS**

American YouthWorks  
 Amigos del Valle, Inc.  
 Asociación Pro Servicios Sociales  
 Association for the Advancement of  
 Mexican Americans  
 Association for the Advancement of  
 Mexican Americans CDC  
 Avenida Guadalupe Association  
 Centro de Salud Familiar La Fe, Inc.  
 Colonias del Valle, Inc.  
 Community Council of Southwest  
 Texas, Inc.  
 D.R.A.W. Academy  
 Dallas Concilio of Hispanic Service  
 Organizations  
 First Mexican Baptist Church  
 Galaviz Academy  
 Greater Dallas Foundation, Inc.  
 Gulf Coast Council of La Raza, Inc.  
 Harlingen Information & Social  
 Services Organization  
 Housing Opportunities of Houston, Inc.  
 Houston Community Services  
 Houston Esperanza  
 Information Referral Resource  
 Assistance, Inc.  
 La Gloria Development Corporation  
 La Mujer Obrera

Latino Learning Center  
 LEARN, Inc.  
 Mexican American Unity Council, Inc.  
 Midland Community Development  
 Corporation  
 Near Northside Partners Council, Inc.  
 Nuestra Clinica del Valle  
 Our Casas Resident Council, Inc.  
 Southside Low-Income Housing  
 Development Corporation  
 Southwest Key Program, Inc.  
 Sparks Housing Development  
 Corporation  
 Student Alternatives Program, Inc.  
 Su Clínica Familiar  
 Tejano Center for Community  
 Concerns  
 Texas Migrant Council, Inc.  
 Vecinos Unidos, Inc.  
 YWCA El Paso Del Norte Region

**UTAH**

Centro de la Familia de Utah  
 Utah Coalition of La Raza

**VIRGINIA**

Hispanic Committee of Virginia  
 Hispanos Unidos de Virginia

**WASHINGTON**

Community Health Center La Clínica  
 El Centro de la Raza  
 Mid-Columbia Coalition For Children  
 Northwest Communities Education  
 Center  
 People of Color Against AIDS Network  
 Rural Community Development  
 Resources  
 SEA MAR Community Health Centers  
 Washington State Commission on  
 Hispanic Affairs  
 Washington State Council of La Raza  
 Washington State Migrant Council

**WISCONSIN**

Aurora Weier Educational Center  
 Centro de la Comunidad Unida/United  
 Community Center  
 Centro Hispano  
 Council for the Spanish Speaking-WI  
 La Casa de Esperanza, Inc.  
 La Causa, Inc.  
 Milwaukee SER-Jobs for Progress  
 United Migrant Opportunity  
 Services, Inc.



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Federal Relations Representative  
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**Coca-Cola Company**

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Women's & Multicultural Events  
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Community Affairs  
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**René O. Deida**  
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**Major Andrew Fortunato**  
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Advertising  
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Vice President  
International Government Affairs  
**Verizon Communications**

**Betsy Reithmeyer**  
Director of Corporate Affairs  
**Wal-Mart Foundation**

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Hugo Cardona, Senior Vice President, Office of Technical Assistance and Constituency Support (TACS)

Anthony J. Colón, Vice President, Center for Community Educational Excellence (C<sup>2</sup>E)

Cecilia Muñoz, Vice President, Office of Research, Advocacy, and Legislation (ORAL)

Lisa Navarrete, Vice President, Office of Public Information (OPI)

Alejandro Perilla, Vice President, General Manager, Strategic Communications Group (OSIP/SCG)

Arnoldo Reséndez, Vice President, Office of Special and International Projects (OSIP)

Michael Votaw, Vice President, Office of Finance and Administration/Chief Financial Officer (OFA)

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Sonia Pérez, Deputy Vice President, Office of Research, Advocacy, and Legislation (ORAL)

Carlos Ugarte, Deputy Vice President, Institute for Hispanic Health (OSIP/IHH)

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Cristina Bryan, Special Assistant to the President

Alexandra Jost, Special Assistant to the President

Lisa Bombín, Liaison to CBA, Board of Directors, and Affiliate Council

Darcy Eischens, Director, Direct Mail/Membership Marketing

Kyle K. F. Shinseki, Development Director

Jacob P. Abbott, Development Specialist

Nanette L. Báez, Member Services Representative

Yazmín Fernández, Program Associate

Mareth Flores, Campaign/Development Specialist

Jeanette Luna, Senior Development Specialist

Sonia Medina, Administrative Assistant

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Denise Moye, Manager, Grants and Administration

Ivelisse Hernández, Accountant

Manuel Cuyún, Junior Accountant

Wilfredo Gomez, Financial Analyst

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Sheri Furlott, Director, Administration and Grants Management

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Alejandro Fuentes, Controller

Laura Kozel, Chief Credit Officer

Angela L. Stephenson, Loan Officer

# NCLR CONTRIBUTORS

## *Programmatic Funding Sources*

|  |  |  |
|--|--|--|
| Aetna Foundation                             | Ford Foundation  | Open Society Institute                           |
| AFL-CIO                                      | Ford Motor Company Fund                                  | PepsiCo, Inc.                                    |
| AFSCME                                       | The Fred R. Fernandez-Irma R. Rodriguez Foundation, Inc. | Pfizer Inc.                                      |
| Alcoa Foundation                             | Freddie Mac Corporation                                  | The Procter & Gamble Fund                        |
| The Allstate Foundation                      | Freddie Mac Foundation                                   | Procter & Gamble                                 |
| American Airlines                            | The Gap, Inc.  | Rockefeller Foundation                           |
| American Express Foundation                  | Hess Foundation, Inc.                                    | Rockwell Automation                              |
| America's Charter School Finance Corporation | Hilton Hotels Corporation                                | Rosenberg Foundation                             |
| Anheuser-Busch Companies                     | Home Depot, Inc.   | Sallie Mae Fund                                  |
| Annie E. Casey Foundation                    | Office of the Illinois Attorney General                  | SBC Communications                               |
| AOL Time Warner                              | The J.P. Morgan Chase Foundation                         | Sears, Roebuck and Co.                           |
| AT&T Foundation                              | Job Corps  | State Farm Insurance Companies                   |
| Bank of America                              | John D. and Catherine T. MacArthur Foundation            | Toyota USA Foundation                            |
| Bill & Melinda Gates Foundation              | Johnson & Johnson  | U.S. Department of Commerce                      |
| The Bridgestone/Firestone Trust Fund         | Joyce Mertz-Gilmore Foundation                           | U.S. Department of Education                     |
| The California Endowment                     | Kaiser Family Foundation                                 | U.S. Department of Health and Human Services     |
| Carnegie Corporation of New York             | The Kroger Company                                       | U.S. Department of Housing and Urban Development |
| Caterpillar Foundation                       | Lockheed Martin Corporation                              | U.S. Department of Labor                         |
| Charles Stewart Mott Foundation              | Lucent Technologies Foundation                           | United Parcel Service                            |
| ChevronTexaco                                | Lynde and Harry Bradley Foundation                       | UPS Foundation                                   |
| Citigroup                                    | MBNA   | Univision Communications, Inc.                   |
| Citigroup Foundation                         | Mehri & Skalet PLLC                                      | USAA Federal Savings Bank                        |
| Coca-Cola Foundation                         | MetLife Foundation                                       | V&V Supremo Foods, Inc.                          |
| Coors Brewing Company                        | DTE Energy Foundation                                    | Valassis Giving Committee                        |
| The Cummins Foundation                       | Miller Brewing Company                                   | Verizon Foundation                               |
| DaimlerChrysler Corporation Fund             | Motorola Foundation                                      | W.K. Kellogg Foundation                          |
| E.I. Du Pont de Nemours and Company          | NASA   | Wal-Mart Stores, Inc.                            |
| Eastman Kodak                                | Prudential Foundation                                    | The Walton Family Foundation                     |
| Entergy Charitable Foundation                | NEA  | Wells Fargo                                      |
| Environmental Protection Agency              | Newman's Own, Inc.                                       | The William Randolph Hearst Foundations          |
| Ewing Marion Kauffman Foundation             | Nike Foundation  | Wilmer, Cutler & Pickering                       |
| Fannie Mae Foundation                        | Novo Nordisk Pharmaceuticals                             |  |

# EMPOWERING AN AMERICAN COMMUNITY CAMPAIGN

**I**n November 2001, NCLR embarked on an historic fundraising effort to establish a general program endowment and secure a new permanent center of operations for NCLR in Washington, D.C.

An endowment is a pool of funds used to support programs that further an institution's mission. The objective of the endowment is to maintain the real value of the endowment's contributions in perpetuity, while allowing withdrawals to support program expenditures. As such, the endowment must earn a return to cover fees for managing its investment portfolio and provide the institution with sufficient funds to maintain and increase its programs. Once the endowment is fully funded in 2008, NCLR will have access to funds for more aggressively addressing critical issues facing the Hispanic community.

As a renowned American institution that intends to operate and grow for many decades to come, NCLR is also raising funds to establish a permanent center for Hispanic leadership in the heart of our nation's capital. This center will serve as a showcase for Hispanic achievement, a gathering place for leaders committed to the Hispanic community, and headquarters for NCLR's operations.

*For more information on the Campaign, please contact the Campaign Office at [empower@nclr.org](mailto:empower@nclr.org).*

NCLR would like to thank the many corporations and individuals who have joined us from November 2001 through February 2003 in a fundraising effort that promises to build, secure, and protect the future for millions of America's Latinos.

*¡Muchísimas gracias!*

## Honor Roll of Donors

(as of February 2003)

### Visionary Society



### Legacy Society

**Anonymous**

**Anonymous**



### Vanguard Society



**John C. López Family**



### Patron Society

**Dr. Catalina García, M.D.**



**ENTRAVISION  
COMMUNICATIONS**

**The Pimienta Family**

**Arturo Torres**



### President's Society

**Raul Yzaguirre**

**The Murguía Family**

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### Chairman's Partner

**José Villarreal**

**Mónica Lozano**

**Tom Castro**

**Cristina Saralegui**

**Henry Cisneros**

**Thomas Valenzuela**

In a unified show of support, every member of NCLR's Board of Directors and some former Board members have made a personal commitment and gift to the Campaign.

José Villarreal, Chair  
Salvador Balcorta  
Audrey Alvarado  
Andrea Bazán-Manson  
Amancio Chapa  
Dr. Cordelia Candelaria  
Rita DiMartino  
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Carmen Velásquez  
Ann Marie Wheelock

## *NCLR Management Discussion of Fiscal Year 2002 Finances*

### Overview

The fiscal year ending September 30, 2002 (FY 2002) was another tremendous year of financial growth and success for the National Council of La Raza (NCLR). Early success in the Empowering an American Community Campaign (Capital Campaign) has exceeded initial expectations, with over \$17 million of commitments as of the end of September 2002. Despite the challenging economic environment and losses suffered on the Strategic Investment Fund for La Raza's equity portfolio resulting from the continued decline of the overall stock market, the consolidated corporation generated a surplus (change in unrestricted net assets) of \$20.6 million. While the bulk of the surplus is from unrestricted commitments to the Capital Campaign, FY 2002 also marks the thirteenth straight year of operating surpluses on NCLR's core business activities (excluding the Capital Campaign activities). The core business surplus excluding Capital Campaign activities was a modest \$18,000 after \$23.9 million of expenses. Raza Development Fund (RDF), NCLR's community development lending subsidiary, contributed a net surplus of \$5.9 million to the consolidated corporation in FY 2002.

NCLR's significant growth over the last five years is illustrated in Graph 1 which presents NCLR's balance sheet and income statement growth from FY 1998 to FY 2002. Total consolidated corporation assets have grown from \$7.6 million as of FYE 1998 to over \$72 million as of FYE 2002. The growth in assets stems from Capital Campaign commitments, large multiyear funding commitments from foundations, a large cash contribution that established NCLR's Strategic Investment Fund for La Raza, and borrowed capital obtained to fund the Raza Development Fund. Total liabilities have increased over the same period from \$2.1 million to \$23.5 million as the Raza Development Fund, a support corporation established to operate NCLR's Hope Fund Community Development Financial

Institution, has taken on low-interest debt capital to fund lending to NCLR affiliates. Most importantly, NCLR's total net assets have increased from \$1.5 million as of the end of FY 1998 to over \$48.7 million as of September 30, 2002. (See Graph 1)

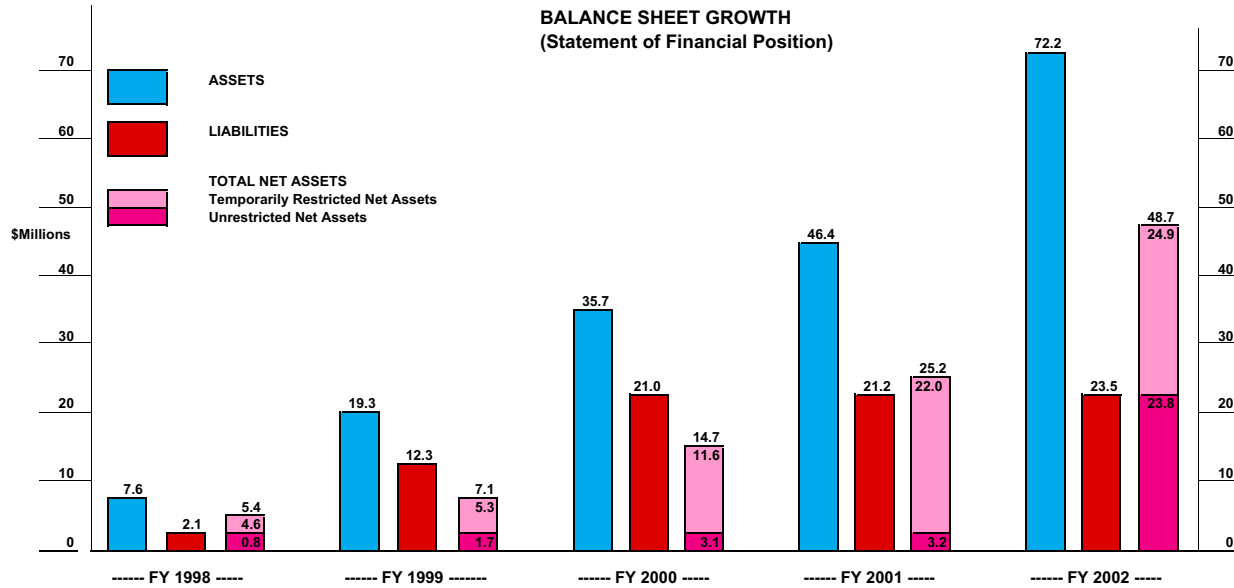
Working from the historically solid financial foundation built over the last decade, NCLR has made great progress toward achieving its strategic financial goals, which include: (1) establishing a \$15 to \$20 million endowment and a "rainy day" fund and (2) securing \$4 to \$8 million of capital to acquire a facility in Washington, D.C. to house the NCLR Hispanic Legacy Center, which will include NCLR's Washington, D.C. headquarters operations and community meeting space. Funds for most Capital Campaign commitments made to date will be received over the next five years. The existing infrastructure of the Strategic Investment Fund for La Raza provides the vehicle and operating discipline for investing Capital Campaign funds and establishing an endowment as cash is received over the next few years. Overall improvements in its balance sheet position leave NCLR poised and financially ready to acquire a facility in Washington, D.C. This will establish a permanent physical presence in the nation's capital and further assist NCLR in building its institutional wealth and financial stability.

### **Statement of Financial Position (Balance Sheet) Analysis - FY 2002**

NCLR's balance sheet demonstrates the institution's unprecedented growth in recent years. Most significantly, assets and net equity have grown as a result of the more than \$17 million of unrestricted commitments to NCLR's Empowering an American Community Campaign. In addition, large multiyear grant commitments received in fiscal year 2002 have further strengthened NCLR's consolidated statement of financial position (the balance sheet). New commitments in a variety of program areas (although primarily for NCLR's Charter School

## NATIONAL COUNCIL OF LA RAZA FINANCIAL GROWTH - FY 1998 to FY 2002

Graph 1



**MAJOR FINANCIAL EVENTS:**

\$10 million Bank of America loan to capitalize Raza Development Fund (RDF)

Completion of NCLR Five-Year Strategic Plan FY 2000- 2004

\$7 million State Farm loan and \$1 million grant for RDF

\$8 million grant from Ford Foundation establishes Strategic Investment Fund

\$6.6 million Charter School Development Initiative, 5-year grant from Gates Foundation

\$3 million Charter School Development Initiative, 5-year grant from Walton Family Foundation

Numerous multiyear program grants in all program areas

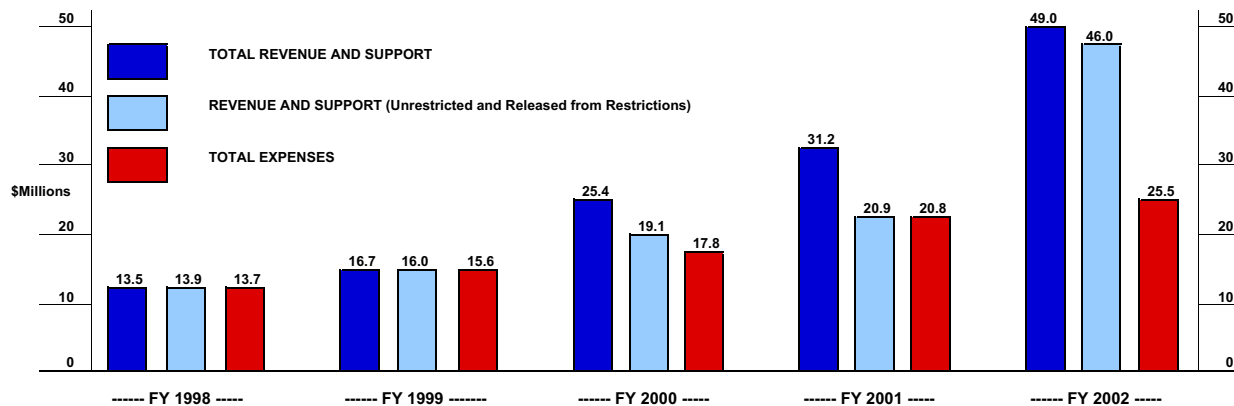
\$17 million Empowering America Capital Campaign commitments

\$2.5 million Allstate loan for RDF

\$6 million Early College High School Project 5-year grant from Gates Foundation

\$4.2 million RDF U.S. Dept. of HUD  
\$2.1 million RDF U.S. Dept. of Education

**INCOME STATEMENT GROWTH  
(Statement of Activities)**





Development Initiative and the Early College High School Demonstration Project) have added \$6 million to NCLR's assets and temporarily restricted net assets (equity) in FY 2002. Finally, the release from restrictions of revenues from two large federal grants to Raza Development Fund (from the U.S. Department of Housing and Urban Development and the U.S. Department of Education) contributed to RDF's large surplus of \$5.9 million. These grants provide lending capital and funding for loan loss reserves on higher risk capital projects. As a result of these factors, NCLR's total assets rose to \$72.2 million, up from \$46.4 million at FYE 2001. Total liabilities increased to \$23.5 million, versus \$21.2 million at FYE 2001. Total net assets increased dramatically to \$48.7 million, up from \$25.2 million at FYE 2001, and from \$14.7 million at FYE 2000.

The consolidated change in unrestricted net assets (NCLR's net surplus) was an unprecedented \$20.6 million, making FY 2002 the thirteenth straight year of operating surpluses for the National Council of La Raza. As a result of the FY 2002 surplus, NCLR's total cumulative unrestricted net assets balance was \$23.8 million at FYE 2002 (See Graph 6). NCLR's consistent track record of posting operating surpluses, the cumulative fund balance of \$23.8 million, the consistent growth of institutional impact and program budget, and the establishment of Raza Development Fund and the Strategic Investment Fund are all clear signals that the institution has risen to a higher level of financial capacity, stability, and sophistication. Nonetheless, it remains a daunting challenge for the institution to raise the majority of its program and operating funding every year.

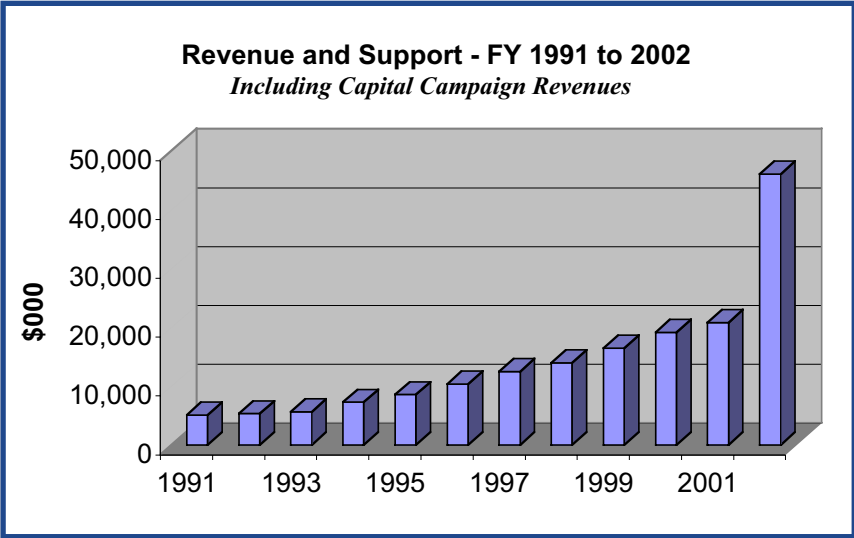
**Statement of Activities (Income Statement) Analysis - FY 2002**

**Consolidated Corporation - Key Performance Measurements**

NCLR continues to meet its financial goals of growth, maintaining a diversified mix of funding sources, and efficiently utilizing its financial resources to achieve impact.

As noted in the Overview and Statement of Financial Position Analysis sections, NCLR has experienced consistent revenue growth over the last decade. Growth in revenue and support (unrestricted and released from restrictions) is shown in Graphs 2-A and 2-B. Total consolidated revenue and support (unrestricted and released from restrictions) for FY 2002 was \$46.1 million, reflecting a growth rate of 121%. It should be noted that this includes unrestricted Capital Campaign revenues. When Capital Campaign revenues are excluded, total revenue and support (unrestricted and released from restrictions) was \$29.9 million in FY 2002, or 43.3% growth versus FY 2001. NCLR's annual revenue growth rate over the last ten years has averaged more than 15.0%.

GRAPH 2-A



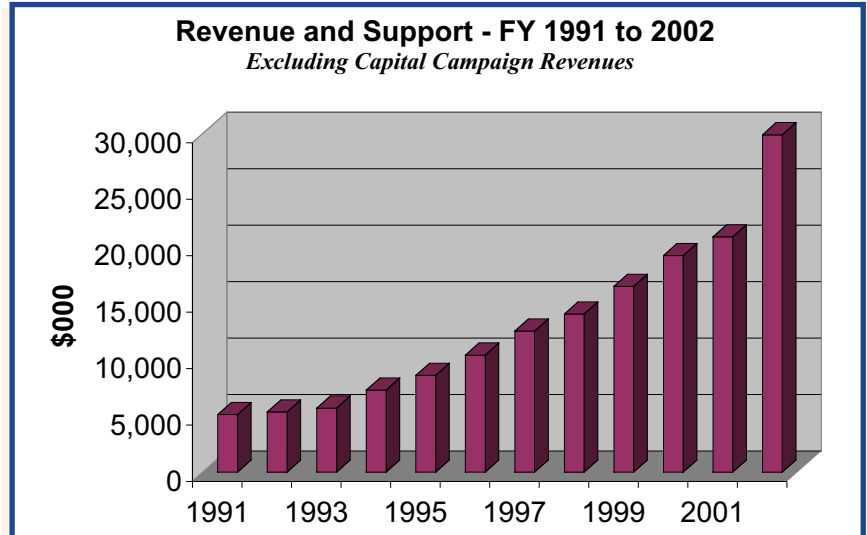
## NCLR Maintains a Diversified Mix of Funding Sources

NCLR continues to maintain a diverse mix of funding sources, with 18.5% of total FY 2002 revenue and support (unrestricted and released from restrictions) coming from corporation and foundation grants and contributions, 15.2% from special events, 25.5% from federal grants, 35.2% from Capital Campaign commitments, 1% from investment and interest income and other revenues, and 4.8% from associate membership dues and other individual unrestricted contributions. (See Graphs 3-A and 3-B)

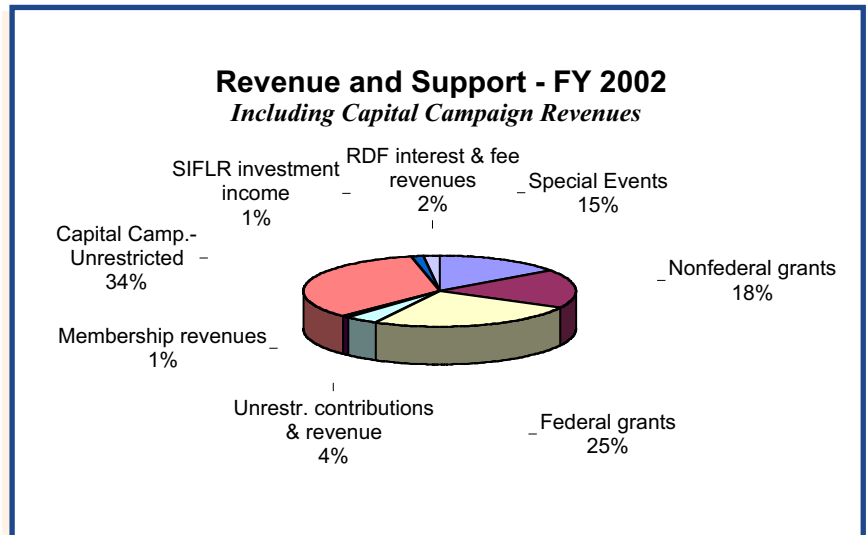
If Capital Campaign revenues are excluded from FY 2002 figures, the mix was as follows: 28.8% from corporation and foundation grants, 23.5% from special events, 39.4% from federal grants, 1% from investment and interest income and other revenues, and 7% from associate membership dues and other individual unrestricted contributions. The consolidated corporation's federal grant revenues are distorted by \$6.3 million of "one-time" revenue related to the U.S. Department of Education and U.S. Department of Housing and Urban Development funding to RDF for charter school and community development capital. If these grants are excluded, federal grant revenues represented 25% of total revenue and support.

During FY 2002, NCLR continued to slow the growth in the Associate Membership Marketing program to improve the financial performance of new member acquisition efforts. Total paid members to date exceeded 35,000 as of September 2002.

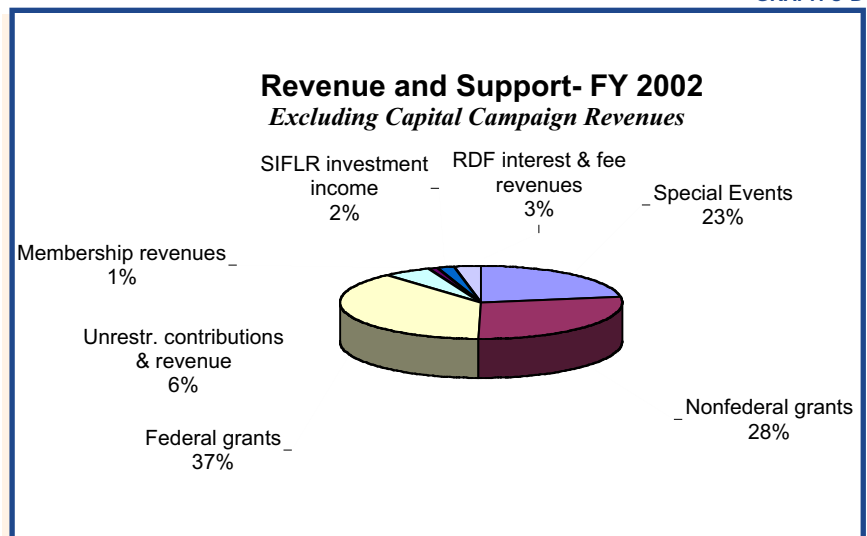
GRAPH 2-B



GRAPH 3-A



GRAPH 3-B



NCLR's ability to scale up efforts in critical program areas outlined in NCLR's Five-Year Strategic Plan have been bolstered by significant multiyear funding commitments from diverse funding sources such as the following:

**Housing, Workforce, and Community Development:**

Bank of America, Fannie Mae Foundation, Freddie Mac, the PepsiCo Foundation, Chase Manhattan, the U.S. Department of Labor, and the U.S. Department of Housing and Urban Development

**Education Initiatives:**

The U.S. Department of Education, General Mills, the Bill & Melinda Gates Foundation, the AT&T Foundation, and the Walton Family Foundation

**Health Promotion:**

The Centers for Disease Control and Prevention/ U.S. Department of Health and Human Services, the U.S. Environmental Protection Agency, and the Metropolitan Life Foundation

**Public Policy and Research:**

The Ford Foundation, the Rockefeller Foundation, and the Open Society Institute

**Efficient and Effective Use of Financial Resources**

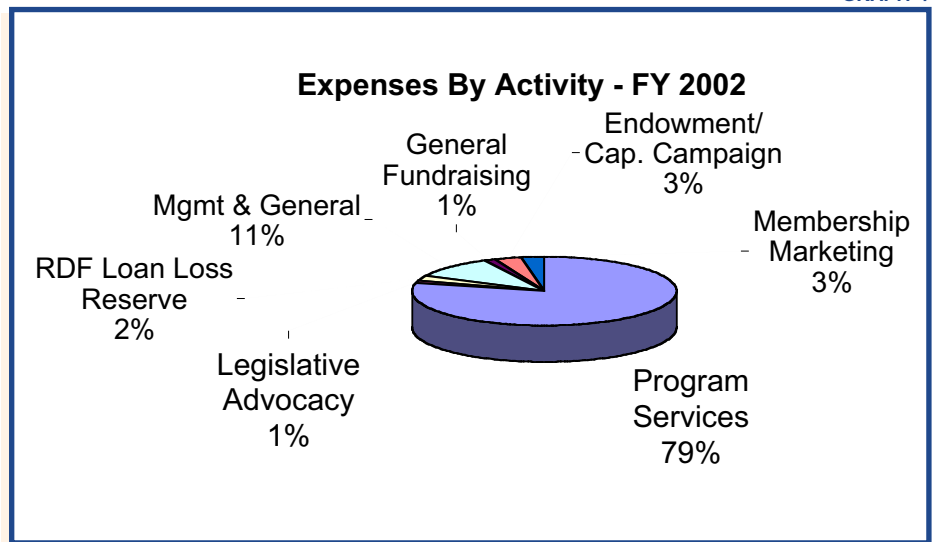
NCLR continues to ensure that financial resources are managed and used efficiently. NCLR's strategic target is to ensure that 80% or more of total expenses are for program services and legislative advocacy. In FY 2002, program services and legislative advocacy expenses represented \$21 million, or 82.1%, of the total \$25.5 million

of expenses. Supporting services expenses of \$4.6 million reflected \$2.5 million of management and general, \$876,000 of endowment/ Capital Campaign fundraising expenses, \$713,000 of Associate Membership development expenses, \$288,000 of general fundraising, and \$47,000 of RDF administrative costs. (See Graph 4)

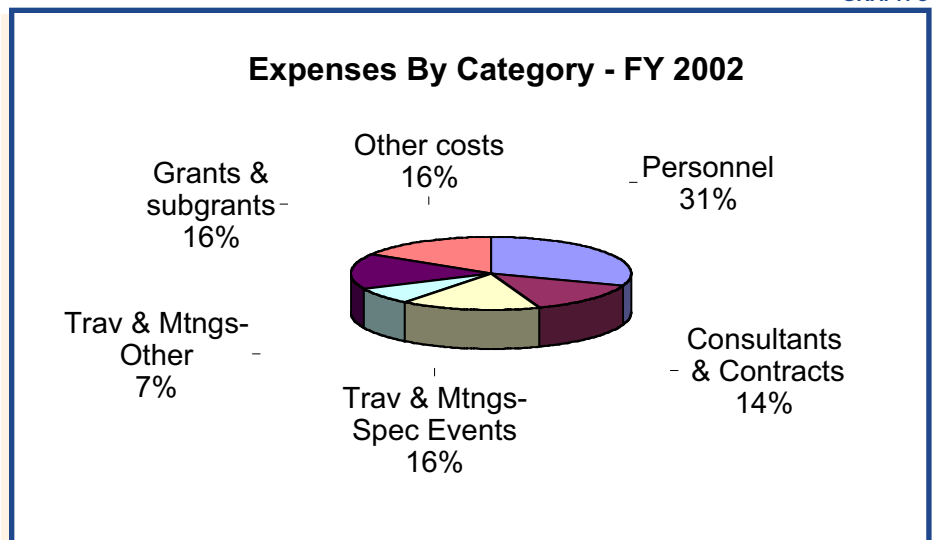
**NCLR Expenses By Category**

Due to the nature of NCLR's business, almost half of NCLR's expenses are for personnel and consulting expenses. The impact work in policy and programs is driven by NCLR's greatest asset: its talented staff. NCLR's expenses by category for FY 2002 are depicted in Graph 5. It is important to note that

GRAPH 4



GRAPH 5



more than \$4 million, or 15.8%, of NCLR's FY 2002 expenses were subgrants to affiliates and other organizations conducting critical work in the communities that NCLR and its affiliates serve. (Graph 5)

## Detailed Management Analysis By Operating Unit

### NCLR Core Business Activities

NCLR's traditional core business continued the pattern of consistent growth demonstrated throughout the last decade. Revenue and support (unrestricted and released from restrictions) for the core business activities increased 98.4% in FY 2002 versus FY 2001 when Capital Campaign revenues are included, and 16.4% if Capital Campaign revenues are excluded. Virtually every program area of NCLR's core business experienced budget growth in FY 2002. In addition, NCLR expanded its supporting services to provide the operating infrastructure required to support the organization's ongoing growth. Three important new positions have been created in the supporting staff: chief technology officer, organizational development and human resources director, and senior accountant. Overall, FY 2002 NCLR core business expenses increased to \$23.9 million, a 21% increase versus FY 2001. The core business continues to maintain a diversified array of revenues and support sources and to utilize fiscal resources efficiently (81.4% of expenses toward program services). The core business, including Capital Campaign activities, generated an unprecedented net surplus of \$15.3 million in FY 2002. The true core business activities, excluding Capital Campaign activities, generated a modest net surplus of \$18,000.

### Raza Development Fund

Raza Development Fund continues to grow and is one of the nation's six largest U.S. Treasury Department-certified Community Development Financial Institutions (CDFI) in terms of total capitalization. During FY 2002, Raza Development Fund, NCLR's wholly-owned subsidiary, continued to add and develop staff, add new lending programs,

increase capitalization, and increase the number of loans funded. Total loans receivable increased to \$5.1 million at FYE 2002, up from \$2.6 million at FYE 2001. With a highly-skilled staff of six employees and an annual budget of over \$2.5 million after just three years of operations, the progress to date on RDF demonstrates the institution's ability to execute critical initiatives and achieve impact.

By the end of September 2002, Raza Development Fund had closed more than \$11 million of loans which have been critical to the development of over \$30 million of community facilities and affordable housing initiatives in every region of the country. In addition, in December 2002, Raza Development Fund signed an unprecedented agreement with Citigroup which will provide loan origination fee revenue for RDF and, more importantly, access to \$100 million of capital to NCLR affiliates for community development projects. Thus, NCLR continues to take great strides in expanding the array of valuable services provided to NCLR affiliates. NCLR's Five-Year Strategic Plan calls for the expansion of the Raza Development Fund to \$50 million of total capitalization by FY 2005.

### Strategic Investment Fund for La Raza

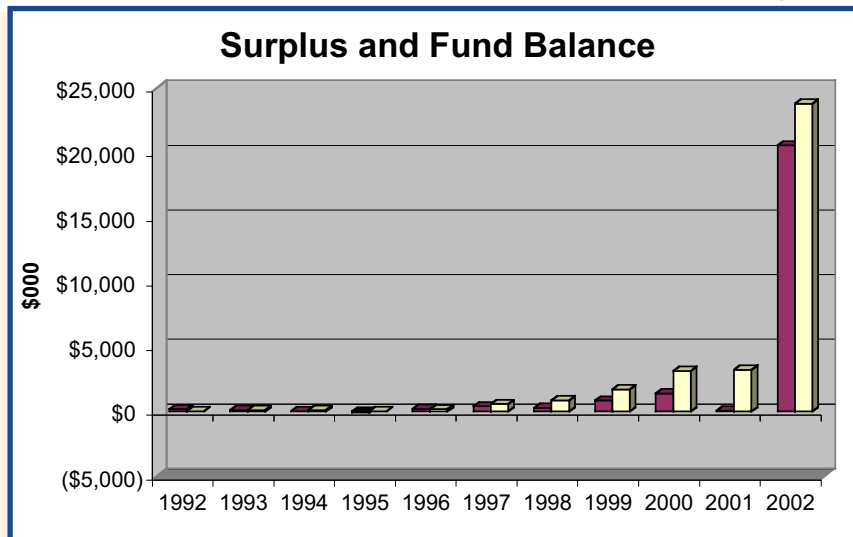
While FY 2002 results from the Strategic Investment Fund for La Raza (SIFLR) investment portfolio were disappointing, SIFLR continued to build the infrastructure and financial management capacity to manage the corporation's investment assets effectively. SIFLR was established in September 2000 as a nonprofit support corporation to manage the investment funds of NCLR. SIFLR suffered losses of \$651,000 in FY 2002 as a result of the continuing stock market decline, a 10.4% drop in value. This follows a net loss of \$532,000 in FY 2001, which was a 6.6% decline in value. Losses in the first two years of the Fund are disappointing, but fully in line with the overall market decline and the portfolio strategy that the Fund has employed. The Strategic Investment Fund has established a rigorous performance measurement system to analyze fund performance versus appropriate market

indices for each of its investment managers. Through the end of FY 2002, the Fund overall is performing slightly better than market indices to date.

Through the Empowering an American Community Campaign (Capital Campaign), NCLR has demonstrated its commitment to strengthening the financial capacity and stability of the institution by creating a permanent endowment to support the institution perpetually. This initiative is directly in line with NCLR's Five-Year Strategic Plan objective to increase the institution's financial capacity and stability. As Capital Campaign funds are received over the next few years, SIFLR will manage the investment and oversight of those funds through the use of professional investment management firms.

**Consolidated "Bottom-Line"**

The unprecedented consolidated surplus (change in unrestricted net assets) of \$20,581,000 is the net result of surpluses of \$15,314,000 from the core business (primarily from Capital Campaign activities as the core business excluding the Capital Campaign generated only an \$18,000 surplus), and \$5,919,000 from Raza Development Fund, offset by the Strategic Investment Fund's FY 2002 loss of \$651,000. (See Graph 6)



**Conclusions and Forward Direction**

Overall, NCLR's Five-Year Strategic Plan (2000-2004) called for the institution to achieve growth in its annual budget to over \$25 million by FY 2005. As the FY 2002 results demonstrate, NCLR has been successful in achieving that goal. The institution expects continued growth in programs and impact, and budget growth to beyond \$25 million in the fiscal year ending September 30, 2003.

As Capital Campaign commitments are received in cash over the next five years, the institution will establish an invested endowment, projected at over \$20 million of assets, utilizing the Strategic Investment Fund for La Raza to manage the funds. NCLR's solid financial foundation and continued budget growth position the institution to acquire a facility in Washington, D.C. to house its program operations, provide a community meeting place, and establish a permanent physical presence for NCLR and the Hispanic community in the nation's capital.

**Endnotes:**

NCLR's key financial and operating data for the last five years are provided in summary on page 43. Summary Financial Statements provided on pages 44 and 45 represent the consolidated statement of financial position and statement of activities for the National Council of La Raza for the fiscal year ended 9/30/02 with comparative figures provided for the fiscal years ended 9/30/01 and 9/30/00. In addition, pages 46 and 47 provide segmented financial statements for fiscal year 2002 showing NCLR's core business activities, the Strategic Investment Fund, and Raza Development Fund in separate columns. All figures are taken directly from NCLR's fiscal year end 9/30/01, 9/30/00, and 9/30/99 audited financial statements and internally prepared statements for FYE 9/30/02.

The auditor's opinion letter and complete audited financial statements prepared by Grant Thornton, LLP may be obtained by calling Michael Votaw, Chief Financial Officer and Vice President, Finance and Administration, at (202) 776-1781.

## NATIONAL COUNCIL OF LA RAZA

### FINANCIAL HIGHLIGHTS (All figures in \$000)

| Statement of Financial Position Data   | 2002          | 2001          | 2000          | 1999          | 1998          |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>Total assets</b>  | <b>72,200</b> | <b>46,382</b> | <b>35,740</b> | <b>19,348</b> | <b>7,633</b>  |
| Cash and equivalents   | 5,837         | 4,256         | 2,170         | 2,351         | 819           |
| Investments in marketable securities   | 21,037        | 21,893        | 23,928        | 8,687         | 121           |
| Contracts, grants, and sponsorship receivables                                     | 19,829        | 16,223        | 5,363         | 6,024         | 5,126         |
| Capital Campaign receivables   | 15,055        | -             | -             | -             | -             |
| Property, plant, and equipment   | 580           | 549           | 688           | 800           | 808           |
| Loans receivable and loan guarantees   | 5,142         | 2,583         | 2,354         | 863           | 338           |
| <b>Total liabilities</b>   | <b>23,534</b> | <b>21,194</b> | <b>21,013</b> | <b>12,291</b> | <b>2,164</b>  |
| Notes payable and capital lease obligations -<br>Core Business                     | 92            | 133           | 167           | 195           | 259           |
| Notes payable - Raza Development Fund  | 20,000        | 17,600        | 17,500        | 10,000        | 329           |
| <b>Total Net Assets</b>  | <b>48,666</b> | <b>25,188</b> | <b>14,727</b> | <b>7,056</b>  | <b>5,469</b>  |
| Unrestricted Net Assets/Fund Balance   | 23,799        | 3,217         | 3,140         | 1,728         | 882           |
| Temporarily Restricted Net Assets  | 24,867        | 21,970        | 11,587        | 5,328         | 4,587         |
| Statement of Activities Data   | 2002          | 2001          | 2000          | 1999          | 1998          |
| <b>Change in Unrestricted Net Assets (Surplus)</b>                                 | <b>20,582</b> | <b>77</b>     | <b>1,412</b>  | <b>846</b>    | <b>302</b>    |
| <b>Total revenue and support<br/>(unrestricted and released from restrictions)</b> | <b>46,091</b> | <b>20,846</b> | <b>19,183</b> | <b>16,457</b> | <b>14,006</b> |
| Corporations/ foundations grants and contributions                                 | 10,203        | 8,441         | 6,911         | 6,157         | 5,362         |
| Special events revenue   | 7,028         | 6,045         | 6,243         | 6,247         | 5,219         |
| Federal grants   | 11,771        | 5,344         | 4,388         | 3,360         | 3,085         |
| Capital Campaign revenues  | 16,209        | -             | -             | -             | -             |
| Other contributions and revenue  | 498           | 360           | 528           | 339           | 340           |
| Strategic Investment Fund gain/ (loss)   | (592)         | (470)         | -             | -             | -             |
| Raza Development Fund - Interest and dividend income                               | 975           | 1,111         | 1,114         | 354           | 38            |
| Other Key Operational Data   | 2002          | 2001          | 2000          | 1999          | 1998          |
| Total NCLR full-time staff   | 125           | 115           | 101           | 95            | 90            |
| Number of NCLR Affiliate Organizations   | 302           | 277           | 250           | 240           | 224           |
| Number of NCLR Associate Members at year end                                       | 35,500        | 33,000        | 31,500        | 11,851        | 2,900         |

# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SUMMARY

(All figures in \$000)

|  | 2002          | 2001          | 2000          |
|--|---------------|---------------|---------------|
| <b>Assets</b>  |               |               |               |
| Cash and equivalents                                       | 5,837         | 4,256         | 2,170         |
| Investments at market                                      | 21,037        | 21,893        | 23,928        |
| Contracts, grants, and other receivables                   | 19,829        | 16,223        | 5,363         |
| Capital Campaign receivables                               | 15,055        | -             | -             |
| Loans receivable and loan guarantees- RDF                  | 9,342         | 2,583         | 2,354         |
| Property, plant, and equipment                             | 580           | 549           | 688           |
| Other assets   | 520           | 878           | 1,237         |
| <b>Total Assets</b>  | <b>72,200</b> | <b>46,382</b> | <b>35,740</b> |
| <b>Liabilities</b>   |               |               |               |
| Accounts payable and accrued expenses                      | 2,809         | 2,830         | 2,354         |
| Notes payable and capital lease obligations- Core Business | 92            | 133           | 167           |
| Notes payable- Raza Development Fund                       | 20,000        | 17,600        | 17,500        |
| Other liabilities  | 633           | 631           | 992           |
| <b>Total Liabilities</b>                                   | <b>23,534</b> | <b>21,194</b> | <b>21,013</b> |
| <b>Net Assets</b>  |               |               |               |
| Temporarily restricted net assets                          | 24,867        | 21,970        | 11,587        |
| Unrestricted net assets                                    | 23,799        | 3,217         | 3,140         |
| <b>Total Net Assets</b>                                    | <b>48,666</b> | <b>25,188</b> | <b>14,727</b> |
| <b>Total Liabilities and Net Assets</b>                    | <b>72,200</b> | <b>46,382</b> | <b>35,740</b> |

**CONSOLIDATED STATEMENT OF ACTIVITIES - SUMMARY**

(All figures in \$000)

|  | 2002          | 2001          | 2000          |
|--|---------------|---------------|---------------|
| <b>Support and Revenue (Unrestricted and released from restrictions)</b> |               |               |               |
| Federal grants   | 11,771        | 5,344         | 4,388         |
| Nonfederal grants  | 8,521         | 6,360         | 5,333         |
| Corporation and foundation general support                               | 1,449         | 1,713         | 1,210         |
| Special events sponsorships  | 7,028         | 6,045         | 6,243         |
| Capital Campaign revenues  | 16,209        | -             | -             |
| Associate membership revenues  | 313           | 360           | 528           |
| Strategic Investment Fund - gains/ (losses)                              | (592)         | (470)         | -             |
| Raza Development Fund - interest and dividend income                     | 975           | 1,111         | 1,054         |
| Other revenues   | 417           | 383           | 428           |
| <b>Total support and revenue (unrestricted and released)</b>             | <b>46,091</b> | <b>20,846</b> | <b>19,183</b> |
| <b>Expenses</b>  |               |               |               |
| <b>Program services</b>  |               |               |               |
| Mission  | 826           | 673           | 631           |
| Legislative Advocacy   | 293           | 210           | 160           |
| Strategic Communications Group/Special Events                            | 6,354         | 6,094         | 5,818         |
| Special and International Projects                                       | 338           | 338           | -             |
| Technical Assistance and Constituency Support                            | 3,926         | 3,096         | 3,516         |
| Institute for Hispanic Health  | 1,803         | 1,708         | 1,396         |
| Office of Research, Advocacy, and Legislation                            | 1,729         | 1,214         | 1,231         |
| Center for Community Educational Excellence                              | 4,188         | 3,195         | 851           |
| Raza Development Fund - Operations                                       | 975           | 848           | 1,133         |
| Raza Development Fund - Loan Loss Reserve                                | 522           | 109           | -             |
| Intercompany eliminations  | -             | -             | -             |
| <b>Total program services</b>  | <b>20,953</b> | <b>17,485</b> | <b>14,734</b> |
| <b>Supporting services</b>   |               |               |               |
| Management and general   | 2,503         | 2,092         | 1,859         |
| RDF management and general   | 47            | 61            | -             |
| Strategic Invstmt Fund/ Building Fund mgmt and general                   | 129           | 63            | -             |
| General fundraising  | 288           | 300           | 287           |
| Endowment/ Capital Campaign fundraising                                  | 876           | 124           | -             |
| Membership marketing   | 713           | 644           | 892           |
| <b>Total supporting services</b>   | <b>4,556</b>  | <b>3,283</b>  | <b>3,037</b>  |
| <b>Total expenses</b>  | <b>25,509</b> | <b>20,768</b> | <b>17,771</b> |
| <b>Change in Unrestricted Net Assets</b>                                 | <b>20,582</b> | <b>77</b>     | <b>1,412</b>  |
| Unrestricted Net Assets at beginning of the year                         | 3,217         | 3,140         | 1,728         |
| <b>Unrestricted Net Assets at end of year</b>                            | <b>23,799</b> | <b>3,217</b>  | <b>3,140</b>  |



**STATEMENT OF FINANCIAL POSITION - BY BUSINESS SEGMENT - FY 2002**

(All figures in \$000)

|   | NCLR<br>Core<br>Activities | Strategic<br>Investment<br>Fund | Raza<br>Development<br>Fund | Consolidating<br>Entries | Consolidated<br>NCLR |
|---|----------------------------|---------------------------------|-----------------------------|--------------------------|----------------------|
| <b>Assets</b>                               |                            |                                 |                             |                          |                      |
| Cash and equivalents                        | 1,221                      | 4                               | 4,612                       | -                        | 5,837                |
| Investments - at market                     | 1,010                      | 5,312                           | 14,714                      | -                        | 21,037               |
| Contracts, grants, and other receivables    | 19,609                     | -                               | 695                         | (474)                    | 19,829               |
| Capital Campaign receivables                | 15,055                     | -                               | -                           | -                        | 15,055               |
| Loans receivable and loan guarantees        | -                          | -                               | 9,342                       | -                        | 9,342                |
| Property, plant, and equipment              | 569                        | -                               | 11                          | -                        | 580                  |
| Other assets                                | 520                        | -                               | -                           | -                        | 520                  |
| <b>Total Assets</b>                         | <b>37,984</b>              | <b>5,316</b>                    | <b>29,374</b>               | <b>(474)</b>             | <b>72,200</b>        |
| <b>Liabilities</b>                          |                            |                                 |                             |                          |                      |
| Accounts payable and accrued expenses       | 2,626                      | 0                               | 657                         | (474)                    | 2,809                |
| Notes payable and capital lease obligations | 92                         | -                               | -                           | -                        | 92                   |
| Notes payable - Raza Development Fund       | -                          | -                               | 20,000                      | -                        | 20,000               |
| Advances on government revolving loan funds | -                          | -                               | 300                         | -                        | 300                  |
| Other liabilities                           | 333                        | -                               | -                           | -                        | 333                  |
| <b>Total Liabilities</b>                    | <b>3,051</b>               | <b>0</b>                        | <b>20,957</b>               | <b>(474)</b>             | <b>23,534</b>        |
| <b>Net Assets</b>                           |                            |                                 |                             |                          |                      |
| Temporarily restricted net assets           | 18,367                     | 6,500                           | -                           | -                        | 24,867               |
| Unrestricted net assets                     | 16,566                     | (1,184)                         | 8,417                       | -                        | 23,799               |
| <b>Total Net Assets</b>                     | <b>34,933</b>              | <b>5,316</b>                    | <b>8,417</b>                | <b>-</b>                 | <b>48,666</b>        |
| <b>Total Liabilities and Net Assets</b>     | <b>37,984</b>              | <b>5,316</b>                    | <b>29,374</b>               | <b>(474)</b>             | <b>72,200</b>        |

**STATEMENT OF ACTIVITIES - BY BUSINESS SEGMENT - FY 2002**

(All figures in \$000)

|  | NCLR<br>Core<br>Activities | Strategic<br>Investment<br>Fund | Raza<br>Development<br>Fund | Consolidating<br>Entries | Consolidated<br>NCLR |
|--|----------------------------|---------------------------------|-----------------------------|--------------------------|----------------------|
| <b>Support and Revenue (Unrestricted and released from restrictions)</b> |                            |                                 |                             |                          |                      |
| Federal grants   | 5,403                      | -                               | 6,368                       | -                        | 11,771               |
| Nonfederal program, institutional,<br>and administrative grants          | 8,477                      | 750                             | 1,127                       | (1,846)                  | 8,508                |
| Corporation and foundation general support                               | 1,374                      | -                               | 75                          | -                        | 1,449                |
| Special Events   | 7,028                      | -                               | -                           | -                        | 7,028                |
| Capital Campaign revenues  | 16,209                     | -                               | -                           | -                        | 16,209               |
| Associate membership revenues  | 313                        | -                               | -                           | -                        | 313                  |
| Other revenue  | 417                        | -                               | 13                          | -                        | 430                  |
| Strategic Investment Fund - interest,<br>dividends, gains/ (losses)      |                            | (592)                           |                             |                          | (592)                |
| Raza Development Fund - interest<br>and dividend income                  | -                          | -                               | 975                         | -                        | 975                  |
| <b>Total support and revenue<br/>(unrestricted and released)</b>         | <b>39,220</b>              | <b>158</b>                      | <b>8,558</b>                | <b>(1,846)</b>           | <b>46,091</b>        |
| <b>Expenses</b>  |                            |                                 |                             |                          |                      |
| <b>Program services</b>  |                            |                                 |                             |                          |                      |
| Mission  | 826                        | -                               | -                           | -                        | 826                  |
| Legislative Advocacy   | 293                        | -                               | -                           | -                        | 293                  |
| OSIP - Strategic Communications<br>Group/ Special Events                 | 6,354                      | -                               | -                           | -                        | 6,354                |
| OSIP - Special and International Projects                                | 338                        | -                               | -                           | -                        | 338                  |
| TACS - Community Development/ Housing                                    | 3,926                      | -                               | -                           | -                        | 3,926                |
| OSIP - Institute for Hispanic Health                                     | 1,803                      | -                               | -                           | -                        | 1,803                |
| Office of Research, Advocacy, and Legislation                            | 1,729                      | -                               | -                           | -                        | 1,729                |
| TACS - Ctr. for Community Educational Excellence                         | 4,188                      | -                               | -                           | -                        | 4,188                |
| Raza Development Fund - program operations                               |                            |                                 | 2,071                       | (1,096)                  | 975                  |
| Raza Development Fund - allowance for loan losses                        | -                          | -                               | 522                         | -                        | 522                  |
| <b>Total program services</b>  | <b>19,456</b>              | <b>-</b>                        | <b>2,593</b>                | <b>(1,096)</b>           | <b>20,953</b>        |
| <b>Supporting services</b>   |                            |                                 |                             |                          |                      |
| Management and general   | 2,503                      | -                               | -                           | -                        | 2,503                |
| RDF management and general   | -                          | -                               | 47                          | -                        | 47                   |
| Strategic Invstmt Fund/ Building Fund mgmt and general                   | 70                         | 809                             |                             | (750)                    | 129                  |
| General fundraising  | 288                        | -                               | -                           | -                        | 288                  |
| Endowment/ Capital Campaign fundraising                                  | 876                        | -                               | -                           | -                        | 876                  |
| Membership marketing   | 713                        | -                               | -                           | -                        | 713                  |
| <b>Total supporting services</b>   | <b>4,450</b>               | <b>809</b>                      | <b>47</b>                   | <b>(750)</b>             | <b>4,556</b>         |
| <b>Total expenses</b>  | <b>23,906</b>              | <b>809</b>                      | <b>2,639</b>                | <b>(1,846)</b>           | <b>25,509</b>        |
| <b>Change in Unrestricted Net Assets</b>                                 | <b>15,314</b>              | <b>(652)</b>                    | <b>5,919</b>                | <b>-</b>                 | <b>20,582</b>        |
| Unrestricted Net Assets at beginning of the year                         | 1,251                      | (532)                           | 2,499                       | -                        | 3,217                |
| <b>Unrestricted Net Assets at end of year</b>                            | <b>16,566</b>              | <b>(1,184)</b>                  | <b>8,417</b>                | <b>-</b>                 | <b>23,799</b>        |

## Consolidated Statement of Financial Position

| September 30,   | 2002                 | 2001                 |
|---|----------------------|----------------------|
| <b>Assets</b>   |                      |                      |
| <b>Current Assets</b>   |                      |                      |
| Cash and cash equivalents   | \$ 5,418,091         | \$ 4,255,847         |
| Accrued interest receivable   | —                    | —                    |
| Escrow for Construction   | 418,800              | —                    |
| Loan guarantee (Dept of Education)  | 4,200,546            | —                    |
| Custodial funds held in trust   | —                    | —                    |
| Capital Campaign Receivables, net of allowance  | 2,950,075            | —                    |
| Special events receivables, net of allowance for doubtful                                   | 1,356,682            | 772,816              |
| Contract, grant, and other receivables,<br>net of allowance for doubtful accounts           | 10,506,715           | 9,369,736            |
| Loans receivable, current   | 1,601,420            | 508,399              |
| Loan loss reserve   | (749,324)            | (241,077)            |
| Investments—at market   | 21,036,584           | 21,892,858           |
| Other   | 111,177              | 236,762              |
| <b>Total Current Assets</b>   | <b>46,850,766</b>    | <b>36,795,341</b>    |
| <b>Noncurrent Assets</b>  |                      |                      |
| Loans receivable, net of current portion  | 4,289,697            | 2,315,714            |
| Property and equipment, net of depreciation   | 579,919              | 549,319              |
| Capital Campaign Receivables, noncurrent  | 12,105,083           | —                    |
| Contract, grant, and other receivables long-term,<br>net of allowance for doubtful accounts | 7,966,090            | 6,080,107            |
| Assets designated to fund deferred compensation   | 333,442              | 330,746              |
| Restricted cash (RDF LLR covenant)  | —                    | 117,065              |
| Other   | 75,061               | 193,357              |
| <b>Total Noncurrent Assets</b>  | <b>25,349,292</b>    | <b>9,586,308</b>     |
| <b>Total Assets</b>   | <b>\$ 72,200,057</b> | <b>\$ 46,381,649</b> |
| <b>Liabilities and Net Assets</b>   |                      |                      |
| <b>Current Liabilities</b>  |                      |                      |
| Accounts payable  | \$ 1,231,826         | \$ 1,544,771         |
| Accrued expenses  | 1,149,371            | 1,285,223            |
| Accrued interest expense  | 427,608              | —                    |
| Custodial funds held in trust   | —                    | —                    |
| Refundable advances   | 300,000              | 300,000              |
| Notes payable, current  | 15,692               | 13,519               |
| Capital lease obligations, current  | 35,744               | 27,995               |
| <b>Total Current Liabilities</b>  | <b>3,160,241</b>     | <b>3,171,508</b>     |
| <b>Noncurrent Liabilities</b>   |                      |                      |
| Notes payable, net of current portion   | 20,026,643           | 17,642,335           |
| Capital lease obligations, net of current   | 13,453               | 49,197               |
| Deferred compensation liability   | 333,442              | 330,746              |
| <b>Total Noncurrent Liabilities</b>   | <b>20,373,538</b>    | <b>18,022,278</b>    |
| <b>Total Liabilities</b>  | <b>23,533,778</b>    | <b>21,193,786</b>    |
| <b>Net Assets</b>   |                      |                      |
| Temporarily restricted  | 24,867,249           | 21,970,450           |
| Unrestricted  | 23,799,029           | 3,217,413            |
| <b>Total Net Assets</b>   | <b>48,666,278</b>    | <b>25,187,863</b>    |
| <b>Total Liabilities and Net Assets</b>   | <b>\$ 72,200,057</b> | <b>\$ 46,381,649</b> |

## Consolidated Statement of Activities

|   | Year ended September 30, 2002 |                        |                   | Year ended September 30, 2001 |                        |                   |
|---|-------------------------------|------------------------|-------------------|-------------------------------|------------------------|-------------------|
|   | Unrestricted                  | Temporarily Restricted | Total             | Unrestricted                  | Temporarily Restricted | Total             |
| <b>Support and Revenue</b>                                  |                               |                        |                   |                               |                        |                   |
| <b>Grants</b>   |                               |                        |                   |                               |                        |                   |
| Federal   | \$ —                          | \$ 11,770,828          | \$ 11,770,828     | \$ 95,000                     | 5,249,024              | 5,344,024         |
| Nonfederal  | —                             | 11,505,206             | 11,505,206        | 1,341,047                     | 15,038,789             | 16,379,836        |
| Institutional and administrative support                    | —                             | —                      | —                 | —                             | 563,966                | 563,966           |
| Total grants  | —                             | 23,276,034             | 23,276,034        | 1,436,047                     | 20,851,779             | 22,287,826        |
| Contributions and other revenue                             |                               |                        |                   |                               |                        |                   |
| Corporations and foundations                                | 1,348,952                     | —                      | 1,348,952         | 1,513,061                     | —                      | 1,513,061         |
| Special events  | 7,028,111                     | —                      | 7,028,111         | 6,044,997                     | —                      | 6,044,997         |
| Empowering America Capital Campaign Contributions           | 16,208,658                    | —                      | 16,208,658        | —                             | —                      | —                 |
| Associate Member Dues                                       | 313,042                       | —                      | 313,042           | 339,082                       | —                      | 339,082           |
| Other contributions   | 232,337                       | —                      | 232,337           | 168,095                       | —                      | 168,095           |
| Investment and interest income                              | 126,266                       | —                      | 126,266           | 724,022                       | —                      | 724,022           |
| Interest and fee income on loans (RDF)                      | 340,499                       | —                      | 340,499           | —                             | —                      | —                 |
| Other revenue   | 113,437                       | —                      | 113,437           | 152,259                       | —                      | 152,259           |
| Net assets released from restrictions                       | 20,379,235                    | (20,379,235)           | —                 | 10,468,078                    | (10,468,078)           | —                 |
| Total contributions and other revenue                       | 46,090,537                    | (20,379,235)           | 25,711,302        | 19,409,594                    | (10,468,078)           | 8,941,516         |
| Total Support and Revenue                                   | 46,090,537                    | 2,896,799              | 48,987,336        | 20,845,641                    | 10,383,701             | 31,229,342        |
| <b>Expenses</b>   |                               |                        |                   |                               |                        |                   |
| Program services  |                               |                        |                   |                               |                        |                   |
| Mission   | 825,602                       | —                      | 825,602           | 673,070                       | —                      | 673,070           |
| Legislative advocacy  | 292,701                       | —                      | 292,701           | 210,097                       | —                      | 210,097           |
| TACS- Community Development/ Housing                        | 3,925,703                     | —                      | 3,925,703         | 3,096,225                     | —                      | 3,096,225         |
| TACS- Center for Community Educational Excellence           | 4,188,382                     | —                      | 4,188,382         | 3,195,442                     | —                      | 3,195,442         |
| OSIP- Strategic Communications Group/ Special Events        | 6,353,612                     | —                      | 6,353,612         | 6,093,576                     | —                      | 6,093,576         |
| OSIP- Special and International Projects                    | 338,096                       | —                      | 338,096           | 338,090                       | —                      | 338,090           |
| OSIP- Institute for Hispanic Health                         | 1,803,122                     | —                      | 1,803,122         | 1,707,725                     | —                      | 1,707,725         |
| Office of Research, Advisory, and Legislation & Core Policy | 1,729,022                     | —                      | 1,729,022         | 1,214,228                     | —                      | 1,214,228         |
| Raza Development Fund- Program Operations                   | 975,065                       | —                      | 975,065           | 956,980                       | —                      | 956,980           |
| Raza Development Fund- Loan Loss Reserve                    | 521,743                       | —                      | 521,743           | —                             | —                      | —                 |
| Total program services                                      | 20,953,048                    | —                      | 20,953,048        | 17,485,433                    | —                      | 17,485,433        |
| Supporting services   |                               |                        |                   |                               |                        |                   |
| Management and general                                      | 2,502,897                     | —                      | 2,502,897         | 2,091,899                     | —                      | 2,091,899         |
| Fundraising:  |                               |                        |                   |                               |                        |                   |
| General fundraising   | 287,766                       | —                      | 287,766           | 299,641                       | —                      | 299,641           |
| Associate membership marketing                              | 712,817                       | —                      | 712,817           | 643,725                       | —                      | 643,725           |
| Endowment/Capital Campaign                                  | 876,063                       | —                      | 876,063           | 124,495                       | —                      | 124,495           |
| Raza Development Fund- Administration                       | 46,946                        | —                      | 46,946            | 60,601                        | —                      | 60,601            |
| Building Fund/ Strategic Investment Fund Governance         | 129,384                       | —                      | 129,384           | 62,588                        | —                      | 62,588            |
| Total supporting services                                   | 4,555,873                     | —                      | 4,555,873         | 3,282,949                     | —                      | 3,282,949         |
| <b>Total Program and Supporting Services</b>                | <b>25,508,921</b>             | <b>—</b>               | <b>25,508,921</b> | <b>20,768,382</b>             | <b>—</b>               | <b>20,768,382</b> |
| <b>Change in Net Assets</b>                                 |                               |                        |                   |                               |                        |                   |
| Net Assets, beginning of year                               | 3,217,413                     | 21,970,450             | 25,187,863        | 3,140,154                     | 11,586,749             | 14,726,903        |
| Net Assets, end of year                                     | \$ 23,799,029                 | \$ 24,867,249          | \$ 48,666,278     | \$ 3,217,413                  | \$ 21,970,450          | \$ 25,187,863     |

## Consolidated Statement of Functional Expenses

\*Year ended September 30, 2002\*

|   | Program Services |                                  |  |                                  |  |  |                                    |   |                             |                           | Supporting Services              |                                     |  |                         |                                    |                                 |                              | Total          |
|---|------------------|----------------------------------|--|----------------------------------|--|--|------------------------------------|---|-----------------------------|---------------------------|----------------------------------|-------------------------------------|--|-------------------------|------------------------------------|---------------------------------|------------------------------|----------------|
|   | Mission          | TACS1<br>Legislative<br>Advocacy | TACS1<br>Community Dev.<br>and Housing | TACS1<br>Education<br>Activities | OSIP1<br>Strat Comm<br>Grp/ Spec. Events | OSIP1<br>Special and<br>Intl. Projects | OSIP1<br>Inst. For Hisp.<br>Health | Off of Resch.<br>Advocacy, &<br>Legislation | Raza<br>Development<br>Fund | Management<br>and General | Building Fd.<br>& SIFLR<br>Admin | Res. Dev.<br>General<br>Fundraising | Res. Dev.<br>Endowment/<br>Cap. Campaign | Membership<br>Marketing | Raza<br>Development<br>Funds-Admin | Strategic<br>Investment<br>Fund | Intercompany<br>Eliminations |                |
| <b>Personnel</b>                          |                  |                                  |  |                                  |  |  |                                    |   |                             |                           |                                  |                                     |  |                         |                                    |                                 |                              |                |
| Salaries                                  | \$ 288,644       | \$ 89,086                        | \$ 937,490                             | 1,121,401                        | 498,842                                  | \$ 56,554                              | \$ 624,660                         | \$ 722,673                                  | \$ 417,242                  | \$ 1,071,158              | \$ 45,022                        | 153,062                             | \$ 93,797                                | \$ 90,786               | \$ 21,400                          | \$ -                            | \$ -                         | \$ 6,231,817   |
| Employee benefits and taxes               | 72,165           | 26,801                           | 235,564                                | 266,919                          | 116,754                                  | 13,328                                 | 147,106                            | 182,433                                     | 76,811                      | 305,459                   | 10,533                           | 50,693                              | 32,000                                   | 21,364                  | 3,940                              | -                               | -                            | 1,561,870      |
| <b>Total personnel</b>                    | 360,809          | 115,887                          | 1,173,054                              | 1,388,320                        | 615,596                                  | 69,882                                 | 771,766                            | 905,106                                     | 494,053                     | 1,376,617                 | 55,555                           | 203,755                             | 125,797                                  | 112,150                 | 25,340                             | -                               | -                            | 7,793,687      |
| <b>Consultants and Contracts</b>          |                  |                                  |  |                                  |  |  |                                    |   |                             |                           |                                  |                                     |  |                         |                                    |                                 |                              |                |
| Consultants & temporary help              | 109,320          | 122,063                          | 338,599                                | 504,930                          | 858,964                                  | 8,674                                  | 242,029                            | 171,829                                     | 1,100,501                   | 182,380                   | 7,009                            | 10,266                              | 301,341                                  | 542,944                 | 3,496                              | -                               | (1,095,730)                  | 3,408,615      |
| Funds to subgrantees                      | 94,219           | -                                | 1,841,086                              | 1,563,349                        | -  | 161,000                                | 249,014                            | 124,000                                     | -                           | -                         | -                                | -                                   | -  | -                       | -                                  | 750,000                         | (750,000)                    | 4,032,668      |
| Audit and legal fees                      | 3,086            | -                                | 3,631                                  | -                                | 3,816                                    | -                                      | -                                  | -   | 32,130                      | 67,352                    | -                                | -                                   | 317                                      | (50)                    | 3,570                              | 1,345                           | -                            | 115,197 *      |
| <b>Total consultants &amp; contracts</b>  | 206,625          | 122,063                          | 2,183,316                              | 2,068,279                        | 862,780                                  | 169,674                                | 491,043                            | 295,829                                     | 1,132,631                   | 249,732                   | 7,009                            | 10,266                              | 301,658                                  | 542,894                 | 7,066                              | 751,345                         | (1,845,730)                  | 7,556,480      |
| <b>Travel and Meetings</b>                |                  |                                  |  |                                  |  |  |                                    |   |                             |                           |                                  |                                     |  |                         |                                    |                                 |                              |                |
| Out-of-town and local travel              | 49,903           | 4,088                            | 192,935                                | 150,473                          | 169,568                                  | 42,227                                 | 112,768                            | 72,112                                      | 20,624                      | 226,347                   | 924                              | 13,239                              | 80,800                                   | 6,603                   | 2,292                              | -                               | -                            | 1,144,903      |
| Meetings                                  | 37,591           | 7,133                            | 76,687                                 | 239,710                          | 3,971,494                                | 26,247                                 | 163,089                            | 170,243                                     | 21,254                      | 155,173                   | 137                              | 2,434                               | 2,481                                    | 5,834                   | 4,581                              | 171                             | -                            | 4,884,259      |
| <b>Total travel and meetings</b>          | 87,493           | 11,221                           | 269,622                                | 390,183                          | 4,141,062                                | 68,474                                 | 275,857                            | 242,355                                     | 41,878                      | 381,520                   | 1,061                            | 15,673                              | 83,281                                   | 12,437                  | 6,873                              | 171                             | -                            | 6,029,161      |
| <b>Other Expenses</b>                     |                  |                                  |  |                                  |  |  |                                    |   |                             |                           |                                  |                                     |  |                         |                                    |                                 |                              |                |
| Space costs                               | 62,704           | 11,122                           | 130,539                                | 175,315                          | 168,231                                  | 12,860                                 | 112,832                            | 142,051                                     | 33,444                      | 93,592                    | 5,377                            | 25,597                              | 16,395                                   | 15,606                  | 3,716                              | -                               | -                            | 1,009,381      |
| Office supplies                           | 15,428           | 655                              | 24,925                                 | 27,533                           | 31,666                                   | 2,929                                  | 18,759                             | 13,501                                      | 5,238                       | 32,824                    | 197                              | 3,265                               | 2,168                                    | 2,771                   | 582                                | -                               | -                            | 182,441        |
| Equipment rental & maintenance            | 4,417            | 264                              | 33,848                                 | 14,458                           | 26,517                                   | 2,505                                  | 26,611                             | 18,523                                      | 1,053                       | 30,880                    | 43                               | 3,391                               | 498                                      | 1,177                   | 117                                | -                               | -                            | 164,302        |
| Communications                            | 29,875           | 19,874                           | 75,484                                 | 52,612                           | 68,280                                   | 8,578                                  | 40,753                             | 48,930                                      | 13,863                      | 56,489                    | 522                              | 9,504                               | 5,106                                    | 19,643                  | 1,539                              | -                               | -                            | 451,052        |
| Printing and reproduction                 | 31,075           | 10,038                           | 26,677                                 | 58,035                           | 335,606                                  | 1,992                                  | 45,436                             | 39,841                                      | 1,111                       | (18,073)                  | 327                              | 12,296                              | 1,954                                    | 7,248                   | 123                                | -                               | -                            | 553,686        |
| Depreciation                              | -                | -                                | -                                      | -                                | 7,228                                    | -                                      | -                                  | -   | 4,093                       | 188,673                   | -                                | -                                   | -  | -                       | 455                                | -                               | -                            | 200,449        |
| Bad debts                                 | -                | -                                | -                                      | -                                | 55,000                                   | -                                      | -                                  | -   | -                           | -                         | -                                | -                                   | -  | 335,175                 | -                                  | -                               | -                            | 390,175        |
| Interest                                  | -                | -                                | -                                      | -                                | -  | -                                      | -                                  | -   | 326,233                     | 23,764                    | -                                | -                                   | -  | -                       | -                                  | -                               | -                            | 349,997        |
| Loan loss reserve                         | -                | -                                | -                                      | -                                | -  | -                                      | -                                  | -   | 521,743                     | -                         | -                                | -                                   | -  | -                       | -                                  | -                               | -                            | 521,743        |
| Other                                     | 27,175           | 1,577                            | 8,238                                  | 13,647                           | 41,646                                   | 1,202                                  | 20,065                             | 22,886                                      | 17,198                      | 86,879                    | 73                               | 4,019                               | 4,031                                    | (1,110)                 | 1,135                              | 57,705                          | -                            | 306,366        |
| <b>Total other expenses</b>               | 170,674          | 43,530                           | 299,711                                | 341,600                          | 734,174                                  | 30,066                                 | 264,456                            | 285,732                                     | 923,976                     | 495,028                   | 6,539                            | 58,072                              | 365,327                                  | 45,336                  | 7,667                              | 57,705                          | -                            | 4,129,593      |
| <b>Total Direct Expenses</b>              | 825,602          | 292,701                          | 3,925,703                              | 4,188,382                        | 6,353,612                                | 338,096                                | 1,803,122                          | 1,729,022                                   | 2,592,538                   | 2,502,897                 | 70,164                           | 287,766                             | 876,063                                  | 712,817                 | 46,946                             | 809,221                         | (1,845,730)                  | 25,508,92      |
| Allocation of Indirect Expenses           | -                | 52,149                           | 485,964                                | 617,757                          | 275,202                                  | 29,853                                 | 330,473                            | 249,497                                     | -                           | (2,121,921)               | 24,417                           | -                                   | 56,609                                   | -                       | -                                  | -                               | -                            | -              |
| <b>Total Direct and Indirect Expenses</b> | \$ 825,602       | \$ 344,850                       | \$ 4,411,667                           | 4,806,139                        | 6,628,814                                | \$ 367,949                             | \$ 2,133,595                       | \$ 1,978,519                                | \$ 2,592,538                | \$ 380,976                | \$ 94,581                        | 287,766                             | \$ 932,672                               | \$ 712,817              | *46,946                            | \$ 809,221                      | \$ (1,845,730)               | \$ *25,508,921 |

- 1 OSIP-Office of Special and International Projects
- 2 TACS-Technical Assistance and Constituency Support
- 3 IHH-Institute for Hispanic Health
- 4 ORAL-Office of Research, Advocacy, and Legislation
- 5 Education-Center for Community Educational Excellence

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