FROM DREAM TO REALITY:

COURAGE, COURAGE,

COMMITMENT, COMMITMENT

& &

DETERMINATION & DETERMINATION

2003 Annual Report
The National Council of La Raza (NCLR) has long contended that the Hispanic agenda is a quintessentially American agenda. Despite its diversity, the Hispanic community shares key core values with the majority of Americans - a solid work ethic, personal responsibility, and a high priority on family, patriotism, and spiritualism. These values contribute to creating a strong, prosperous, and fair society in which all citizens have opportunities to transform dreams into reality.

Courage, commitment, and determination are the driving forces for strengthening these values and for bringing about change on local and national levels. For instance, it will take the courage of our political leaders to truly listen to the community’s concerns and make the choices that will result in programs and policies that increase access to health care, and improve educational attainment, employment status, and homeownership, as well as decrease racial profiling and discrimination. But these goals also require the commitment of the Latino community to participate in the electoral process. Such a commitment has far-reaching implications, influencing policy-makers and public officials alike. Indeed, the Latino vote is likely to be a major factor in the upcoming elections, which will present an opportunity for candidates to demonstrate their concern for, knowledge of, and alignment with the major issues that Latinos care about - the same issues on the minds of most Americans - improvements in health, education, employment, and housing.

We also believe that the future we seek to create takes determination. In that sense, community-based organizations (CBOs) strive toward the fulfillment of dreams for families and communities by working to craft solutions to the challenges facing us as Americans. CBOs are founded by those who have a vision and the determination to take the steps necessary to make a difference. It is not an easy road, but the benefits are worth the journey. Families will have a decent meal tonight, children will go home after school tomorrow with new ideas and bigger dreams, and parents will know that they have taken steps today to improving their future and that of their families.

NCLR’s 2003 Annual Report, From Dream to Reality: Courage, Commitment, and Determination, presents an overview of the work we and our affiliates have undertaken to make possible a brighter outlook for the nation’s Hispanics. Indeed, individuals, grassroots organizations, policy-makers, and political officials all have a role in shaping the future, and the steps taken now to improving the lives of our students, workers, and taxpayers will benefit the nation as a whole in the long term.
The National Council of La Raza - the largest national constituency-based Hispanic organization and the leading voice in Washington, DC for the Hispanic community - was founded in 1968 to reduce poverty and discrimination and improve life opportunities for Hispanic Americans. Four major functions provide essential focus to the organization’s work: capacity-building assistance; applied research, policy analysis, and advocacy; public information efforts; and special and international projects. These functions complement NCLR’s work in five key strategic priorities - education, assets/investment, economic mobility, health, and media/image/civil rights. Through its network of more than 300 affiliated community-based organizations, NCLR reaches over four million Latinos each year in 41 states, Puerto Rico, and the District of Columbia.
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From its inception, NCLR’s work has been guided by its deep understanding of the importance of building strong, financially and organizationally stable Hispanic institutions at the local, regional, and national levels. Today NCLR serves as voice in Washington, DC for the Hispanic community and as a national umbrella organization and a source of capacity-building assistance for more than 300 affiliated community-based organizations. NCLR’s affiliate network is divided into six regions: the Northeast, the Southeast, the Midwest, the Far West, Texas, and California. Affiliates gain access to technical resources, expertise, leadership, elected officials, and, in some cases, access to capital through the Raza Development Fund - the nation’s largest Hispanic Community Development Financial Institution and wholly-owned subsidiary of NCLR.

NCLR affiliates offer a wide variety of services to their communities including: education and workforce development programs; public health centers; Head Start centers and other activities for children and youth; financial services information; housing counseling; church-based ministries; social, relief, and refugee services; and legal/immigration services.
In 2003, NCLR added 26 new affiliates to its network, four of which are in states not previously represented in the network - Alabama, Alaska, Maine, and Tennessee.

The National Affiliate Advisory Council, made up of 12 members, a male and a female from each of the six affiliate regions, works with NCLR staff to more effectively integrate the affiliate perspective into NCLR’s governing process and program planning.

NCLR embarked on an exciting partnership with the Annie E. Casey Foundation to develop the Family Strengthening Awards Program, which will nationally recognize and highlight five affiliates’ exemplary programs that make a measurable impact on, and more effectively meet the needs of, today’s vulnerable Hispanic children and families. Winners will receive a cash award of $10,000 and national recognition at NCLR’s Annual Conference, where they will have the opportunity to share their best practices.

The Technology Initiatives program has taken several steps to improve NCLR affiliates’ information technology infrastructure and knowledge of how to leverage technology to achieve their missions. Twenty-seven of NCLR’s homeownership affiliates have received technical assistance to build their technology infrastructure with equipment, software, and broadband access.

To address the pressing issues of the “digital divide” our affiliates are experiencing, NCLR held a Technology Town Hall at the 2003 Annual Conference, which featured a panel of government and corporate leaders who discussed technology’s impact on Latinos in the 21st century. In addition, the Technology for Community-Based Organizations workshop reviewed ways in which technology can improve community-based organizations’ programs and funding opportunities.

without ncll, I don’t know how we could have reopened in 1997. NCLR’s advice and support have been invaluable.

– Sonia Gutierrez, Executive Director, Carlos Rosario International Career Center

For more information on NCLR's Affiliate Network contact us at resources@nclr.org.
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.
Río Grande Center
Siete Del Norte
Southwest Creations Collaborative
Southwest Institute for Educational Research and Professional Teacher Development
YES Housing, Inc.
Youth Development, Inc.

NEW YORK
Alianza Dominicana, Inc.
Amber Charter School
Audition Partnership for Economic Development
Committee for Children and Families
Community Association of Progressive Dominicans
Dominican Women’s Development Center
La Fuera Unida, Inc.
Latin American Integration Center, Inc.
Latin American Workers’ Project
Promesa Systems, Inc.
Rural Opportunities, Inc.
Spanish Action League
Spanish Theater Repertory Co., Ltd

NORTH CAROLINA
El Pueblo, Inc.
Hispanic Liaison of Chatham County/El Vínculo Hispano
Latin American Coalition

OHIO
ADELANTE, Inc.
Catholic Social Services of Cuyahoga County
Commission on Catholic Community Action

PUERTO RICO
Assocacion 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
Aracimento Hispano de Carolina del Sur

TEXAS
American YouthWorks
Amigos del Valle, Inc.
Asociación Pro Servicios Sociales
Association for the Advancement of Mexican Americans
Asociación for the Advancement of Mexican Americans

WASHINGTON
Community Health Center, Inc.
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 Center
Washington State Commission on Hispanic Affairs
Washington State Council of La Raza
Washington State Migrant Council

WISCONSIN
Aurora Wáter Educational Center
Centro de la Comunidad Unida/United Community Center
Centro Hispano
Council for the Spanish Speaking-WI
HBC Services, Inc.
La Casa de Esperanza, Inc.
La Causa, Inc.
Midwest SER-Jobs for Progress
United Migrant Opportunity Services, Inc. (UMOS)
Emerging Latino Communities

The emergence of Hispanic populations in “nontraditional” areas of the country, like the Southeast, has created opportunities to help these new communities improve their social and economic status, gain influence, and become fully integrated into American society. To address these issues, NCLR created the Emerging Latino Communities (ELC) Initiative, which provides capacity-building assistance to newly-formed Hispanic-serving organizations. In turn, these organizations help their local communities by providing services such as community organizing, advocacy, English-language instruction, workforce development and employment placement, naturalization training, and legal and housing assistance.

“The Emerging Latino Communities Initiative of NCLR has provided an incredible amount of support and technical assistance to the Hispanic Interest Coalition of Alabama (¡HICA!). It is fair to say that ¡HICA! would be a different organization had it not been for this initiative. ¡HICA! has grown from a group of idealistic individuals to a regionally recognized organization addressing the root issues facing immigrant Latinos in Alabama.”

– Isabel Rubio, Founder and Executive Director, Hispanic Interest Coalition of Alabama

...determination to build strong foundations
ELC coordinated a forum in Austin, Texas for over 30 southeastern community-based organizations, which offered several intensive workshops focused on resource development, organizing strategies, and media training.

ELC conducted two workshops at the 2003 NCLR Annual Conference. In Grassroots Organizing in Emerging Communities participants drafted plans that were tailored to each of their community’s needs. From Dialogue to Common Action: Latinos and Jews at a Crossroads was a joint effort between ELC and NCLR’s International Projects initiative, which focused on the growing number of Latino Jewish leaders in the Southeast who work with Latino communities.

Through funding from the Charles Stewart Mott Foundation, ELC awarded $120,000 in seed grants to 18 community-based organizations in Alabama, Kentucky, Alaska, Virginia, Texas Massachusetts, New York, Georgia, Florida, California, Tennessee, and Oregon, to help build their internal capacity and infrastructure.

In collaboration with Wal-Mart Stores, Inc., ELC provided organizing assistance to and awarded a $25,000 grant for the creation of the Hispanic Women’s Organization of Arkansas (HWOA).

ELC has played an important role in strengthening our capacity and skills to effectively organize immigrants – particularly Latinos – locally. The funding and direct technical assistance provided through ELC has been crucial for us. It has helped us attract other funders who realize that if NCLR and the Mott Foundation will fund us, we must be a viable organization.”

– David Lubell, State Coordinator, Tennessee Immigrant and Refugee Rights Coalition
The health and well-being of communities affects all aspects of everyday living. For this reason, NCLR’s Institute for Hispanic Health (IHH) continues to work toward reducing the incidence, burden, and impact of health problems among Latinos. Through partnerships, IHH aims to increase access to and quality of care, improve disease prevention and health education initiatives, improve health care training, employment, and retention rates, and strengthen the public and private health infrastructure.

IHH reaches the Hispanic community through a variety of cutting-edge, culturally competent approaches including promotores de salud (lay health educators) programs. Promotores receive specialized training enabling them to teach their friends, families, and neighbors how to live healthier lives, prevent disease, and access health care. Because promotores work in the communities in which they live and are trusted and known, they are especially successful at providing health information to Latino families and creating positive changes in behavior.

In the health policy arena, NCLR continued to lead efforts on immigrant health issues and expanded its work to address Latino health concerns.

“Prior to the training, I had not understood how one’s values could affect the decisions or choices one makes for HIV prevention. Also, I found out that, although I am a fourth-generation Latino, I still share similar values with the newly-arrived kids!”

— Tony Anderson, Charlas Entre Nosotros Youth Leader, Hispanic Center of Hawaii
As part of IHH’s goal to educate the Latino community about diabetes, IHH created De Casa a Casa: An Educational Tool Kit for Promotores de Salud. The tool kit assists promotores in educating the Hispanic community on diabetes prevention and treatment and includes a training video, an instructional guidebook, and a flip chart in Spanish.

IHH launched its Sana la Rana initiative, which uses promotores as vehicles to disseminate critical health information, to address the high rates of cholesterol within the Hispanic community.

An asthma flip chart was developed entitled, Manteniendo sus pulmones saludables y libres de humo del tabaco (Keeping Your Lungs Healthy and Smoke-Free) to educate the community about asthma and how to control its triggers, specifically secondhand smoke.

The Charlas Entre Nosotros project provides peer-to-peer HIV/STD prevention interventions to youth ages 13-19. It provides young people with the tools necessary to resist peer pressure and to strengthen their self-concept, cultural values, and beliefs. A major accomplishment in 2003 was the creation of a new module that covers issues of gender, sexual orientation, and violence related to HIV/AIDS prevention.

The Latino Families HIV/AIDS Needs Assessment culminated in a workshop held at the 2003 NCLR Annual Conference at which the latest data on HIV/AIDS and its effects on Latino families were presented. A major success has been the development of several bilingual brochures that focus on HIV/AIDS. Over 120,000 copies of the brochures have been distributed nationwide.

NCLR played a key role in advocating for the repeal of the ban against legal immigrant children’s and pregnant women’s access to Medicaid and the State Children’s Health Insurance Program (SCHIP). In coalition with health and immigrant advocacy organizations, NCLR successfully pushed for the inclusion of the Immigrant Children’s Health Improvement Act within the Senate Medicare Prescription Drug bill.

Working with the USDA and partner organizations, NCLR achieved the successful implementation of legislation to restore food stamps for legal immigrant children, the disabled, and certain refugees.

NCLR successfully advocated for the inclusion of a comprehensive provision reversing barriers for legal immigrants to health benefits within the Democratic leadership’s “Health Equality and Accountability Act of 2003.” NCLR’s proposal to increase the federal reimbursement of Medicaid for language access services was also included in this bill, as well as in the “Hispanic Health Improvement” bill.

NCLR advocated for language that would ensure that limited-English-proficient (LEP) individuals have access to interpreters and translated materials in critical settings. Work on language access is now formally linked to a national LEP coalition administered by the National Health Law Program and funded by The California Endowment.

For more information on NCLR’s Health initiatives contact us at resources@nclr.org.
Recognizing that education is the key to securing the American Dream, NCLR works to increase educational opportunities, improve achievement, and promote equity for Latinos by building the capacity and strengthening the quality of the community-based education sector, and by shaping the public education sector to be more responsive to Latino students. NCLR’s education program efforts are carried out through its Center for Community Educational Excellence (C3E).

NCLR’s education policy work focuses on ensuring that Latino children have access to education and related programs intended to increase their academic achievement levels.

“The [New Teacher] Institute was a wonderful opportunity. It provided me with tools I could use right away in my classroom and inspired me to do more to better serve the Latino population.”

– Felipe Espinoza-Day, 4th Grade Teacher and New Teacher Institute Participant, Academia Cesar Chavez Charter School, St. Paul, Minnesota

“The Bill & Melinda Gates Foundation has invested millions in ensuring that future generations are well educated and technologically literate. NCLR, through its community-based focus, is a leader in this endeavor, ensuring that the current performance gap between Latino and non-Latino students is reduced, and that the changes are sustainable.”


...determination to build knowledge
- NCLR’s Charter School Development Initiative (CSDI) expanded its national network of Latino-serving charter schools. Three new schools in Pomona, California; Albuquerque, New Mexico; and New York, New York opened in 2003 bringing the total number of operational CSDI-supported schools to 20. Eighty-three alternative and charter schools in 20 states belong to NCLR’s school network.

- C2E2 launched its Early College High School Demonstration Project (ECP) in 12 schools, some of which are existing high schools and others that are new start-up schools. Students in early college high schools graduate not only with a high school diploma but also with a two-year associate of arts degree or sufficient college credits to enter a four-year, liberal arts program as a junior.

- C2E2 continued its Professional Development Institute (PDI) series to provide training, capacity-building, resource-sharing, and networking to educators serving Latino students. In FY 2003 C2E2 conducted two Institutes in Brooklyn, New York and in Pomona, California, which jointly attracted more than 150 teachers, school administrators, and staff from community-based organizations.

- C2E’s second annual New Teacher Institute in Pomona, California brought together new teachers for a week of graduate-level courses on curriculum and instruction and classroom management. Teachers were given the necessary tools to provide culturally relevant educational experiences that have been shown to increase Latino student achievement.

- While few federal education programs received funding increases in fiscal year 2003, NCLR succeeded in obtaining funding appropriation increases for the GEAR UP middle school intervention program (an additional $8 million) and bilingual education (an additional $20.5 million).

- NCLR helped draft the Hispanic Education Coalition’s (HEC) recommendations on reauthorization of the Higher Education Act, parts of which were included in the “Ready to Teach Act” (H.R. 2211), which would increase the number of highly-qualified bilingual education teachers in U.S. public schools.

- NCLR worked with partner organizations to plan a “Student Day of Action” in support of the “Development, Relief, and Education for Alien Minors (DREAM) Act” (S. 1545) and the “Student Adjustment Act” (H.R. 1684). These bills would provide certain immigrant students with greater access to postsecondary education opportunities and a chance to adjust their immigration status.

- NCLR worked with HEC and its affiliates to reauthorize the Head Start Act in a way that improves the program for children of migrant and seasonal farmworkers, Latinos, and English language learners (ELLs). NCLR drafted recommendations that were adopted by the Congressional Hispanic Caucus and were included in legislation approved by the U.S. House of Representatives.

For more information on NCLR’s Education programs and policy issues contact us at resources@nclr.org.
Given that nearly half of all Latinos are under 25 years old, NCLR has expanded the efforts of its Center for Emerging Latino Leadership (“the Center”), which provides opportunities for young people to develop leadership skills and experiences, and helps to prepare a solid foundation for the future well-being of the Latino community and the nation. Specifically, the Center seeks to increase the number, capacity, and influence of young Latino leaders in the United States by building a national network that supports and strengthens Latino youth development programs and organizations.

In addition to the Center for Emerging Latino Leadership, NCLR administers an AmeriCorps program, through which youth gain valuable skills by taking part in meaningful community service activities. They serve at affiliated community-based organizations and provide needed services to help communities meet critical needs in the areas of education, health, safety, and other human needs.

“Of all the leadership and community improvement programs that I have been involved in, AmeriCorps by far has been the most challenging and rewarding. AmeriCorps gave me the opportunity to do things within my community and for my community that I don’t think I would have been able to do in any other leadership program.”

– Tomasa Tovar Dueñas, Sophomore UC Berkeley; AmeriCorps Member, Unity Council, Oakland, California and Líderes Summit Participant

...determination to succeed
In 2003 the Center for Emerging Latino Leadership reached nearly 1,000 young Latinos through presentations and workshops at conferences throughout the nation. The national Líderes Network now consists of more than 500 youth programs and student organizations and more than 230 campus administrators who work with Latino youth. More than 850 subscribers communicate on a weekly basis through the NCLR-Líderes email list.

NCLR partnered with Georgetown University and the University of Florida to hold regional Congresos (conferences), bringing together more than 400 young people to share ideas and discuss effective actions for personal and community empowerment. NCLR also held its annual national Líderes Summit during the NCLR Annual Conference in Austin, Texas in July. Nearly 200 young leaders from throughout the nation came together to build leadership and networking skills and discuss their role as leaders in their communities.

NCLR awarded $897,785 in subgrants to seven affiliates to operate the AmeriCorps program. Through these programs, 75% of the participants successfully completed their national service to receive an education award, serving approximately 65,625 hours. Participants tutored and mentored children and youth during after-school programs, improved and revitalized neighborhoods through beautification and clean-up projects, and strengthened volunteerism in their communities.

“...I have been to many conferences and this is by far one of the best organized and structured events that I have been to. I believe that this conference serves as a motivational foundation for youth across the nation to go back to their communities and make a difference.”

– Participant of the Líderes Summit in Austin, Texas

For more information on NCLR’s Leadership programs contact us at resources@nclr.org.
One of the most significant contributions Latinos make to the U.S. economy is their participation in the labor force. Yet, often because of limited education and skills, many Hispanic workers are in low-paying jobs with few benefits. Without access to the necessary education and resources to move up the economic ladder, many Latino families and their children are unable to achieve economic security. NCLR’s Center for Latino Economic Opportunities (CLEO) increases the capacity and quality of performance of community-based organizations that focus on providing job readiness, referral, placement, training, and basic education to the Hispanic community.

With the policy goal of developing legislation that increases access to education and training opportunities for Latinos, NCLR increases affiliates’ participation and builds strong partnerships with diverse stakeholders at the local, state, and federal levels. NCLR informs and updates affiliates on legislative policy matters that affect them and their clients. In addition, NCLR works with community-based organizations on local advocacy strategies to increase access to education and training for all Latino workers.
The NCLR Escalera Project: Taking Steps to Success is a pilot project that establishes local partnerships between PepsiCo, Inc., an NCLR affiliate, and local school districts, preparing at-risk Latino high school students for graduation from high school, for college, and for high-paying careers in fields in demand. In 2003, 100% of Escalera students from the first pilot site in Los Angeles were accepted to two- or four-year universities. In addition, the second pilot site was launched in Chicago in partnership with PepsiCo, Inc., Instituto del Progreso Latino, Benito Juarez High School, and Latino Preparatory Academy.

NCLR and Sears, Roebuck and Co. have partnered to create an initiative that will recruit, train, and place Latino workers as bilingual associates and technicians for Sears. After the completion of the pilot program in Los Angeles, California, the project will be replicated on a national level.

The Chicago Bilingual Nurse Institute graduated its first class of 22 students. The Institute allows foreign-trained nurses to earn their certification in the United States.

NCLR’s National Capital Area Workforce Development Network partnered with the D.C. Workforce Investment Council to create the Universal Access Committee and the Latino Access Project. This project increased the number of Latino-serving community-based organizations participating in the One-Stop Career System, providing greater access to the system’s services. One-Stop Career Centers link employers to qualified applicants and job seekers to employment and training.

CLEO conducted a series of workshops at NCLR’s Professional Development Institute (PDI), focusing on the fundamentals of operating workforce development programs, engaging the federal workforce system, and developing partnerships with the private sector.

NCLR worked with elected officials to enhance visibility on Latino worker issues, increasing service access for Latinos in the federally-funded workforce system. This success was accomplished through affiliate organizing, resulting in the sponsorship of two bipartisan bills and the inclusion of language friendly to Latino workers in the Senate and House versions of the soon-to-be-reauthorized Workforce Investment Act legislation.

For more information on NCLR’s Workforce Development initiatives, contact us at resources@nclr.org.

— PDI Workforce Development Track Participant
Owning a home is the quintessential symbol of the American Dream. However, less than half of America’s Hispanics share in this dream. Increasing the homeownership rate and the economic power base of Hispanics has been a goal of NCLR’s for over 20 years. NCLR’s work in the area of assets and investments is carried out through the NCLR Homeownership Network (NHN) and the Raza Development Fund (RDF).

“As part of our ongoing work in the Hispanic community, we are proud to be partners with the National Council of La Raza, an organization that has done, and continues to do, so much for so many.”
— Sandy Weill, Chairman and CEO, Citigroup

“With NCLR’s support, the Housing and Education Alliance was able to achieve many accomplishments this past year. Also, NCLR’s POHIP has been instrumental in helping us develop our first affordable housing project of 26 single-family homes.”
— Sylvia Alvarez, Executive Director, Housing and Education Alliance

...determination to build futures
In 2003, NHN’s 35 counseling organizations provided homeownership services to 22,000 families, 3,100 of whom purchased homes.

NHN integrated online database technology for its community-based housing counseling organizations to facilitate managing large client loads and improving operating efficiencies. NHN conducted trainings for 58 participants, which resulted in 32 organizations migrating to online data management.

The Raza Development Fund is the community development lending arm of NCLR. RDF has become the largest Latino Community Development Financial Institution (CDFI) in the United States. RDF’s Hope Fund mission is to provide flexible, high-quality loans with technical and organizational support to NCLR affiliates who serve low-income Latino families. RDF approved $18 million in loans in 2003 for charter schools, health centers, community facilities, and affordable housing units.

In addition to RDF’s current investor partnerships with Bank of America, State Farm Insurance, the Fannie Mae Foundation, and Allstate Insurance, RDF entered into a major agreement with Citicorp USA involving $5 million in capacity-building assistance from the Citigroup Foundation and a $100 million lending facility. This groundbreaking lending partnership will allow RDF to generate an additional $115 million in loans with Citigroup agreeing to purchase up to $100 million.

NCLR launched the Partnership of Hope Institute Pilot Program (POHIP). POHIP is an educational program that provides technical assistance to affiliated community development organizations that wish to build sustainable assets in their neighborhoods. Currently, there are four affiliates participating in the pilot program, and one community development project is scheduled for completion by the end of 2004, providing 26 affordable homes in the Tampa Bay area of Florida.

On the public policy front, NCLR has established itself as a leading voice for Latinos on housing and homeownership. It is working primarily to increase Hispanic homeownership by supporting legislation and regulatory reforms that remove barriers to first-time homeowners. NCLR conducts research, provides testimony and comments, and advocates on behalf of the Latino community on issues such as predatory lending, access to credit, fair lending, and housing counseling. Recent increases in staff capacity have allowed NCLR to raise the visibility of the Latino community in these areas.

For more information on NCLR’s Assets/Investments initiatives contact us at resources@nclr.org.
Economic Mobility

The typical Hispanic family’s net worth is $3,000, compared to $81,700 for a typical non-Hispanic White family, and only one-third of Latinos have basic checking accounts. Even with a strong work ethic, increases in income, and declines in poverty, many Latino families remain vulnerable to unexpected financial events and continue to face uncertain economic futures. Through positive changes in public policy, NCLR’s Economic Mobility Initiative is designed to tackle the complex wealth-building challenges facing America’s Hispanic families. This approach complements NCLR’s workforce development and asset-building strategies in order to create opportunities for Latinos to increase savings, accumulate assets, and provide financial security for their children and families.

“At State Farm, we’re proud of our relationship with NCLR. We like it when we can partner with an organization whose work parallels our own efforts to empower communities to achieve economic development through education, leadership, and a strong commitment to good neighbor values.”

– Ed Rust, Chairman and CEO, State Farm Insurance Companies

...commitment to wealth-building
NCLR has established itself as a leading and knowledgeable source on financial security issues impacting Latino consumers. NCLR has been invited to participate in and present for a range of audiences from Congressional lawmakers and bankers to community-based advocates. The work has brought greater visibility in critical areas such as financial education, auto lending discrimination, and access to fair credit for Latinos.

NCLR helped to ensure access to a wider range of financial products and services for immigrants. Despite pressure to limit access for immigrants, the U.S. Treasury Department ruled favorably on the use of the Mexican Consular identification card to open bank accounts. There are now more than two million individuals using this card, as well as hundreds of thousands more who may be eligible for similar types of identification from other countries, allowing them to access financial products that will strengthen families financially.

NCLR influenced the reauthorization of the Fair Credit Reporting Act to ensure that policies and practices in U.S. credit markets do not adversely affect the economic mobility of Latino families.

In partnership with Freddie Mac and Allstate, as well as with key community-based organizations, NCLR is helping to build substantive knowledge and create programmatic infrastructure in communities, which enhance the financial and asset-building opportunities afforded to Latino families. This strong network of community-level programs focuses on providing financial information, services, and tools to low-income Latino families.

NCLR’s work on the reauthorization of federal employment and training programs such as the Workforce Investment Act yielded significant gains in 2003. Collaborating with community leaders and lawmakers, NCLR developed policy proposals and measures that are likely to be enacted. These measures will increase access to quality skill-building services, job training, and language acquisition for millions of Latino and immigrant workers throughout the nation.

For more information on NCLR’s Economic Mobility initiatives contact us at resources@nclr.org.
Advocacy on key civil rights issues is at the core of NCLR’s identity as a civil rights organization. For decades, NCLR has engaged in coalition efforts aimed at reducing discrimination in housing, employment, delivery of services, and law enforcement. More recently, NCLR’s work has expanded to include addressing hate crimes, police abuse, and the criminal justice system. In addition, NCLR has a high profile as a defender of immigrants’ rights, fighting for fair, equitable, and effective immigration policies that allow the nation to control its borders while fully respecting the enormous contributions of immigrants living within the United States.

“...Our undocumented immigrants pick the fruit and vegetables in California, they pluck the chickens in Arkansas, they slaughter the beef in Illinois, they do the work no one else wants to do and then they go on with their business quietly so as to not call undue attention to themselves. Let us have ‘earned legalization’ of the eight million who do the work...bring them from the darkness into the light.”

– U.S. Representative Robert Menendez (D-NJ)
At its 2003 Annual Conference in Austin, Texas, NCLR released an analysis of Latinos in the Texas criminal justice system, and launched its Texas Criminal Justice Project, through which NCLR and its affiliates in Texas seek to advance alternatives to incarceration, favoring rehabilitation and family integration. These Texas-based efforts complement NCLR’s national advocacy on criminal justice issues, which seeks to reduce disparate treatment and promote affirmative alternatives to incarceration.

NCLR is addressing racial profiling by promoting anti-profiling legislation and developing strong working relationships with local police forces and minority law enforcement associations that seek to advance the cause of effective community policing. Similarly, NCLR has been a major plaintiff in two lawsuits challenging the Department of Justice in its efforts to encourage local police forces to engage in immigration enforcement. Counterterrorism and the Latino Community Since 9/11, an NCLR Issue Brief released in 2003, highlights some of the challenges to Latino civil rights in the current environment and constructive policy responses.

NCLR is a national leader in the debate on comprehensive immigration reform. A series of policy materials, including Congressional testimony, opinion editorials, and press statements, highlight NCLR’s role in shaping a debate focused on providing an earned legalization program for undocumented workers living and working in the U.S., measures to reduce family immigration backlogs, and the development of a new model of temporary worker program. These efforts are part of a long-standing commitment by NCLR to ensure that fundamental principles of fairness, equity, and effectiveness are present in the nation’s immigration debate and the policies it produces.

For more information on NCLR’s Immigration/Civil Rights initiatives contact us at resources@nclr.org.
Civic Engagement

Believing that increased civic engagement is an essential part of any community empowerment strategy and crucial to the full inclusion of Latinos in the nation’s democracy, NCLR launched the Latino Empowerment and Advocacy Project (LEAP). This initiative seeks to produce and sustain measurable increases in Latino participation in the political process by building a network of community-based organizations trained to promote education of and participation in the electoral process. Specifically, through a range of modern campaign and outreach strategies, NCLR seeks to reach unregistered, newly-registered, and infrequent voters, increase the number of registered and active Latino voters, and maximize nonpartisan, repeated voter contact and education.

Highlights

- Through its efforts to mobilize Latinos and increase participation in the 2002 midterm election, LEAP reached close to 110,000 Latinos. The campaigns took place in four states with different Latino populations, geography, and precinct density with tracking mechanisms designed to increase accountability and maximize results. LEAP staff led direct mail and phone efforts and provided training, grants, and assistance to local groups. 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 polling place information and rides to the polls.

- This multistate Get-Out-The-Vote (GOTV) effort represents one phase of LEAP’s broader set of strategies. In 2003, LEAP expanded its efforts to build a participation continuum that links naturalization to voter registration, and newly-registered voters to voter education and GOTV activities.

For more information on NCLR’s Civic Engagement activities contact us at resources@nclr.org.

...courage to take action
NCLR established several new initiatives designed to increase capacity in areas that are important to the Latino community's growth, presence, and continued improvement in the U.S. mainland, in Puerto Rico, and abroad. These projects ranged from domestic and international alliances to collaborations to research.

**Highlights**

- **Afro-Latino Initiative.** NCLR developed a project to work with Afro-Latinos, both domestically and abroad, to raise the visibility of Afro-descendants among the general Hispanic community. NCLR’s International Projects component conducted a workshop at the 2003 Annual Conference, *Afro-Latinos: Emerging Definitions of Community and the Role of Youth*, and organized three roundtable discussions, Afro-Colombia, Afro-Brazil, and Afro-Panama, all of which explored social, economic, and political issues; racial and ethnic identity; and social mobility. NCLR also actively participates 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. This “dialogue” 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. NCLR conducted its first Latino Delegation to the European Union, visiting Berlin, Brussels, and Madrid with the purpose of enhancing American Latino leaders’ understanding of the transnational integration process taking place in the European Union as well as the relationships linking the United States and Europe.

- **KIDS COUNT - Puerto Rico.** The Annie E. Casey Foundation (AECF) selected NCLR to produce the first data book on the status of children in Puerto Rico as part of AECF’s prestigious “KIDS COUNT” project, a national and state-by-state effort to track the well-being of children in the United States, Puerto Rico, and the U.S. Virgin Islands. The project, *Nuestros Niños Cuentan - Puerto Rico*, seeks to address information gaps, stimulate dialogue on children’s issues, and develop strategies to improve the health, education, and economic status of children on the Island.

For more information on NCLR’s New Projects contact us at resources@nclr.org.
Special Events

The NCLR Strategic Communications Group plays a significant role in supporting NCLR’s overall mission by holding two major events each year: the Capital Awards and the Annual Conference featuring Latino Expo USA. Each event by itself is a magnificent showcase of Hispanic achievements in media, public service, and the entertainment industry. These events celebrate the continued contributions of Latinos to our nation while spotlighting NCLR’s enormous dedication to making these achievements known.

“The Phoenix Project was a team effort. This award belongs to the 3,000 workers who worked so hard to bring the Pentagon back. Workers came from over 30 countries representing every ethnicity, every religion, and every culture. It would have been easy for us to fail. The eyes of the nation and of the world would be watching for us to stumble. Had we stumbled, then the terrorists would truly have won. But we didn’t stumble and we didn’t fail. With a workforce composed, in many instances, of up to 40% Latinos, we pulled together to achieve a tremendous victory for our nation.”

– Capital Awards Honoree, Walker Lee Evey, Director of the Phoenix Project
The 2003 NCLR Capital Awards honored public service work by Senator Olympia Snowe and Representative Robert Menendez. In addition, Daniel Rodriguez, the world-renowned singing policeman, performed an emotional tribute to honor Walker Lee Evey, former director of the Phoenix Project, and the workers responsible for rebuilding the Pentagon after the September 11, 2001 tragedy.

The 2003 NCLR Annual Conference in Austin, Texas set record-breaking numbers by attracting over 23,000 individuals. Highlights of this event include speeches by presidential hopefuls John Kerry and Howard Dean, Senator Kay Bailey Hutchison, Dell Computers’ CEO Michael Dell, and Washington Mutual’s CEO Kerry Killinger. The evening festivities included a Mariachi Spectacular featuring José Feliciano and hosted by Paul Rodriguez and Sofia Vergara.

The 2003 Annual Conference opened with NCLR’s first annual Diabetes Dash. This 5K fun run was launched to bring about awareness of the devastating effects of diabetes within the Latino community. The Dash attracted over 1,500 walkers, joggers, and runners.

NCLR held its first Regional Latino Expo USA in Houston, Texas with an audience of almost 10,000 fun seekers who came to listen to great music, see a fashion show, watch a boxing expedition, and get autographs from celebrities. This traveling event kept its promise to be both exciting and “in a neighborhood near you.”

For more information on NCLR’s Special Events please contact us at resources@nclr.org.
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<td></td>
<td></td>
<td>Gary and Sunny Yates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hilda Zacarias</td>
</tr>
</tbody>
</table>
Empowering An American Community Campaign

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

An endowment is defined as a pool of funds set aside to be used to support programs that further an institution’s ability to fulfill its 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 and project expenditures. As such, the endowment must earn an investment return to cover fees associated with managing the fund’s 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 such critical issues as raising the high school graduation rate of Latinos; decreasing the rates of heart disease, diabetes, and asthma; and educating and empowering Hispanic Americans to build personal and community wealth, through saving for the future and homeownership.

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 of Hispanic achievement, a gathering place for leaders committed to the Hispanic community, and headquarters for NCLR’s operations.

For more information on the Campaign, how to participate, and recognition opportunities, please contact the Campaign Office at empower@nclr.org.

...commitment to a future of hope
NCLR would like to thank the many corporations, foundations, and individuals who have joined us in a fundraising effort that promises to build, secure, and protect the future for millions of America’s Hispanics. ¡Muchisimas Gracias!

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. We thank:

José Villarreal, Chair
Salvador Balcorta
Audrey Alvarado
Amos Atencio
Andrea Bazán-Manson
Amaricio Chapa
Dr. Cordelia Candelaria
Rita DiMartino
Horace Deets
Irma Flores Gonzáles
Herman Gallegos
Bob Gary
Hon. Phyllis Gutiérrez Kenney
W. Roger Haughton
John Huerta
Antonia Jiménez
Dr. Linda Lehrer
Raymond Lozano
Mónica Lozano
Arabella Martínez
Yvonne Martínez Vega
Elba Montalvo
Ramón Murguía
Janet Murguía
Pedro Nájaro III
Hon. Rene Oliveira
Daniel R. Ortega
Ernesto “Gene” Ortega
Verma Pastor
Hon. Deborah Ortiz
Robin Read
Edward Reilly
Arturo Rodriguez
Deborah Szekely
Tony Salazar
R.P. (Bob) Sánchez, Esq.
Cristina Saralegui
Hon. Esteban Torres
Carlos Truan
Kenneth Trujillo
Hon. Ricardo M. Urbina
Isabel Valdés
Gilbert R. Vásquez, C.P.A.
Carmen Velásquez
Ann Marie Wheelock

Cristina Saralegui
Hon. Esteban Torres
Carlos Truan
Kenneth Trujillo
Hon. Ricardo M. Urbina
Isabel Valdés
Gilbert R. Vásquez, C.P.A.
Carmen Velásquez
Ann Marie Wheelock
Overview
The fiscal year ending September 30, 2003 (FY 2003) was a year of financial growth and success for the National Council of La Raza (NCLR). The Empowering an American Community Campaign (Capital Campaign) has exceeded expectations, with over $32 million of commitments as of September 30, 2003. The consolidated corporation generated a surplus (change in unrestricted net assets) of $11.7 million. The majority of the surplus is from unrestricted commitments to the Capital Campaign. Fiscal year 2003 is the fourteenth year of operating surpluses on NCLR’s core business activities (excluding the Capital Campaign activities). The core business surplus excluding Capital Campaign activities is $57,000 after $22.5 million of expenses. Raza Development Fund (RDF), NCLR’s community development lending subsidiary, contributed a net surplus of $2.6 million to the consolidated corporation in FY 2003.

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 1999 to FY 2003. Total consolidated corporation assets have grown from $19.4 million at FYE 1999 to $92.9 million as of FYE 2003. The growth in assets is a reflection of 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 $12.8 million to $24.5 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 $6.6 million as of the end of FY 1999 to $68.4 million as of September 30, 2003.

Working from a solid financial foundation built over the last decade, NCLR has more than achieved its strategic financial goals, which include: (1) establishing a $15 to $20 million endowment and (2) securing $4 to $8 million of capital to acquire a facility in Washington, DC to house the NCLR Hispanic Legacy Center, which will include NCLR’s Washington, DC headquarters operations and community meeting space. Funds inflow from the 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, DC. This will establish a permanent physical presence in the nation’s capital and further assist NCLR in building its institutional wealth and financial stability. It is anticipated that a facility will be purchased in FY 2004.

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 $32 million of unrestricted commitments to NCLR’s Empowering an American Community Campaign. In addition, large multiyear grant commitments received in fiscal year 2003 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 Development Initiative and the Early College High School Demonstration Project) have added over $10 million to NCLR’s assets and temporarily restricted net assets (equity) in FY 2003. Finally, the release from restriction of revenue for a federal grant of Raza Development Fund (from the U.S. Department of Housing and Urban Development) contributed to the RDF surplus of $2.6 million. As a result of these factors, NCLR’s total assets rose to $92.9 million, up from $72.1 million at FYE 2002. Total liabilities increased to $24.5 million, versus $23.5 million at FYE 2002. Total net assets increased dramatically to $68.4 million, up from $48.5 million at FYE 2002, and from $25.2 million at FYE 2001.

The consolidated change in unrestricted net assets (NCLR’s net surplus) was $11.7 million, making FY 2003 the fourteenth straight year of operating surpluses for the National Council of La Raza. As a result of the FY 2003 surplus, NCLR’s total cumulative unrestricted net assets balance was $35.4 million at FYE 2003. NCLR’s consistent track record of posting operating surpluses, the cumulative fund balance of $35.4 million, the consistent growth of institutional impact and program budget, the establishment of the Raza Development Fund and the Strategic Investment Fund are all clear indications that the institution is at a high 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 2003
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 2003 was $36.8 million. It should be noted that this includes unrestricted Capital Campaign revenues. When Capital Campaign...
NATIONAL COUNCIL OF LA RAZA
FINANCIAL GROWTH- FY 1999 to FY 2003

BALANCE SHEET GROWTH
(Statement of Financial Position)

MAJOR FINANCIAL EVENTS:

- $10 million Bank of America loan to capitalize Raza Development Fund (RDF)
- $7 million State Farm loan and $1 million grant for RDF
- Compilation of NCLR Five-Year Strategic Plan FY 2000-2004
- $3 million Walton Family Foundation
- Numerous multi-year program grants in all program areas

INCOME STATEMENT GROWTH
(Statement of Activities)
revenues are excluded, total revenue and support (unrestricted and released from restrictions) is $28.2 million in FY 2003. NCLR’s annual revenue growth rate over the last ten years has averaged more than 17.0%.

**NCLR Maintains a Diversified Mix of Funding Sources**

NCLR continues to maintain a diverse mix of funding sources, with 28.6% of total FY 2003 revenue and support (unrestricted and released from restrictions) coming from corporation and foundation grants and contributions, 12.6% from special events, 23.3% from federal grants, 23.5% from Capital Campaign commitments, 6.6% from investment and interest income and other revenues, and 5.4% from other associated membership dues and other individual unrestricted contributions. (See Graph 3-A)

If Capital Campaign revenues are excluded from FY 2003 figures, the mix is as follows: 37.4% from corporation and foundation grants; 16.5% from special events; 30.5% from federal grants; 8.6% from investment and interest income and other revenues; and 7.1% from associate membership dues and other individual unrestricted contributions. (See Graph 3-B)

During FY 2003, NCLR continued to reduce the rate of growth of the Associate Membership Marketing program. The goal is to improve the financial performance of new member acquisition efforts. Total paid members to date exceeded 35,000 as of September 2003.

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, Verizon, 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, the John D. and Catherine T. MacArthur 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. In FY 2003, program services and legislative advocacy expenses represented $19.6 million, or 78.1% of the total $25.1 million of expenses. Supporting services expenses of $5.5 million reflected $3.4 million of management and general, $710,000 of endowment/ Capital Campaign fundraising expenses, $615,000 of RDF loan loss reserve, $384,000 of Associate Membership development expenses, and $346,000 of general fundraising. (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 2003 are depicted in Graph 5. It is important to note that more than $5 million, or 20.3% of NCLR’s FY 2003 expenses were subgrants to affiliates and other organizations conducting critical work in the communities that NCLR and its affiliates serve.

Detailed Management Analysis By Operating Unit

NCLR Core Business Activities

NCLR’s traditional core business stabilized in FY 2003, after a pattern of consistent growth demonstrated throughout the last decade. Revenue and support (unrestricted and released from restrictions) for the core business activities decreased a modest 6.2% in FY 2003 versus FY 2002 when Capital Campaign revenues are included, and 5.4% if Capital Campaign revenues are excluded. For FY 2003, NCLR core business expenses decreased to $22.5 million, a 5.9% decrease versus FY 2002. The core business continues to maintain a diversified array of revenues and support sources and to efficiently utilize fiscal resources (78.1% of expenses toward program services). The core business, including Capital Campaign activities, generated a net surplus of $7.9 million in FY 2003. The true core business activities, excluding Capital Campaign activities, generated a modest net surplus of $57,000.

Raza Development Fund

Established in 1999 as a community development lending arm of NCLR, the Raza Development Fund, Inc. has become the largest Latino Community Development Financial Institution (CDFI) in the United States. The mission of RDF’s Hope Fund has been to provide flexible but high-quality loans with technical and organizational support to NCLR affiliates who serve low-income Latino families seeking a full range of human development opportunities. To date, over 100 affiliates have received assistance and loans. RDF’s products include predevelopment, construction, rehabilitation, lines of credit, acquisition and mini-permanent loans for charter schools, community health centers, program centers, and affordable housing.
Since making its first loan in June 1999, RDF has approved approximately $41 million in loans, $18 million of which was approved during 2003. These loans served to leverage approximately $71 million in total project costs for NCLR’s affiliate borrower groups. Since inception of the Fund, loans closed are approximately $26 million with over $12 million outstanding in the loan portfolio at this time.

As of September 2003, RDF was capitalized in excess of $30 million with net assets exceeding $10.6 million. One of the principal strategies for extending the impact of the Hope Fund has been to engage in participation agreements with major institutional lenders where they “co-lend” with the Fund as Lead Lender. These agreements enable the Fund to leverage its lending up to four, or even five, times its current capitalization.

For example, in addition to its current investor partnerships with Bank of America, State Farm Insurance, the Fannie Mae Foundation, and Allstate Insurance, RDF entered into a major agreement with Citicorp USA this year involving $5 million in capacity-building assistance from the Citigroup Foundation and a $100 million participation lending facility. This groundbreaking lending partnership agreement with Citigroup’s Center for Community Development will allow RDF to make up to an additional $115 million in loans with Citigroup agreeing to purchase up to $100 million.

The impact during 2003 to the communities served by NCLR and RDF as a result of these loan transactions is significant, including 383 multi-family units and 37 single-family units under the Affordable Housing Program, 9,176 patients under the Community Health Program, 4,125 students under the Charter School Program, and 1,882 families under the Community Facility Program.

**Strategic Investment Fund for La Raza**

The FY 2003 results from the Strategic Investment Fund for La Raza (SIFLR) investment portfolio were very encouraging. SIFLR experienced a gain of $1.2 million in FY 2003, mainly as a result of the rebound in the stock market. This follows a net loss of $651,503 in FY 2002. The Strategic Investment Fund maintains a rigorous performance measurement system to analyze fund performance versus appropriate market indices for each of its investment managers. Through the end of FY 2003, 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 perpetually support the institution. 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 current year consolidated surplus (change in unrestricted net assets) of $11,722,000 is the net result of surpluses of $7,917,000 from the core business (primarily from Capital Campaign activities as the core business excluding the Capital Campaign generated only a $57,000 surplus), $1,201,000 from the Strategic Investment Fund, and $2,604,000 from the Raza Development Fund. (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 2003 results demonstrate, NCLR continues to be successful in achieving this goal. The institution expects growth in programs and impact and budget growth to beyond $25 million in the fiscal year ending September 30, 2004.

As Capital Campaign commitments are received in cash over the next five years, the institution will establish an invested endowment, projected at over $32.5 million of assets. NCLR’s solid financial foundation will enable the institution to acquire a facility in Washington, DC within the first half of calendar year 2004. This facility will house the program operations, provide a community meeting place, and establish a permanent physical presence for NCLR and the Hispanic community in the nation’s capital. The auditor’s opinion letter and complete audited financial statements prepared by Grant Thornton, LLP may be obtained by calling Jerome Chester, Director of Finance, at (202) 776-1812.
### National Council of La Raza

#### Consolidated Statement of Financial Position

**September 30, 2003**

<table>
<thead>
<tr>
<th>Assets</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$11,985,471</td>
<td>$5,836,891</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Escrow for construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan guarantee (Dept of Education)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Custodial funds held in trust</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Campaign receivables, net of allowance</td>
<td>4,087,243</td>
<td>2,950,075</td>
</tr>
<tr>
<td>Special events receivables</td>
<td>508,790</td>
<td>1,356,682</td>
</tr>
<tr>
<td>Contract, grant, and other receivables, net of allowance for doubtful accounts</td>
<td>13,508,658</td>
<td>10,506,714</td>
</tr>
<tr>
<td>Loan receivables, current</td>
<td>1,870,612</td>
<td>921,951</td>
</tr>
<tr>
<td>Loan loss reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments – at market</td>
<td>27,531,133</td>
<td>21,036,584</td>
</tr>
<tr>
<td>Other</td>
<td>370,487</td>
<td>111,176</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>59,862,394</td>
<td>42,720,073</td>
</tr>
</tbody>
</table>

| Noncurrent Assets | | |
| Loan receivables, net of current portion | 6,868,253 | 4,069,842 |
| Property and equipment, net of depreciation | 600,433 | 579,919 |
| Capital Campaign receivables, noncurrent | 13,908,856 | 12,105,083 |
| Contract, grant, and other receivables, long-term, net of allowance for doubtful accounts | 10,987,069 | 7,966,090 |
| Assets designated to fund deferred compensation | 501,615 | 333,442 |
| Restricted cash (RDF LLR covenant) | | 4,200,546 |
| Funds held in trust | | |
| Other | 156,623 | 75,061 |
| **Total Noncurrent Assets** | 33,022,848 | 29,329,983 |

| **Total Assets** | $92,885,243 | $72,050,056 |

| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable | $1,721,124 | $1,227,329 |
| Accrued expenses | 1,492,304 | 1,149,371 |
| Accrued interest expense | 564,872 | 449,608 |
| Custodial funds held in trust | | |
| Refundable advances | | 300,000 |
| Notes payable, current | 18,206 | 15,692 |
| Inter-fund payables | 185,000 | |
| Capital lease obligations, current | 13,498 | 35,744 |
| **Total Current Liabilities** | 3,995,004 | 3,177,744 |

| Noncurrent Liabilities | | |
| Notes payable, net of current portion | 20,008,428 | 20,026,643 |
| Capital lease obligations, net of current | | 13,453 |
| Deferred compensation liability | 501,615 | 333,442 |
| **Total Noncurrent Liabilities** | 20,510,043 | 20,373,538 |

| **Total Liabilities** | 24,505,047 | 23,551,282 |

| Net Assets | | |
| Temporarily restricted | 33,026,873 | 24,867,249 |
| Unrestricted | 33,026,873 | 24,867,249 |
| **Total Net Assets** | 68,380,197 | 48,498,774 |

| Total Liabilities and Net Assets | $92,885,243 | $72,050,056 |
## NCLR 2003 Annual Report

### National Council of La Raza

**Consolidated Statement of Activities**

**September 30, 2003**

<table>
<thead>
<tr>
<th>Year ended September 30, 2003</th>
<th>Year ended September 30, 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Temporarily Unrestricted</td>
</tr>
<tr>
<td><strong>Support and Revenue</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Grants</strong></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$—</td>
</tr>
<tr>
<td>Nonfederal</td>
<td>—</td>
</tr>
<tr>
<td>Institutional and administrative support</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total grants</strong></td>
<td>—</td>
</tr>
<tr>
<td><strong>Contributions and other revenue</strong></td>
<td></td>
</tr>
<tr>
<td>Corporations and foundations</td>
<td>1,182,907</td>
</tr>
<tr>
<td>Special events</td>
<td>4,642,374</td>
</tr>
<tr>
<td>Empowering An American Community Campaign Contributions</td>
<td>8,628,426</td>
</tr>
<tr>
<td>Associate member dues</td>
<td>246,605</td>
</tr>
<tr>
<td>Other contributions</td>
<td>194,490</td>
</tr>
<tr>
<td>Investment and interest income</td>
<td>1,888,566</td>
</tr>
<tr>
<td>Interest and fee income on loans (RDF)</td>
<td>565,598</td>
</tr>
<tr>
<td>Other revenue</td>
<td>333,249</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td>19,109,818</td>
</tr>
<tr>
<td><strong>Total contributions and other revenue</strong></td>
<td>36,792,035</td>
</tr>
<tr>
<td><strong>Total Support and Revenue</strong></td>
<td>36,792,035</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td></td>
</tr>
<tr>
<td>Mission</td>
<td>987,387</td>
</tr>
<tr>
<td>Legislative Advocacy</td>
<td>353,266</td>
</tr>
<tr>
<td>TACS- Community Development/ Housing</td>
<td>4,528,779</td>
</tr>
<tr>
<td>TACS- Center for Community Educational Excellence</td>
<td>4,701,805</td>
</tr>
<tr>
<td>OSIP- Strategic Communications Group/ Special Events</td>
<td>2,817,928</td>
</tr>
<tr>
<td>OSIP- Special and International Projects</td>
<td>419,902</td>
</tr>
<tr>
<td>OSIP- Institute for Hispanic Health</td>
<td>1,613,665</td>
</tr>
<tr>
<td>Office of Research, Advocacy, and Legislation &amp; Core Policy</td>
<td>2,171,129</td>
</tr>
<tr>
<td>Raza Development Fund - Program Operations</td>
<td>1,875,771</td>
</tr>
<tr>
<td>Raza Development Fund - Loan Loss Reserve</td>
<td>615,248</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>20,184,880</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>3,166,467</td>
</tr>
<tr>
<td>Fundraising:</td>
<td></td>
</tr>
<tr>
<td>General fundraising</td>
<td>345,505</td>
</tr>
<tr>
<td>Associate membership marketing</td>
<td>709,683</td>
</tr>
<tr>
<td>Endowment/Capital Campaign</td>
<td>383,885</td>
</tr>
<tr>
<td>Raza Development Fund - Administration</td>
<td>50,070</td>
</tr>
<tr>
<td>Building Fund/ Strategic Investment Fund Governance</td>
<td>229,746</td>
</tr>
<tr>
<td><strong>Total supporting services</strong></td>
<td>4,885,357</td>
</tr>
<tr>
<td><strong>Total Program and Supporting Services</strong></td>
<td>25,070,236</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>11,721,798</td>
</tr>
<tr>
<td>Net Assets, beginning of year</td>
<td>23,631,525</td>
</tr>
<tr>
<td>Net Assets, end of year</td>
<td>$35,353,323</td>
</tr>
</tbody>
</table>

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The table above provides a detailed overview of the National Council of La Raza's Consolidated Statement of Activities for the year ended September 30, 2003, compared to the previous year. It includes financial data on Support and Revenue, Expenses, and Change in Net Assets.
We deeply appreciate the support we receive from our affiliates and thank them for submitting the many beautiful and vibrant photographs that have allowed us to showcase the wonderful work they do. ¡Gracias!

NCLR is always looking for photographs that illustrate the work of our affiliates. To submit photographs please email us at affiliatepics@nclr.org.
To become an Associate of NCLR or to make an individual donation, visit us at www.nclr.org.

To inquire about opportunities to help fund NCLR’s projects, contact Mareth Flores, Development and Communications Specialist, at (202) 776-1560.

To order publications, contact the NCLR Publications Office at (202) 785-1670.

ANNUAL REPORT DEVELOPMENT
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