

It takes *vision*

***To be the premier Hispanic
MBA professional business
network for economic and
philanthropic advancement.***



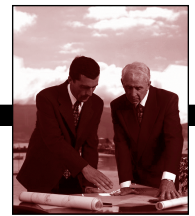
2000 ANNUAL REPORT



our mission

***“.... Fostering Hispanic
leadership through
graduate management
education and
professional development
in order to improve society.”***

S P O N S O R S L I S T



3M
 A.T. Kearney
 AARP
 Abbott Laboratories
 Aetna US Healthcare
 Agilent Technologies, Inc.
 Amazon.com
 America Online
 American Express Company
 American West Airline
 Amgen
 AMR Corporation
 Accenture
 Arizona State University -Main Campus
 Arizona Republic
 Arthur Andersen LLP
 Arvizu Advertising & Promotions
 AT&T
 AXA Advisors
 Bank One
 Bank of America
 Banner Health
 Baxter Healthcare
 Bayer Corporation
 Baylor University
 Bell South (Telecommunications) Corporation
 Best Buy Co. Inc.
 Board of Governors of the Federal Reserve Board
 BP Amoco
 Brown & Williamson Tobacco Corporation
 Cap Gemini Ernst & Young, LLC
 Capital One
 Cardean University
 Carnegie Mellon University
 CASS Recruitment Media
 Chase Manhattan Bank
 Chevron
 Cisco Systems
 Citigroup
 Clorox Company, The
 Coca-Cola Company, The
 Colgate Palmolive Company
 Columbia Business School
 Columbia Energy Group
 Compaq Computer Corporation
 ConAgra
 Consortium for Graduate Study in Management
 Continental Airlines
 Coors Brewing Company
 Covad Communications
 Cornell University, Johnson Graduate School of Management
 Credit Suisse First Boston
 Daimler Chrysler Corporation
 Darden Restaurants Inc.
 Dartmouth College, Amos Tuck School of Business Administration
 Dell Computer Corporation
 Deloitte & Touche/Deloitte Consulting
 Delphi Automotive Systems
 Delta Air Lines
 Deluxe Corporation
 Detroit Edison
 Diageo
 Dr Pepper/Seven Up
 Duke Energy
 Dun & Bradstreet Corporation
 DuPont Pharmaceuticals Company
 DuPont
 Eastman Kodak Company
 eFunds Corporation
 Eli Lilly and Company
 Enron Corporation
 Equiva Services LLC
 Ernst & Young LLP
 Excelon Corporation
 Fannie Mae
 Federal Deposit Insurance Corporation (FDIC)
 Federal Home Loan Bank of San Francisco
 Federal Reserve Bank of New York, The
 FedEx
 First Union Corporation
 Fleet Boston Financial
 Florida Power & Light
 Ford Motor Company

Freddie Mac
 Frito-Lay, Pepsi-Cola, Tropicana
 GAP Inc., The
 Gateway
 General Electric
 General Mills
 General Motors
 Genetech Inc.
 Genuity, Inc.
 Gillette Company, The
 Glaxo Wellcome
 Global Crossing
 Goldman Sachs
 Grainger
 Guidant Corporation
 Hallmark Cards, Inc.
 Harvard Business School
 Harvard University
 H-E-B Grocery Company
 Hewitt Associates
 Hewlett Packard
 Hispanic Business Magazine
 Hitachi Data Systems
 Hoffmann La Roche Inc.
 HomeBanc Mortgage Corporation
 Honeywell Inc.
 IBM Corporation
 IKON Office Solutions
 IMDIVERSITY.COM
 Industrial Light & Magic
 Intel Corporation
 Johnson & Johnson
 Joseph E. Seagram & Sons. Inc./Universal
 J.P. Morgan and Company Inc. (Chase Manhattan Bank)
 Kellogg Company
 Kenan-Flagler Business School - UNC at Chapel Hill
 Key Corporation
 Kmart Corporation
 Kraft Foods, Inc.
 Levi Strauss & Co.
 LexisNexis
 Lisa Torres & Associates
 Lockheed Martin
 Lucent Technologies
 Marriott International
 Mars, Incorporated
 Masco Corporation
 MasterCard International
 Mattel, Inc.
 Mayo Clinic
 MBNA America
 McDonald's Corporation
 MCI WorldCom
 Mercedes-Benz USA
 Merck & Co., Inc.
 Merrill Lynch
 Mi Contacto
 Microsoft
 Miller Brewing Company
 Minute Maid Company, The
 MIT Sloan School of Management
 Monsanto Company
 MONY Group Inc., The
 Morgan Stanley Dean Witter
 Motorola
 MTV Networks
 Nabisco, Inc.
 National Council of La Raza
 NCCI, Inc.
 Nestle USA
 New Jersey State Police
 New York Life Insurance Co.
 Nortel Networks
 Northwest Airlines
 Northwestern Mutual
 Northwestern University-Kellogg Graduate School of Management
 Novartis Pharmaceuticals Corporation
 Office Depot
 PCS Health Systems
 Penn State University
 Pfizer Inc.
 PHD Project
 Philip Morris USA
 Pitney Bowes Inc.

PNC Corporation
 Polaroid Corporation
 PricewaterhouseCoopers
 Principal Financial Group
 Procter & Gamble
 Progressive Insurance
 Prudential
 Quaker Oats Company, The
 Quest Diagnostics, Inc.
 R.J. Reynolds Tobacco Company
 Ralston Purina Company
 Rice University-Jones Graduate School of Management
 Rockwell International - Rockwell Collins
 Royal Caribbean Cruises LTD
 RR Donnelley & Sons Company
 Russell Corporation
 Ryder System, Inc.
 Sabre Inc.
 SallieMae
 Sara Lee Corporation
 SBC Communications, Inc.
 Schering-Plough Corp.
 Sears, Roebuck and Co.
 Securities & Exchange Commission
 Shell Oil Company
 Siemens Medical Systems, Inc.
 SmithKline Beecham
 Sprint Corporation
 St. Paul Companies, The
 Stanford Business School
 State Farm Insurance
 Sun Microsystems
 Target Stores
 Texaco Inc.
 Texas Instruments
 Thunderbird-The American Graduate School of International Management
 TIAA CREF
 Time Warner
 Towers Perrin
 Toyota Motor Sales USA, Inc.
 Tribune Company
 Tricon Global Restaurants
 Tupperware
 Unilever
 United Airlines
 United Parcel Service
 United Technologies Corporation
 University of California at Irvine-Graduate School of Management
 University of Central Florida, College of Business Administration
 University of Chicago - Graduate School of Business
 University of Illinois at Urbana Champaign-MBA Program
 University of Michigan Business School
 University of Minnesota- Carlson School of Management
 University of Notre Dame
 University of Southern California
 University of Texas at Austin
 US Airways
 US BankCorp
 Utilicorp United Inc.
 Vanderbilt University
 Verizon Communications
 Verizon Wireless
 Visteon Corporation
 Wachovia Bank
 Wake Forest University-Babcock Graduate School of Management
 Wal-Mart Stores, Inc.
 Walt Disney Company, The
 Washington University-John M. Olin School of Business
 Watson Wyatt Worldwide
 Webster University
 Wellpoint Health Networks
 Wells Fargo
 West Group
 Weyerhaeuser Company
 Whirlpool Corporation
 Whitehall Robins Healthcare
 Wyeth-Ayerst Global Pharmaceuticals



Dear Members, Sponsors, Educational Partners and Friends of NSHMBA:

On behalf of the National Board and our entire chapter leadership, I am privileged to present to you this Year 2000 Annual Report. I sincerely wish to thank each and every one of our supporters, and most especially our core of dedicated and visionary volunteers, who made our every success possible.

As we mark our accomplishments and measure ourselves versus our strategic direction, it is gratifying to note that last year our organization:

- grew significantly to reach 2,574 paid members by year-end (+31.8% vs. '99)
- set a new record for total attendees at our National Conference & Career Expo in Orlando - 3,446 (+23.3% over '99) including 751 MBA Students from 117 universities (+30.5% over '99)
- increased our scholarship distributions to \$ 302,500 (+20% vs. '99) pushing us to a cumulative total of \$ 1,003,500 since 1995
- added four new chapters, Albuquerque, Atlanta, Boston, and San Diego, and accepted Minneapolis-St. Paul and Tampa Bay as chapters-in-information
- attracted the participation of top Latino executives from Marquis Sponsors - Ford Motor Company, Verizon Communications and the Walt Disney Company - to speak at our Orlando conference.

For NSHMBA, and our community, we are proud that the Year 2000 Census now places our population at over 35,000,000 - with projections moving us to nearly 100,000,000 by 2050. Even more impressive is to consider that by that same year, the population of the Latin World - including Brazil - will be 935 million - the 3rd largest population group in the world!

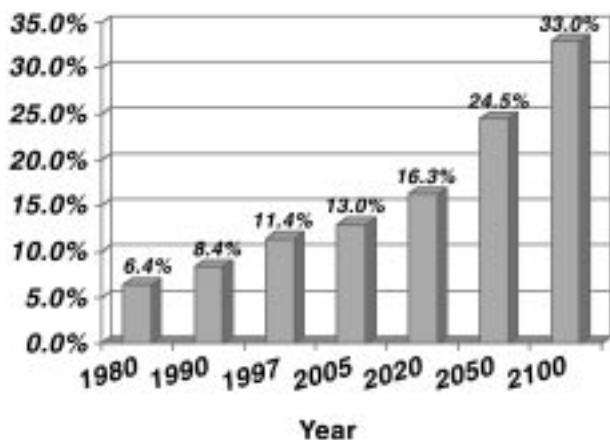
According to Peter F. Drucker, the acknowledged father of modern management, Latino business leaders - with the cultural ability to understand the importance of relationship building to drive business development - will be key to ensuring corporate success in our increasingly global marketplace:

**“Tomorrow’s business challenges are less technical than they are cultural.”
“Culture must be managed just like any other business phenomenon.”**

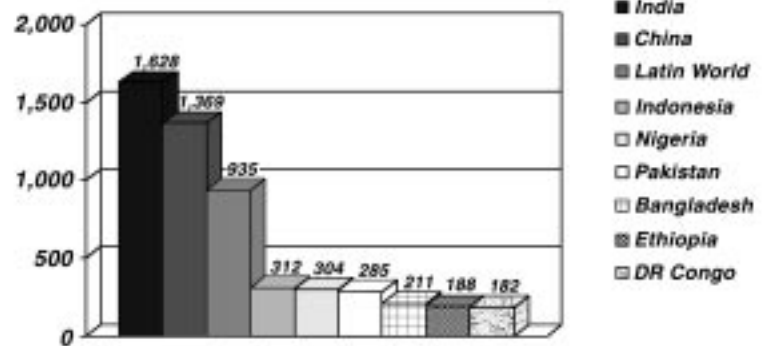
NSHMBA is dedicated to moving its members - and our society - towards unlimited success in business. We understand and appreciate that to do so, we must nurture mutually beneficial relationships with our stakeholders - corporate partners, academic representatives, and professional recruiters. As we look ahead to our **collaborative** future in the global world, your sustained involvement with our organization will undoubtedly assure our continued and mutual success.

Respectfully,

John Honaman, Executive Director



Hispanic Population as Percent of U.S. Population



World Population Projections - 2050 (in000s)

PROGRAMS

Professional Development

The national conference and local chapter meetings offer business professionals and student members the opportunity to learn practical and valuable skills that will help them succeed in their careers.

Members earn Continuing Professional Education Credits, through presentations and mini-courses that demonstrate their increased knowledge and relevant training.

NSHMBA continues to emphasize its educational objective by offering educational programs to members at the local and national levels.

These programs are designed to aid companies by enhancing the business performance of NSHMBA members they employ.



*Western Region LCDI
- L to R: Marc Sandoval, General Sales Manager, Courtesy Ford, Denver, Michael Valencia, Toti Cadavid Colón, Brent Mardis, Ford Motor Credit Operations Manager, Daisy Ortiz-Cirihal, National Marketing Chair*

Career Networking

Networking opportunities are offered via several mediums—online resources, chapter social events and educational seminars, and at the national conference.

Members have access to job postings and internship offers through the On-Line Career Center. Additional job announcements are available through local chapters.

The comprehensive online résumé database allows members to maintain control of their own résumés. Corporate Human Resources departments and search firms review résumés on a regular basis.

An additional source of career networking for members is the annual national conference and career expo.

National Conference & Career Expo

Each year, the NSHMBA hosts a three-day conference that includes seminars, workshops, distinguished speakers and a career fair.

This year's conference held in Orlando, Florida marked records with increases over prior years in the number of attendees (3,446), exhibitors (227) and income generated (\$2,473,319).

George Aguel, Vice President, Resort/Park Sales and Services Walt Disney World, gives keynote speech at the 11th Annual Conference and Career Expo Friday Lunch.



Dr. Tony Alessandra was the Professional Development Plenary Keynote Speaker sponsored by PricewaterhouseCoopers.



Oscar Gomez, Vice President of Diversity and Compliance at Verizon, was the Keynote Speaker at the 11th Annual Conference and Career Expo Saturday Lunch.

Scholarships



2000 NSHMBA Scholarship winner,
Claudia Esquivel & Verizon Team.

NSHMBA presented 86 students with \$302,500 in scholarship monies in 2000.

As part of the organization's mission, NSHMBA established the scholarship program in 1991 to support Hispanic students who are pursuing a Master's degree in management or business. Scholarships range from \$1,000 to \$5,000, with one scholarship for \$10,000.



L to R: Ron Fernández, Rick Tobias, Elizabeth Suárez, 1999 Denver Chapter President, and Oscar Muñoz, a former Vice President for U.S. West.

Challenge 2000 – Annual Fundraising Campaign

Jump started by over \$ 25,000 in contributions from the Corporate Advisory Board, 272 members pledged \$ 25,703 to the NSHMBA Scholarship Fund through this matching grant program.

In 2000 Minneapolis-St. Paul and Tampa Bay were accepted as chapters in formation and Albuquerque, Boston, Orlando, and San Diego became official chapters. Total membership increased in 2000 to 2,574 members. The following are some notable chapter activities for 2000.

Uniting all of the **Southern California NSHMBA** Chapters for the first time was one of the themes of the 3rd Annual Dinner and Scholarship Gala, sponsored by Union Bank of California.

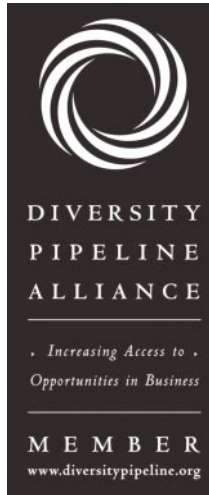


Southern California Gala attendees

Over 300 people attended and 88 Hispanic student recipients were awarded scholarships. Awards were also presented to the Los Angeles and Orange County Chapter board of directors for their hard work and dedication.

By meeting this personal challenge to help fellow Hispanics in their pursuit of higher education and better career opportunities, nearly \$ 60,000 in incremental donations was generated by this first year effort.

Corporate contributors included American Airlines, Citigroup, Ford Motor Company, GTE (Verizon), PepsiCo, Inc, Philip Morris Companies, Inc., PricewaterhouseCoopers and U S West (Qwest Communications International Inc.)



Diversity Pipeline Alliance and Destination MBASM Seminars

NSHMBA is a leading force among 11 of our nation's most prominent academic institutions, foundations and nonprofit organizations committed to increasing interest in management education and careers among students of color. The Diversity Pipeline Alliance draws its name from the educational pipeline – from middle school and high school through college and graduate school – which feeds skilled new management talent into American business.

Volunteer driven by NSHMBA chapters, Destination MBASM seminars offer prospective Latino students the chance to learn about the enhanced career opportunities available to them through graduate management education. Information about financial aid through schools and the scholarships offered by NSHMBA are also provided at these sessions.

In 2000, these sessions were held in several chapter cities and at the annual conventions of the National Hispanic Business Association and the Society of Hispanic Professional Engineers.

CHAPTERS

The **Chicago** Chapter definitely proved to be a leader in driving the new economy by raising a record in total revenue and doubling the number of corporate sponsors that made contributions to this year's 12th Annual Fundraiser Gala themed "Latinos: Driving the New Economy – Latinos: Dirigiendo la Nueva Economía."

Washington, DC The DC Chapter of the National Black MBA Association presented the NSHMBA-DC Chapter with the Coalition Award on June 20, 2000 at the NBMBA 16th Annual Scholarship & Awards Banquet. The Coalition Award was presented to the DC Chapter for its collaborative efforts with NBMBA-DC Chapter in co-

sponsoring events and for the chapter's individual efforts to meet the NSHMBA mission, especially the importance of education.

The **Houston** NSHMBA chapter and the Jesse H. Graduate School of Management at Rice University joined forces to offer a one-day leadership and networking workshop that addressed the needs of Hispanic professionals in corporate America. The 3rd annual event brought together more than 200 attendees and 10 top business leaders from throughout Texas and the U.S.

In **Phoenix**, 120 Members, guests, and sponsors gathered to celebrate the Chapter's 1st Annual Charity Gala, to benefit ChildHelp USA, a non-profit organization dedicated to combating Child Abuse. Thanks to the generous contributions of corporate sponsors, American West Airlines, the Arizona Republic, Arvizu Advertising, Banner Health, Honeywell, IKON, and Wells Fargo, the Phoenix Chapter was able to donate \$10,000 in net event proceeds to ChildHelp USA.



L to R: Cosette Gutierrez, Ricardo Rojo, Joseph Losada, Sue Putzier (ChildHelp USA), Greg Gomez-Cornejo, Christina Gonzalez, Michael Millan, and David Mata.

The **Dallas-Ft. Worth** Chapter launched the first electronic chapter newsletter on the Internet, focusing on providing members with current NSHMBA Member demographic profile, information on the scholarship award program, a recap on the e-business seminar held in Dallas and a calendar of upcoming events.

2001 Chapter Presidents

Michael Valencia, Albuquerque
Carlos Mata, Atlanta
Victor Huerta del Cid, Austin
Israel Lopez, Boston
Ken Santiago, Chicago
Sergio Calderón, Dallas/Ft. Worth
Toti Cadavid Colón, Denver
Ron Ciriha, Detroit
Barbara E. Fernandez, Hartford
Martha Salinas, Houston
Miguel Figueroa, Los Angeles
Robert Macher, Miami
Jesus Maldonado-Reyes, New York
Ed Nonaca, Orange County
Yanina Rosario, Orlando
Cosette Gutierrez, Phoenix
Abraham Minjarez, San Antonio
Carlos Careaga, San Diego
Roberto Ayala, San Francisco
Carlos Filippetti, San Juan
Ginella (Gina) Ortela, Washington DC

Hispanic Leadership Workshop participants



2001 National Board Executive Committee & Advisors

Jaime B. Ornelas
National Chairman
Maria Baquero
National Vice Chairperson
Henry B. Villareal
National Chairman Emeritus
Ricardo Rojo
National Legal & Compliance Officer
Manny Martinez
Treasurer/Chief Financial Officer
Rosendo Cruz, Jr.
National Fundraising Chair
Donna Blancero
National Education Chair
Daisy Ortiz-Cirihal
National Marketing/Public Relations Chair
Nereida (Neddy) Perez
Central Region Chair
Manuel J. Fernandez
Eastern region Chair
Michael M. Valencia
Western Region Chair
Doug Blancero
Board Development Advisor
Henry O. Hernández
Board Strategic Advisor

2001 Corporate Advisory Board as of 6.15.01

Charter Corporate Members

AMR Corporation
 Bank of America
 Citigroup
 Dell Computer Corporation
 Ford Motor Company
 PepsiCo, Inc
 Philip Morris Companies Inc.
 PricewaterhouseCoopers
 Procter & Gamble
 United Technologies Corporation
 The Walt Disney Company
 Verizon

At-Large Corporate Members

Coors Brewing Company
 Intel Corporation
 SBC Communications

University Members

DePaul University
 University of Maryland

**Financial Statements and Report of Independent Certified Public Accountants
National Society of Hispanic MBAs
December 31, 2000 and 1999**



Report of Independent Certified Public Accountants

Board of Directors
National Society of Hispanic MBAs

We have audited the accompanying statements of financial position of the National Society of Hispanic MBAs (the "Society") as of December 31, 2000 and 1999, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the National Society of Hispanic MBAs as of December 31, 2000 and 1999, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Houston, Texas
October 5, 2001

**National Society of Hispanic MBAs
STATEMENTS OF FINANCIAL POSITION
December 31,**

	2000	1999
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$2,097,335	\$1,357,766
Accounts receivable	<u>108,201</u>	<u>219,580</u>
	2,205,536	1,577,346
INVESTMENTS, at market	295,822	211,607
FIXED ASSETS		
Less accumulated depreciation	<u>(56,982)</u>	<u>(40,536)</u>
	102,095	32,337
OTHER ASSETS		
Prepaid travel	-	6,378
Security deposits and retainers	<u>2,940</u>	<u>3,440</u>
	<u>2,940</u>	<u>9,818</u>
	\$2,606,393	\$1,831,108
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 265,368	\$ 79,615
Deferred revenue	<u>-</u>	<u>73,250</u>
	265,368	152,865
NET ASSETS		
Unrestricted net assets	<u>2,341,025</u>	<u>1,678,243</u>
	\$2,606,393	\$1,831,108

The accompanying notes are an integral part of these statements.

**National Society of Hispanic MBAs
STATEMENTS OF ACTIVITIES
Year ended December 31,**

	2000	1999
UNRESTRICTED		
Revenues		
Conference	\$2,473,319	\$1,730,524
Membership	88,425	79,960
Contributions	459,935	272,589
Interest	79,976	56,811
Unrealized gains on investments	-	35,149
Other	<u>47,915</u>	<u>8,075</u>

A U D I T O R S R E P O R T

Total revenues	3,149,570	2,183,108
Expenses		
Program	1,014,699	959,578
Unrealized losses on investments	21,081	-
General and administrative	<u>1,451,008</u>	<u>830,678</u>
Total expenses	<u>2,486,788</u>	<u>1,790,256</u>
Increase in unrestricted net assets	662,782	392,852
Net assets at beginning of year	<u>1,678,243</u>	<u>1,285,391</u>
Net assets at end of year	<u>\$2,344,739</u>	<u>\$1,678,243</u>

The accompanying notes are an integral part of these statements.

National Society of Hispanic MBAs

STATEMENTS OF CASH FLOWS

Year ended December 31,

	2000	1999
Cash flows from operating activities		
Increase in net assets	\$ 662,782	\$ 392,852
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	16,446	11,880
Bad debt expense	130,481	-
Unrealized losses (gains) on investments	21,081	(35,149)
Changes in operating assets and liabilities		
Decrease in other assets	6,878	14,929
Increase in accounts receivable	(19,102)	(58,057)
Increase in accounts payable	185,753	17,658
(Decrease) increase in deferred revenue	<u>(73,250)</u>	<u>18,250</u>
Net cash provided by operating activities	931,069	362,363
Cash flows from investing activities		
Purchases of investments	(105,296)	(55,852)
Purchases of fixed assets	<u>(86,204)</u>	<u>(24,693)</u>
Net cash used by investing activities	<u>(191,500)</u>	<u>(80,545)</u>
Net increase in cash and cash equivalents	739,569	281,818
Cash and cash equivalents at beginning of year	<u>1,357,766</u>	<u>1,075,948</u>
Cash and cash equivalents at end of year	<u>\$2,097,335</u>	<u>\$1,357,766</u>

The accompanying notes are an integral part of these statements.

National Society of Hispanic MBAs

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2000 and 1999

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Description of Operations

The National Society of Hispanic MBAs (the Society) is a not-for-profit corporation organized to promote graduate management education, entrepreneurship and the visibility of Hispanics in executive level management positions and to create a stronger awareness within the business and not-for-profit sectors. The Society's principal source of revenue is obtained from sponsors at conferences intended to provide scholarships and educational opportunities to the Hispanic community. Membership revenue and corporate contributions provide additional income.

2. Basis of Accounting

The Society prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Consequently, revenues are recognized when earned, and expenses are recognized when the obligation is incurred.

3. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increased those net asset classes. Restrictions fulfilled in the same time period in which the contribution is received are reported as unrestricted support.

Unconditional promises to give that are expected to be collected within one year are recorded at their realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the

promise is received. Amortization of the discount is included as contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Contributed property and equipment is recorded at fair value at the date of donation. The Society reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Society reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

National Society of Hispanic MBAs
NOTES TO FINANCIAL STATEMENTS – CONTINUED
 Years ended December 31, 2000 and 1999

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Society considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

5. Uninsured Cash Balances

The Society maintains cash and cash equivalent balances at several financial institutions. The balances held in these accounts are secured by the Federal Deposit Insurance Corporation up to \$100,000. From time to time, balances in these accounts exceed the federally insured amounts, however, the Society has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

6. Tax-Exempt Status

The Society has been granted a tax-exempt status by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code.

7. Accounts and Pledges Receivable

The Society considers accounts and pledges receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. When amounts become uncollectible, they are charged to operations when that determination is made.

8. Fixed Assets

Purchased assets are recorded at cost. Depreciation is computed using an accelerated method over estimated useful lives of the asset ranging from five to seven years.

9. Investments

All investments are measured at fair value in the Statements of Financial Position. Investment income or loss (including realized and change in unrealized gains and losses on investments, interest, and dividends) is included in the Statements of Activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law. However, if a restriction is fulfilled in the same time period in which investment income or loss is realized, the Society records the investment income or loss as an increase to unrestricted net assets.

National Society of Hispanic MBAs
NOTES TO FINANCIAL STATEMENTS – CONTINUED
 Years ended December 31, 2000 and 1999

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

10. Donated Material and Service

Donated furniture, equipment and artwork are included in the accompanying financial statements at their estimated fair value at the time of the donation.

The Society recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

11. Concentration of Credit and Market Risk

A U D I T O R S R E P O R T

Financial instruments that potentially expose the Society to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited to any one institution. The Society has not experienced any losses on its cash equivalents. The Society's investments do not represent significant concentrations of market risk inasmuch as the Society's investment portfolio is adequately diversified among issuers and industries.

12. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTE B – AFFILIATED CHAPTERS

The Society has affiliated chapters in San Francisco, Miami, San Antonio, Chicago, New York, Houston, Los Angeles, Phoenix, Dallas-Ft. Worth, Puerto Rico, Austin, Denver, Orange County, Washington, D.C., Hartford, Detroit, Orlando, Albuquerque, Atlanta, Boston and San Diego. Society operations conducted through the chapters are included in these financial statements.

National Society of Hispanic MBAs
NOTES TO FINANCIAL STATEMENTS – CONTINUED
Years ended December 31, 2000 and 1999

NOTE C – INVESTMENTS

Investment income and loss is allocated to unrestricted, temporarily restricted and permanently restricted net assets based on donor restrictions.

The following table compares the investments' cost to the aggregate market price as of December 31:

	2000		1999	
	Aggregate		Aggregate	
	Cost	Market	Cost	Market
Equity mutual funds	\$262,680	\$295,822	\$157,384	\$211,607

NOTE D – FIXED ASSETS

Fixed assets consist of the following at December 31:

	2000	1999
Office equipment	\$ 69,729	\$ 52,013
Furniture and fixtures	20,860	20,860
Software	68,488	-
	159,077	72,873
Less accumulated depreciation	(56,982)	(40,536)
	\$102,095	\$ 32,337

National Society of Hispanic MBAs
NOTES TO FINANCIAL STATEMENTS – CONTINUED
Years ended December 31, 2000 and 1999

NOTE E – COMMITMENTS AND CONTINGENCIES

The Society leases space in a building that houses its National office operations. As of December 31, 2000, the future minimum lease payments under noncancelable operating leases through June 2002 were as follows:

2001	\$30,152
2002	18,288
	\$48,440

Total rent expense for the years ended December 31, 2000 and 1999 was approximately \$39,000 and \$34,000.

VISION

To be the premier Hispanic MBA professional business network for economic and philanthropic advancement.

MISSION

“...Fostering Hispanic leadership through graduate management education and professional development in order to improve society.”



Year 2000 Event

Denver

held a “TRENDS IN TELECOM PANEL” event. Topics covered an interesting range of discussions around the evolution of market power, the equation for emerging telecom, key growth strategies and total care within the telecom industry.



Year 2000 Event

Miami

Roberto Macher and four of South Florida’s top Internet CEO’s: Oscar Coen, Yupi Internet Inc., Andre L. Vanyi-Robin, Visualcom, Eric Shannon, LatPro.com, and Esteban Torbar, TravelYa Networks, provided answers to questions relating to the impact of the Internet and its role in Latin America.

GOALS

- 1) Increase enrollment of Hispanics in graduate management programs
- 2) Assist in the recruitment, career development and promotion of Hispanic business professionals in public and private sectors and small business settings
- 3) Provide networking opportunities for Hispanic business professionals
- 4) Promote Hispanic business leadership and entrepreneurship through professional development
- 5) Provide infrastructure to support goals

Strategic Objectives

- 1) Increase membership from 2,000 in 21 chapter groups to 4,000 in 27 chapter groups with 60% degreed MBA professionals by 2003
- 2) Grow revenues to \$3.1 million and diversify funding sources in order that conference revenues will account for 83.3% of the total by 2003
- 3) Develop an integrated local & national education professional development program by 2002
- 4) Build comprehensive web & e-commerce solution for communications, transactions, recruitment and education by 2003
- 5) Develop and implement model program(s) that impact the MBA pipeline by 2003



Year 2000 Event

Detroit

Chapter, held “Caliente Christmas II” — celebrating the Christmas holiday and a Toy Drive. Toys were given to LA SED.

NON-PROFIT
US POSTAGE

PAID

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