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our vision

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

our mission

To foster Hispanic leadership through graduate management education and professional development in order to improve society.
The past year was one of the most challenging times in our nation’s history. Corporations and non-profits all struggled financially to stay the course of their mission. The National Society of Hispanic MBAs was no exception but despite our revenues being down year to year our commitment to graduate management education cannot be clearer. In 2008 we helped over 300 Hispanic MBA students by driving funding of $1,000,000 in scholarships.

Our nation’s top experts indicate that the economic recovery will be slow in 2009. NSHMBA will adjust our cost structure accordingly and look at creative ways to grow our mission while being cost conscious. We are committed to fostering Hispanic leadership and despite expense reductions we will again look to drive at least $900,000 in scholarships in 2009. It will be a stretch but our belief in what we do fuels our fire.

Additionally, NSHMBA was fortunate enough to have one of its long-time and dedicated partners, Target, fund a Perception Study. The research described the personality of NSHMBA as maternalistic. Not to be confused with materialist our maternalistic nature encapsulates the following qualities: strength, family, protecting its members, loyalty and faithfulness. This is a great statement as it says a lot about who we are, our belief in the mission and our commitment to each other.

As we look ahead to 2009 and beyond we’ll continue to drive education, professional development, leadership and research. America needs us to lead now more than ever. We’ll strengthen our chapters, provide new programs to help those in need of jobs and work closer with our partners in corporations and universities that need more Latinos, as well our partners like us that can serve as our pipeline for tomorrow.

I am very proud to be a member of NSHMBA and it is my honor to be leading this great organization. Thank you for your support and leadership of NSHMBA.

Sincerely,

Steve Ramos,
Interim CEO, NSHMBA
As I begin my second year as National Board Chairman, I proudly reflect upon the past twelve months and the many accomplishments of our organization. In 2008, we set record-level membership numbers, saw an increase of nationwide programs, welcomed an unprecedented turnout to our largest National Conference in NSHMBAs history, and once again bestowed to many talented MBA students across the country, more than $1 million in scholarships – all of this despite the many challenges in our economy. As a result of the time, talents, and treasures of all who believe in the mission and vision of NSHMBAl, we emerged victorious.

Moving into 2009, we will continue to strengthen our Strategic Pillars – Education, Professional Development, Leadership Development, and Research – as we focus actions and directives at the local and national level, ensuring alignment with these pillars. As we did this year, we will further invest in our Chapter Leaders through more specialized training, while continuing to enhance our value proposition to our Executive Members by expanding the Hispanic Executive Summit and Executive Forum at the National Conference. At the National Board level, our members approved NSHMBAl 2.0, which allows our organization the flexibility to nominate and appoint Directors who can fill the changing needs of our organization. Moving into 2009 and beyond, the Board and organization are well-positioned to withstand whatever challenges lay ahead.

On behalf of the National Board of Directors, our National Office Team, and our Chapter Leaders, I thank you for your support for a very unique and successful 2008.

Cosette Gutierrez
National Board Chairman
National Society of Hispanic MBAs (NSHMBAl)
The National Society of Hispanic MBAs (NSHMBA) was established as a non-profit organization with 501(c)(3) status in 1988, and added the 501(c)(6) designation in April 2009, which extends the depths by which NSHMBA operates, virtually securing more – and better – opportunities, financially and socially, for the NSHMBA members and partners.

Recognized as the nation’s most prestigious Hispanic organization, promoting higher education, today’s competitive business environment demands that executives and managerial positions be filled with qualified individuals – from all backgrounds.

NSHMBA was founded solely to address the lack of Hispanic representation within corporate and academic environments, and does so by fostering Hispanic leadership through graduate management education and professional development. The organization boasts 32 chapters and over 8,400 members in the United States and Puerto Rico, and is one of the fastest growing Hispanic professional groups in the country.
Strategic Objectives

By the year 2020, the collaborative efforts of the National Society of Hispanic MBAS and its partners should reveal an increase in the percentages of Hispanic:

- MBA Graduates from AACSB Business Schools
- Hispanic Executives leading Fortune 500 companies
- Hispanic Directors serving Fortune 500 Boards

Together our goals are accomplished by remaining focused and ensuring value and efficiency is present with each engagement. This focus and commitment has a positive impact in our community, corporate America and our nation.

In collaboration with strategic partners, NSHMBA is focused in four areas to achieve the desired impact:

Education:
Developing and delivering educational programs which prepare Hispanics for admittance into graduate management schools. NSHMBA is focused on supporting the successful completion of advanced degrees.

Professional Development:
The establishment of a professional development center of excellence, based upon a consistent methodology of world-class program development and content for all stakeholders, enables a continuum of the educational process. Professional Development is a life long and career-long journey shared with our stakeholders and society at large.

Leadership Development:
Administering a leadership development program for NSHMBA Officers and Staff enables continuous improvement and succession planning as an organization. Our commitment to our people is delivered by offering Governance, Leadership, Financial, and Project Management training, among other relevant topics.

Research:
NSHMBA, as the Premier Source of Research on Hispanics in the Workplace and in Higher Education, utilizes research as the basis for our programs and initiatives. The Business Journal of Hispanic Research is a peer reviewed research journal and addresses both academic and executive perspectives.

Topics include and are not limited to employment issues, marketing, education, corporate governance, best practices, thought pieces, and organizational research.
Education

In 2008, the National Society of Hispanic MBAs continued demonstrating its strong commitment and dedication to education and helping Hispanics develop their potential through several programs and initiatives.

Scholarship Program

The National Society of Hispanic MBAs firmly believes that obtaining an MBA can improve the chances of securing competitive positions with top companies and achieving promotion in leadership. At the same time, individuals holding a graduate degree represent a key to the success of the business community. NSHMBA also recognizes the problem of financing a graduate degree and awards scholarships to talented and outstanding Hispanics who want to pursue an MBA. The National Society of Hispanic MBAs relies on the unrestricted support from foundations, corporations and individuals as the primary and crucial source of revenue to fund the scholarship program, whose contributions may be fully tax deductible.

In 2007, the National Society of Hispanic MBAs received 427 applications and awarded over $1,000,000 in financial assistance to a total 175 of the best and brightest Hispanic MBAs. These included scholarships of $5,000-$10,000 for full-time graduate students and $2,500 for those pursuing their degree through part-time study. Students are selected and awards are distributed based on demonstrated academic achievement, work experience, financial need, personal statements of goals and aspirations, community service, letters of recommendation, and NSHMBA ambassadorship.

NSHMBA is proud of the financial support provided to the Hispanic community, however, it is more proud of the effect these students will have on the landscape of business schools and corporations around the country. NSHMBA, the scholarship recipients, and the Hispanic community sincerely thank all of the corporations and individual donors, who that every year with their contributions, make it possible for more Hispanics to pursue their MBAs.
2008 Scholarship Corporation Donors

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<tr>
<th>Platinum</th>
<th>Gold</th>
<th>Silver</th>
<th>Advocate</th>
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<td>($50,000 - $99,999)</td>
<td>($25,000 - $49,999)</td>
<td>($10,000 - $24,999)</td>
<td>($1,000 - $9,999)</td>
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<td>The Coca-Cola Foundation</td>
<td>The Coca-Cola Foundation</td>
<td>Verizon Foundation</td>
<td>The Walt Disney Company</td>
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<td>AXA Foundation</td>
<td>AMEX</td>
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<td>Tyco International</td>
<td>Deloitte</td>
<td>Kellogg</td>
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<td>Unilever United States Foundation, Inc.</td>
<td>Diversity, INC</td>
<td>Wachovia</td>
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<td>Home Depot</td>
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<td>Target Corp.</td>
<td>3 M Corporate Headquarters</td>
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<td>General Mills</td>
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Since the scholarship program's beginning, it has steadily and continually gained momentum with each passing year. In 1984, the program generated less than $100,000. That figure topped $1.4 million in 2008:

- **Total Amount Awarded**: $1,438,810
- **Amount**: $1,007,000
- **UPP Amount**: $438,810
- **Total Awarded**: 215
- **Number Awarded**: 192
- **UPP Awarded**: 23

Non-UPP Stats:
- **New Applications**: 410
- **Renewal Applications**: 89
- **Total Applications**: 499
- **Award Rate**: 46.83%
- **Award Average**: $5,620
- **Applicant Average GPA**: 3.62
- **Recipient Average GPA**: 3.65
- **Recipient Average GMAT**: 643

UPP Stats:
- **Total Awarded**: 23
- **Number Awarded**: 20
- **UPP Awarded**: 20
- **Applicant Average GPA**: 3.62
- **Recipient Average GPA**: 3.65
- **Recipient Average GMAT**: 643
University Partnership Program

For the University Partnership Program, 2008 proved to be another successful year despite strains from the economy. Five new university partners were added bringing the number of participating universities to 35, up from last year’s 32 UPP partners. The UPP was created in 2006, though its history dates much earlier when educational proponents from around the nation began collaborating with local universities encouraging more, and better, fellowships, scholarships and assistantships to students.

To date, the program has proven to be an invaluable asset to NSHMBA and its partnering universities, substantially increasing the number of applicants seeking assistance and likely securing the program’s continuation. It is the organization’s hope more universities will join the program and help build the number of opportunities available to Hispanic students seeking MBAs.

The 2008 University Partners Program participants included:

Arizona State University - W. P. Carey School of Business  
Babson College - F.W. Olin Graduate School of Business  
Bentley - McCallum Graduate School of Business  
Boston College - Carroll School of Management  
Boston University - School of Management  
Brandeis University - International Business School  
Case Western Reserve University - The Weatherhead School of Management  
Chapman University - George L. Argyros School of Business and Economics  
Cleveland State University - Nance College of Business Administration  
Drexel University - LeBow College of Business  
Emory University - Goizueta School of Business  
Florida International University - Chapman Graduate School of Business  
HULT International Business School (non-AACSB)  
Northeastern University - School of Business Administration  
Rice University - Jesse H. Jones Graduate School of Management  
Rollins College - Crummer Graduate School of Business  
Rutgers-The State University of New Jersey - Camden  
Stetson University - School of Business Administration  
Texas Christian University - M.J. Neeley School of Business  
The Ohio State University – Fisher College of Business  
The University of Akron - College of Business Administration  
The University of New Mexico - Anderson School of Management  
The University of Tampa - John H. Sykes College of Business  
The University of Texas at Dallas - School of Management  
The University of Texas at Austin - McCombs School of Business  
The University of Central Florida - College of Business Administration  
The University of Cincinnati - College of Business  
The University of Florida - Warrington College of Business  
The University of Illinois at Urbana-Champaign - College of Business  
The University of Miami - School of Business Administration  
The University of Minnesota - Carlson School of Management  
The University of Notre Dame - Mendoza College of Business  
The University of Pittsburgh - Joseph M. Katz Graduate School of Business  
The University of Rochester – Simon Graduate School of Business  
The University of San Francisco - Masagung Graduate School of Management  
The Williamette University: Atkinson Graduate School of Management
Case Competition

The NSHMBA Case Competition Program provides the MBA graduate student the opportunity to put what they have learned into practice with real-life, real-time cases. It is designed to be an essential experience to their graduate school career. The NSHMBA Case Competition Program challenges the mind of talented graduate students, provides them the chance to show off their strategic thinking skills to some great companies, and to meet motivated individuals from other top business schools. The sponsor of this program has an unparalleled access to a valuable number of MBA students across the country and presents them with an excellent opportunity to utilize their aptitudes and fresh ideas to approach a business situation, as well as to showcase their company. In 2008, Dell and Microsoft again offered their patronage, participation and scholastic support to NSHMBA by sponsoring the Marketing Case Competition. A total of 65, 4-member teams registered to participate and only 6 teams were chosen, to take part in the final round on Wednesday, October 8th in Atlanta, Georgia.

The members of the winning team were: Rahul Kitchlu, Diego Panama, Indy Sen, Andrea Sharfin from Massachusetts Institute of Technology, Sloan School of Management. Congratulations to them and thank you Dell and Microsoft!

In 2008, IBM offered their patronage, participation and scholastic support to NSHMBA by sponsoring the Consulting Case Competition. A total of 64, 4-member teams registered to participate and only 4 teams were chosen, to take part in the final round on Wednesday, October 8th in Atlanta, Georgia.

The members of the winning team were: Joe Moukabaa, Sameer Karnik, Navneet Kesher, Pavan Tallapragada from University of Southern California, Marshall School of Business. Congratulations to them and thank you IBM!

Education for Success

This program focuses on the high school students and is managed in partnership with local non profits, NSHMBA Chapters and corporate sponsors. The goal of the program is to promote higher education and provide tools to ensure the success while increasing the likelihood that the students will pursue a college education after graduating high school. The Education for Success Program occurs in two separate sessions and is designed to convey vital information regarding the college application process, available financial aid, as well as motivate the students preparing to enter college through testimonials and role models. The pre-event Town Hall session was held on September 18, 2008 and hosted by the Hispanic Scholarship Fund and Junior Achievement in partnership with the NSHMBA Atlanta Chapter. The session invited both students and parents to learn about the college application and financial aid process. Sessions were offered in both English and Spanish.

Participating students from four local high schools were invited to a one-day session during the NSHMBA Conference and Career Expo in Atlanta, where they engaged in small group exercises and round table discussions with business professionals and MBA students. The agenda included motivational speakers from companies like Exxon Mobil Corporation and education advocate, Sylvia Mendez.

The participating high school students also had the opportunity to attend NSHMBA’s Scholarship Luncheon honoring the 2008 NSHMBA Scholarship Recipients. Following the luncheon, the students were given a tour around the Career Expo where they interacted with professionals from different companies who served as models of success, and showed how companies are interested in paying people who stay in school. Each student received a toolkit with information that can be used as a resource guide for them as well as their parents as they prepare for their future.
Professional Development

The establishment of a professional development center of excellence, based upon a consistent methodology of world-class program development and content for all stakeholders, enables a continuation of the education process. Professional Development is a life-long, career-long journey shared with our stakeholders and society at large.

NSHMBA programs supporting professional development as an area of focus are the following:

Brillante Awards for Excellence

The Brillante Award, the most prestigious honor granted by the society, is given to outstanding leaders whose work and contributions reflect the society’s mission “to foster Hispanic leadership through graduate management education and professional development in order to improve society.” Recipients have demonstrated success in balancing the needs and perspectives of customers, stakeholders and employees with organization-wide results. Their conduct, results-oriented leadership, and support of the society has earned and maintained a high degree of public confidence and trust. In addition, they have provided exceptional service to the American people over an extended period of time. Award categories include Corporate Excellence, Corporate Executive Excellence, Member Service Excellence, Educational Excellence, Entrepreneur Excellence, and Non-profit Excellence.

In 2008, a Saturday Evening Gala, sponsored by the Corporate Lead Sponsor, Deloitte, concluded the 2008 Annual Conference & Career Expo with a special tribute honoring the recipients of the 2008 Brillante Award for Excellence. The 2008 recipients of the Brillante Awards for Excellence were:

<table>
<thead>
<tr>
<th>Corporate Excellence</th>
<th>Corporate Executive Excellence</th>
<th>Member Service Excellence</th>
<th>Educational Excellence</th>
<th>Entrepreneur Excellence</th>
<th>Not-for Profit Excellence</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Express</td>
<td>Rudy Beserra, Vice President, Latin Affairs</td>
<td>Loida Rosario, The Coca Cola Company</td>
<td>Florida International University</td>
<td>Tillie Hidalgo Lima, President/CEO, Best Upon Request Corporate, Inc.</td>
<td>National Hispanic Business Assn. (NHBA)</td>
</tr>
</tbody>
</table>
Professional Development Day

At NSHMBAs Conference & Career Expo, the entire first day is committed to professional development. In 2008, the opening session focused on emerging trends of multiple generations in the workplace. A total of eight different concurrent sessions were offered adding consulting and entrepreneurship to the topics offered the previous year in the areas of career development, finance, leadership, management, marketing and professional competencies. The program closed with a panel discussion of executives on the topic “Thinking Outside the Box.”

The professional seminars offered in 2008 were:

Career Development: The Leaders of the Future at the World’s Most Admired Brands  
Consulting: Hispanics in Consulting  
Entrepreneurship: Turn Your Passion into a Profitable Business  
Finance: The Global Investment Landscape  
Leadership: Navigating the Corporate Political Environment  
Management: Emotional Intelligence and Diversity in Today’s Global Business  
Marketing: It’s a Brand You World  
Professional Competencies: How to Stand and Deliver Powerful Presentations

Career Management Program

The purpose of the program is to improve the job search and career management success of NSHMBAs members. It provides the opportunity to meet with professional resume writers and career coaches at local NSHMBAs chapters across the nation. NSHMBAs members receive one-on-one coaching to address specific career questions including, how to begin the job search process, interviewing, career management and personal branding. Program participants also receive a personal resume critique, specific recommendations on how to improve their resume, and targeted strategies for marketing their resume and cover letter as part of a coordinated job search campaign.

In 2008, the Career Management Program provided services in 15 cities, including:

- Albuquerque, NM  
- Atlanta, GA  
- Austin, TX  
- Boston, MA  
- Houston, TX  
- Miami, FL  
- New York, NY  
- Philadelphia, PA  
- Phoenix, AZ  
- Rochester, NY  
- San Antonio, TX  
- San Juan, Puerto Rico  
- Seattle, WA  
- Tampa Bay, FL  
- Washington, D.C.
Executive Forum

The Executive Forum brings Senior Executives together for collaboration, networking, and executive development. It addresses core leadership topics and provides opportunities for executives attending the NSHMBA Conference and Career Expo to connect with their peers while engaging in thought provoking sessions. Through a series of events targeted to the needs of an executive audience, the program grants participants exclusive access to executive level training and a prime opportunity to expand their network.

The sessions provide attendees the opportunity to build effective strategies, skills and resources that prepare them to excel in their demanding careers. The program is directed to entrepreneurs and individuals with a position of director level and above, or equivalent, with 10-plus years of management experience.

The Executive Forum was held on October 9-10, 2008 in Atlanta, Georgia during the NSHMBA Conference & Career Expo. It opened with a networking reception on Thursday night with an attendance of over 250 executives and industry leaders. The program continued Friday with an opening session focused on “Thriving in a World of Continuous Change.” The presentation was lead by AT Kearny’s Managing Officer and Chairman of the Board, Paul A. Laudicina. The program concluded with an introduction to the role of research and data in making key executive decisions. The sessions were well attended, with 65 executives in total attendance for the 2008 program.

Sessions featured industry leaders from diverse industries, including:

Paulino Barros, President of Global Operations, AT&T
Dallas Clemente, Senior VP Product Management, Cox Communications
Julio Ramirez, Executive VP Global Operations, Burger King Corp.
Ricardo Saldivar, President of Mexico Operations, Home Depot
Tomas Kadola, President, ResearchPays, Inc.
and Miguel R. Olivas-Lujan, Professor of Management, Clarion University of Pennsylvania
Leadership Development

To further develop and train NSHMBA Officers and Staff so they may continue to improve and succeed in representing NSHMBA at both a chapter and National level. NSHMBA’s commitment to its employees and stakeholders is reinforced through training in Governance, Leadership, Fiduciary Responsibility, and Project Management, among other relevant topics.

Officer Leadership Program

Each year, NSHMBA organizes a chapter-wide gathering, uniting officers from around the country to share best practices, receive instruction from business leaders, and to network. In 2008, improvements to the program were made by offering more comprehensive content based upon the specific needs of the local chapters and the organization, which ultimately led to the renaming of NSHMBA University to Officer Leadership Program. These annual trainings equip chapter presidents and officers with essential principles, practices, and parameters to provide effective governance and leadership.

The two-day development program teaches officers how to effectively achieve growth and continuity in succession planning. In addition, the Officer Leadership Program prepares NSHMBA leaders to effectively deliver beneficial programs and services that meet the needs of members, while enhancing the potential for increased recruitment & retention. The 2008 program, sponsored by long-time friends and previous years’ sponsors, Yum Brands Inc. and Humana Inc, took place in Louisville, Kentucky with 65 officers in attendance.

During this event, the participants had the opportunity to attend sessions on:

- Executive Perspective: Trinity of Leadership
- Leadership with Engagement
- Lunch: Leadership Journey Discussion
- Emotional Intelligence & Diversity: Leading at all Levels
- Regional Strategy
- Think Ahead, Move Forward
- Leveraging Our Cultural Values Panel
- Managing Effective Relationships
- Measures of Our Success
- Leadership Success
The Business Journal of Hispanic Research

After the successful launch of the inaugural issue of The Business Journal of Hispanic Research (BJHR) on June 27, 2007 in New York during a reception hosted by American Express, the journal has been received with high aplomb and just as much respect within the research field.

The Business Journal of Hispanic Research (BJHR) fills a need within the business community for empirical research on topics that relate to Hispanic executives, managers and professionals, as well as those individuals who work for, with or supervise Hispanic Professionals.

This is the first and only journal that contains cutting-edge research and managerial implications for Hispanic professionals/executives. The BJHR is a peer-reviewed research journal and focuses on research that has strong implications for management and organizations. The research targets the Hispanic business community. While many research journals focus on employment and business areas, there are very few articles that tap specifically into research and issues directly related to Hispanic business professionals.

Serving as editor of The Business Journal of Hispanic Research is Dr. Donna Maria Blancero. Dr. Blancero holds a Ph.D. in Industrial Relations from Cornell University and has served in the past as Chair of the Board of the National Society of Hispanic MBAs. Dr. Blancero is also a Fellow of the Carnegie Foundation for the Advancement of Teaching. She is nationally recognized for her expertise in Latinos in Corporate America, as well as for her work in talent acquisition and retention, mentoring, developmental networks, work/family balance, gender differences, discrimination, fair treatment and psychological contracts.

To date, six successful editions of The Business Journal of Hispanic Research have been published. BJHR has an editorial board comprising scholars and executives with expertise and experience in their respective areas. Associate editors for the journal include Dr. Dianna L. Stone, Professor at the University of Texas, San Antonio; Dr. Miguel A. Quinones, Professor at Southern Methodist University; and Dr. Robert G. DelCampo, Assistant Professor at the University of New Mexico.

In addition to 6,000 print copies distributed to more than 1,500 AACSB accredited Universities’ Libraries and Business Schools, more than 3,000 executives of Fortune 500 companies, our readership includes a distribution to Lifetime and Executive NSHMBA members, NSHMBA Chapters and Chapter presidents, NSHMBA National and Corporate Advisory Boards, Authors, Editorial Board Members and Reviewers, and Institutional and Individual subscribers. The online fulfillment includes an average of 14,000 hits per month, and an average of 3,500 visitors per month. Our nationally recognized Editorial Boards consists of over 40 academic and executive members, including 5 associate editors. Each of these individuals has expertise in a specific area.
Annual Conference and Career Expo

The NSH MBA Annual Conference and Career Expo continues to provide for Hispanic professionals year after year.

Driven by commitment to the community and to the nation to foster educational opportunities that deliver the best and brightest Hispanic MBAs, the Annual Conference & Career Expo is where NSH MBA’s mission really comes to life. It combines NSH MBA’s four focus areas – Education, Professional Development, Leadership Development and Research – through networking functions, professional development seminars, executive forum, case competitions and other events. Companies that embrace diversity attend to find the most talented Hispanics and come to this event seeking the best and brightest candidates for a wide range of positions. The NSH MBA Annual Conference and Career Expo is an unparalleled tribute to higher education in the Hispanic community with record-breaking attendance every year.

In 2008, NSH MBA held its 19th Annual Conference & Career Expo, Make Your Connection, with an attendance that exceeded 8,400 MBA students and professionals (18% increase in one year), 312 sponsors, 483 interview booths and an economic impact on the city of Atlanta, Georgia of $9,130,000.

Programs and events focused on the National Society of Hispanic MBAs and its stakeholders’ ability to continue making a difference for Hispanic MBA students and professionals. NSH MBA welcomed Deloitte as the Corporate Lead Sponsor and Emory University-Goizueta Business School as the Academic Lead Sponsor.
NSHMBA Invigorates Hispanic Talent Pipeline

The National Society of Hispanic MBAs announced in 2007, the creation of the new business award category for high school students through its partnership with the Hispanic Heritage Foundation for high school students who demonstrate a keen business aptitude. The Hispanic Heritage Foundation founded the Hispanic Heritage Youth Awards (HHYA) in 1998, to identify and promote the next generation of role models by rewarding their accomplishments in the classroom and community with educational grants and putting them in a position from which to lead.

The new Business Award category feeds the vital pipeline of Hispanic talent while reinforcing one of the four strategic pillars of NSHBMA – education, and furthering its mission to foster Hispanic leadership through graduate management education and professional development in order to improve society. The National Society of Hispanic MBAs understands education is the key to moving more Hispanics into business leadership positions throughout the world.

It is a privilege for NSH MBA to be partnered with the Hispanic Heritage Foundation for such an essential effort, which represents a true collaboration with the single objective of preparing Hispanics for leadership in our community, society and ultimately, our nation. The young recipient of the 2007 National Hispanic Heritage Youth Award in the Business category was Fabian Poliak from Apopka, Florida. He is the Valedictorian of Lake Brantley High School, where he is also the president of the National Honor Society.

As a member of the Leadership Board for the Business Professionals of America or (BPA), Fabian has placed 1st in several competitions on the local, regional and state level. Of Argentinean descent, Fabian has a 4.0 GPA and is a bilingual grief counselor for New Hope for Kids. In the fall of 2007 he attended Harvard College. Fabian will also receive a free NSHMBA membership and eligibility for additional NSHMBA scholarships, including paid tuition for the pursuit of an MBA degree.
Publications

NSHMBA National Office oversees the publication of several significant, focused pieces (Hispanic MBA magazine & The Business Journal of Hispanic Research), and produces its own national newsletter that is distributed to its members.

Hispanic MBA Magazine

Hispanic MBA is published twice a year with an average circulation of 15,000. It is distributed to all NSHMBA members, graduate students on hundreds of campuses across the country, corporate partners, and other organizations. It is afforded exclusive distribution at the NSHMBA Annual Conference and Career Expo and is placed into attendees’ registration bags upon entry, where Hispanic MBA magazine serves as the Program Guide for the event.

Benefits range from increased exposure for our organization to increased exposure for our partners, which enhance recruitment success on many levels:

Companies reach a large and select community of Hispanic MBAs through a circulation of 15,000. This circulation includes professional members and entrepreneurs, and Hispanic graduate and undergraduate business students across the country.

Companies reach members all year long, because Hispanic MBA’s focused career articles and business information result in longer shelf life and pass along readership.

Companies’ presence in the Hispanic MBA community will increase - NSHMBA’s enhanced recognition as the premier organization for Hispanic business students and professionals will contribute to branding efforts.

For more information, please visit: www.nshmba.org/publications
The Bottom Line

The Bottom Line is a monthly newsletter distributed to all 8,400+ NSHMBA members. It contains articles of interest to Hispanic MBA professionals and students, news from the NSHMBA chapters and important information about the organization. The Bottom Line newsletter is placed on NSHMBA's Website every month and offers access to previous issues. The high readership rate makes it an excellent advertising vehicle for any product or service directed to such a segmented group as Hispanic MBA students and professionals.

For more information, please visit: www.nshmba.org/publications

The Hispanic MBAs Student Guide

The partnership between The National Society of Hispanic MBAs and Hobsons’, a leader in Hispanic college-bound student publishing, brings together the organizations and creates a new resource for individuals interested in pursuing an MBA. Hobsons’ The Hispanic MBA Students’ Guide provides enrollment and student recruitment solutions to colleges and universities. Thousands of institutions use Hobsons’ unique products and services throughout every stage of the enrollment cycle. The Hispanic MBA Student’s Guide is published annually. Approximately 20,000 copies of the publication are distributed to Hispanic students, who took the GMAT (Graduate Management Admission Test), NSHMBA Offices, NSHMBA Members, The Consortium for Graduate Study in Management student fairs, The World MBA Tour (US events only), and Student Traveler Fairs.

The Business Journal of Hispanic Research

The Business Journal of Hispanic Research is a peer reviewed research journal focusing on topics that relate to Hispanic business professionals, managers and executives as well as executives, managers, diversity professionals and others who manage or work with Hispanic business professionals. The journal serves as a conduit between academic research and practice.

The Business Journal of Hispanic Research has two sections: an academic scholarly section and an executive section. The academic scholarly section manuscripts can be empirical (quantitative or qualitative) or conceptual, although data based manuscripts are preferred. All manuscripts include implications or guidelines for practice. Manuscripts submitted to the executive section include case studies, organizational research, executive insights, best practices, etc. The topics include, but certainly are not limited to employment, talent acquisition, retention, performance, marketing, corporate governance, education, best practices in organizations, entrepreneurship and strategic management.

In addition to 6,000 print copies distributed to more than 1,500 AACSB accredited Universities’ Libraries and Business Schools, more than 3,000 executives of Fortune 500 companies, our readership includes a distribution to Lifetime and Executive NSHMBA members, NSHMBA Chapters and Chapter presidents, NSHMBA National and Corporate Advisory Boards, Authors, Editorial Board Members and Reviewers, and Institutional and Individual subscribers. The online fulfillment includes an average of 14,000 hits per month, and an average of 3,500 visitors per month. Our nationally recognized Editorial Boards consists of over 40 academic and executive members, including 5 associate editors. Each of these individuals has expertise in a specific area. The Business Journal of Hispanic Research limits the space for advertising purposes in each issue which adds value to your efforts. Furthermore, The Business Journal of Hispanic Research hosts a website where NSHMBA members and individual and corporate subscribers of the journal have access to each one of the issues published to the date. The website offers visitors free access to specific articles. All printed full page ads include a complimentary web banner on one of the BJHR website pages for the duration of the printed edition.

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Membership Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>8344</td>
<td>100%</td>
</tr>
<tr>
<td>Professional MBA</td>
<td>2575</td>
<td>31%</td>
</tr>
<tr>
<td>Prof's non-MBA</td>
<td>1184</td>
<td>14%</td>
</tr>
<tr>
<td>MBA Students</td>
<td>4305</td>
<td>52%</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>280</td>
<td>3%</td>
</tr>
</tbody>
</table>

Years of Experience

<table>
<thead>
<tr>
<th>Experience</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 3 years</td>
<td>1294</td>
<td>18%</td>
</tr>
<tr>
<td>3-6 years</td>
<td>2556</td>
<td>35%</td>
</tr>
<tr>
<td>7-10 years</td>
<td>1685</td>
<td>22%</td>
</tr>
<tr>
<td>11-15 years</td>
<td>887</td>
<td>12%</td>
</tr>
<tr>
<td>16-20 years</td>
<td>468</td>
<td>6%</td>
</tr>
<tr>
<td>More than 20 years</td>
<td>516</td>
<td>7%</td>
</tr>
</tbody>
</table>

Functional Area

<table>
<thead>
<tr>
<th>Area</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
<td>307</td>
<td>4%</td>
</tr>
<tr>
<td>Consulting</td>
<td>401</td>
<td>5%</td>
</tr>
<tr>
<td>Engineering</td>
<td>299</td>
<td>4%</td>
</tr>
<tr>
<td>Finance</td>
<td>1111</td>
<td>15%</td>
</tr>
<tr>
<td>General Management</td>
<td>349</td>
<td>5%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>405</td>
<td>6%</td>
</tr>
<tr>
<td>IT Systems/Tech.</td>
<td>575</td>
<td>8%</td>
</tr>
<tr>
<td>Marketing</td>
<td>976</td>
<td>13%</td>
</tr>
<tr>
<td>Operations</td>
<td>446</td>
<td>6%</td>
</tr>
<tr>
<td>Sales</td>
<td>508</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>1976</td>
<td>27%</td>
</tr>
</tbody>
</table>

2008 Annual Report 25
Management Discussion & Analysis

Organizational Structure & Highlights

Objectives from last year will carry over to 2008 as NSHBMA again places significant and increasing demands on its financial, technical and operational resources, and on its information systems. To manage any future growth, NSHBMA must continue to extend its financial reporting and information management systems, as well as develop and implement new procedures and controls to accommodate new functions, programs, events, and initiatives.

Staff support was static though increases were made in marketing, events and logistics, and education. These three departments were expanded in 2007 to accommodate growth opportunities.
Letter from the Interim CFO

No company and no sector of the economy were untouched by the financial crisis that gripped the world in the second half of 2008. In this economic downturn, the market has generally not differentiated between essential and non-essential businesses, between companies within a sector, and certainly not between profit and non-profit entities. Unfortunately, NSHMBA was not immune to the economic downturn and the state of the industry is reflected in our financial performance.

In this very tough environment, NSHMBA generated $8.5M million in revenue, our second highest year in history. Although revenue only fell (4.7%) from 2007, expenses rose sharply by (23.3%) due to an operating structure built to produce significantly higher revenue results in a more favorable economic environment. As a result, our focus for 2009 was to right-size the organization commensurate to lower revenue projections. Through the effective implementation of advanced forecasting and stringent cost-cutting initiatives during the first half of 2009, we have much better positioned ourselves to make effective and timely decisions and adjust our finances to a changing economic environment.

Simultaneously with our operating losses, NSHMBA also saw significant decreases in our investment portfolio by nearly $1.1MM during 2008. As a result, NSHMBA realized a total decrease in unrestricted net assets by over $2.1MM.

In light of our 2008 results, NSHMBA is re-energizing its continued effort to build a more diverse and stable revenue stream for the future. At the same time, NSHMBA continues to deepen and widen its existing partnership relationships by providing high value proposition programs. NSHMBA is also continuously focused on containing and lowering costs whenever and wherever appropriate.

As we think about the outlook for 2009 and beyond, we have to acknowledge that, as of today, there’s no positive catalyst in sight for the economy. We also understand the non-profit sector will most likely experience a lagging rebound relative to the aggregate economy. That said, we may have more difficult choices to make before our actual operating environment begins to improve. As we move into the new fiscal year, I am confident that we will continue to build on our momentum and provide more effective and efficient financial management controls. This will enable us to provide the transparent and accountable information our stakeholders have come to expect.

We are laying the foundation for a more effective risk management program for the organization. By integrating risk into the decision-making process, we will be well positioned to address the varied challenges facing our organization and its associated programs in the future.

On behalf of the NSHMBA family, I extend my sincere thanks for your generosity and support. We pledge to reward your commitment with thoughtful, accountable management in fiscal 2009 and the years ahead.

David Andrade
Interim CFO, NSHMBA
NSHMBAA Financial Statements
Independent Auditor's Report

Board of Directors
National Society of Hispanic MBAs
1303 Walnut Hill Lane, Suite 100
Irving, Texas 75038

We have audited the accompanying Statements of Financial Position of National Society of Hispanic MBAs (a nonprofit organization) as of December 31, 2008 and 2007, and the related Statements of Financial Activities and Changes in Net Assets and of Cash Flows for the years then ended. These financial statements are the responsibility of the organization'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 the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 National Society of Hispanic MBAs as of December 31, 2008 and 2007, 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.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Statements of Expenses is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

April 24, 2009

TS - DAVIS CLARK & COMPANY, LLC
Certified Public Accountants
NSH MBA Statements of Financial Position  
December 31, 2008 and 2007

<table>
<thead>
<tr>
<th>Assets</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,351,692</td>
<td>$3,200,131</td>
</tr>
<tr>
<td>Investments, at market</td>
<td>4,638,670</td>
<td>4,872,038</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance for doubtful accounts of $23,450 and $81,809 at December 31, 2008 and 2007, respectively</td>
<td>546,360</td>
<td>658,417</td>
</tr>
<tr>
<td>Other assets</td>
<td>174,310</td>
<td>309,188</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$6,711,032</td>
<td>$9,039,774</td>
</tr>
<tr>
<td>Deposits</td>
<td>9,101</td>
<td>9,101</td>
</tr>
<tr>
<td>Property and equipment, net of depreciation</td>
<td>137,380</td>
<td>114,697</td>
</tr>
<tr>
<td>Total assets</td>
<td>$6,857,513</td>
<td>$9,163,572</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>517,646</td>
<td>831,947</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>419,872</td>
<td>295,468</td>
</tr>
<tr>
<td>Total liabilities (current)</td>
<td>$937,518</td>
<td>$1,127,415</td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>5,919,995</td>
<td>8,036,157</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$6,857,513</td>
<td>$9,163,572</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
# NSHMBA Statements Of Activities And Changes In Net Assets
December 31, 2008 and 2007

## Changes in unrestricted net assets

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conference</td>
<td>$5,759,582</td>
<td>$6,350,875</td>
</tr>
<tr>
<td>Contributions</td>
<td>1,346,532</td>
<td>601,876</td>
</tr>
<tr>
<td>Chapter events</td>
<td>332,722</td>
<td>760,658</td>
</tr>
<tr>
<td>Membership</td>
<td>295,975</td>
<td>271,847</td>
</tr>
<tr>
<td>Interest</td>
<td>164,459</td>
<td>269,110</td>
</tr>
<tr>
<td>Advertising</td>
<td>173,749</td>
<td>249,434</td>
</tr>
<tr>
<td>Career Center</td>
<td>158,970</td>
<td>206,527</td>
</tr>
<tr>
<td>National Events</td>
<td>237,788</td>
<td>177,314</td>
</tr>
<tr>
<td>Unrealized gains on investments</td>
<td>(1,091,042)</td>
<td>26,429</td>
</tr>
<tr>
<td>Realized gains on investments</td>
<td>(53,966)</td>
<td>-0-</td>
</tr>
<tr>
<td>Other</td>
<td>260</td>
<td>1,021</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>$7,325,029</strong></td>
<td><strong>$8,915,091</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td>6,238,355</td>
<td>5,711,376</td>
</tr>
<tr>
<td>General and administrative *</td>
<td>2,889,985</td>
<td>1,710,538</td>
</tr>
<tr>
<td>Fundraising</td>
<td>312,851</td>
<td>237,120</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$9,441,191</strong></td>
<td><strong>$7,659,034</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Increase in unrestricted net assets</strong></td>
<td>(2,116,162)</td>
<td>1,256,057</td>
</tr>
<tr>
<td><strong>Unrestricted net assets at beginning of year</strong></td>
<td>8,036,157</td>
<td>6,780,100</td>
</tr>
<tr>
<td><strong>Unrestricted net assets at end of year</strong></td>
<td><strong>$5,919,995</strong></td>
<td><strong>$8,036,157</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
### NSHMBA Statements Of Cash Flows
For the Year Ending December 31, 2008 and 2007

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in unrestricted net assets</td>
<td>($2,116,162)</td>
<td>$1,256,057</td>
</tr>
<tr>
<td>Adjustments to reconcile changes in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>81,277</td>
<td>50,868</td>
</tr>
<tr>
<td>Unrealized gains on investments</td>
<td>1,091,042</td>
<td>26,428</td>
</tr>
<tr>
<td>Realized gains on investments</td>
<td>53,966</td>
<td>-0-</td>
</tr>
<tr>
<td>(Increase) decrease in assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>112,057</td>
<td>242,129</td>
</tr>
<tr>
<td>Other assets</td>
<td>134,878</td>
<td>232,612</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(314,301)</td>
<td>311,472</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>124,404</td>
<td>(37,662)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>($832,839)</td>
<td>$1,079,566</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of investments</td>
<td>(3,047,746)</td>
<td>(4,464,443)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>2,136,106</td>
<td>-0-</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(103,960)</td>
<td>(68,005)</td>
</tr>
<tr>
<td>Net cash provided by/(used in) investing activities</td>
<td>(1,015,600)</td>
<td>(4,532,448)</td>
</tr>
</tbody>
</table>

| Net increase in cash and cash equivalents | (1,848,439) | (3,452,882) |
| Cash and cash equivalents at beginning of year | 3,200,131 | 6,653,013 |
| Cash and cash equivalents at end of year | $1,351,692 | $3,200,131 |

The accompanying notes are an integral part of these financial statements.
A. Nature of Business
The National Society of Hispanic MBAs (the “Organization”) is a not-for-profit corporation organized to promote Hispanic graduate management education, entrepreneurship, and the visibility of Hispanics in executive level management positions to create a stronger awareness within the business and not-for-profit sectors.

The Organization’s principal source of revenue is obtained from sponsors at conferences and chapter events intended to provide scholarships and educational opportunities to the membership. The Organization's corporate offices are located in Irving, Texas.

B. A Summary of Significant Policies

Basis of Accounting
The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Accounting Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make significant accounting estimates and assumptions that affect certain reported amounts in the financial statements and accompanying notes. These accounting estimates include valuation of accounts receivable, investments, lives used to depreciate fixed assets, deferred revenues, and the allocation of some found expenses and value of in-kind donations. Actual results could differ from these estimates and assumptions.

Cash and Cash Equivalents
The Organization considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. The Organization maintains cash and cash equivalent balances at multiple financial institutions.

Accounts Receivable
Accounts receivable are stated at amounts management expects to collect from outstanding balances. Management provides for a probable uncollectible amount through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Accounts are considered past due when payment has not been received by the due date as stated on the invoice. At December 31, 2009, discounts past 90 days old totaled $163,925. Accordingly, accounts receivable are shown net of an allowance for doubtful accounts of $81,809 and $9,229 as of December 31, 2008 and 2007, respectively. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Investments
The Organization follows the provisions of Statement of Financial Accounting Standards (“SFAS”) No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations. This statement requires investments with readily determinable fair values to be stated at fair value with realized and unrealized gains and losses included in the statement of activities. The investments of the Organization are stated as quoted market values in an active market as of the end of the year. These investments are subject to market or credit risks customarily associated with debt and equity investments.

Property and Equipment
The Organization capitalizes significant expenditures for property and equipment at cost. Depreciation is computed using an accelerated method, double declining balance, over the estimated useful lives of the assets, which range from three to five years.

The accompanying notes are an integral part of these financial statements.
Contributions of land, buildings, and equipment without donor stipulations concerning the use of long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire land, buildings, and equipment are reported as revenues of the temporarily restricted net asset class. The restrictions are considered to be released at the time of acquisition of such long-lived assets.

**Unrestricted, Temporarily Restricted and Permanently Restricted Net Assets**
The Organization presents its financial statements in accordance with SFAS No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Organization is required to present a statement of cash flows.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Unrestricted net assets:** Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

**Temporarily restricted net assets:** Net assets that are subject to donor-imposed stipulations that may or will be met by the occurrence of a specific event or the passage of time. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Permanently restricted net assets:** Net assets required to be maintained in perpetuity, with only the income used for operating activities due to donor-imposed restrictions.

**Donated Materials, Equipment, and Services**
Donated materials and equipment are reflected as donated revenue and support with an offsetting expense in the accompanying financial statements and are recorded at fair market value at the date of receipt. The Organization accounts for contributed services received in connection with the active participation by volunteers in the Organization's service programs as well as for contributed services received from various organizations in connection with management, general activities, and special events. The contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The estimated value of such services is reflected as donated support with an offsetting expense in the accompanying financial statements.

**Allocation of Functional Expenses**
Expenses are classified by function when the expense is incurred. Such classifications require the use of management judgment.

**Contributions**
The Organization accounts for contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Under SFAS No. 116, time-restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

**Revenue Recognition and Deferred Revenue**
The Organization recognizes revenues when a contribution acknowledgement is received, sponsorship agreements are satisfied, events are held, or membership revenue is earned. Amounts received in advance of the next year's annual conference or chapter events are recorded as a liability under “Deferred revenue” until such services are delivered. Membership revenue is recognized when received.

The accompanying notes are an integral part of these financial statements
C. Affiliated Chapters

The Organization has affiliated chapters in Atlanta, Austin, Boston, Chicago, Cincinnati, Cleveland, Connecticut, Denver, Detroit, Dallas/Ft. Worth, Houston, Indianapolis, Kansas City, Los Angeles, Minneapolis, New York, Orange County, Orlando, Philadelphia, Phoenix, Puerto Rico, Rio Grande Valley, San Antonio, San Diego, San Francisco, San Jose, Seattle, South Florida Tampa Bay, and Washington D.C. There are two chapters-in-formation one in New Jersey and the other in New Mexico. Organization operations conducted through these chapters are included in these financial statements All chapters operate as one 501(c)3.

D. Investments

Investments as of December 31 are summarized as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>2008 Value</th>
<th>2007 Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ameritrade Equity Mutual Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MMDA</td>
<td>$150</td>
<td>$108</td>
</tr>
<tr>
<td>Dreyfus Premier Select</td>
<td>-0-</td>
<td>79,986</td>
</tr>
<tr>
<td>Janus Inv Fd Worldwide Fd</td>
<td>-0-</td>
<td>65,459</td>
</tr>
<tr>
<td>Rowe T. Price Small Cap Stk Fd</td>
<td>-0-</td>
<td>122,458</td>
</tr>
<tr>
<td>Vanguard Index Trust</td>
<td>-0-</td>
<td>132,175</td>
</tr>
<tr>
<td>Total Ameritrade Equity Mutual Funds</td>
<td>150</td>
<td>400,186</td>
</tr>
<tr>
<td>Bank of America Equity Mutual Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P 500 Depository Receipt</td>
<td>661,730</td>
<td>-0-</td>
</tr>
<tr>
<td>MN Columbia Cash Reserve</td>
<td>1,737,472</td>
<td>522,029</td>
</tr>
<tr>
<td>TR Russell 200 Index Fund</td>
<td>421,199</td>
<td>649,420</td>
</tr>
<tr>
<td>Vanguard BD Index Fund</td>
<td>1,176,890</td>
<td>1,153,194</td>
</tr>
<tr>
<td>Vanguard Intl Equity Index Fund</td>
<td>641,229</td>
<td>1,162,802</td>
</tr>
<tr>
<td>Vanguard Index Funds</td>
<td>-0-</td>
<td>984,407</td>
</tr>
<tr>
<td>Total Bank of America Equity Mutual Funds</td>
<td>$4,638,520</td>
<td>$4,471,852</td>
</tr>
<tr>
<td>Grand Total of Investments</td>
<td>$4,638,670</td>
<td>$4,872,038</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements
D. Investments, cont.

<table>
<thead>
<tr>
<th>Unrealized Gain On Investments</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrealized gain (loss) on Investments</td>
<td>($1,091,042)</td>
<td>$26,429</td>
</tr>
<tr>
<td>Realized gain (loss) on Investments</td>
<td>(53,966)</td>
<td>-0-</td>
</tr>
</tbody>
</table>

During the fiscal year 2007 the three certificates of deposits held at Bank of America matured and the combined proceeds of $4,403,243 were rolled into an investment account at Banc of America Investment Services, Inc. During the fiscal year 2008, the Ameritrade investment account was closed and proceeds of $349,702 were rolled into an investment account at Banc of America Investment Services, Inc. Additionally, the Organization elected to reinvest all dividends earned adding $110,193 and $26,429 in 2008 and 2007 respectively, in value to the investments held at Banc of America Investment Services, Inc. The investments held at Banc of America Investment Services, Inc. are not bank guaranteed nor are they FDIC insured.

E. Property and Equipment

The following is a summary of property and equipment for the years ended December 31:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office equipment and software</td>
<td>$242,895</td>
<td>$146,380</td>
</tr>
<tr>
<td>Blackbaud software in process</td>
<td>68,580</td>
<td>61,135</td>
</tr>
<tr>
<td>Less Accumulated depreciation</td>
<td>(174,095)</td>
<td>(92,818)</td>
</tr>
<tr>
<td><strong>Total Net Property &amp; equipment</strong></td>
<td><strong>$137,380</strong></td>
<td><strong>$114,697</strong></td>
</tr>
</tbody>
</table>

Depreciation expense was $81,277 and $90,868 for 2008 and 2007 respectively.

F. Federal Income Taxes

The Organization has been classified as a publicly supported organization, and not a private foundation, under Sections 501(a) and 501(c)(3) of the Internal Revenue Code (“the Code”) because it is an organization of the type described in Section 509 (a)(2) of the Code; therefore, the Organization is exempt from federal tax, except to the extent of any unrelated business income. During 2007, the Organization realized two income tax refunds in the amounts of $28,622 and $8,412 for the tax years 2007 and 2005, respectively. Amended returns are in process for tax years 2003 and 2004 and management expects to receive refunds for those years.

The accompanying notes are an integral part of these financial statements.
G. Commitments and Contingencies

The Organization leases office space for its corporate office. In addition, the Organization has other operating leases that include the office copier, postage machine, GEMS system, and phone system. As of December 31, 2007, the future minimum lease payments under non-cancelable operating leases are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum Lease Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$133,775</td>
</tr>
<tr>
<td>2010</td>
<td>130,633</td>
</tr>
<tr>
<td>2011</td>
<td>121,022</td>
</tr>
<tr>
<td>2012</td>
<td>69,088</td>
</tr>
<tr>
<td><strong>Total minimum lease payments</strong></td>
<td><strong>$454,518</strong></td>
</tr>
</tbody>
</table>

Total rent expense for the year ended December 31, 2008 and 2007 was approximately $137,658 and $103,050 respectively. The Organization hosts special events, primarily an annual conference and career expo, typically held at a convention center and/or hotel facility. Such events require the organization to enter into binding contractual agreements to use the convention center and/or hotel facilities. From time to time, the contractual agreements contain non-refundable deposits and cancellation fees.

The Organization has entered into a professional services agreement with RK Association Management, Inc. (“RK”) to provide site selection, catering, coordination, transportation, and entertainment for the annual conference. Also, the Organization has entered into special pricing agreements with Davis Audio Visual and Freeman Decorations Company. The 2009, 2010, 2011, and 2012 conference sites have commitments with the Minneapolis Convention Center, Chicago Convention Center, and the Orange County Convention Center. Total compensation under these agreements is as follows:

2009 Conference* 619,000  
2010 Conference* 446,000  
2011 Conference* 311,000  
2012 Conference* 311,000  
**Total $1,687,000**

*Some of the contractual commitments are estimated due to special pricing agreements

The estimated 2008 cost for the Blackbaud software implementation is as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Blackbaud software and implementation costs</td>
<td>$132,000</td>
</tr>
<tr>
<td>Additional implementation costs</td>
<td>$45,000</td>
</tr>
<tr>
<td><strong>Total expected cost to be incurred during 2009</strong></td>
<td><strong>$177,000</strong></td>
</tr>
</tbody>
</table>

The organization is periodically subject to legal complaints and/or lawsuits in the ordinary course of business. The organization received notice of a claim filed in the 6th Circuit Court in the State of Michigan on April 01, 2008 alleging claims in excess of $25,000. Management has not had the opportunity to retain legal counsel to represent the organization in connection with the lawsuit and, therefore, has not had the opportunity to evaluate this claim.

The accompanying notes are an integral part of these financial statements.
H. Concentration of Credit Risk

The Federal Deposit Insurance Corporation insures accounts at financial institutions up to $250,000 and $100,000 in 2008 and 2007, respectively. Cash on hand exceeded the federally insured limit by approximately $3,000,131 and $6,450,000 as of December 31, 2008 and 2007, respectively. The Organization did not experience any losses related to uninsured amounts during 2008 and 2007.

I. Employee Benefit Plan

The Organization sponsors a safe harbor 401 (k) plan (the “Plan”) covering employees with a minimum of six months of employment. The Plan provides for the Organization to contribute the total amount of the participants’ salary deferrals each Plan Year. The Plan also provides a match of 100% of the employee contributions for an amount up to 3% of each employee’s compensation plus 50% of participant, salary deferrals between 3% and 5% of each participating employee’s compensation. Company matching contributions totaled $27,945 and $22,335 for the years ended December 31, 2008 and 2007, respectively.

J. Related Party Transactions

The Organization received services from National Network during 2007. This is a company owned by the interim CFO that provided management contract services prior to his employment as interim CFO. Once the interim CFO was engaged with the Organization all monetary interaction ceased with National Network. Expenditures totaling $75,631 were paid to National Network during 2007.

The practice of retaining consultants from time to time is routine and relates to tasks that do not require incurring the direct and indirect costs of long term staffing. Other consultants are occasionally obtained from other vendors from time to time. In addition, during 2007 the Organization incurred expenses from Pinnacle, a company that employs a related party to the interim Chief Financial Officer (“CFO”). A non-management contract individual had been in place prior to the interim CFO engagement. A full and complete disclosure of the entire arrangement was made prior to the engagement of the interim CFO. The same arrangements for that contract individual continued without change, for business reasons mentioned in the above paragraph.

During the individuals continuing services, all time card verifications were made by supervision other than under the authority of the interim CFO. Expenditures totaling $54,972 were paid to Pinnacle during 2007. Occasionally, the Organization will utilize the services of former and/or current members of the Board of Directors to speak and give presentations to the Chapters. Rarely is an expense incurred for these types of engagements and management is unaware of any expenditures exceeding $1,000.

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