# Table of Contents

Letter from the CEO ................................................................. 4  
Letter from the BOD Chair ......................................................... 7  
Who We Are ............................................................................ 8  
Becoming a 501(C)6 ................................................................. 9  
Organization Officials ............................................................ 9  
  - Board of Directors  
  - Executive Management Team  
  - Chapter Officers  
  - Corporate Advisory Board  
Strategic Objectives ............................................................. 12  
Scholarship Program ............................................................... 13  
Corporate Scholarship Donors ............................................... 14  
University Partnership Program ............................................. 15  
University Partners ............................................................... 16  
PRO-SEED ............................................................................ 18  
Officer Leadership Program .................................................... 19  
Conference & Career Expo ..................................................... 20  
Brillante Awards .................................................................... 22  
  - Recipients by Category  
Letter from the CFO ............................................................. 26  
Financial Statements ............................................................ 29
A Year of Transformation

This 2009 was a year of transformation for NSHMBA. We tightened our belts and focused our spending while continuing to deliver on our promise of professional development, MBA education, chapter reinforcement, career placement and a great conference.

Financially, we closed the year strong with a positive change in net assets of $563,000. We had a strong performance during a difficult year and we finished the year leaner, yet stronger, with clear objectives for 2010. NSHMBA also became a dual-entity organization: our 501(C)(3) is now called The NSHMBA Foundation and its focus is growing MBA scholarships and promoting MBA education. We created NSHMBA Inc., a 501(C)(6), which is focused on the operations of the organization, including the chapters, the National Conference, the career center, and our professional development arm.

As we look ahead to 2010, we expect growth, strength and greater opportunities for professional development, including an exciting national conference in Chicago and the addition of a new CEO Speaker Series. Our growth will come from expansion to up to five new chapters. We’ll increase the number of scholarships for MBAs, and our focus on value of membership will bring back friends from the past while retaining new members. We will strengthen NSHMBA with the help of our corporate and university partners from which will infuse new members and chapter sponsors. We also have a new speakers bureau for the chapters; six exciting webinars; regional training for chapters; a Fortune 18 CFO; and five CEOs—an All Star-cast for excellent professional development.

NSHMBA will be delivering new technology from a new, weekly-refreshed web site, a new expense reporting system that will track status online, a great events tool, and a twelve-month career center. We’ll also tap into media advertising on National Public Television and business class videos on American Airlines.

Looking even further ahead, we are already locking down our lead sponsors for the 2011 National Conference in Anaheim, California, and the Hispanic Summit, both of which attendees will be able to register for this fall in Chicago, Illinois. Last year’s theme was Think Ahead, Move Forward, and we have absolutely done that at NSHMBA.

We have a lot going on at NSHMBA. In 2010, and looking into 2011, we are a streamlined clipper ship catching in our sails Winds of Opportunity and on a course to new and exciting destinations. There is no better time to be a part of our journey of Hispanic leadership.

Thanks for your leadership—together we will achieve so much more.

NSHMBA Interim CEO
Steve Ramos  NSH MBA Interim CEO
On behalf of the Board of Directors, the National Office, and all of our Chapter leaders across the country, thank you for taking the time to read our 2009 Annual Report.

During 2009, NSHMBA continued its transformation efforts with expanded reach throughout the organization. As I begin my first year as Chairman, I am committed to pushing the organization to reach new heights while harnessing the strength of its leaders and members as we tackle new challenges, capitalizing on the many opportunities that lie ahead of us.

A few years ago, we set out as part of the “NSHMBA 2.0” initiative to evolve our organization, beginning with our National Board of Directors. Today, our focus on leadership goes well beyond our National Board and reaches deep into the core of our existence – Chapter Leaders, Corporate Advisory Board (CAB) and Members.

At the Chapter level, we elevated the caliber of our programming during the annual training sessions and carried over those same qualities to the NSHMBA Annual Conference & Career Expo’s Professional Development Forum. Throughout the year, we improved communication across all levels of leadership in an effort to increase cohesiveness throughout the organization while better serving our members. We continued on the path of tighter integration between our CAB and Chapters, and the results are impressive: more collaborative efforts between the National Board and CAB sessions, and the addition of both entities serving on key committees affecting the organization.

In the midst of these initiatives, the National Board is ever-cognizant of its responsibility to protect NSHMBA from risk and ensuring alignment to its core vision, mission and values. To that end, this past year, and into 2010, the National Board faces two of its most important roles as a governing body: selecting a CEO and validating our current strategy.

In closing, thank you for your continued support and stay tuned for another exciting year ahead of us as we welcome our new CEO and present a refreshed look to NSHMBA’s strategic direction in 2010.

Saludos,

[Signature]
Who We Are
About The National Society of Hispanic MBAs

The National Society of Hispanic MBAs (NSHMBA) was established in 1988 as a non-profit organization with 501 (C) (3) status. Recognized as the nation’s most prestigious Hispanic organization promoting higher education, NSHMBA serves 32 chapters and over 8,000 members in the U.S. and Puerto Rico and works to prepare Hispanics for leadership positions in order to provide the cultural awareness and sensitivity vital in the management of the nation’s diverse workforce.

Our Vision
To be the premier 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.
A Step Forward—Becoming a (C)6

The National Society of Hispanic MBAs (NSHMBA) expanded its status to include the 501(C)(6) non-profit designation July 1, 2009 to better fulfill the ever-growing needs—and changing market—of Hispanic students and professionals across the nation. Though it still retains its 501(C)(3) status, the addition of the 501(C)(6) designation allows NSHMBA to extend the depths by which it operates, virtually securing more and better opportunities, financially and socially, for the members and individuals NSHMBA serves as the organization is now recognized as a business league devoted to the improvement of business conditions of one or more lines of business.

With an expanded focus that includes strengthening relationships with its partners and chapters, NSHMBA dives headlong into its twenty-first year with plans to increase the organization’s output and maximize the benefits of leadership and professional development, research, scholarships, education, community support and even potential new, untapped areas it provides to its membership and partners.

Simply put, the combined 501(C)(3) & (C)(6) translate to more financial opportunity for scholarships, more financial opportunity for professional development, and more financial opportunity for academic progress for all who are affected by the mission of NSHMBA: To foster Hispanic leadership through graduate management education and professional development in order to improve society.

2010 Board of Directors
National Society of Hispanic MBAs

Steven A Ramos
Interim CEO / National Director

Maria Elena Elizalde
National Treasure

Vintage Foster
National Director

Rosanna M Durruthy
National Director

Mark Ponce
National Chair

Cosette Gutierrez
Chair Emeritus

Cory Shade
National Director

Stuart Jara
National Director

Eddie Correa
National Secretary

Larry E Penley
National Director

Selene Benavides
National Director

Nicolas Medina
National Director

Yvonne M Martin
Chairman

Ramiro J Atristain-Carrion
Director

Ron Fernandez
Director

Charles P Garcia
National Director

NSHMBA National Foundation

Cosette Gutierrez
Director
## 2009 Executive Management Team

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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</thead>
<tbody>
<tr>
<td>Steven A Ramos</td>
<td>Interim CEO</td>
</tr>
<tr>
<td>Pamela Ravare-Jones</td>
<td>Director, Office of the CEO</td>
</tr>
<tr>
<td>Anyel T Gornik</td>
<td>Sr. Manager, Marketing &amp; Communications</td>
</tr>
<tr>
<td>Lydia Ramon</td>
<td>Director, Partnership Development, Events &amp; Logistics</td>
</tr>
<tr>
<td>David Andrade</td>
<td>Interim CFO</td>
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<tr>
<td>Carlos Careaga</td>
<td>Regional Development Exec., West</td>
</tr>
<tr>
<td>Ramiro Ramirez</td>
<td>Regional Development Exec., Northeast</td>
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<tr>
<td>Regina Lee</td>
<td>Regional Development Exec., Central</td>
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</tbody>
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## 2009 Chapter Officers

<table>
<thead>
<tr>
<th>Name</th>
<th>City</th>
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<tbody>
<tr>
<td>Mike Pons</td>
<td>Atlanta</td>
</tr>
<tr>
<td>Victor Alonzo</td>
<td>Austin</td>
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<tr>
<td>Claudia Guzman</td>
<td>Boston</td>
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<tr>
<td>Freddy Flores</td>
<td>Chicago</td>
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<tr>
<td>Gema Bahns</td>
<td>Cincinnati</td>
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<tr>
<td>Carlos Chinchilla</td>
<td>Cleveland</td>
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<tr>
<td>Thomas M Savino</td>
<td>Connecticut</td>
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<tr>
<td>Sergio Espinosa</td>
<td>Dallas-Ft. Worth</td>
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<tr>
<td>Maria Barajas</td>
<td>Denver</td>
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<tr>
<td>Camilo Suero</td>
<td>Detroit</td>
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<tr>
<td>Gabriel Rodela</td>
<td>Houston</td>
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<tr>
<td>Ignacio Espinosa de los Monteros</td>
<td>Indianapolis</td>
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<tr>
<td>Claudio Perez-Kinko</td>
<td>Kansas City</td>
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<tr>
<td>Terry Soto</td>
<td>Los Angeles</td>
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<tr>
<td>Gabriel Castaneda</td>
<td>Minneapolis-St. Paul</td>
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<tr>
<td>Brigitte Gonzales</td>
<td>New Jersey</td>
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<tr>
<td>Luciano Oviedo</td>
<td>New Mexico</td>
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<tr>
<td>Iveth Reynolds</td>
<td>New York</td>
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<tr>
<td>Maria Villegas Rodriguez</td>
<td>Orange County</td>
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<tr>
<td>Julio Rocha</td>
<td>Orlando</td>
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<tr>
<td>Jeanette Mora</td>
<td>Philadelphia</td>
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<tr>
<td>Claudia V Sloan</td>
<td>Phoenix</td>
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<tr>
<td>Ana Maria del Pino Zamorano</td>
<td>Puerto Rico</td>
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<tr>
<td>Monica Garcia</td>
<td>Rio Grande Valley</td>
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<tr>
<td>Peter Morales</td>
<td>San Antonio</td>
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<tr>
<td>Bridget Mendez</td>
<td>San Diego</td>
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<tr>
<td>Allan Graves</td>
<td>San Francisco</td>
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<tr>
<td>Rene Zamora</td>
<td>San Jose</td>
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<tr>
<td>Richard Velazquez</td>
<td>Seattle</td>
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<tr>
<td>Carlos Baldo</td>
<td>South Florida</td>
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<tr>
<td>Eric Lopez</td>
<td>Tampa Bay</td>
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<tr>
<td>Pete Pinheiro</td>
<td>Washington, D.C.</td>
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2009 Corporate Advisory Board

3M
American Airlines
American Express
A.T. Kearney
Bank of America
Citi
Conagra Foods Inc.
Consortium for Study in Graduate Management
Dell Inc.

Deloitte.
Dr Pepper Snapple Group, Inc.
ExxonMobil
Ford Motor Company
Florida International University
General Mills
Intel Corporation
Merck & Co.
Microsoft
MillerCoors

PepsiCo Inc. / Frito Lay
Procter & Gamble
Prudential
Target Corporation
The Home Depot
The Walt Disney Company
United Technologies Corporation
University of Texas at Austin
Verizon Communications
Wells Fargo

Lydia Ramon
Director, Partnership Development, Events & Logistics
By the year 2020...

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

Our objectives 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:**
Establishing 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 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:**
Utilizing research as the basis for programs and initiatives, NSHMBA is the premier source of research on Hispanics in the workplace and in higher education.
The National Society of Hispanic MBAs (NSHMBA) firmly believes that individuals holding a graduate degree represent a key to the success of the business community and obtaining an MBA can improve the chances of securing competitive positions with top companies and achieving promotion to the leadership ranks.

For 21 years, NSHMBA has supported Hispanics and their educational goals of pursuing and earning their Masters in Business Administration through its Scholarship Program. This merit-based Scholarship Program is responsible for ensuring qualified Hispanic graduate students are not burdened by the financial strains of continuing their educations, and provides support to those of Hispanic heritage, attending AACSB (Association to Advance Collegiate Schools of Business) accredited institutions, and US citizens or legal permanent residents.

The program has grown and expanded to include several awards, including those for part-time study. Scholarship recipients are selected on the basis of academic achievement, work experience, financial need, personal statements of goals and aspirations, community service, letters of recommendation, and NSHMBA ambassadorship.

The National Society of Hispanic MBAs (NSHMBA) has paved the way for Hispanics to pursue masters’ degrees in business administration, resulting in millions given to deserving Hispanic students and professionals. In 2009, NSHMBA awarded $209,625 to 78 recipients whose average GPA was 3.69.

NSHMBA relies on the unrestricted support from foundations, corporations and individuals as the primary and crucial source of revenue to fund the scholarship program. Each contribution may be fully tax-deductible. The support NSHMBA’s Scholarship Program receives helps strengthen the Hispanic community and society at large.
Corporate Donors

**Platinum** ($50,000–99,000)
- Target Foundation

**Gold** ($25,000–49,999)
- AXA Foundation
- The Coca-Cola Foundation
- Deloitte Services LP
- Kellogg Foundation
- Unilever United States Foundation, Inc

**Silver** ($10,000–24,999)
- Bank of America
- Citigroup Foundation
- Diversity, INC
- Microsoft Matching Gifts Program
- Verizon Foundation
- Henry Schein

** Advocate** ($1,000–9,999)
- 3M
- BMW of North America
- Crowne Plaza
- Flower Communications Group Vendors
- Hilton Hotels Corporation
- Holiday Inn Express
- Intel Volunteer Matching Gift Program
- Millennium Hotel
- MillerCoors
- Omni Hotel at CNN Center
- Pepsi Bottling Group
- Safeway, Inc.
- Wells Fargo & Company
- Xerox Corporation

**General** ($999 or less)
- Network for Food
- PWC
- Retail Forward, Inc
University Partnership Program

Higher education and support of Hispanics earning a Master of Business Administration is the mission of the National Society of Hispanic MBAs’ University Partnership Program (UPP).

NSHMBA, along with a strong chapter presence in each location, has teamed with universities across the U.S. to increase the number of Hispanic students completing master’s degrees. Financial assistance for outstanding Hispanics has been made possible by the participating universities in the program, who ultimately make the selections and offer awards unique to its university.

Created in 2006 to provide select academic institutions an expanded pool of qualified Hispanic applicants for graduate business programs, NSHMBA began the UPP several years ago after NSHMBA chapters around the nation collaborated with local universities to solve the dilemma of Hispanic students challenged with financing their educations. This partnership creates opportunity for Hispanic students and professionals while invigorating the pipeline with students completing MBA programs by offering financial assistance in the form of scholarships, fellowships and assistantships to qualifying individuals.

NSHMBA encourages more universities to join its partnership program to elevate the number of opportunities available to Hispanic students seeking MBAs, and to develop a close relationship with local NSHMBA chapters. In 2009, a total of 41 participating universities gave an average award of $17,166.20 to 40 recipients. Combined with the NSHMBA Scholarship Program, financial assistance totaled $680,000.

As more educational institutions unite with the organization, it underscores NSHMBA’s existence and the UPP universities hope to have a positive effect on the future landscape of business schools and corporations as more diverse groups of MBA students graduate and move on to promising careers.
University Partners

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  
Brandeis 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 Business School

Florida International University  
Chapman Graduate School of Business

HULT  
International School of Business

Northeastern University  
Graduate School of Business Administration

Rice University  
Jones Graduate School of Business

Rollins College  
Crummer Graduate School of Business

Rutgers, The State University of New Jersey  
Rutgers Business School

Stetson University  
School of Business Administration

Texas Christian University  
The 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  
The Anderson School of  
Management
University Partners, cont.

The University of Tampa
John H. Sykes College of Business

The University of Texas at Dallas
School of Management

The University of Texas at San Antonio
College of Business

University of Central Florida
College of Business Administration

University of Cincinnati
College of Business Administration

University of Colorado at Boulder
Leeds School of Business

University of Florida
Hough Graduate School of Business

University of South Florida
College of Business Administration

University of Illinois at Urbana-Champaign
College of Business

University of Miami
School of Business

University of Minnesota
Carlson School of Management

University of Notre Dame
Mendoza College of Business

University of Pittsburgh
Joseph M. Katz Graduate School of Business

University of Rochester
Simon Graduate School of Business

University of San Francisco
Masagung Graduate School of Management

University of Washington
Michael G. Foster School of Business

University of Washington-Bothell

Wake Forest University
Babcock Graduate School of Management

Willamette University
Atkinson Graduate School of Management

Yale University
Yale School of Management
In 2009, NSHMBA developed a new initiative to provide support to Hispanic business professionals affected by the challenging economic climate.

PRO-SEED (Professional Support for Education and Employment Delivered to Hispanics) was rolled out in preparation of the 2009 Annual Conference & Career Expo: “Think Ahead, Move Forward” in Minneapolis, Minnesota, October 8–10, 2009. Selected recipients received complimentary registration to NSHMBA’s Career Expo, a complimentary 12-month NSHMBA professional membership, the opportunity to pre-schedule interviews with sponsors during the 2009 Conference’s Career Expo, and discounted airfare and hotel rates.

In addition, recipients participated in webinars prior to the conference where they were able to review new job search strategies, learn career hunting and networking tactics, create resumes that generate results, master the art of interviewing, and access events focused on career advancement.

A total of 392 people participated in the following webinars:

- The Successful Job Search for Latino Professionals in an Economic Downturn
- Write Compelling Résumés and Career Documents that Generate Interviews
- Leveraging Personal, Professional and Online Networks in Your Job Search
- Strategies to Ace the Job Interview

PRO-SEED was just another example of how NSHMBA contributes to the competitive advantage of the business community and, ultimately, the country. Like many of the organization’s endeavors, PRO-SEED represented yet another opportunity by NSHMBA that commemorates higher education and professional development within the Hispanic community.

And like the conference itself, it was another opportunity to bring the change necessary to elevate lives and livelihoods, and make our community exceptional – professionally, socially and most importantly, personally.
Officer Leadership Program

Those participating in the leadership program have the opportunity to professionally benefit from workshops in the areas of marketing, strategy management, communications, and leadership.

NSHMBA maintains the goal of increasing the representation and influence of Latinos in the business world and society by providing Hispanic leaders a forum of collaboration, networking, and professional and leadership developments.

NSHMBA leaders gathered across the organization’s 32 chapters twice in 2009 to participate in the Officer Leadership Program. During the first training, 52 chapter officers were in attendance at YUM! Brands Inc. corporate headquarters in late February during a two-day training in Louisville, Kentucky.

The second assembly comprised 165 chapter officers and was held during NSHMBA’s Annual Conference & Career Expo, October 8-10, 2009 in Minneapolis, Minnesota. Officers participated in dynamic sessions and tailored breakout groups focused on team leadership development and emotional intelligence. Speakers included NSHMBA leaders, corporate executives and content-area experts.

The Officer Leadership Program focuses on general leadership development, best practices and NSHMBA operations, and the biannual sessions equip chapter officers with essential principles, practices and parameters to provide effective governance, leadership and professional growth.

NSHMBA’s leadership were energized to continue their professional and leadership development while driving the mission at their local chapters, and bringing them together led to effective utilization of the national network of chapters as a resource and support system to maintain growth and strengthening the core of the organization.
The floor of the Minneapolis Convention Center in downtown Minnesota thrived at the National Society of Hispanic MBA’s (NSHMBA) 2009 Conference & Career Expo as more than 6,200 MBA students and professionals capitalized on the many opportunities being offered by the 250 academic and corporate sponsors during the 3-day event.

The 2009 year’s lead sponsors included Target Corporation as the Corporate Lead and Carlson School of Management at the University of Minnesota as the Academic Lead Sponsor, both of whom solidified the 2009 conference theme, Think Ahead, Move Forward.

The 2009 NSHMBA Conference & Career Expo did not disappoint as attendees took part in resume and interview clinics, on-site interviews, networking events, a professional development day, exclusive executive and research forums, a career management center, corporate networking receptions, company information sessions, and the nation’s largest career expo for Hispanic MBAs. The professional development day’s breakout sessions included leading corporate executives and business experts, while the executive forum provided a venue for high-level Hispanic executives to convene and address challenges and demands many Hispanic executives face within corporate America.
The NSHMBA 2009 Conference & Career Expo officially kicked off October 9 with a ribbon-cutting ceremony that included Minnesota Governor Tim Pawlenty, who welcomed attendees to Minneapolis. Other guests included Isaias Zamarripa, Director of Talent Acquisition, General Mills and Chair of NSHMBA Corporate Advisory Board; Anthony Heredia, Vice President of Corporate Risk and Responsibility, Target; Dr. Alison Davis-Blake, Dean Investors in Leadership Distinguished Chair in Organizational Behavior of Carlson School of Management at the University of Minnesota; Cosette Gutierrez, Chair of NSHMBA Board of Directors, and Steven Ramos, NSHMBA Interim CEO.

“There are so many things about this year’s conference that should not come as a surprise, but at the same time are completely surprising,” said Steven Ramos, NSHMBA Interim CEO. “NSHMBA is going into its twenty-second year, and though we’ve dedicated our organization around the needs of the Hispanic community, the turnout of the loyal, supportive sponsors and the attendees is just incredible and really underscores the necessity of NSHMBA and its mission.” We are thrilled and excited that despite economic obstacles, people are fighting hard to elevate their situation for the better, and without great sponsors like Target Corporation and Carlson School of Management at the University of Minnesota, obstacles might be insurmountable.”

During professional development day on Thursday, October 8, attendees were provided the opportunity to acquire key competencies necessary to position themselves for career advancement and to learn the secrets of successful Latinos in the business world. They heard from the top corporate executives, business consultants, and renowned speakers and authors, and experienced dynamic presentations to consistently produce while accomplishing their business and career goals. Attendees took part in:

- Opening General Session: Building Your Brand as a Career Management Tool
- Breakout Sessions:
  - Career Development: A Career in Consulting in an Ever-changing Economy
  - Communications: Communicating Across Cultures
  - Diversity: Women in Leadership
  - Finance: Financing the Promise of Healthcare Reform - Getting More Value
  - Leadership: Building Relationships to Develop Yourself as a Leader
  - Strategy: Leading Innovation
- Closing General Session: Creative Thinking: The Art of Business

The professional development day also included an exclusive executive forum that was designed to meet the needs of entrepreneurs and executives at the senior level. The executive forum facilitated a dialogue about today’s most pressing business issues by combining networking events with highly interactive small-group workshops. This exclusive event gave ample opportunity to connect with peers and stimulate critical thinking. Attendees of the executive forum learned:

- Executive Branding: How Leaders Augment Corporate Brand Value
- Executive Discussions: C-Suite Success
- Research Forum
- Gateway to the Boardroom: Leadership Insight
- Executive Coaching
The 2009 NSHMBA Conference & Career Expo was also a venue within which the organization recognized Hispanic scholarship recipients from across the country who had been awarded financial assistance through the NSHMBA Scholarship Program and the NSHMBA University Partnership Program. Each year the organization contributes to students’ educations by offering opportunities that offset educational expenses. Over the years, NSHMBA has given millions in aid, further ensuring the pipeline of Hispanic talent remains abundant.

The 2009 NSHMBA Conference & Career Expo also served as the backdrop for the Ultimate Hispanic Executive award, which is a distinguished honor presented annually by NSHMBA to an outstanding Hispanic leader who consistently demonstrates strength, integrity and a relentless commitment to public service, education, and the advancement of leadership. The award was presented to Ms. Ophelia Basgal, Vice President of Civic Partnership and Community Initiatives for Pacific Gas and Electric Company (PG&E). The Ultimate Hispanic Executive award is highly competitive and each candidate demonstrated wonderful achievements within the Hispanic community.

Finally, on Saturday night during NSHMBA’s biggest and most prestigious evening gala, the Brillante Awards for Excellence, seven selected individuals and companies were recognized for their selfless contributions to the Hispanic community.

NSHMBA left a lasting impression in every conference attendee by bringing to Minneapolis the opportunity for the MBA students and professionals to Think Ahead about their future and Move Forward with their opportunities to develop relationships with peers and employers. But also, it provided companies an exclusive access to talent that fulfilled their diversity needs.

2009 Brillante Awards
Each year the National Society of Hispanic MBAs (NSHMBA) seeks nominations for those outstanding individuals, businesses, non-profits, educational institutions, and companies whose endeavors coincide with the NHS MBA mission and directly benefit the advancement and recognition of Hispanics and the Hispanic communities across the nation.

Their efforts are lauded with The Brillante Award for Excellence, the most prestigious honor given by NSHMBA and presented to the recipients during the organization’s Annual Conference & Career Expo. Last year’s recipients included some of the best of the best around the nation who are putting Hispanics and the Hispanic community above all else.

The 2009 Brillante Award for Excellence winners included:

- YUM! Brands—Corporate Excellence
- Isaias Zamarripa—Corporate Executive Excellence
- Richard Velazquez—Member Service Excellence
- Leonor McCall-Rodriguez—Entrepreneur Excellence
- Julian Posada—Entrepreneur Excellence
- The Ohio State University—Educational Excellence

The National Society of Hispanic MBAs established the Brillante for Excellence Awards in 1989, and is given to bright, radiant, and shining leaders who illuminate the paths for many ambitious MBAs, while radiating positive energy to encourage and motivate others. The 2009 winners exemplify this recognition.
Conference
Sponsors

Marquis
Beam Global Spirits & Wine
BMW
Dell
Deloitte
General Mills
UnitedHealth Group

Platinum
3M
Boston Scientific
Chevron Corporation
The Coca-Cola Company
Delta Airlines
E&J Gallo
The Home Depot
Johnson & Johnson
Kraft Foods
Medtronic, Inc.
PepsiCo
Procter & Gamble
United Technologies Corporation
Verizon Telecom
Verizon Wireless
Wells Fargo

GOLD
Abbott Laboratories
Accenture
American Airlines
American Express
Astellas
Bank of America
Best Buy

Cintas Corporation
Cox Enterprises Inc.
Exxon Mobil Corporation
Federal Home Loan Bank System
Federal Reserve Banks
Fortune Brands Inc
General Electric
Harley-Davidson Motor Company
Humana, Inc.
Kellogg Company
Liberty Mutual
Mars North America
Mercedes-Benz USA
Microsoft Corporation
MillerCoors
Nestle USA
Prudential
SUPervalu Inc.
The Trade Group
Walmart
Wyeth

SILVER
AstraZeneca
Cargill
Dr Pepper Snapple Group, Inc.
Google Inc.
IBM Corporation
Intel Corporation
Lowe’s Companies, Inc.
Vanguard
The Walt Disney Company
Waste Management
Xcel Energy

BRONZE
7-Eleven, Inc
A.T. Kearney, Inc.
Amazon
Amgen Inc.
AT&T
Baxter Healthcare
Booz Allen Hamilton
BP
Bristol-Myers Squibb
Burger King Corporation
Campbell Soup Company
Ceridian
Cisco Systems
The Clorox Company
Colgate-Palmolive
Danya International Inc.
Darden Restaurants, Inc.
Del Monte Foods
Ecolab
Eli Lilly and Company
EMC Corporation
Ford Motor Company
Freddie Mac
Hilton Hotels Corporation
Hispanic Network Magazine
iHispano
Kaplan Higher Education
KPMG
Kroger
“Land O’Lakes”
Latino Midwest News
Lockheed Martin–Aeronautics
Conference
Sponsors, cont.

L’Oreal
Mass Mutual Financial Group
MasterCard Worldwide
The McGraw-Hill Companies and
Standard & Poors
Meijer
Merck & Co., Inc.
MetLife, Inc.
MMC: Marsh, Mercer, Kroll, Guy Carpenter,
Oliver Wyman
Moet Hennessy USA
Monsanto
Moody’s Corporation
National Grid
New York Life Insurance Company
Novo Nordisk
Oracle Corporation
Praxair Inc.
R.J. Reynolds
Republic Services
Robert Half International Inc.
Ryder System, Inc.
Starwood Hotels & Resorts Worldwide Inc.
State Farm Insurance
Takeda Pharmaceuticals
Thomson Reuters
Toyota
The Travelers Companies, Inc.
U.S. Bank
Volkswagen Group of America
Walgreens
Wyndham Worldwide

Federal Deposit Insurance Corporation
(FDIC)
U.N. Employment Information &
Assistance, U.S. Department of State
U.S. Agency for International
Development
U.S. Department of State

NON-PROFIT & OTHER
American Cancer Society
Ascend
Association of Latino Professionals in
Finance and Accounting
Blue Cross Blue Shield of Minnesota
The Broad Residency
The Consortium
Education Pioneers
Environmental Defense Fund
FINRA
Health Partners
Hispanic Scholarship Fund
MBA Career Services Council
National Marrow Donor Program/Be the
Match
Pitney Bowes Inc.
Society of Hispanic Professional Engineers,
Inc.
Southern Company
SunTrust Banks
Teach For America
TIAA-CREF
United States Tennis Association
Upper Midwest Higher Education
Recruitment Consortium

Conagra Foods

ACADEMIC
Babson College—F.W. Olin Graduate School
of Business
Bethel University
Boston University School of Management
College of William & Mary
Daniels College of Business, University of
Denver
Duke University, The Fuqua School of
Business
Emory University—Goizueta Business
School
Florida International University
Fordham University—Graduate School of
Business
Georgetown University, McDonough
School of Business
Georgia Tech-College of Management
Harvard Business School
Illinois MBA-College of Business,
University of Illinois at
Urbana—Champaign
Indiana University, Kelley School of
Business
Johns Hopkins University
Johnson School, Cornell University

GOVERNMENT
Federal Deposit Insurance Corporation
(FDIC)
U.N. Employment Information &
Assistance, U.S. Department of State
U.S. Agency for International
Development
U.S. Department of State
Conference
Sponsors, cont.

Jones Graduate School of Business at Rice
MIT Sloan School of Management
Northeastern University
Penn State University–Smeal MBA Program
Rollins College
Rutgers Business School–Newark and New Brunswick: Graduate Programs
Simon Graduate School of Business
Southern Methodist University, Cox School of Business
Syracuse University, Martin J. Whitman School of Management
TCU–Neeley School of Business
Tepper School of Business at Carnegie Mellon University
The Eli Broad Graduate School of Management
The Ohio State University, Fisher College of Business
Thunderbird School of Global Management
Tulane University, Freeman School of Business
UCLA Anderson School of Management
University of California–Davis, Irvine & San Diego
University of Chicago–Booth School of Business
University of Dallas Graduate School of Management
University of Houston, Bauer College of Business
University of Iowa Tippie School of Management MBA Full-Time Program
University of Michigan, Stephen M. Ross School of Business
University of North Carolina–Chapel Hill, Kenan-Flagler Business School
University of Notre Dame
University of South Carolina–The Darla Moore School of Business
University of St. Thomas, Opus College of Business
University of Texas at Austin, McCombs School of Business
University of Texas at San Antonio
University of Virginia, Darden School of Business
University of Washington–Foster
USC Marshall School of Business
UT Dallas
Vanderbilt University, Owen Graduate School of Management
W.P. Carey School of Business, Arizona State University
Wake Forest University
Washington University in St. Louis (Olin Business School)
Weatherhead School Of Management, Case Western Reserve University
Wisconsin School of Business
Yale School of Management
A Solid Financial Foundation

Last year marked a significant milestone and achievement for the National Society of Hispanic MBAs (NSHMBA) with the formation of our new 501 (C)(6). Along with our existing 501 (C)(3) (NSHMBA Foundation), our dual-entity organization structure allows us to expand and diversify our operations, revenue sources and overall mission going forward. The transition was successfully completed on July 1, 2009, and all legal, operational, administrative and financial procedures were effectively implemented to ensure proper assimilation under the new structure.

Despite operating in a difficult economy and struggling with the aftermath of a major financial crisis, NSHMBA delivered a resilient performance in fiscal 2009. Not unlike the previous year, 2009 proved to be equally as challenging in all facets of our financial activities. The continued ailing economy during 2009 significantly suppressed the main components of revenue generation as many conference sponsors and scholarship (grant) contributors lowered commitment levels. That, along with lower conference attendance, and an overall decline in membership had negative impact on our bottom-line in terms of revenue production.

In recognition of the impending 2009 revenue shortfall, many mid-year streamlining and cost-cutting initiatives were launched to helped us right-size our costs with the lower-than-expected revenue projections. Some of the major cost-cutting initiatives included re-negotiation of existing vendor contracts as well as the insourcing of several functions and processes. Moreover, once we revised our revenue forecast for the second half of 2009, we continuously assessed our financial outlook to provide ongoing (monthly) fine tuning to our financial activities, including all areas of our controllable cost structure.

In this challenging economic environment, NSHMBA generated $6.3 million in operating revenue, a 24 percent decline from 2008. This decrease in revenue was offset by the effective implementation of advanced forecasting and stringent cost-cutting initiatives implemented during the first half of 2009 resulting in an overall improvement in expenses by 33 percent, equating to almost $3.1 million in savings from 2008.

Simultaneously with improving financial performance from operations, NSHMBA also saw significant gains in our investment portfolio relative to 2008. Investments produced a gain of $582,000 for 2009, compared to a $981,000 loss during 2008. As a result, NSHMBA realized a total increase in unrestricted net assets by nearly $533,000 compared to a $2.1 million decrease in 2008. From a cash flow perspective, we improved our cash position from operations and investments by $539,000 during 2009; by contrast, our cash position during the same period 2008 decreased by over $1.9 million.

We are confident that we are building a solid financial structure for our organization and we will continue to contain costs while working to build a more diverse and stable revenue stream for the future. We are continuing to establish a foundation of solid financial controls and effective risk management for the organization to ensure long-term growth. As we look forward to 2010 and the near future, we understand the non-profit sector will continue to lag in a fragile rebounding economy. That said, we may be faced with more difficult choices to make before our actual operating environment stabilizes.

On behalf of the NSHMBA family, I would like to thank you for sharing our vision through your generosity and support.

David Andrade,
NSHMBA Interim CFO
David Andrade  NSH MBA Interim CFO
Auditors

Report

Board of Directors and Management
National Society of Hispanic MBAs, Inc. and NSHMBA Foundation

We have audited the accompanying combined statements of financial position of the National Society of Hispanic MBA’s, Inc. and NSHMBA Foundation (the “Organization”) as of December 31, 2009, and the related combined statements of financial activities and changes in net assets, functional expenses, and cash flows for the year then ended. These combined financial statements are the responsibility of the Organization’s management. Our responsibility is to express an opinion on these combined financial statements based on our audit. The financial statements of the National Society of Hispanic MBA’s, Inc. as of December 31, 2008 were audited by other auditors who issued a report with an unqualified opinion dated April 24, 2009.

We conducted our audit 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 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 audit provides 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 MBA’s, Inc. and NSHMBA Foundation as of December 31, 2009, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying combining information is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, results of operations, and cash flows of the individual organizations. The combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic combined financial statements taken as a whole.

MJF & Associates, APC

May 10, 2010
Los Angeles, California

The accompanying notes are an integral part of these financial statements.
# NATIONAL SOCIETY OF HISPANIC MBAS, INC. AND NSHMBFA FOUNDATION
## Combined Statements of Financial Position
### As of December 31, 2009 and 2008

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,890,218</td>
<td>$1,351,692</td>
</tr>
<tr>
<td>Investments, at market</td>
<td>5,220,728</td>
<td>4,638,670</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance for doubtful accounts of $47,256 and $81,109 as of December 31, 2009 and 2008, respectively</td>
<td>328,713</td>
<td>546,360</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>165,987</td>
<td>174,310</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>7,605,646</td>
<td>6,711,032</td>
</tr>
<tr>
<td>DEPOSITS</td>
<td>9,101</td>
<td>9,101</td>
</tr>
<tr>
<td>PROPERTY AND EQUIPMENT, NET</td>
<td>135,358</td>
<td>137,380</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$7,750,105</td>
<td>$6,857,513</td>
</tr>
</tbody>
</table>

| LIABILITIES AND NET ASSETS |           |            |
| CURRENT LIABILITIES: |           |            |
| Accounts payable | $127,584 | $451,665 |
| Due to related parties, net | 11,938 | - |
| Accrued expenses | 76,148 | 46,539 |
| Accrued compensation and vacation | 70,550 | 19,442 |
| Capital lease, current portion | 5,916 | - |
| Deferred revenue | 965,509 | 419,872 |
| Total Current Liabilities | 1,257,645 | 937,518 |
| CAPITAL LEASE, long term portion | 9,846 | - |
| Total Liabilities | 1,267,491 | 937,518 |

| COMMITMENTS |           |            |
| NET ASSETS: |           |            |
| Unrestricted | 6,000,905 | 5,468,058 |
| Temporarily restricted | 481,709 | 451,937 |
| Total Net Assets | 6,482,614 | 5,919,995 |
| TOTAL LIABILITIES AND NET ASSETS | $7,750,105 | $6,857,513 |

The accompanying notes are an integral part of these financial statements.
## NATIONAL SOCIETY OF HISPANIC MBAS INC. AND NSHMBA FOUNDATION

**Combined Statements of Financial Activities and Change in Net Assets**

**As of December 31, 2009 and 2008**

### CHANGES IN NET ASSETS:

<table>
<thead>
<tr>
<th>Item</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conference</td>
<td>$4,298,200</td>
<td>$5,759,582</td>
</tr>
<tr>
<td>Contributions</td>
<td>845,089</td>
<td>750,371</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>509,131</td>
<td>596,161</td>
</tr>
<tr>
<td>Chapter events</td>
<td>223,707</td>
<td>332,722</td>
</tr>
<tr>
<td>Membership</td>
<td>106,072</td>
<td>295,975</td>
</tr>
<tr>
<td>Advertising</td>
<td>123,117</td>
<td>173,749</td>
</tr>
<tr>
<td>Career center</td>
<td>206,917</td>
<td>158,970</td>
</tr>
<tr>
<td>National events</td>
<td>10,000</td>
<td>237,788</td>
</tr>
<tr>
<td>Other</td>
<td>5,363</td>
<td>260</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of program restrictions</td>
<td>(29,772)</td>
<td>(73,210)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>6,297,824</td>
<td>8,232,368</td>
</tr>
<tr>
<td><strong>EXPENSES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td>3,969,991</td>
<td>6,238,355</td>
</tr>
<tr>
<td>General and administrative</td>
<td>2,169,290</td>
<td>2,889,985</td>
</tr>
<tr>
<td>Fund raising</td>
<td>208,024</td>
<td>312,851</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>6,347,305</td>
<td>9,441,191</td>
</tr>
<tr>
<td>Change in unrestricted net assets</td>
<td>(49,481)</td>
<td>(1,208,823)</td>
</tr>
<tr>
<td>Unrealized gain (loss) on investments</td>
<td>483,084</td>
<td>(926,583)</td>
</tr>
<tr>
<td>Realized gain (loss) on investments</td>
<td>99,244</td>
<td>(53,966)</td>
</tr>
<tr>
<td><strong>Total increase (decrease) in unrestricted net assets</strong></td>
<td>532,847</td>
<td>(2,189,372)</td>
</tr>
<tr>
<td>Change in temporarily restricted net assets</td>
<td>(396,937)</td>
<td>(333,727)</td>
</tr>
<tr>
<td>Net assets temporarily restricted</td>
<td>426,709</td>
<td>406,937</td>
</tr>
<tr>
<td>Net increase in temporarily restricted net assets</td>
<td>29,772</td>
<td>73,210</td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td>562,619</td>
<td>(2,116,162)</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>5,919,995</td>
<td>8,036,157</td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td>$6,482,614</td>
<td>$5,919,995</td>
</tr>
</tbody>
</table>
## Combined Statements of Cash Flows
As of December 31, 2009 and 2008

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in net assets</td>
<td>$562,619</td>
<td>$(2,116,162)</td>
</tr>
</tbody>
</table>

### Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:

- **Depreciation**: $53,486, $81,277
- **Loss on disposal of property and equipment**: $1,448, $-1,448
- **Unrealized (gains) losses on investments**: $(483,084), $926,583
- **Realized (gains) losses on investments**: $(99,244), $53,966
- **Provision for bad debt**: $(33,853), $71,881

### Increase (decrease) in:

- **Accounts receivable**: $251,500, $40,176
- **Prepaid expenses and other assets**: $8,323, $134,878

### Increase (decrease) in:

- **Accounts payable**: $(324,081), $(96,006)
- **Due to related party**: $11,938, $-(11,938)
- **Accrued expenses**: $29,609, $(125,101)
- **Accrued compensation and vacation**: $51,108, $(93,194)
- **Deferred revenue**: $545,637, $124,404

**Net cash provided by (used in) operating activities**: $575,406, $(997,298)

### Cash flows from investing activities:

- **Purchases of investments**: $(959,474), $(3,047,746)
- **Proceeds from sale of investments**: $860,500, $2,136,106
- **Dividends and interest received and reinvested**: $99,244, $164,459
- **Purchases of property and equipment**: $(31,234), $(103,960)

**Net cash used in investing activities**: $(30,964), $(851,141)

### Cash flows from financing activities:

- **Payments on Ricoh capital lease**: $(5,916), $-(5,916)

**Net cash used in financing activities**: $(5,916), $-(5,916)

**Net increase in cash**: $538,526, $(1,848,439)

**Cash balance at December 31, 2008**: $1,351,692, $3,200,131

**Cash balance at December 31, 2009**: $1,890,218, $1,351,692

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

### NATIONAL SOCIETY OF HISPANIC MBAS INC. AND NSHMBA FOUNDATION

#### Combined Statements of Functional Expenses

**Year Ended December 31, 2009**

<table>
<thead>
<tr>
<th></th>
<th>Total Expenses</th>
<th>Program Service Expenses</th>
<th>Fundraising Expenses</th>
<th>Management and General Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$1,577,482</td>
<td>$1,117,963</td>
<td>$438,730</td>
<td>$20,789</td>
</tr>
<tr>
<td>Conferences, conventions and meetings</td>
<td>1,154,978</td>
<td>1,040,767</td>
<td>42,102</td>
<td>72,109</td>
</tr>
<tr>
<td>Fees for services (non-employees)</td>
<td>1,152,722</td>
<td>650,072</td>
<td>492,136</td>
<td>10,514</td>
</tr>
<tr>
<td>Compensation of current officers</td>
<td>462,914</td>
<td>219,096</td>
<td>159,158</td>
<td>84,660</td>
</tr>
<tr>
<td>Travel</td>
<td>411,219</td>
<td>269,270</td>
<td>140,664</td>
<td>1,285</td>
</tr>
<tr>
<td>Grants and assistance to other organizations</td>
<td>266,500</td>
<td>266,500</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office expenses</td>
<td>266,134</td>
<td>59,621</td>
<td>204,978</td>
<td>1,535</td>
</tr>
<tr>
<td>Information technology</td>
<td>219,664</td>
<td>84,892</td>
<td>134,772</td>
<td>-</td>
</tr>
<tr>
<td>Other employee benefits</td>
<td>202,501</td>
<td>(19,936)</td>
<td>223,561</td>
<td>(1,124)</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>168,805</td>
<td>114,759</td>
<td>42,369</td>
<td>11,677</td>
</tr>
<tr>
<td>Occupancy</td>
<td>167,261</td>
<td>-</td>
<td>167,261</td>
<td>-</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>84,791</td>
<td>65,537</td>
<td>13,182</td>
<td>6,072</td>
</tr>
<tr>
<td>Insurance</td>
<td>73,694</td>
<td>44,887</td>
<td>28,807</td>
<td>-</td>
</tr>
<tr>
<td>Other expenses</td>
<td>64,053</td>
<td>41,657</td>
<td>22,396</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>55,506</td>
<td>-</td>
<td>55,506</td>
<td>-</td>
</tr>
<tr>
<td>Pension plan contributions</td>
<td>19,081</td>
<td>14,906</td>
<td>3,668</td>
<td>507</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$6,347,305</td>
<td>$3,969,991</td>
<td>$2,169,290</td>
<td>$208,024</td>
</tr>
</tbody>
</table>
NOTE 1 - ORGANIZATION OVERVIEW
On June 30, 2009, National Society of Hispanic MBAs, changed its name to NSHMBA Foundation (“Foundation”), a California public benefit charitable corporation and tax exempt organization per the United States of America’s Internal Revenue Code (IRC) 501(C)3, 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 Foundation's principal source of revenue is obtained from grants, donors, and return on investments intended to provide grants, scholarships and educational opportunities to Hispanics in the United States. On April 23, 2009, the National Society of Hispanic MBA’s, Inc. (“NSHMBA”) was incorporated in the state of Texas in accordance with the Texas Business Organization Code as a public benefit business league. It received tax exempt organization status per IRC 501(C)6 in February 2010, as an organization to promote Hispanic graduate management education, entrepreneurship, and to increase the visibility of Hispanics in executive level management positions thereby creating a stronger awareness within the business and not-for-profit sectors.

The Organization’s principal source of revenue is obtained from sponsors and attendees at conferences. Membership is a minor source of revenue. Chapter events provide a source of revenue and function as networking, scholarships and educational opportunities to the membership. Collectively, both organizations are referred to as the “Organization” unless otherwise noted. The Foundation’s and NSHMBA’s corporate offices are located in Irving, Texas.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
The accompanying combined financial statements include the accounts of the Foundation and NSHMBA and are prepared in conformity with generally accepted accounting principles in the United States of America (“US GAAP”). All material inter-organization transactions and accounts have been eliminated.

Basis of Accounting and Combining
The accompanying combined financial statements include the accounts of the Foundation and NSHMBA and are prepared in conformity with generally accepted accounting principles in the United States of America (“US GAAP”). All material inter-organization transactions and accounts have been eliminated.

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, allocation of certain functional expenses and value of in-kind donations. Actual results could differ from these estimates and assumptions.

Cash and Cash Equivalents
The Organization’s cash equivalents are primarily comprised of investments in overnight interest-bearing deposits, commercial paper and money market instruments and other short-term investments with original maturity dates of three months or less at the time of purchase. The Organization maintains cash and cash equivalent balances at multiple financial institutions.

The accompanying notes are an integral part of these financial statements.
Fair Value of Financial Instruments
The carrying amounts of the Organization's financial instruments, including cash and cash equivalents, investments, accounts receivable, accounts payable, accrued liabilities and capital lease approximate fair value due to their short maturities.

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.

Accounts receivable are shown net of an allowance for doubtful accounts of $47,256 and $81,109 as of December 31, 2009 and 2008, respectively. Accounts receivable balances 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 accounts for investments at fair value. US GAAP requires that 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 at 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. During 2008, the Organization computed depreciation using both an accelerated method, double declining balance, and straight-line method, depending on the asset category, over the estimated useful lives of the assets, which range from three to five years. In 2009, the Organization computed depreciation using the straight-line method over the estimated useful lives of the assets, which range from three to ten years. Leasehold improvements are amortized on a straight-line basis over the lesser of the terms of the related lease or the estimated useful life of the assets. Depreciation expense for the year ended December 31, 2009 and 2008 was $53,486 and $81,277.

Expenditures for major renewals and betterments are capitalized, while minor replacements, repairs, and maintenance, which do not extend the useful lives of the related assets, are expensed as incurred. Upon sale or disposition, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations.

The accompanying notes are an integral part of these financial statements.
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment - continued
The Organization capitalizes software costs for software developed or obtained for internal use. Computer software costs that are incurred in the preliminary project stage are expensed as incurred. Once the capitalization criteria have been met, external direct costs of materials and services consumed in developing or obtaining internal-use computer software, payroll and payroll-related costs for employees who are directly associated with and who devote significant time to the internal-use computer software project (to the extent of the time spent directly on the project), and interest costs incurred when developing computer software for internal use are capitalized. Training costs and data conversion costs are expensed as incurred. During 2009, the Organization capitalized $23,786 of software costs.

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. Restrictions are considered to be released at the time of acquisition of such long-lived assets.

Long-lived Assets
The Organization evaluates the recoverability of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment was deemed necessary during the year ended December 31, 2009 and 2008.

Unrestricted, Temporarily Restricted and Permanently Restricted Net Assets
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 accompanying notes are an integral part of these financial statements.
The accompanying notes are an integral part of these financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The Organization did not receive services that qualified per above criteria in 2009 and 2008.

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 received and contributions made as follows: contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. As such, 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, national or chapter events are recorded as a liability under “Deferred revenue” until such services and products are delivered. Membership revenue is recognized evenly throughout the membership service term. Lifetime membership revenue is recognized evenly over the average estimated membership service term to the members.

Accrued Expenses
As daily business costs are incurred by the Organization, amounts are recorded as accrued expenses. Once applicable invoices are received by the Organization from its vendors, amounts are transferred to accounts payable.

Advertising Costs
Advertising costs are charged to expense in the period incurred.

Concentration Risks
The Federal Deposit Insurance Corporation (“FDIC”) insures accounts at financial institutions up to $250,000. Accounts held at financial institutions exceeded the federally insured limit by approximately $1,390,218 and $1,101,692 as of December 31, 2009 and 2008, respectively. The Organization did not experience any losses related to uninsured amounts during 2009 and 2008. The Organization routinely evaluates the credit worthiness of the institutions with which it invests.

The accompanying notes are an integral part of these financial statements.
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration Risks - continued
At December 31, 2009 and 2008, the Annual Conference and Career Expo accounted for 62% and 69% of the Organization’s combined total revenue.

Accounting Standards Codification
The Financial Accounting Standards Board (“FASB”) has established the Accounting Standards Codification™ (“Codification” or “ASC”) as the single source of authoritative US GAAP recognized by the FASB to be applied by non-governmental entities. The Codification supersedes all existing accounting and reporting standards. All other non-grandfathered, accounting literature not included in the Codification will become non-authoritative.

Following the Codification, the FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates, which will serve to update the Codification, provide background information about the guidance and provide the basis for conclusions on the changes to the Codification.

GAAP is not intended to be changed as a result of the FASB’s Codification project, but it will change the way the guidance is organized and presented. As a result, these changes will have a significant impact on how organizations reference GAAP in their financial statements and in their accounting policies for financial statements issued for interim and annual periods ending after September 15, 2009. The Organization has implemented the Codification in these combined financial statements by providing a plain English approach when describing any new or updated authoritative guidance.

NOTE 3 – REORGANIZATION AND RELATED TRANSACTIONS

Reorganization
On June 30, 2009, the Foundation reorganized to operate as a foundation. On the same date, the Foundation elected and established new board of directors, sold its assets and liabilities associated with the annual conference, chapter events, publications, and membership services and transferred all employees to NSHMBA. Subsequently, on July 1, 2009, the Foundation also entered into several agreements with the newly formed NSHMBA, including an administrative services agreement, revolver note, and a trademark license agreement. These transactions are described in the following paragraphs.
NOTE 3 – REORGANIZATION AND RELATED TRANSACTIONS (Continued)

Sale of Assets
On June 30, 2009, the Foundation entered into a Bill of Sale (“BOS”) agreement with NSHMBA whereby the Foundation transferred approximately sixteen percent (16%) of its assets and liabilities to NSHMBA. The net book value of the assets approximately equaled those of the liabilities; and the fair value of such assets approximated the book value of such assets and liabilities. In addition, the Foundation assigned and transferred all transferable and significant operating and capital leases and contracts to NSHMBA. No consideration, other than the acceptance of the transferred liabilities, was provided by NSHMBA to NSHMBA Foundation. Due to the relationship between NSHMBA and NSHMBA Foundation, this transaction has been accounted for as a related party transaction and accordingly, no goodwill and/or gain and/or loss were recognized by either the Foundation or NSHMBA. The following table depicts the transferred assets and liabilities on June 30, 2009:

Assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable, net of allowance for doubtful accounts of $143,431</td>
<td>$1,153,480</td>
</tr>
<tr>
<td>Property and equipment, net of accumulated depreciation of $148,391</td>
<td>$121,980</td>
</tr>
<tr>
<td></td>
<td>$1,275,460</td>
</tr>
</tbody>
</table>

Liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred revenue</td>
<td>$1,253,346</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>331</td>
</tr>
<tr>
<td>Net assets</td>
<td>$21,783</td>
</tr>
</tbody>
</table>

Administrative Services Agreement
On July 1, 2009, the Foundation entered into a five (5) year administrative services agreement with NSHMBA. The agreement provides that NSHMBA provide, as an independent contractor, certain managerial, general office and administrative, including without limitation, computer and accounting services. In exchange for these services the Foundation will pay a monthly fee of $14,491, currently in arrears, which are subject to annual re-evaluation. NSHMBA may, at its sole discretion, terminate the agreement by providing sixty days advance notification. The Foundation may not terminate the agreement without prior written consent from NSHMBA. As of December 31, 2009, NSHMBA and Foundation had an outstanding administrative services fee receivable and payable, respectively, of $86,946. Such balances have been eliminated in the accompanying combined financial statements.

The accompanying notes are an integral part of these financial statements.
NOTE 3 – REORGANIZATION AND RELATED TRANSACTIONS (Continued)

Revolver Note
On July 1, 2009, NSHMBA entered into a revolver note with the Foundation. The revolver note permits borrowing up to $1,000,000, bears interest of one percent (1%) plus the Prime Rate as published by the Wall Street Journal, matures on July 1, 2014. Interest is due and payable on the first of each quarter beginning November 1, 2009. The revolver note may be paid early without penalties and/or fees. NSHMBA may borrow, partially or wholly repay its outstanding advances, and reborrow the available balance. As of December 31, 2009, NSHMBA and Foundation had an outstanding revolver note payable and note receivable, respectively, of $450,000. Such balances have been eliminated in the accompanying combined financial statements.

Trademark License Agreement
On July 1, 2009, NSHMBA entered into a non-exclusive, royalty-free, perpetual, trademark license agreement with the Foundation. The license agreement includes the use of the Foundation's trademarks and trade names, including the following: Brillante Awards for Excellence, Hispanic Executive Summit, NSHMBA University, The Business Journal of Hispanic Research, Hispanic MBA Magazine, The Bottom Line Newsletter, and The Hispanic MBA Student’s Guide. The license is subject to NSHMBA maintain certain quality standard. Non-compliance with quality standards may result in termination of the license.

NOTE 4 – 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 Jersey, New York, New Mexico, 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. Organization operations conducted through these chapters are included in these combined financial statements. All chapters operate under the Organization’s 501(C)6 and 501(C)3 tax exempt determinations.

The accompanying notes are an integral part of these financial statements.
NOTE 5 – INVESTMENTS

The investments, at market, at December 31, include the following:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America Merrill Lynch</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money Market Funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Columbia Money Market-Advisor</td>
<td>$ 895,070</td>
<td>$ 1,737,472</td>
</tr>
<tr>
<td>Columbia Money Market-Daily</td>
<td>71,966</td>
<td>-</td>
</tr>
<tr>
<td>Total Money Market Funds</td>
<td>967,036</td>
<td>1,737,472</td>
</tr>
<tr>
<td>Index and Equity Mutual Funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P 500 Depository Receipt</td>
<td>$ 817,190</td>
<td>661,730</td>
</tr>
<tr>
<td>TR Russell 2000 Index Fund</td>
<td>534,112</td>
<td>421,199</td>
</tr>
<tr>
<td>Vanguard Int’l Equity Index Fund</td>
<td>865,222</td>
<td>641,229</td>
</tr>
<tr>
<td>Vanguard Investment Grade</td>
<td>476,374</td>
<td>-</td>
</tr>
<tr>
<td>Total Index and Equity Mutual Funds</td>
<td>$2,692,898</td>
<td>$1,724,158</td>
</tr>
<tr>
<td>Fixed Income Securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vanguard Total Bond</td>
<td>1,171,227</td>
<td>1,176,890</td>
</tr>
<tr>
<td>T. Rowe Int’l Bond</td>
<td>389,417</td>
<td>-</td>
</tr>
<tr>
<td>Total Fixed Income Securities</td>
<td>$1,560,644</td>
<td>$1,176,890</td>
</tr>
<tr>
<td>Total Bank of America Merrill Lynch</td>
<td>$5,220,578</td>
<td>$4,638,520</td>
</tr>
<tr>
<td>Ameritrade Equity Mutual Funds – Money</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Daily Account (MMDA)</td>
<td>$ 150</td>
<td>150</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$5,220,728</td>
<td>$4,638,670</td>
</tr>
<tr>
<td>Unrealized gain (losses) on investments</td>
<td>$ 483,084</td>
<td>(926,583)</td>
</tr>
<tr>
<td>Realized gain (losses) on investments</td>
<td>$ 99,244</td>
<td>(53,966)</td>
</tr>
</tbody>
</table>

The investments held at Bank of America Merrill Lynch and Ameritrade are not bank guaranteed and they are not FDIC insured.
NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at December 31 consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office equipment, furniture and software</td>
<td>$322,949</td>
<td>$311,476</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(187,591)</td>
<td>(174,096)</td>
</tr>
<tr>
<td>Net property and equipment</td>
<td>$135,358</td>
<td>$137,380</td>
</tr>
</tbody>
</table>

NOTE 7 – INCOME TAXES

NSHMBA has been classified as a public benefit charitable corporation and tax exempt organization per IRC 501(C)(6). The Foundation has been classified as a public benefit charitable corporation, 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, NSHMBA and Foundation are exempt from federal tax, except to the extent of any unrelated business income.

NOTE 8 – 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 requires the Organization to contribute the participants’ salary deferrals each Plan Year. The Plan stipulates a match of 100% for employees deferring up to 3% of compensation. Deferrals of between 3% and 5% are matched at a 50% rate. Organization matching contributions totaled $27,956 and $27,945 for the years ended December 31, 2009 and 2008, respectively.

NOTE 9 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2009, the Organization entered into several transactions either with chapter officers and national board directors and/or their related organizations where total fees paid and accrued were $392,225. As of December 31, 2009, total accounts payable to these related parties were $11,938. During 2008 there were no related party transactions.
NOTE 10 - COMMITMENTS

Office Facility and Office Equipment Operating Leases
The Organization leases all office facilities and certain equipment, which includes office copiers, postage machine, GEMS, and phone system, under non-cancellable operating leases that expire at various dates. Certain operating leases provide the Organization with the option to renew for additional periods. Where operating leases contain escalation clauses, rent abatements, and/or concessions, such as rent holidays and landlord or tenant incentives or allowances, the Organization applies them in the determination of straightline rent expense over the lease term. Leasehold improvements made at the inception or during the lease term are amortized over the shorter of the asset life or the lease term, which may include renewal periods where the renewal is reasonably assured and is included in the determination of straight-line rent expense. Certain operating leases require the payment of real estate taxes or other occupancy costs, which may be subject to escalation. Office facility rent expense for the years ended December 31, 2009 and 2008 was $167,261 and $137,658, respectively. Office equipment rent expense for the years ended December 31, 2009 and 2008 was $12,661 and $31,618 respectively.

The following is a schedule, by years, of minimum future rentals on non-cancellable operating leases as of December 31, 2009:

<table>
<thead>
<tr>
<th>Year ending December 31</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$175,882</td>
</tr>
<tr>
<td>2011</td>
<td>93,893</td>
</tr>
<tr>
<td>2012</td>
<td>9,928</td>
</tr>
<tr>
<td>2013</td>
<td>5,988</td>
</tr>
<tr>
<td>2014</td>
<td>5,988</td>
</tr>
<tr>
<td></td>
<td><strong>$291,679</strong></td>
</tr>
</tbody>
</table>

Annual Conference & Career Expo 2008 Annual Report 37
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. Contractual agreements occasionally contain non-refundable deposits and cancellation fees.

Professional Event Planner
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 2010, 2011, and 2012 conference sites have commitments with the Chicago Convention Center, Orange County Convention Center and the Orlando Convention Center. Total compensation under these agreements is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 Conference*</td>
<td>$446,000</td>
</tr>
<tr>
<td>2011 Conference*</td>
<td>311,000</td>
</tr>
<tr>
<td>2012 Conference*</td>
<td>311,000</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$1,068,000</strong></td>
</tr>
</tbody>
</table>

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

The accompanying notes are an integral part of these financial statements.
NOTE 10 – COMMITMENTS (Continued)

Threatened Litigation
The Organization is periodically subject to legal complaints and/or lawsuits in the ordinary course of operations. The Organization is not presently a party to any litigation that it believes might have a material adverse effect on its business operations.

NOTE 11 – FAIR VALUE MEASUREMENTS
The Organization adopted fair value accounting for its financial assets and liabilities that are required to be measured at fair value. Such adoption did not have a significant effect on the Organization’s results of operations or financial position.

Fair value accounting provides that the measurement of fair value requires the use of techniques based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Organization’s market assumptions. The inputs create the following fair value hierarchy:

- Level 1 — Quoted prices for identical instruments in active markets.
- Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations where inputs are observable or where significant value drivers are observable.
- Level 3 — Instruments where significant value drivers are unobservable to third parties.

When available, management used quoted market prices to determine fair value and classify items in Level 1. In some cases, the Organization used quoted market prices for similar instruments in active markets to determine and classify items in Level 2. In cases where significant value drivers are unobservable, Level 3, to third parties the Organization applied significant management judgment to derive valuation models and related assumptions to determine fair value.

The following table presents certain information for the Organization’s financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2009:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments, at market</td>
<td>$5,220,728</td>
<td>$—</td>
<td>$—</td>
<td>$5,220,728</td>
</tr>
<tr>
<td>Capital lease</td>
<td>—</td>
<td>15,762</td>
<td>—</td>
<td>15,762</td>
</tr>
</tbody>
</table>

Due to their relatively short maturity, generally less than one year, the carrying amount of other assets and liabilities approximated fair value as of December 31, 2009.
The following table presents the carrying amounts and fair values of the Organization's financial instruments at December 31, 2009.

<table>
<thead>
<tr>
<th>Financial Instrument</th>
<th>Carrying Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments, at market</td>
<td>$5,220,728</td>
<td>$5,220,728</td>
</tr>
<tr>
<td>Capital lease</td>
<td>$15,762</td>
<td>$15,762</td>
</tr>
</tbody>
</table>

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

**Investments, at market:**
Investments include marketable securities, including exchange traded funds and bonds. The fair value of these instruments was determined by reference to quoted market prices.

**Capital lease:**
The capital lease is for office equipment. Its fair value was determined by comparing it to similar equipment lease terms, interest rate and market conditions.

**NOTE 12 – NET ASSETS**

Temporarily restricted net assets restricted donations, released from restrictions and available for future periods are as follows:

<table>
<thead>
<tr>
<th>Project</th>
<th>Beginning Balance</th>
<th>Restricted Donations</th>
<th>Restrictions Release</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended December 31, 2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Stepping Stone</td>
<td>$10,000</td>
<td>$28,500</td>
<td>$(10,000)</td>
<td>$28,500</td>
</tr>
<tr>
<td>Diversity Pipeline</td>
<td>12,500</td>
<td>-</td>
<td>(12,500)</td>
<td>-</td>
</tr>
<tr>
<td>Scholarships</td>
<td>356,227</td>
<td>378,437</td>
<td>(311,227)</td>
<td>423,437</td>
</tr>
<tr>
<td>Total</td>
<td>$378,727</td>
<td>$406,937</td>
<td>$(333,727)</td>
<td>$451,937</td>
</tr>
<tr>
<td>Year ended December 31, 2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chapter MBA Pipeline Event</td>
<td>-</td>
<td>$2,500</td>
<td>-</td>
<td>$2,500</td>
</tr>
<tr>
<td>Project Stepping Stone</td>
<td>28,500</td>
<td>34,000</td>
<td>(28,500)</td>
<td>34,000</td>
</tr>
<tr>
<td>Target Perception Study</td>
<td>-</td>
<td>150,000</td>
<td>-</td>
<td>150,000</td>
</tr>
<tr>
<td>Scholarships</td>
<td>423,437</td>
<td>240,209</td>
<td>(368,437)</td>
<td>295,209</td>
</tr>
<tr>
<td>Total</td>
<td>$451,937</td>
<td>$426,709</td>
<td>$(396,937)</td>
<td>$481,709</td>
</tr>
</tbody>
</table>
# NATIONAL SOCIETY OF HISPANIC MBAS INC. AND NSHMBA

FOUNDATION NOTES TO THE COMBINED FINANCIAL STATEMENTS

Years Ended December 31, 2009 and 2008

<table>
<thead>
<tr>
<th>National Society of Hispanic MBA’s, Inc.</th>
<th>NSHMBA Foundation</th>
<th>Combining Entries</th>
<th>Combined Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 989,206</td>
<td>$ 901,012</td>
<td>$ -</td>
</tr>
<tr>
<td>Investments, at market</td>
<td>-</td>
<td>5,220,728</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>286,758</td>
<td>89,211</td>
<td>-</td>
</tr>
<tr>
<td>Allowance for doubtful accounts receivables</td>
<td>(36,937)</td>
<td>(10,319)</td>
<td>-</td>
</tr>
<tr>
<td>Management fee receivable from NSHMBA Foundation</td>
<td>86,946</td>
<td>-</td>
<td>(86,946)</td>
</tr>
<tr>
<td>Advance due from NSHMBA Foundation</td>
<td>73,121</td>
<td>-</td>
<td>(73,121)</td>
</tr>
<tr>
<td>Line of credit receivable, NSHMBA, Inc.</td>
<td>-</td>
<td>450,000</td>
<td>(450,000)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>91,067</td>
<td>27,681</td>
<td>-</td>
</tr>
<tr>
<td>Other current assets</td>
<td>22,357</td>
<td>24,882</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$ 1,512,518</td>
<td>$ 6,703,195</td>
<td>(610,067)</td>
</tr>
<tr>
<td><strong>DEPOSITS</strong></td>
<td>-</td>
<td>9,101</td>
<td>-</td>
</tr>
<tr>
<td><strong>PROPERTY AND EQUIPMENT, NET</strong></td>
<td>135,358</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 1,647,876</td>
<td>$ 6,712,296</td>
<td>$ (610,067)</td>
</tr>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 108,426</td>
<td>$ 19,158</td>
<td>-</td>
</tr>
<tr>
<td>Due to related parties</td>
<td>11,938</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>66,955</td>
<td>9,193</td>
<td>-</td>
</tr>
<tr>
<td>Accrued compensation and vacation</td>
<td>70,550</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Management fee payable to NSHMBA, Inc.</td>
<td>-</td>
<td>86,946</td>
<td>(86,946)</td>
</tr>
<tr>
<td>Advance due to NSHMBA, Inc.</td>
<td>-</td>
<td>73,121</td>
<td>(73,121)</td>
</tr>
<tr>
<td>Line of credit, NSHMBA Foundation</td>
<td>450,000</td>
<td>-</td>
<td>(450,000)</td>
</tr>
<tr>
<td>Capital lease, current portion</td>
<td>5,916</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>898,634</td>
<td>66,875</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$ 1,612,419</td>
<td>$ 255,293</td>
<td>(610,067)</td>
</tr>
<tr>
<td><strong>CAPITAL LEASE, Long term portion</strong></td>
<td>9,846</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$ 1,622,265</td>
<td>$ 255,293</td>
<td>(610,067)</td>
</tr>
<tr>
<td><strong>COMMITMENTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NET ASSETS:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>25,611</td>
<td>5,975,294</td>
<td>-</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>-</td>
<td>481,709</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>25,611</td>
<td>6,457,003</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$ 1,647,876</td>
<td>$ 6,712,296</td>
<td>(610,067)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
### NATIONAL SOCIETY OF HISPANIC MBAS INC. AND NSHMBA FOUNDATION NOTES TO THE COMBINED FINANCIAL STATEMENTS

Years Ended December 31, 2009 and 2008

#### CHANGES IN NET ASSETS:

<table>
<thead>
<tr>
<th></th>
<th>National Society of Hispanic MBA’s, Inc.</th>
<th>NSHMBA Foundation</th>
<th>Combining Entries</th>
<th>Combined Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conference</td>
<td>$2,405,715</td>
<td>$1,892,485</td>
<td>$-</td>
<td>$4,298,200</td>
</tr>
<tr>
<td>Contributions</td>
<td>104,609</td>
<td>740,480</td>
<td>-</td>
<td>845,089</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>355,471</td>
<td>153,660</td>
<td>-</td>
<td>509,131</td>
</tr>
<tr>
<td>Chapter events</td>
<td>70,546</td>
<td>153,161</td>
<td>-</td>
<td>223,707</td>
</tr>
<tr>
<td>Membership</td>
<td>46,137</td>
<td>59,935</td>
<td>-</td>
<td>106,072</td>
</tr>
<tr>
<td>Advertising</td>
<td>95,980</td>
<td>27,137</td>
<td>-</td>
<td>123,117</td>
</tr>
<tr>
<td>Career center</td>
<td>119,665</td>
<td>87,252</td>
<td>-</td>
<td>206,918</td>
</tr>
<tr>
<td>National events</td>
<td>-</td>
<td>10,000</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>4,884</td>
<td>-</td>
<td>4,884</td>
</tr>
<tr>
<td>Royalty revenue</td>
<td>206</td>
<td>273</td>
<td>-</td>
<td>479</td>
</tr>
</tbody>
</table>

#### EXPENSES:

<table>
<thead>
<tr>
<th></th>
<th>National Society of Hispanic MBA’s, Inc.</th>
<th>NSHMBA Foundation</th>
<th>Combining Entries</th>
<th>Combined Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program</td>
<td>2,223,844</td>
<td>1,746,147</td>
<td>-</td>
<td>3,969,991</td>
</tr>
<tr>
<td>Fundraising</td>
<td>137,712</td>
<td>70,312</td>
<td>-</td>
<td>208,024</td>
</tr>
<tr>
<td>General and administrative</td>
<td>891,316</td>
<td>1,277,974</td>
<td>-</td>
<td>2,169,290</td>
</tr>
<tr>
<td>Interest, line of credit, NSHMBA, Inc.</td>
<td>7,062</td>
<td>-</td>
<td>(7,062)</td>
<td>-</td>
</tr>
<tr>
<td>NSHMBA, Inc.</td>
<td>7,062</td>
<td>-</td>
<td>(7,062)</td>
<td>-</td>
</tr>
<tr>
<td>Management fee, NSHMBA Foundation</td>
<td>86,946</td>
<td>-</td>
<td>(86,946)</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses</td>
<td>3,259,934</td>
<td>3,181,379</td>
<td>(94,008)</td>
<td>6,347,305</td>
</tr>
</tbody>
</table>

#### Increase (decrease) in unrestricted net assets:

<table>
<thead>
<tr>
<th></th>
<th>National Society of Hispanic MBA’s, Inc.</th>
<th>NSHMBA Foundation</th>
<th>Combining Entries</th>
<th>Combined Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program</td>
<td>25,341</td>
<td>(74,822)</td>
<td>-</td>
<td>(49,480)</td>
</tr>
<tr>
<td>Unrealized gain on investments</td>
<td>270</td>
<td>483,084</td>
<td>-</td>
<td>483,084</td>
</tr>
<tr>
<td>Realized gain on investments</td>
<td>-</td>
<td>99,244</td>
<td>-</td>
<td>99,244</td>
</tr>
<tr>
<td>Total increase in unrestricted net assets</td>
<td>25,611</td>
<td>507,236</td>
<td>-</td>
<td>532,848</td>
</tr>
</tbody>
</table>

#### Change in temporarily restricted net assets:

<table>
<thead>
<tr>
<th></th>
<th>National Society of Hispanic MBA’s, Inc.</th>
<th>NSHMBA Foundation</th>
<th>Combining Entries</th>
<th>Combined Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets released from restrictions</td>
<td>29,772</td>
<td>-</td>
<td>29,772</td>
<td></td>
</tr>
<tr>
<td>Net assets temporarily restricted</td>
<td>-</td>
<td>426,709</td>
<td>-</td>
<td>426,709</td>
</tr>
<tr>
<td>Total increase in temporarily restricted net assets</td>
<td>25,611</td>
<td>537,008</td>
<td>-</td>
<td>562,619</td>
</tr>
</tbody>
</table>

#### Net assets at beginning of year:

<table>
<thead>
<tr>
<th></th>
<th>National Society of Hispanic MBA’s, Inc.</th>
<th>NSHMBA Foundation</th>
<th>Combining Entries</th>
<th>Combined Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at end of year</td>
<td>$25,611</td>
<td>$6,457,003</td>
<td>$-</td>
<td>$6,482,614</td>
</tr>
</tbody>
</table>

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