About the National Society of Hispanic MBAs

The National Society of Hispanic MBAs (NSHMBA) is the premier Hispanic business organization dedicated to building and advancing Hispanic leadership through graduate management education and professional development. Recognized as the nation’s most prestigious Hispanic organization, NSHMBA has 37 chapters in the U.S. and Puerto Rico serving more than 14,000 members since 1988.

We are the essential bridge to the resources Hispanic students and professionals need to attain personal and professional goals. NSHMBA is corporate America’s link to a talented and diverse employee pool.

Our Vision
To be the premier organization for Hispanic business professionals.

Our Mission
• Increase the number of Hispanics graduating from graduate business programs through scholarships, awareness programs and mentorship.
• Enhance career management opportunities for Hispanic MBAs from schools to leadership positions, through job placement and world-class professional development.
• To be the partner of choice for organizations seeking to hire and develop Hispanic talent.
• Recruit and retain as life-long members a majority of Hispanic MBAs.

NSHMBA Strategic Objectives
• Brand NSHMBA as the premier organization for Hispanic business professionals as the central gathering point for networking, professional development and job placement.
• Deliver world-class professional development to our membership through partnerships and co-branding programs with top tier organizations to serve our corporate, entrepreneurial, non-profit and government constituencies.
• Create effective senior leader networks for our corporate, entrepreneurial, non-profit and government constituencies.
• Significantly increase the NSHMBA endowment and the funding scholarships for Hispanic MBA students.
• Position and promote the chapters as the life blood of NSHMBA, while developing a culture of mutual accountability and a clear understanding of the service model among the board, national staff and chapter leadership.
• Align the membership recruitment and retention model to fulfill our mission of recruiting and retaining as life-long members more than 50 percent of all Hispanic MBAs.
• Diversify the funding sources of NSHMBA, including developing a clearing house for Hispanic executive talent and the piloting of regional conferences.
NATIONAL SOCIETY OF HISPANIC MBAs

Contents

2 About the National Society of Hispanic MBAs
3 Table of Contents
4 A Message from NSHMBA Chief Executive Officer, Manny Gonzalez
6 Accelerating the Mission in 2011
7 The National Society of Hispanic MBAs – Our Impact
8 The NSHMBA Corporate Advisory Board
9 NSHMBA Scholarship & University Partnership Programs
10 NSHMBA University Partners are Highly Respected by Industry Experts
11 NSHMBA’s National Presence – 37 Chapters Across the Country and Still Growing!
13 NSHMBA-Austin LEAD Again for Nine Years Running
14 Conference Statistics and Data
16 Additional Conference Sponsors
A Message from NSHMBA Chief Executive Officer, Manny Gonzalez:

2011 was the Year of Innovation for the National Society of Hispanic MBAs.

NSHMBA’s presence is still a force that continues to overcome barriers to provide meaningful, life-shaping opportunities for Hispanics while providing them the tools and skills to succeed, academically and professionally.

The second part of our mission is to provide job placement and world-class professional development opportunities to our community. I’m pleased to announce that in 2011, we almost doubled our membership by adding 7,000 new members, bringing our total membership to 14,000.

Our membership and our community had numerous opportunities to improve their job situation and begin developing the skills to take them to the next level. These included regional leadership and job expos in Austin, San Francisco and Chicago and, of course, our signature Conference and Career Expo.

John F. Kennedy said, “Leadership and learning are indispensable to each other.”

Leadership is a core principle at NSHMBA and our members are given numerous opportunities to learn and practice leadership skills as local chapter officers. These leadership skills then translate to their workplace, making them more valuable employees and ready to take on the next challenge.

In 2011, NSHMBA invested in growing our officers’ leadership skills through five regional workshops. I’d like to thank our partners who hosted these workshops and provided trainers. Thank you Yum Brands, Dell, and Target!

In 2011, we also launched the first Hispanic Healthcare Summit at the Cleveland Clinic with Cigna as our lead partner. Our goal was to start the conversation about the disparities in Hispanic wellness and access to healthcare.

Manny Gonzalez
NSHMBA CEO
Board of Directors, NSHMBA Inc.

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Mark Ponce, Board of Directors Chair
Yvonne Martin, Board of Directors Vice Chair
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Cory Shade

Board of Directors, NSHMBA Foundation

Manuel Gonzalez, Chief Executive Officer
Yvonne Martin Board of Directors Chair
Ramiro J. Atristain-Carrion
Ron Fernandez
Cosette Gutierrez

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Manuel Gonzalez, Chief Executive Officer
David Andrade, Chief Financial Officer
Elva Caballero, Director of Strategic Alliances & Administration
Lynn Handley, Director of Business Development, Marketing & Membership
Phil Sanchez III, Director of Operations
Sharon Neal, Director of Development
Accelerating the Mission in 2011

NSHMBA’s vision is simple. To be the premier organization for Hispanic business professionals.

To do so, this past year we identified the following key initiatives that will ensure success:

• Strengthening our chapters
• Increasing membership
• Diversifying our revenue mix

Strengthening the Chapters
In 2011 NSHMBA restructured the RDE role and centralized the new responsibilities at the National office under a new Regional Manager position. At its core, the change meant more aggressive and complete support for the chapters by using resources from the National office to standardize the services provided to them.

Additionally, we implemented a new chapter management system which allowed the Regional Managers to monitor activities and be more proactive.

Increasing Membership
We executed a model change to our existing membership plan. And we launched an aggressive marketing and communications plan to support the new model.

The good news is that the plan worked. In 2011 we grew membership from 6,700 to approximately 13,800. And we plan to continue that growth in the 2012 with a target of an additional 15%.

Diversifying Revenue Mix
In 2011, we realized that diversifying revenue was key for NSHMBA’s future that we need to lessen our dependence on the revenue from our conference. To that end, we made a commitment to increase non-conference revenues. Central to our strategy is creating new events and entry points to the organization. Those avenues include:

• The creation of the Hispanic Healthcare Summit
• Bringing the production, publishing and selling of the NSHMBA Magazine in house
• Creating our own jobs website also to be managed internally
• Setting the basis to create professional development programs for 2012
• Working on a more aggressive chapter revenue program

Together these initiatives moved our percentage of non-conference revenue from 20% to 25%. Moving forward in 2012, we plan to continue that momentum and see our non-conference revenue move to 29%.

2011 was a successful year for our organization. And it was so because of the members, chapter leaders, board members, staff and volunteers who work diligently to ensure the success of NSHMBA. Please enjoy this annual report and thank you for your support.
The National Society of Hispanic MBAs – Our Impact

Since 1989, The National Society of Hispanic MBAs has awarded $8.7 million to more than 2,500 highly qualified Hispanic students pursuing master’s business degrees. Through these scholarships, we play a part in developing new generations of Hispanic leaders.

Donations to the NSHMBBA Foundation Scholarship program create future leaders and strong role models and improve the diversity of our workforce.

2011 Highlights

• 97% Membership increase, from approximately 6,800 to 13,400
• New associate membership level introduced to encourage Hispanic students to join NSHMBBA and apply for the NSHMBBA scholarship at no cost.
• 12% increase in chapters, from 33 chapters to 37 chapters
• 9% increase in University Partners, from 58 universities to 63 universities
• 40% increase in the total amount of the UPP scholarship awards, from $1.5 million to $2.1 million
• 37% increase in the number of UPP scholarship recipients, from 77 scholars to 106 scholars
• First Annual Hispanic Healthcare Summit
• 23rd Annual Conference & Career Expo
• Initiated the first University Road Show with visits to 14 universities in California.

1. California State University Fullerton
2. California State University Long Beach
3. California State Polytechnic University, Pomona
4. California State University Los Angeles
5. Claremont Graduate University
6. Loyola Marymount University
7. California State University Northridge
8. California State University San Bernardino
9. California State University Bakersfield
10. California State University Fresno
11. University of San Diego
12. Pepperdine University
13. University of LaVerne
14. University of California San Diego
The NSHMBA Corporate Advisory Board

The NSHMBA Corporate Advisory Board was founded in October of 1998 to provide advice and counsel to NSHMBA on how to promote and further its mission beyond the 21st century. Its main objectives are to:

- Provide input on NSHMBA’s overall direction, focus and priorities
- Strengthen the synergies between NSHMBA and its partners
- Strengthen NSHMBA’s power and influence in businesses and other organizations

Current Corporate Advisory Board members include:

Abbott
Accenture
American Airlines
Bank of America
Dell, Inc
Deloitte LLP
Dr Pepper Snapple Group, Inc
ExxonMobil Corporation
Ford Motor Company
General Mills
Genentech, a Member of the Roche Group
Humana
IBM Corporation
Intel Corporation
Johnson & Johnson
Merrill & Co
Microsoft
Nationwide Insurance
P&G
Pepsi Co., Inc/Frito Lay
Pitney Bowes
Target
The Home Depot
The Walt Disney Company
UnitedHealth Group
United Technologies Corporation
Vanguard
The Consortium for Graduate Study in Management
Florida International University
College of Business Administration
The University of Texas at Austin
University of Notre Dame
NSHMBA Scholarship & University Partnership Programs

Financial support and the encouragement of Hispanics to pursue a graduate management degree is the mission of NSHMBA's University Partnership Program (UPP). In addition to our own scholarship program, the NSHMBA Foundation Scholarship, NSHMBA has teamed up with more than 63 colleges and universities across the United States to increase the number of Hispanic students completing a masters of business administration degree. Through these scholarships, talented Hispanics who otherwise may not be able to pursue a MBA are able to do so. Scholarship awards also include registration to the annual conference and career expo and a premier membership.

NSHMBA welcomes more universities in its partnership program and their help in building a pipeline of top students seeking MBAs, and to develop a close relationship with NSHMBA's local chapters.

In 2011, more than $2.7 million in financial assistance was awarded through both the NSHMBA Foundation Scholarship Program and the University Partnership Program.

Program Revenues

<table>
<thead>
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<th>NSHMBA Scholarship Program</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
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<td>Number of students awarded</td>
<td>106</td>
<td>140</td>
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<td>Total amount funded to students</td>
<td>$536,000</td>
<td>$535,125</td>
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<td>Average student award</td>
<td>$5,056</td>
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<tr>
<td>Number of applicants</td>
<td>381</td>
<td>440</td>
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Funded by NSHMBA's corporate, foundation and individual donors

<table>
<thead>
<tr>
<th>University Partnership Program</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of University Partners</td>
<td>63</td>
<td>56</td>
<td>41</td>
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<tr>
<td>Number of students awarded</td>
<td>107</td>
<td>77</td>
<td>40</td>
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<tr>
<td>Total amount funded to students</td>
<td>$2,133,268</td>
<td>$1,515,353</td>
<td>$686,668</td>
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<tr>
<td>Average student award</td>
<td>$19,937</td>
<td>$19,680</td>
<td>$17,167</td>
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</tbody>
</table>

Funded by NSHMBA's University Partners

Corporate Donors

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

Silver ($10,000-$24,999)
- Praxair Foundation

 Advocate ($1,000-$9,999)
- Pitney Bowes
- Production Resource Group
- Diageo
NSHMBA University Partners are Highly Respected by Industry Experts:

- More than half of our University Partners were included on U.S. News and World Reports 2011 ranking of the top 100 MBA programs in the U.S.

- In 2011, 7 out of 10 schools identified by Hispanic MBA magazine as the top MBA programs for Hispanics were NSHMBA University Partners

- 27 NSHMBA University Partners were included in Business Week’s 2011 ranking of the top 57 MBA programs in the country

Financial assistance for outstanding Hispanics is made possible by these participating schools.

American University
Kogod School of Business
Arizona State University
W. P. Carey School of Business
Babson College
F.W. Olin Graduate School of Business
Barry University
Andreas School of Business
Bellarmine University
W. Fielding Rubel School of Business
Bentley University
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
Clark University
Graduate School of Management
Cleveland State University
Monte Ahuja College of Business
Columbia University
Columbia Business School
Cornell University
The Johnson School
Drexel University
LeBow College of Business
Emory University
Goizueta Business School
Florida International University
Chapman Graduate School of Business
George Mason University
School of Management
Georgetown University
McDonough School of Business
HULT
International School of Business
Illinois Institute of Technology
Stuart School of Business
Indiana University
Kelley School of Business
Northeastern University
Graduate School of Business Administration
Pace University
Lubin School of Business
Purdue University
Krannert School of Business
Rice University
Jones Graduate School of Business
Rollins College
Crummer Graduate School of Business
Rutgers, The State University of New Jersey
Rutgers Business School
Simmons College
School of Management
Stetson University
School of Business Administration
Texas Christian University
The Neeley School of Business
The College of William and Mary
Mason School of Business
The George Washington University
School of Business
The Ohio State University
Fisher College of Business
The Pennsylvania State University
Smeal MBA Program
The University of Akron
College of Business Administration
The University of Chicago
Booth Graduate School of Business
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
Thunderbird
School of Global Management
University of Arizona
Eller College of Management
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 Hawaii at Manoa
Shidler College of Business
University of Illinois at Urbana-Champaign
College of Business
University of Louisville
College of Business
University of Maryland
Robert H. Smith School of Business
University of Massachusetts - Amherst
Isenberg School of Management
University of Miami
School of Business
University of Minnesota
Carlson School of Management
University of New Mexico
The Anderson 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 South Florida
College of Business Administration
University of St. Thomas (Minnesota)
Opus College of Business
University of Virginia
Darden School
University of Washington
Michael G. Foster School of Business
University of Washington - Bothell
Wake Forest University
Babcock Graduate School of Management
Williamette University
Atkinson Graduate School of Management
Yale University
Yale School of Management
NSHMBA’s National Presence – 37 Chapters Across the Country and Still Growing!

NSHMBA’s 37 chapters and its dedicated members are the “heart and soul” of our organization. Members enjoy unique leadership opportunities, plus many networking events that will help them achieve the next level in their professional development.

NSHMBA Members are:

Twenty-something going on 30
Average Age Range: 27-30 yrs old

Strongly comprised of talented business professionals 56% Hispanic
Gender Breakout 43% Female 57% Male

Professional
Executives and or/Professionals 79%
Students 11%
Top management (C-suite and director level) 6%
Work in HR or diversity management 4%

Chapters located in top commercial markets (including Puerto Rico) with strong presence in high density Hispanic markets

As consumers they are...
- The thought leaders and role models of their professional generation
- Highly educated, motivated, and disciplined
- Leaders in their communities
- The fastest growing consumer market
- Highly loyal with strong brand affinity
- Technologically savvy and well connected
- Entrepreneurial spirits who desire success in all they do

Officer Leadership Program

NSHMBA’s local chapter officer training programs are designed to energize the leadership and enable them to continue driving the mission at their local chapters, and to utilize the national network of chapters as a resource and support system. Officers participate in dynamic sessions and breakout groups focused on team leadership development and technology innovations.

In 2011, more than 150 chapter officers from 37 chapters convened at the Dell headquarters in Austin, Texas to receive professional development and leadership training. Officers participated in productive sessions and breakout groups to focus on subjects related to teamwork, team leadership, team productivity, technology innovation and corporate governance.

During the officer leadership programs, the focus is on leadership development, best practices and NSHMBA operations. Through this content, we provide chapter officers with the essential principles practices and parameters needed to comply with effective governance.

This year, much of the focus of the leadership program was on the NSHMBA’s strategic initiatives in order to secure the chapter officers support and help to take the organization to the next level.

Chapter Leadership Profile:

Comprised of talented men and women:
Male 52%
Female 45%

Young leaders:
Average age 27-35

Highly educated:
MBA 55%
Bachelor’s Degree 13%
Graduate Degree (non-MBA) 6%
Doctorate 2%
Associate Degree 1%

Working in a variety of top industries:
Financial Services/Banking 16%
Consulting and Technology 16%
Education/Non-Profit 9%
Other 11%

Highly experienced:
3 to 6 years 22%
7 to 10 years 21%
11 to 15 years 22%
16 to 20 years 13%
More than 20 years 11%
Chapter Accomplishments

NSHMBA-Austin LEAD
Again for Nine Years Running

NSHMBA Austin recently successfully executed its ninth annual Texas LEAD (Leadership, Education and Diversity). The chapter’s signature, one-day professional development event provided tools and resources for students, professionals and the community to achieve career success. In partnership with the Austin Chapter of the National Black MBA Association (NBMBAA), the program focused on personal branding, leadership, entrepreneurship and career management, and included keynote speakers, workshops and panels, and corporate and academic exhibit booths.

The event gathered over 300 attendees at the Commons Learning Center, the University of Texas at Austin conference facility located on the university’s J.J. Pickle Research Campus. Dell, Inc. was this year’s title sponsor. Other sponsors included State Farm Insurance, Farm Credit Bank of Texas, Charles Schwab & Co., Seton Family of Hospitals, The University of Texas at Austin McCombs School of Business, St. Edward’s University, Baylor University, University of Phoenix, and Texas State University.

“Take Charge, Be Relevant” was the overarching topic for the conference, urging attendees to stand out from the crowd and seize the opportunities in these times of change. “We challenge you today to take a proactive stance to your life and career; to say yes to the possibilities; to take control over your own destiny; to be accountable for your success; to be a continuous and avid life-time learner… We invite you to take charge and be relevant!” said Artemio San Martin, NSHMBA Austin President, in his opening remarks. Vice President of Human Resources at Dell Inc., Ed Loya, welcomed all participants and highlighted the company’s continuous support to Texas LEAD, the local NSHMBA and NBMBAA chapters, and its commitment to diversity and inclusion initiatives.
Highlights from the 22nd NSHMBA Conference & Career Expo

Conference Statistics and Data

Attendee Data:
5,354 students and professional attendees
243 corporate and academic sponsors and exhibitors
50% students from top 50 Universities
34% Registered as MBA students
49% Hispanic attendees*

*Attendees reported being Hispanic or multiracial, including Hispanic

Functional Industry Experience:
Marketing/Sales/Media/Comm/Strategic Mgmt/Research: 38%
Finance/Accounting/Engineering/Project Management: 28%
IT/ Operations/Other/General Management: 22%

Local Media Impressions:
1,063,753 (Print)
56,703 (Radio)

Website Analytics: (June 1–Oct. 15)
New Visits: 44%
Page views: 884,681

Sponsored Lunches and Gala:
Dell Kickoff Luncheon: 505
Corporate Salute Luncheon: 953
Target Scholarship Luncheon: 799
Brillante Awards Gala: 454

Professional Development Services: (participants)
Career Management Center: 1,091
Coaching Sessions: 1,073

The NSHMBA 2011 Conference & Career Expo in Anaheim, California was a complete success.

Despite economic strains, job-seeking hopefuls were positive and eager to participate in the various professional development sessions, and benefited from career management center services including resume development and interview best practices.

Pre-conference events began on Wednesday with the NSHMBA CEO reception featuring international business executive Sol Trujillo. Thursday featured professional development day (PDD) seminars, workshops, and networking. PDD began with Glenn Llopis speaking during the opening general session on “The Immigrant perspective on business leadership” followed by such notable companies as Target, McDonald’s, Vanguard, Northwestern Mutual, Pitney Bowes, Sears Holdings and Coca-Cola, each hosted breakout sessions on topics of career development, diversity, finance, global management, leadership, marketing and strategy.

The official ribbon cutting ceremony occurred on Friday. This ceremony featured NSHMBA CEO Manny Gonzalez and University of California system President Mark Yudof officially welcoming attendees before the opening the expo floor.

Other notable events included: the Entrepreneurial Success Program sponsored by Nationwide, the scholarship luncheon sponsored by Target, where recipients of this year’s NSHMBA Scholarship program were recognized, and the NSHMBA Women Leadership Network, which is NSHMBA’s tribute to both past and present female leaders.

Closing out the 2011 conference was the annual Brillante Awards for Excellence Ceremony, where recipients were recognized for their dedication and steadfastness to the Hispanic community. As in years past, the event included some of the best in hosts and entertainment.

Emcee Shayla Rivera, comedienne and former shuttle and space program engineer for NASA, and tenor Diego Silva were the featured entertainment for the evening.

The evening concluded with the official announcement and invitation to join NSHMBA during the 2012 Conference & Career Expo in Orlando, October 4-6.
Sponsors of the 22nd Annual NSHMBA Conference and Career Expo:

Career Development - Vanguard
Diversity - McDonald's and Coca-Cola
Technology - Northwestern Mutual
Leadership - Pitney Bowes
Marketing - Sears
Strategy - Target
Health Care Management – HIMSS
Brillante Reception, Dinner & Dance - Sara Lee/UTC
Scholarship Luncheon - Target
Friday Night Reception - Johnson Controls
Thursday Opening General Session - Waste Management
Thursday Kick-off Luncheon - Dell
Friday Breakfast - Sara Lee
Thursday Executive Forum Reception - BMW
Closing General Session - Comcast
Wednesday CEO Reception – Deloitte
Entrepreneurial Program – Nationwide
Conference Guide - UnitedHealth Group
Conference Bags - Travelers/Monster
Sponsors' Lounge - UC MBA Programs
Twitter Wall - UnitedHealth Group
Conference Lanyards - UnitedHealth Group
Executive Coffee House Lounge – Merck
NSHMBA Career Management Center - 7-Eleven
Exhibit Hall WiFi -Takeda Pharmaceuticals

Additional Conference Sponsors:
3 M Corporate Headquarters
Abbott Laboratories
Accenture
ADP
Aetna
Alaska Airlines/Horizon Air
Ally Financial
Amazon.com
American Airlines
American Express
American University - Kogod School of Business
Amgen
Arizona State University - W.P. Carey MBA

Astellas Pharma US Inc.
Astra Zeneca
AT&T
Bank of America
Barr University
Baxter Healthcare
Belk College Of Business - UNC Charlotte
Best Buy Company, Inc.
Bloomberg
BP/Arco
Burger King Corporation
Campbell Soup Company
Cargill
Carlson School of Management at the University of Minnesota
Case Western Reserve University
Central Intelligence Agency (CIA)
Chapman University, Argyros School of Business
Chevron Corporation
Chicago GSB
Chrysler LLC
Cigna
Cintas Corporation
City National Bank
Coca-Cola Company
Colgate Palmolive Company
College of William and Mary
Columbia University Business School
Cricket Communications
Darden Restaurants Inc.
DeVita, Inc.
Del Monte Foods
Delta Air Lines, Inc.
DePaul University Kellstadt Graduate School of Business
Deutsche Post DHL Inhouse Consulting
DeVry University
DFW International Airport
Diageo
Dr Pepper Snapple Group
Duke University
E. & J. Gallo Winery
Education Pioneers
Edward Jones
Eli Lilly and Company
EMC Corporation
Emst & Young LLP
ExxonMobil Corporation
F.B.I.
Federal Deposit Insurance Corporation (FDIC)
Federal Highway Administration
Federal Home Loan Bank
Federal Housing Finance Agency
Federal Reserve System
Fisher College of Business/
The Ohio State University
Florida International University
Ford Motor Company
Frederick Health, Inc.
Genentech USA, Inc.
General Electric
General Mills
General Motors
George Washington University
School of Business
Georgetown University, The McDonough School of Business
Georgia Institute of Technology
Gilead Sciences
Goizueta Business School at Emory University
Harley - Davidson
Harvard Business School
Henkel of America Inc.
Hewlett Packard
Hult International Business School
Humana
Hyundai Motor America
IBM
Illinois Institute of Technology
Indiana University, Kelley School of Business MBA Program
Institute for Supply Management
Intel Corporation
Internal Revenue Service
Johnson & Johnson
Joseph M. Katz Graduate School of Business, Univ. of Pittsburgh
Kaiser Permanente
Keck Graduate Institute
Kellogg Company
Kellogg School of Management, Northwestern University
Kimberly-Clark Corporation
Kraft Foods
Kroger
Land O’Lakes
Laureate Education, Inc.
Liberty Mutual Group
Life Technologies  
Lincoln Financial Group  
Lockheed Martin Corporation  
L’Oreal USA  
Loyola Marymount University - MBA Program  
Luxottica  
M&T Bank  
Marriott International  
Mars Chocolate North America  
Marsh & McLennan Companies  
McCormick & Co., Inc.  
McKesson  
Mead Johnson Nutrition  
Medco Health Solutions  
Medtronic, Inc.  
Microsoft  
MillerCoors  
Mount St. Mary’s College  
Naval Sea Systems Command  
Nestle USA, Inc.  
New York Life Insurance Company  
Northeastern University  
Novo Nordisk Inc.  
Parker Hannifin  
Penn State Smeal - MBA Program  
Pepperdine University Grauzadio School of Business and Management  
PepsiCo, Inc.  
Procter & Gamble  
Prudential Financial  
Purdue University, Krannert School of Management  
Raytheon Company  
Reynolds American, Inc.  
Rice University, Jones Graduate School of Business  
Rollins College, Crummer Graduate School of Business  
Ross School of Business, University of Michigan  
Ryder Systems Inc.  
Safeway, Inc.  
San Diego State University - College of Business  
SCORInc.  
ScottMadden, Inc.  
Sempra SoCalGas, SDG & E  
Sony Electronics, Inc.  
Southern Methodist University  
State Farm  
Syracuse University, Whitman School  
Takeda Pharmaceuticals/TMP Worldwide  
TCU - Neeley School of Business  
Teach for America  
TechnoServe  
Tenet Healthcare Corporation  
Tepper School of Business at Carnegie Mellon  
The Broad Center for the Management of School Systems  
The Clorox Company  
The Dannon Company, Inc.  
The Drucker School of Management, Claremont University  
The Eli Broad Graduate School of Management  
The Home Depot  
The Johnson School at Cornell University  
The McGraw - Hill Companies and Standards & Poor’s  
The MIT Sloan School of Management  
The PhD Project  
The University of Iowa - Henry B. Tippie School of Management  
The Walt Disney Company  
The Thunderbird School of Global Management  
Toyota  
Tuck School of Business at Dartmouth  
U.S. Agency for International Development  
U.S. Department of State  
U.S. Postal Service  
UC Davis, Graduate School of Management  
UC Riverside, A. Gay Anderson Graduate School of Mgmt.  
UCLA - Anderson School of Management  
UNC Kenan-Flagler Business School  
Unilever United States Foundation, Inc.  
Union Bank  
United Technologies Corporation  
University of Arizona, Eller MBA Programs  
University of California Berkeley  
University of California Berkeley, Haas School of Business  
University of California, Irvine Merage School of Business  
University of California, San Diego - Rady School of Mgmt  
University of Colorado at Boulder, Leeds School  
University of Denver, Daniels College of Business  
University of Florida  
University of Hawaii at Manoa  
University of Houston - C.T. Bauer  
University of Illinois at Urbana-Champaign  
University of La Verne  
University of Louisville  
University of Maryland, Robert H. Smith School of Business  
University of Miami, School of Business  
University of Notre Dame  
University of Rochester, Simon School of Business  
University of San Diego  
University of San Francisco  
University of St. Thomas UST Opus College of Business  
University of Texas at Austin, McCombs School of Business  
University of Texas at El Paso College of Business  
University of Utah, David Eccles School of Business  
University of Virginia, Darden Graduate School of Business  
University of Washington - Foster  
University of Wisconsin - Madison  
USC Marshall School of Business  
UTD School of Management  
UTSA - College of Business  
Vanderbilt University Owen Graduate School of Management  
VF Corporation  
Volkswagen Group of America  
Votorantim Cimentos  
Wake Forest University  
Walden University  
Walgreens  
Wal-Mart Stores Inc.  
Washington University in St. Louis  
Webster University  
Weltpoint, Inc.  
Wells Fargo & Company  
Wisconsin School of Business - Madison  
Yale School of Management  
Zurich
The national Society of Hispanic MBA’s established the Brillante Awards for Excellence in 1989; the awards are given to bright, radiant, and shining leaders who illuminate the paths for many MBA’s, while radiating positive energy to encourage and motivate others. In addition to the Gala, winners receive a custom designed award, a seal to post on their website, recognition on NSH MBA’s website and publications. Awards winners also enjoy complementary conference registration, free airfare and hotel accommodations.
In 2011, the Brillante award winners were:

**Sol Trujillo**  
*Corporate Executive Award Recipient*

Solomon D. (Sol) Trujillo is an international business executive with three decades’ experience as CEO of large market cap global companies in the US, the EU, and Asia-PAC. A digital pioneer operating in the telecommunications, technology, and media space, Sol has been a long-time champion of high-speed broadband and a pioneer and innovator of smart phone and the mobile Internet to stimulate productivity and innovation across all sectors of the economy. Sol currently sits on corporate boards in the US, EU, and China and has managed operations in more than 25 countries – including developed and emerging markets from the EU and North America to China, South Asia, Africa and the Middle East.

**Sara Lee Corporation**  
*Brillante Award For Excellence, Corporate Excellence*

Each and every day, Sara Lee (NYSE: SLE) delights millions of consumers and customers around the world. The company has one of the world’s best-loved and leading portfolios with its innovative and trusted food and beverage brands, including Ball Park, Douwe Egberts, Hillshire Farm, Jimmy Dean, Sara Lee and Senseo. Collectively, our brands generate nearly $9 billion in annual net sales from continuing operations. Sara Lee has approximately 20,000 employees in its continuing operations worldwide. Please visit www.saralee.com for the latest news and in-depth information about Sara Lee and its brands.

**Jones Graduate School of Business**  
*Educational Excellence Award Recipient*

The Jones Graduate School of Business at Rice University is one of the world’s leading business schools. Named in honor of the late Jesse H. Jones, a prominent Houston business and civic leader, the Jones School’s degreed programs include the Rice MBA, MBA for Executives and MBA for Professionals, as well as joint MBAs in medicine, engineering and professional science.

A Ph.D. in Business attracts candidates aspiring to become faculty at business schools in research universities internationally. The Jones School also provides an undergraduate business minor and full schedule of non-credit executive education and customized courses for business and industry.

**Manny Martinez**  
*Member Excellence Award Recipient*

Manny served as National Chair for NSHMBA in 2003 and 2004 and prior to that he was the organization’s National Treasurer & CFO from 1999-2001. He was a leader in the NY chapter as president in 1997-1998, EVP in 1996, and VP of Education in 1995. During his college and MBA programs, he was quite active, including taking on the role of President of the Association of Hispanic and Black Business Students at the Stern School of Business at NYU and also was President of Alianza Latinoamérica at Columbia University. He was active with both The Consortium for Graduate Study in Management and Inroads, as well as a frequent speaker with youth groups for both general mentoring as well as staying in school, pursuing a business degree, etc. Manny was also the co-founder of the CitiGroup Hispanic Network. Additionally, Manny was one of the executives who stepped forward to join the Executive Editorial Board for the Business Journal of Hispanic Research, where he provided his expertise and insight.

**David Lizarraga**  
*Community Service Excellence Award Recipient*

Dr. David C. Lizárraga is President and CEO of TELACU/Millennium. Under his leadership for more than 35 years, TELACU grew from a fledgling organization to become the largest Community Development Corporation (CDC) in the nation TELACU focuses its more than $600 million in assets on improving the lives of individuals and families in the communities it serves. Lizárraga is also the Founder and Chairman of the TELACU Education Foundation which annually supports 500 full-time college students and serves an additional 1,500 middle and high school students, nursing school students and veterans. For five years, Lizárraga served as the Chairman of the United States Hispanic Chamber of Commerce, representing the interests of our nation’s more than three-million Hispanic-owned businesses.
# Combined Statements of Financial Position

As of December 31, 2011 and 2010

## Assets

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,692,994</td>
<td>$3,202,137</td>
</tr>
<tr>
<td>Investments, at market</td>
<td>$5,624,015</td>
<td>$5,010,198</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance for doubtful accounts of $15,906 and $56,330 as of December 31, 2011 and 2010, respectively</td>
<td>$769,096</td>
<td>$254,895</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>$133,237</td>
<td>$111,290</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>8,219,342</strong></td>
<td><strong>8,578,520</strong></td>
</tr>
<tr>
<td><strong>Deposits</strong></td>
<td>$20,989</td>
<td>$9,101</td>
</tr>
<tr>
<td><strong>Property and Equipment, Net</strong></td>
<td>$96,511</td>
<td>$118,404</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$8,336,842</strong></td>
<td><strong>$8,706,025</strong></td>
</tr>
</tbody>
</table>

## Liabilities and Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$92,496</td>
<td>$156,539</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>$61,009</td>
<td>$14,043</td>
</tr>
<tr>
<td>Accrued compensation and vacation</td>
<td>$127,959</td>
<td>$90,841</td>
</tr>
<tr>
<td>Capital lease, current portion</td>
<td>$4,433</td>
<td>$10,344</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>$490,327</td>
<td>$722,724</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>776,224</strong></td>
<td><strong>994,491</strong></td>
</tr>
<tr>
<td><strong>Deferred Rent</strong></td>
<td>$21,307</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>797,531</strong></td>
<td><strong>994,491</strong></td>
</tr>
</tbody>
</table>

## Commitments

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$7,328,449</td>
<td>$7,130,932</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>$210,862</td>
<td>$580,602</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>7,539,311</strong></td>
<td><strong>7,711,534</strong></td>
</tr>
</tbody>
</table>

## Total Liabilities and Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>$8,336,842</strong></td>
<td><strong>$8,706,025</strong></td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of these financial statements*
## Changes in Net Assets:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conference</td>
<td>$4,584,529</td>
<td>$5,129,740</td>
</tr>
<tr>
<td>Contributions</td>
<td>210,862</td>
<td>293,205</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>272,385</td>
<td>165,714</td>
</tr>
<tr>
<td>Chapter events</td>
<td>724,209</td>
<td>651,691</td>
</tr>
<tr>
<td>Membership</td>
<td>264,154</td>
<td>226,851</td>
</tr>
<tr>
<td>Advertising</td>
<td>160,854</td>
<td>148,030</td>
</tr>
<tr>
<td>Career center</td>
<td>189,999</td>
<td>209,079</td>
</tr>
<tr>
<td>National events</td>
<td>135,710</td>
<td>18,839</td>
</tr>
<tr>
<td>Other</td>
<td>2,635</td>
<td>7,840</td>
</tr>
<tr>
<td>Total revenues</td>
<td>6,915,077</td>
<td>6,752,096</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-kind expenses</td>
<td>272,385</td>
<td>159,761</td>
</tr>
<tr>
<td>Program</td>
<td>4,101,107</td>
<td>3,520,661</td>
</tr>
<tr>
<td>General and administrative</td>
<td>2,070,965</td>
<td>2,234,617</td>
</tr>
<tr>
<td>Fundraising</td>
<td>241,018</td>
<td>233,071</td>
</tr>
<tr>
<td>Total expenses</td>
<td>6,685,475</td>
<td>6,148,110</td>
</tr>
<tr>
<td><strong>Change in unrestricted net assets</strong></td>
<td>229,602</td>
<td>603,986</td>
</tr>
<tr>
<td>Unrealized (loss) gain on investments</td>
<td>(361,248)</td>
<td>324,985</td>
</tr>
<tr>
<td>Realized gain and interest income on investments</td>
<td>329,163</td>
<td>201,056</td>
</tr>
<tr>
<td>Total increase (decrease) in unrestricted net assets</td>
<td>197,517</td>
<td>1,130,027</td>
</tr>
<tr>
<td><strong>Change in temporarily restricted net assets</strong></td>
<td>(580,602)</td>
<td>(436,709)</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>210,862</td>
<td>535,602</td>
</tr>
<tr>
<td>Net assets temporarily restricted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase in temporarily restricted net assets</td>
<td>(369,740)</td>
<td>98,893</td>
</tr>
<tr>
<td><strong>(Decrease) increase in net assets</strong></td>
<td>(172,223)</td>
<td>1,228,920</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>7,711,534</td>
<td>6,482,614</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$7,539,311</td>
<td>$7,711,534</td>
</tr>
</tbody>
</table>

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

**COMBINED STATEMENTS OF CASH FLOWS**

As of December 31, 2011 and 2010

**Cash flows from operating activities:**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Decrease) Increase in net assets</td>
<td>$(172,223)</td>
<td>$1,228,920</td>
</tr>
<tr>
<td>Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>57,391</td>
<td>55,931</td>
</tr>
<tr>
<td>(Gain) Loss on disposal of property and equipment</td>
<td>-</td>
<td>(4,694)</td>
</tr>
<tr>
<td>Unrealized losses (gains) on investments</td>
<td>361,247</td>
<td>(324,985)</td>
</tr>
<tr>
<td>Realized gains on investments</td>
<td>(95,679)</td>
<td>(44,739)</td>
</tr>
<tr>
<td>Allowance for doubtful accounts receivable</td>
<td>66,802</td>
<td>-</td>
</tr>
<tr>
<td>Uncollectible accounts receivable (write-offs) recovery</td>
<td>(107,226)</td>
<td>9,074</td>
</tr>
<tr>
<td>(Increase) decrease in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(473,777)</td>
<td>64,744</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>(21,947)</td>
<td>54,697</td>
</tr>
<tr>
<td>Deposits</td>
<td>(11,888)</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(64,043)</td>
<td>28,955</td>
</tr>
<tr>
<td>Due to related party</td>
<td>-</td>
<td>(11,938)</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>46,966</td>
<td>(62,105)</td>
</tr>
<tr>
<td>Accrued compensation and vacation</td>
<td>37,118</td>
<td>20,291</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(232,397)</td>
<td>(242,785)</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>21,307</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash (used) provided by operating activities</strong></td>
<td>$(588,349)</td>
<td>$771,366</td>
</tr>
</tbody>
</table>

**Cash flows from investing activities:**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of investments</td>
<td>(2,553,635)</td>
<td>(1,894,362)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>1,908,518</td>
<td>1,706,744</td>
</tr>
<tr>
<td>Dividends and interest received and reinvested</td>
<td>(234,268)</td>
<td>(199,315)</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(35,498)</td>
<td>(34,283)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(914,883)</td>
<td>(421,216)</td>
</tr>
</tbody>
</table>

**Cash flows from financing activities:**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments on Ricoh capital lease</td>
<td>(5,911)</td>
<td>(5,418)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(5,911)</td>
<td>(5,418)</td>
</tr>
</tbody>
</table>

**Net (decrease) increase in cash and cash equivalents**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(1,509,143)</td>
<td>$344,732</td>
</tr>
</tbody>
</table>

**Cash and cash equivalents at beginning of year**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3,202,137</td>
<td>$2,857,405</td>
</tr>
</tbody>
</table>

**Cash and cash equivalents balance at year end**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,692,994</td>
<td>$3,202,137</td>
</tr>
</tbody>
</table>

**Interest paid during the year**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

**Income tax paid during the year**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of these financial statements*
# Combined Statements of Functional Expenses

## National Society of Hispanic MBA's Inc. and NSHMBA Foundation

**Combined Statements of Functional Expenses**

**Years Ended December 31, 2011 and 2010**

<table>
<thead>
<tr>
<th>Year Ended December 31, 2011</th>
<th>Total Expenses</th>
<th>Program Service Expenses</th>
<th>Management and General Expenses</th>
<th>Fundraising Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Fees</td>
<td>$1,088,695</td>
<td>$695,052</td>
<td>$377,127</td>
<td>$16,516</td>
</tr>
<tr>
<td>Conference/Events</td>
<td>1,250,055</td>
<td>1,074,788</td>
<td>61,051</td>
<td>114,216</td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>1,840,895</td>
<td>1,121,972</td>
<td>618,628</td>
<td>100,295</td>
</tr>
<tr>
<td>Scholarships</td>
<td>527,339</td>
<td>527,339</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Travel/Travel Related</td>
<td>564,456</td>
<td>484,919</td>
<td>79,435</td>
<td>102</td>
</tr>
<tr>
<td>Information Technologies</td>
<td>43,173</td>
<td>-</td>
<td>43,173</td>
<td>-</td>
</tr>
<tr>
<td>Supplies</td>
<td>38,364</td>
<td>11,358</td>
<td>25,587</td>
<td>1,419</td>
</tr>
<tr>
<td>Gifts in-kind Expense</td>
<td>272,385</td>
<td>255,072</td>
<td>17,313</td>
<td>-</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>239,465</td>
<td>(12,136)</td>
<td>254,914</td>
<td>(3,313)</td>
</tr>
<tr>
<td>Occupancy</td>
<td>176,459</td>
<td>-</td>
<td>176,459</td>
<td>-</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>145,712</td>
<td>90,870</td>
<td>48,758</td>
<td>6,084</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>110,336</td>
<td>29,487</td>
<td>80,849</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>57,391</td>
<td>-</td>
<td>57,391</td>
<td>-</td>
</tr>
<tr>
<td>Postage &amp; Shipping</td>
<td>37,757</td>
<td>28,090</td>
<td>9,667</td>
<td>-</td>
</tr>
<tr>
<td>Misc/Other Expense</td>
<td>139,469</td>
<td>27,316</td>
<td>112,154</td>
<td>(1)</td>
</tr>
<tr>
<td>Equip Rental &amp; Maintenance</td>
<td>28,934</td>
<td>15,907</td>
<td>7,327</td>
<td>5,700</td>
</tr>
<tr>
<td>Taxes - Other</td>
<td>626</td>
<td>-</td>
<td>626</td>
<td>-</td>
</tr>
<tr>
<td>Bad Debt Expense</td>
<td>66,502</td>
<td>-</td>
<td>66,502</td>
<td>-</td>
</tr>
<tr>
<td>Equipment/Furniture</td>
<td>32,326</td>
<td>30</td>
<td>32,296</td>
<td>-</td>
</tr>
<tr>
<td>Dues/Subscriptions</td>
<td>24,836</td>
<td>6,087</td>
<td>18,749</td>
<td>-</td>
</tr>
<tr>
<td>Fines, Penalties, &amp; Judgements</td>
<td>300</td>
<td>28</td>
<td>272</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Expenses**

| $6,685,475 | $4,356,179 | $2,088,278 | $241,018 |

*The accompanying notes are an integral part of these financial statements*
### NATIONAL SOCIETY OF HISPANIC MBA'S INC. AND NSHMBA FOUNDATION
#### COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
##### Years Ended December 31, 2011 and 2010

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>Total Expenses</th>
<th>Program Service Expenses</th>
<th>Management and General Expenses</th>
<th>Fundraising Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Fees</td>
<td>$1,397,456</td>
<td>$642,999</td>
<td>$749,742</td>
<td>$4,715</td>
</tr>
<tr>
<td>Conference/Events</td>
<td>956,135</td>
<td>737,373</td>
<td>96,163</td>
<td>122,599</td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>1,486,206</td>
<td>973,672</td>
<td>421,312</td>
<td>91,222</td>
</tr>
<tr>
<td>Scholarships</td>
<td>537,125</td>
<td>537,125</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Travel/Travel Related</td>
<td>580,708</td>
<td>437,377</td>
<td>142,283</td>
<td>1,048</td>
</tr>
<tr>
<td>Information Technologies</td>
<td>118,839</td>
<td>58,250</td>
<td>60,589</td>
<td>-</td>
</tr>
<tr>
<td>Supplies</td>
<td>43,831</td>
<td>14,443</td>
<td>28,460</td>
<td>928</td>
</tr>
<tr>
<td>Gifts in-kind Expense</td>
<td>159,761</td>
<td>147,584</td>
<td>9,297</td>
<td>2,880</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>165,027</td>
<td>(9,316)</td>
<td>177,240</td>
<td>(2,897)</td>
</tr>
<tr>
<td>Occupancy</td>
<td>171,373</td>
<td>81</td>
<td>171,292</td>
<td>-</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>115,551</td>
<td>74,337</td>
<td>33,851</td>
<td>7,363</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>129,277</td>
<td>545</td>
<td>128,732</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>55,931</td>
<td>-</td>
<td>55,931</td>
<td>-</td>
</tr>
<tr>
<td>Postage &amp; Shipping</td>
<td>16,282</td>
<td>5,368</td>
<td>10,769</td>
<td>145</td>
</tr>
<tr>
<td>Misc/Other Expense</td>
<td>132,483</td>
<td>27,348</td>
<td>105,135</td>
<td>-</td>
</tr>
<tr>
<td>Equip Rental &amp; Maintenance</td>
<td>25,575</td>
<td>8,412</td>
<td>11,743</td>
<td>5,420</td>
</tr>
<tr>
<td>Taxes - Other</td>
<td>(9,212)</td>
<td>-</td>
<td>(9,212)</td>
<td>-</td>
</tr>
<tr>
<td>Bad Debt Expense</td>
<td>25,111</td>
<td>-</td>
<td>25,111</td>
<td>-</td>
</tr>
<tr>
<td>Equipment/Furniture</td>
<td>12,164</td>
<td>-</td>
<td>12,164</td>
<td>-</td>
</tr>
<tr>
<td>Dues/Subscriptions</td>
<td>21,692</td>
<td>12,647</td>
<td>6,517</td>
<td>2,528</td>
</tr>
<tr>
<td>Fines, Penalties, &amp; Judgements</td>
<td>6,795</td>
<td>-</td>
<td>6,795</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$6,148,110</strong></td>
<td><strong>$3,668,245</strong></td>
<td><strong>$2,243,914</strong></td>
<td><strong>$235,951</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
NOTE 1 - ORGANIZATION OVERVIEW

On June 30, 2009, National Society of Hispanic MBA’s, changed its name to NSHMBA Foundation (“NSHMBA 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 NSHMBA Foundation’s principal source of revenue is obtained from grants, donors, educational events, 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, Inc.”) 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 NSHMBA Foundation’s and NSHMBA, Inc. corporate offices are located in Irving, Texas.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Combining

The accompanying combined financial statements include the accounts of the NSHMBA Foundation and NSHMBA, Inc. 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. Certain amounts have been reclassified from prior period consolidated financial statements to conform to the current period presentation. The Organization has evaluated subsequent events through April 9, 2012, the date of issuance of these financial statements.

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.

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 $15,906 and $56,330 as of December 31, 2011 and 2010, 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, if any, expenditures for property and equipment at cost. In 2011, 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, 2011 and 2010 was $57,391 and $55,931.

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 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 2011 and 2010, the Organization capitalized $0 and $7,120 of software costs, respectively.

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, 2011 and 2010.

**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. In accordance with US GAAP, 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 nonfinancial 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 received in kind products and/or services that qualified per above criteria in the year ended December 31, 2011 and 2010 valued at $274,473 and $165,714, respectively.

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.

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 $1,442,994 and $2,952,137 as of December 31, 2011 and 2010, respectively. The Organization did not experience any losses related to uninsured amounts during 2011 and 2010. The Organization routinely evaluates the credit worthiness of the institutions with which it invests.

At December 31, 2011 and 2010, the Annual Conference and Career Expo accounted for 66% and 76% of the Organization’s revenue, respectively.

Advertising Costs
Advertising costs are charged to expense in the period incurred.
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 – ADMINISTRATIVE SERVICE & LICENSE AGREEMENTS

On July 1, 2009, the NSHMBA Foundation entered into a five (5) year administrative services agreement with NSHMBA, Inc. The agreement provides that NSHMBA, Inc. provide, as an independent contractor, certain managerial, general office and administrative, including without limitation, computer and accounting services. In exchange for these services the NSHMBA Foundation will pay a monthly fee of $14,491, currently in arrears, which are subject to annual re-evaluation. NSHMBA, Inc. may, at its sole discretion, terminate the agreement by providing sixty days advance notification. The NSHMBA Foundation may not terminate the agreement without prior written consent from NSHMBA, Inc. As of December 31, 2011 and 2010, NSHMBA, Inc. had an outstanding administrative services fee receivable of $14,491 and $0, respectively. Such balances have been eliminated in the accompanying combined financial statements.

Trademark License Agreement

On July 1, 2009, NSHMBA, Inc. entered into a non-exclusive, royalty-free, perpetual, trademark license agreement with the NSHMBA Foundation. The license agreement includes the use of the NSHMBA 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, Inc. maintain certain quality standard. Non-compliance with quality standards may result in termination of the license. During the years ended December 31, 2011 and 2010, the Organization was in compliance with the terms of the agreement.

Compliance - Establishing Separate and Independent Entities

The agreements referenced above are a part of the efforts of the Organizations to allow the advancement of the mission and vision of the Organizations to proceed through two separate legal entities, each having separate mission, governance, strategy and operations. In this effort, begun in 2009, Management of each of the Organizations has made significant progress in providing the key elements to create two functionally separate legal entities, including ensuring compliance with separate policies and procedures and other actions that are reducing any perceived or actual interdependency between the two Organizations.

NOTE 4 – AFFILIATED CHAPTERS

The Organization has affiliated chapters in Atlanta, Austin, Boston, Chicago, Cincinnati, Connecticut, Denver, Detroit, Dallas/Ft. Worth, El Paso (chapter-in-formation), Houston, Indianapolis, Kansas City, Los Angeles, Louisville (chapter-in-formation), Minneapolis, New Jersey, New York, New Mexico, Orange County, Oregon (chapter-in-formation), Orlando, Philadelphia, Phoenix, Puerto Rico, Rio Grande Valley, Rochester (chapter-in-formation), 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 tax-exempt determination.
# NOTE 5 – INVESTMENTS

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

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bank of America Merrill Lynch</strong></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>$246,583</td>
<td>$703,283</td>
</tr>
<tr>
<td>Columbia Money Market-Daily</td>
<td>$142,162</td>
<td>$31,363</td>
</tr>
<tr>
<td><strong>Total Money Market Funds</strong></td>
<td>$388,745</td>
<td>$734,646</td>
</tr>
<tr>
<td><strong>Index and Equity Mutual Funds:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P 500 Depository Receipt</td>
<td>$ -</td>
<td>$922,125</td>
</tr>
<tr>
<td>TR Russell 2000 Index Fund</td>
<td>$ -</td>
<td>$669,265</td>
</tr>
<tr>
<td>Vanguard Int’l Equity Index Fund</td>
<td>837,408</td>
<td>946,963</td>
</tr>
<tr>
<td>Vanguard S&amp;P 500</td>
<td>1,165,488</td>
<td>$ -</td>
</tr>
<tr>
<td>Vanguard Small Cap</td>
<td>678,586</td>
<td>$ -</td>
</tr>
<tr>
<td>Vanguard Investment Grade</td>
<td>107,128</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total Index and Equity Mutual Funds</strong></td>
<td>$2,788,610</td>
<td>$2,538,353</td>
</tr>
<tr>
<td><strong>Fixed Income Securities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PIMCO Total Return Fund</td>
<td>$1,327,064</td>
<td>$1,566,555</td>
</tr>
<tr>
<td>PIMCO All Assets Fund</td>
<td>522,704</td>
<td>$ -</td>
</tr>
<tr>
<td>T. Rowe Int’l Bond</td>
<td>455,942</td>
<td>409,241</td>
</tr>
<tr>
<td><strong>Total Fixed Income Securities</strong></td>
<td>$2,305,710</td>
<td>$1,975,796</td>
</tr>
<tr>
<td><strong>Total Bank of America Merrill Lynch</strong></td>
<td>$5,483,065</td>
<td>$5,248,795</td>
</tr>
<tr>
<td><strong>TD Ameritrade</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money Market Daily Account (MMDA)</td>
<td>$153</td>
<td>$152</td>
</tr>
<tr>
<td>PIMCO All Asset Fund</td>
<td>529,695</td>
<td>496,050</td>
</tr>
<tr>
<td><strong>Total TD Ameritrade</strong></td>
<td>$529,848</td>
<td>$496,202</td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td>$6,012,913</td>
<td>$5,744,997</td>
</tr>
<tr>
<td>Less: Money Market Funds (classified as cash equivalents)</td>
<td>(388,898)</td>
<td>(734,799)</td>
</tr>
<tr>
<td><strong>Total Investments, at market</strong></td>
<td>$5,624,015</td>
<td>$5,010,198</td>
</tr>
<tr>
<td><strong>Unrealized (loss) gain on investments</strong></td>
<td>$(361,247)</td>
<td>$324,985</td>
</tr>
<tr>
<td><strong>Realized gain on investments (net of dividends received and reinvested)</strong></td>
<td>$329,163</td>
<td>$44,739</td>
</tr>
</tbody>
</table>

The investments held at Bank of America Merrill Lynch and TD 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>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment and hardware</td>
<td>$105,338</td>
<td>$98,582</td>
</tr>
<tr>
<td>Software</td>
<td>94,064</td>
<td>94,064</td>
</tr>
<tr>
<td>Office furniture</td>
<td>73,282</td>
<td>69,208</td>
</tr>
<tr>
<td>Office equipment</td>
<td>60,033</td>
<td>52,327</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>38,636</td>
<td>21,674</td>
</tr>
<tr>
<td>Office equipment, furniture and software</td>
<td>$371,353</td>
<td>$335,855</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(274,842)</td>
<td>(217,451)</td>
</tr>
<tr>
<td>Net property and equipment</td>
<td>$96,511</td>
<td>$118,404</td>
</tr>
</tbody>
</table>

NOTE 7 – INCOME TAXES

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

The Organization files its tax forms in the U.S. federal jurisdiction, for both NSHMBA, Inc. and NSHMBA Foundation; and the California Franchise Tax Board and office of the state’s attorney general for the State of California (NSHMBA Foundation only). The Organization, for both NSHMBA, Inc. and NSHMBA Foundation, is generally no longer subject to examination by the Internal Revenue Service for years before 2007; and NSHMBA Foundation for the State of California for years before 2006.

The Organization adopted the guidance in the FASB Codification topic related to “Uncertainty in Income Taxes” which prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements uncertain tax positions that the Organization has taken or expects to take in its tax returns. Under the guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is “more likely than not that it is sustainable, based on its technical merits. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority having full knowledge of all relevant information. The management has determined that there are no uncertain income tax positions and thereby no adverse effect on the Organization’s financial statements has occurred as of December 31, 2011 and 2010. The Organization believes that it has appropriate support for the positions taken on its returns.

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 $20,088 and $14,169 for the years ended December 31, 2011 and 2010, respectively.

NOTE 9 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2010, 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 $32,447. In 2011, the Organization did not enter into similar transactions. As of December 31, 2011 and 2010, there were no accounts payable to these related parties.
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 straight-line 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, 2011 and 2010 was $167,776 and $171,374, respectively. Office equipment rent expense for the years ended December 31, 2011 and 2010 was $25,250 and $25,576, respectively.

The following is a schedule, by years, of minimum future rentals on non-cancellable operating leases as of December 31, 2011:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>125,622</td>
</tr>
<tr>
<td>2013</td>
<td>147,296</td>
</tr>
<tr>
<td>2014</td>
<td>149,948</td>
</tr>
<tr>
<td>2015</td>
<td>146,608</td>
</tr>
<tr>
<td>2016</td>
<td>123,640</td>
</tr>
<tr>
<td>Thereafter</td>
<td></td>
</tr>
<tr>
<td></td>
<td>693,114</td>
</tr>
</tbody>
</table>

Annual Conference & Career Expo
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 & Other Event-related
The Organization has entered into professional services agreements with Experient, Wyndham Jade LLC, Davis Audio, Freeman Decorations Company, and Speakinc, to provide services such as site selection, catering, coordination, transportation, entertainment, audiovisual, and speaking services for the annual conference. Event planning commitments under these agreement totaled $142,000 as of December 31, 2011. The 2012 conference site has a commitment with the Orange County Convention Center in Florida totaling $39,462. Such agreements do not extend beyond a period of one year.

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, 2011:

<table>
<thead>
<tr>
<th>Investments, at market</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$6,129,155</td>
<td>—</td>
<td>—</td>
<td>$6,129,155</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, 2011.

The following table presents the carrying amounts and fair values of the Organization's financial instruments at December 31, 2011.

<table>
<thead>
<tr>
<th>Investments, at market</th>
<th>Carrying Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments, at market</td>
<td>$6,129,155</td>
<td>$6,129,155</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.
NOTE 12 – NET ASSETS
Temporarily restricted net assets restricted donations, released from restrictions and available for future periods are as follows:

### AS OF DECEMBER 31, 2010

#### ASSETS

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Beginning Balance</th>
<th>Restricted Donations</th>
<th>Restrictions Release</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year ended December 31, 2010</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants (NSHMB)</td>
<td>$ -</td>
<td>$ 14,000</td>
<td>$ -</td>
<td>$ 14,000</td>
</tr>
<tr>
<td>Chapter MBA Pipeline Event</td>
<td>2,500</td>
<td>-</td>
<td>(2,500)</td>
<td>-</td>
</tr>
<tr>
<td>Project Stepping Stone</td>
<td>34,000</td>
<td>15,150</td>
<td>(24,000)</td>
<td>25,150</td>
</tr>
<tr>
<td>Target Perception Study</td>
<td>150,000</td>
<td>-</td>
<td>(150,000)</td>
<td>-</td>
</tr>
<tr>
<td>Scholarships</td>
<td>295,209</td>
<td>506,452</td>
<td>(260,209)</td>
<td>541,452</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 481,709</td>
<td>$ 535,602</td>
<td>$(436,709)</td>
<td>$ 580,602</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Beginning Balance</th>
<th>Restricted Donations</th>
<th>Restrictions Release</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year ended December 31, 2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants (NSHMB)</td>
<td>$ 14,000</td>
<td>-</td>
<td>$(14,000)</td>
<td>-</td>
</tr>
<tr>
<td>Project Stepping Stone</td>
<td>25,150</td>
<td>46,850</td>
<td>(25,150)</td>
<td>46,850</td>
</tr>
<tr>
<td>Scholarships</td>
<td>541,452</td>
<td>164,012</td>
<td>(541,452)</td>
<td>164,012</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 580,602</td>
<td>$ 210,862</td>
<td>$(580,602)</td>
<td>$ 210,862</td>
</tr>
</tbody>
</table>
# NATIONAL SOCIETY OF HISPANIC MBA'S INC. AND NSHMBA FOUNDATION

## COMBINING SCHEDULE OF FINANCIAL POSITION

As of December 31, 2011 and 2010

### AS OF DECEMBER 31, 2011

<table>
<thead>
<tr>
<th>National Society of Hispanic MBAs, 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>$1,238,187</td>
<td>$454,807</td>
<td>$-</td>
</tr>
<tr>
<td>Investments, at market</td>
<td>-</td>
<td>5,624,015</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>640,652</td>
<td>144,350</td>
<td>-</td>
</tr>
<tr>
<td>Allowance for doubtful accounts receivables</td>
<td>(11,629)</td>
<td>(4,277)</td>
<td>-</td>
</tr>
<tr>
<td>Due from NSHMBA Foundation</td>
<td>59,752</td>
<td>-</td>
<td>(59,752)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>93,188</td>
<td>804</td>
<td>-</td>
</tr>
<tr>
<td>Other current assets</td>
<td>39,245</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>2,059,395</td>
<td>6,219,699</td>
<td>(59,752)</td>
</tr>
<tr>
<td><strong>DEPOSITS</strong></td>
<td>11,888</td>
<td>9,101</td>
<td>-</td>
</tr>
<tr>
<td><strong>PROPERTY AND EQUIPMENT, NET</strong></td>
<td>96,511</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$2,167,794</td>
<td>$6,228,800</td>
<td>$(59,752)</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>$78,511</td>
<td>$13,985</td>
<td>$-</td>
</tr>
<tr>
<td>Due to NSHMBA Inc.</td>
<td>-</td>
<td>59,752</td>
<td>(59,752)</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>55,783</td>
<td>5,226</td>
<td>-</td>
</tr>
<tr>
<td>Accrued compensation and vacation</td>
<td>127,959</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital lease, current portion</td>
<td>4,433</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>489,077</td>
<td>1,250</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>755,763</td>
<td>80,213</td>
<td>(59,752)</td>
</tr>
<tr>
<td><strong>DEFERRED RENT</strong></td>
<td>21,307</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>777,070</td>
<td>80,213</td>
<td>(59,752)</td>
</tr>
<tr>
<td><strong>COMMITMENTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,390,724</td>
<td>5,937,725</td>
<td>-</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>-</td>
<td>210,862</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>1,390,724</td>
<td>6,148,587</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$2,167,794</td>
<td>$6,228,800</td>
<td>$(59,752)</td>
</tr>
</tbody>
</table>
## NATIONAL SOCIETY OF HISPANIC MBA’S INC. AND NSHMBA FOUNDATION

### COMBINING SCHEDULE OF FINANCIAL POSITION

As of December 31, 2011 and 2010

#### AS OF DECEMBER 31, 2010

<table>
<thead>
<tr>
<th>National Society of Hispanic MBAs, 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>$1,482,803</td>
<td>$1,719,334</td>
<td>$3,202,137</td>
</tr>
<tr>
<td>Investments, at market</td>
<td>-</td>
<td>5,010,198</td>
<td>5,010,198</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>295,793</td>
<td>15,432</td>
<td>311,225</td>
</tr>
<tr>
<td>Allowance for doubtful accounts receivables</td>
<td>(46,230)</td>
<td>(10,100)</td>
<td>(56,330)</td>
</tr>
<tr>
<td>Due from NSHMBA, Inc.</td>
<td>0</td>
<td>5,8,284</td>
<td>(58,284)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>81,589</td>
<td>1,917</td>
<td>83,506</td>
</tr>
<tr>
<td>Other current assets</td>
<td>27,784</td>
<td>-</td>
<td>27,784</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>1,841,739</td>
<td>6,795,065</td>
<td>8,578,520</td>
</tr>
<tr>
<td>Deposits</td>
<td>-</td>
<td>9,101</td>
<td>9,101</td>
</tr>
<tr>
<td>Property and Equipment, Net</td>
<td>118,404</td>
<td>-</td>
<td>118,404</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$1,960,143</td>
<td>$6,804,166</td>
<td>$8,706,025</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND NET ASSETS**          |                   |                   |                  |
| **CURRENT LIABILITIES:**               |                   |                   |                  |
| Accounts payable                       | $139,844           | $16,695           | $156,539         |
| Due to NSHMBA Foundation               | 58,284             | -                 | (58,284)         |
| Accrued expenses                       | 13,472             | 14,043            |                  |
| Accrued compensation and vacation      | 90,841             |                  | 90,841           |
| Capital lease, current portion         | 10,344             | -                 | 10,344           |
| Deferred revenue                       | 706,199            | 16,525            | 722,724          |
| **Total Current Liabilities**          | 1,018,984          | 33,791            | 994,491          |

| **COMMITMENTS**                        |                   |                   |                  |

| **NET ASSETS:**                        |                   |                   |                  |
| Unrestricted                            | 927,159            | 6,203,773         | 7,130,932        |
| Temporarily restricted                  | 14,000             | 566,602           | 580,602          |
| **Total Net Assets**                   | 941,159            | 6,770,375         | 7,711,534        |

| **TOTAL LIABILITIES AND NET ASSETS**    |                   |                   |                  |
|                                        | $1,960,143         | $6,804,166        | $8,706,025       |