

NATIONAL BLACK MBA ASSOCIATION®

NATIONAL
BLACK
mba
ASSOCIATION, INC.

ANNUAL REPORT 2005

LEADING

with passion,
purpose,
& power

NATIONAL BLACK MBA ASSOCIATION®

180 North Michigan Avenue, Suite 1400 | Chicago, IL 60601 | www.nbmbaa.org



NBMBAA® BACKGROUND

LIFESTYLE

CONCEPTUALIZED 1970

INCORPORATED 1972

STATUS 501(C)3 NON-PROFIT

HEADQUARTERED CHICAGO, IL

SCOPE INTERNATIONAL

CHAPTERS 39

MEMBERS 6,000

CORPORATE PARTNERS 360

LEADERSHIP

CAREER

Programs and Services

NETWORKING OPPORTUNITIES

- Local Career Fairs
- Chapter Social Events
- Interaction with Other Professional Organizations
- Networking with Corporate Leaders and Top Business Schools Nationally

CAREER DEVELOPMENT

- Chapter Workshops with Industry Experts
- Local Mentoring from Senior Members
- Employment Networking with Corporate Partners
- Top-level Executive Coaching

PROFESSIONAL RECOGNITION

- Chapter Awards Programs
- Local Newsletters
- Board and Committee Opportunities

LOCAL COMMUNITY INVOLVEMENT

- Entrepreneurial Outreach Programs
- Student Mentoring Opportunities
- Tuition Assistance for MBA and PhD Students

EMPLOYMENT

EDUCATION

Board of Directors

Alvin Brown
Chairman

Angela D. Eason
Treasurer

Dimitrius M. Hutcherson
Secretary

Amy Billingsley

Thomas Flewellyn

Geraldine Henderson, Ph.D.

Stephen C. Lewis

Karen Marshall-Hudson

Dr. dt ogilvie

Contents

NBMBAA® BACKGROUND	3
WELCOME	4-5
LEADERSHIP	6-7
KATRINA & SERF	8-9
2005 HIGHLIGHTS	10
EDUCATION	11
CHANNEL ACCESS	12
CHAPTERS OF THE YEAR	13-14
FINANCIALS	15-17
PARTNERS	18-19

CHAIRMAN'S WELCOME



I believe we will look back on 2005 as a momentous year filled with celebration, grief, progress, suffering, injustice, generosity and humility. Above all, 2005 will be remembered for Hurricane Katrina and the devastation and destruction it brought to the Gulf Coast. Katrina caused a minor inconvenience for our organization to move the 27th Annual Conference & Exposition from New Orleans to San Diego. However, this nuisance was infinite compared with hundreds of thousands who lost their homes and their lives from this tragic storm. I saw this damage first-hand when I toured the Gulf Coast with Bishop T.D. Jakes of The Potter's House in Dallas and others.

As an organization that for 35 years has prided itself on the opportunities we grant to our youth and students, we at the NMBAA® felt compelled to assist the more than 70,000 students displaced by Hurricane Katrina. In response, just weeks after the storm, we created the Student Empowerment Relief Fund (SERF) on September 7, 2005 to address the needs of these displaced students. Through the contributions of our corporate partners, members and supporters, we have collected more than \$90,000 for the fund.

SERF complements our Leaders of Tomorrow® program, which offers high school students mentoring and coaching. The four-day Leaders of Tomorrow® Conference brings together more than 125 high school students for workshops, luncheons, the Career Fair, an awards ceremony and local college and historical tours. SERF also complements our Scholarship Program, which grants nearly half a million dollars annually to assist undergraduates, graduates and doctoral students pursuing careers in business.

I would like to thank the Board of Directors and the hard work of the executive staff that helped execute our successes in 2005. I believe through our generous efforts, we truly lead with passion, purpose and power in 2005. I hope that we can build on our successes this year to make 2006 even better – a year focused on “Winning with Intention, Innovation and Integrity.”

A handwritten signature in blue ink that reads "Alvin Brown".

Alvin Brown
Chairman, Board of Directors

PRESIDENT & CEO WELCOME



2005 was an incredible year — a year of growth, celebration, and reflection — a year in which we celebrated our first 35 years and set the stage for the next 35 — a year worthy of our predecessors who strive to help Black professionals take their rightful places among the leading lights of their communities.

We are determined to carry this dynamic legacy forward. In 2003, we made a commitment to reinvigorate our mission and plot a new course for the future of the NMBBAA®. In 2004, we set this new path, re-imagining our organization's possibilities and envisioning what it could do for individuals, companies, and communities, and, in 2005, we eagerly pursued the new strategy by “Leading with Passion, Purpose and Power.” In 2006, we are bringing our vision to life by transforming leadership into positive benefits for our membership and our communities.”

Our theme is also a declaration of our willingness to accept more stringent benchmarks and embrace ambitious goals. We have made progress, which is evident in our fiscal strength, our increased membership, and the quantity and quality of our programs and services. I am particularly enthusiastic about the exciting new initiatives launched this year, such as the NMBBAA Leaders of Tomorrow® Leadership Camp; NMBBAA® Local Empowerment Initiative; The National Black MBA Foundation; NMBBAA NtentialSM and the Candidates for Success.

Consequently, the memories of 2005 fill me with gratitude. I am thankful to the NMBBAA® Board for its incisive counsel. I am grateful for the hard work of the staff, which accepted many challenges with dedication and enthusiasm. I am also appreciative of the support and encouragement of our members and chapters who make our efforts worthwhile. Energized by their support, we will confront the demands of the future eagerly and with confidence.

Thank you for a great 2005 and the prospect of and even greater 2006.

Respectfully,

A handwritten signature in black ink that reads "Barbara L. Thomas". The signature is written in a cursive, flowing style.

Barbara L. Thomas
NMBBAA President and CEO



NBMBAA Leadership InstituteSM Focuses on Importance of Self-Reliance and Positive Attitudes

The key to leadership is confidence — confidence in your abilities, your expertise, your knowledge, and your commitment. The NBMBAA[®] arms its members with the personal and professional tools and expertise that are fundamental to developing the self-assurance required to become a true leader — Leaders who know how to unleash their creativity, expertise and commitment to their organizations and communities.

Members, for example, use the annual Leadership Institute, to discover how to leverage high achievement to reach the top ranks of their professions and organizations. Designed for seasoned executives and high achievers, the NBMBAA Leadership InstituteSM annually presents a full day's worth of challenging, intensive learning encounters prior to the Association's Annual Conference Career Fair and general sessions. These encounters are conducted by some of today's most sought-after experts in business leadership and education.

In 2005, the Institute sponsored by PepsiCo was a highlight of the 27th Annual Conference at the San Diego Convention Center. According to Maurice Cox, PepsiCo's vice president of corporate development, the company's 30-year partnership with the NBMBAA[®] has enabled his company to hire people with leadership skills "who are prepared, dedicated, and committed to the success of our company."

LEADERSHIP

LIFESTYLE

LEADERSHIP

CAREER

EMPLOYMENT

EDUCATION

Attitude: The Essence of Leadership

The 2005 Institute featured speaker Jack Canfield, the bestselling author of the *Chicken Soup for the Soul* book series, urged his audience to take responsibility for their success and exude positive energy and eliminate the phrase “I can’t” from their vocabulary if they want to be successful. He also recommended they develop the confidence to act upon their impulses and trust in their instincts. When we fail to follow this advice, we often become frustrated when we realize later that our initial inspiration was the best strategy. Genuine leaders believe in their ideas and intuitions.

Also emphasizing the importance of positive energy was Dr. Dennis Kimbro who shared the secrets of entrepreneurial success learned from scores of interviews with the highest achieving African Americans in our nation. Dr. Kimbro believes that leaders dream big, build their own personal brand, and exercise the “nine virtues of greatness.” These virtues, which everyone has the potential to apply, include: purpose, courage, imaginations, integrity, wealth, work, prayer, triumph of the human spirit, and a commitment to leaving a positive legacy.

Leadership’s Ways and Means

Successful entrepreneurs like Jack Canfield and Dr. Kimbro provide NMBBAA® members with guidance on how to make the most of their own leadership potential and measure their progress. They helped the Leadership Institute build upon the NMBBAA’s tradition of providing members with access to thought-leaders and innovators. The Institute has helped high-potential African Americans develop a contemporary, comprehensive perspective on leadership in these days of challenge and change. In addition, it explored the core competencies required for success in the global marketplace.

The participants focused on the importance of innovation in a world where executives need innovation and flexibility to take advantage

of rapidly altering conditions and competitive realities. The Institute also emphasized the importance of lifelong learning in the struggle to maintain a leadership role and to continue to provide value to an organization.

Attendees discovered how to identify the key sustaining elements in their professions that promote ongoing prosperity, despite the confusion of chaotic conditions.

A Series of Successes

As the third Leadership Institute, the year’s event was the latest in a unique series of ambitious, intensive experiences, which allowed high-performance African-Americans to share ideas and knowledge with their peers. It was an extraordinary opportunity for them to find inspiration in encounters with top business educators, coaches and practitioners who embody the ideals of intent, innovation and integrity.

Once again, the 2005 NMBBAA Leadership InstituteSM put participants on the fast track to developing the confidence to lead with passion and power.



DR. DENNIS KIMBRO, CO-CREATOR OF #1 BEST SELLER *THINK AND GROW RICH A BLACK CHOICE*; JACK CANFIELD, CO-CREATOR OF THE *CHICKEN SOUP FOR THE SOUL* SERIES

Rising to the Challenge: Hurricane Katrina's Message for Business Leaders

When the only constant is change, the ability to respond effectively and swiftly to shifting conditions becomes one of the most essential attributes of leadership. Winning in today's complex, global marketplace often requires executives to act decisively in the face of unexpected circumstances or opportunities. The events surrounding Hurricane Katrina provide a legion of examples of the value of leadership that anticipates challenges and meets them as quickly as possible. The catastrophe also demonstrated how a slow, uncertain response can magnify problems.



In 2005, Katrina provided the NMBBAA® with an opportunity to demonstrate its commitment to “Passion, Purpose, and Power.” Katrina struck New Orleans, the planned location of the 27th Annual Conference and Career Fair, just weeks before the event, upsetting the plans of the carefully organized event. The conventional response would have been to postpone the Conference. However, the NMBBAA® leadership was determined to keep faith with its “passion” to provide its members and guests with opportunities to learn, network, and mentor. The Association was also unwilling to fail to meet its commitments to the almost 11,000 African Americans who had arranged their calendars around the Conference. The Association’s leadership felt that failing to meet their expectations would reveal a lack of “purpose”.

It was also a time for “power” both in finding a new venue and in helping the people who were in the path of the storm overcome the dire conditions of its aftermath.

The Association had to move quickly to surmount the first challenge. Like other organizations in the same situation, the NMBBAA® had to adjust its plans quickly. Following a whirlwind tour of 12 alternative cities in less than 10 days, the national organization made the critical selection of San Diego as the new venue.

LEADERSHIP

LIFESTYLE

LEADERSHIP

CAREER

EMPLOYMENT

EDUCATION

This proved to be the right choice despite the many new difficulties the meeting planners had to address to ensure that the relocated conference exceeded the expectations of corporate sponsors, members, students and participants. In fact, the numbers increased. In the end, attendees saw only the polished veneer of a well run, rigorously planned professional meeting and not the furious efforts of workers and NBMBA staff, scrambling to meet the painfully ambitious deadline.

The Association moved even faster to confront the second challenge posed by Hurricane Katrina: helping its victims put their lives back together. On September 7, 2005, just two weeks after the storm, the NBMBA[®] announced the establishment of the Student Empowerment Relief Fund (SERF).

The Association's goal was to develop a program consistent with its mission. When the Hurricane Katrina made landfall, the academic year had

begun, or was about to begin, for students of higher education throughout the nation. The storm displaced 77,000 of these college students, putting their futures in jeopardy.

Helping these students was an ideal undertaking for the NBMBA[®], because its powerful commitment to education is the core of its mission. One of the Association's most important goals is to build a solid pipeline of support through which young people and our members can travel from the classroom to the boardroom. The organization provides more than a half million dollars annually in scholarships to undergraduates, graduates and doctoral students pursuing careers in business.

The Association created the SERF program to provide grants to displaced Gulf Coast students for incidental needs. It has provided more than \$90,000 in grants to 90 students from 13 universities. SERF continues to support students in need, because, as Barbara Thomas, NBMBA President and CEO said, "We are committed to making a difference in the lives of these young people. Too often, people walk away from people in need when the immediate crisis is over. The first anniversary of the landfall of Hurricane Katrina is almost upon us, but people still need our help."

The success of both the SERF and the Conference underscore the importance of confronting unexpected problems head on. Likewise, during these days of challenge and change, winning business leaders are prepared to rise to the occasion whenever technology, global economics, competition, and other new conditions upset their plans and strategies.



HIGHLIGHTS

Its 35th Anniversary Year was a time of definition and decision for the National Black MBA Association® (NBMBA).



In March, the Association launched a pilot endeavor titled “Local Empowerment Initiative,” that accelerated the delivery of valuable services to chapters and communities. Working with best selling author, educator, and businessman Stedman Graham, the NBMBA explored new ways to create opportunities for professional and leadership development for executives, entrepreneurs and community leaders. Chapters in Atlanta and St. Louis partnered with National Headquarters to hold events in their cities. Local members helped design activities to complement a pre-selected program drawn from the organization’s annual National Conference. Each event featured discussions and presentations from regional business and civic leaders about trends and new opportunities for executives and entrepreneurs of color.



In July, the Association debuted NtentialSM. This online professional development program provides members with a comprehensive arsenal of tools to maneuver the unwritten processes and subtleties of corporate America. The system combines access to personal coaching and highly integrated online resources to help users unlock their infinite career potential. According to Barbara Thomas, President and CEO, “NtentialSM provides high-powered coaching and an incredible array of online resources that typically is reserved for the most senior executives and leaders in an organization or company.”

In September, the Gulf Coast sustained the greatest natural and human disaster in U.S. history. NBMBA President and CEO Barbara Thomas initiated dialogue among the members, board and corporate partners of the NBMBA on how best to respond. The resulting initiative was the National Black MBA Student Empowerment Relief Fund, developed to provide emergency grants to MBA students displaced by hurricanes Katrina and Rita. The program reflects

the commitment to build a solid pipeline of support through which young people and our members can travel from the classroom to the boardroom. In support of the fund, NBMBA Chairman Alvin Brown met with Texas Congresswoman Sheila Jackson Lee, Dallas-based spiritual leader T. D. Jakes and other civic leaders to help cast a wider net of participation.

The highlight of the year, of course, was the 27th annual Conference and Career Fair in San Diego. On October 12, best-selling authors Jack Canfield and Dennis Kimbro were among the business leaders who brought seasoned executives and high achievers a full day’s worth of intensive learning prior to the Conference general sessions.

At the main conference, 11,000 business professionals, recruiters, executive, industry leaders, entrepreneurs and students focused on education, career, leadership, life style and entrepreneurship issues and learned how to enrich their professional and personal lives.

In short, 2005 was a winning year for the Association and its members.

EDUCATION

LIFESTYLE

LEADERSHIP

CAREER

EMPLOYMENT

EDUCATION

Throughout 2005, the National Black MBA Association® demonstrated its dedication to education and helping students of business develop their full potential whether they are in high school or the corner office. The evidence of this commitment is extensive. Here are a few examples from last year.

NtentialSM

The Association launched NtentialSM in 2005. This integrated online professional development program today offers members a comprehensive arsenal of tools to maneuver the unwritten processes and subtleties of corporate America. The system combines access to personal coaching and highly integrated online resources to help users unlock their infinite career potential.

This state-of-the-art application is comprehensive and flexible enough to meet the needs of individuals of varying levels of experience and contrasting needs. It is useful to entry-level students and recent graduates with limited professional experience, individuals deciding to make a major career change, mid-career professionals seeking advancement, and seasoned, successful leaders looking for new challenges.

The National Black MBA Association Case Competition®

The NMBBAA Case Competition® enabled college students to test their skills in a national forum. Since 1992, the Association has awarded more than \$300,000 in scholarships to minority business students, and provided over 1000 MBA students access to scholarship, mentoring and employment opportunities.

Competing teams of up to three members are given four weeks to prepare an analysis and presentation of a complex business case. Students present their solutions, and defend their analysis before a panel of senior executives, who evaluate the teams on presentation skills, thoroughness, and creativity evident in the analysis. Scholarships totaling \$35,000 are awarded to the top three ranking teams.

Annual Leaders of Tomorrow® Case Competition

High school students also had a chance to compete on the college level at 4th Annual Leaders of Tomorrow® case competition on the prestigious Texas campus of Southern Methodist University, hosted by the Dallas-Fortworth Chapter. Students representing 14 local NMBBAA chapters participated in the competition, which awarded \$7,000 in college scholarships to the top finishers.

The Competition challenged the young students by presenting them with a college-level business case from which they developed business model solutions. This year's case required them to develop a 10-year strategic business model for a theoretical cable entertainment company. Each team presented its proposal to the company owners and its Board of Directors. A panel of business professionals scored each team on the quality of its presentation and feasibility of its recommendations.



Scholarships

The Association expanded its generous scholarship programs, which support minority students. It awarded 25 scholarships to qualified business students in full-time graduate business programs in the United States and two fellowships to full-time doctoral students. Scholarships were also awarded by local chapters.

It also introduced the Student Empowerment Relief Fund (SERF), which provides funds for the basic needs of Gulf Coast region students displaced by Hurricane Katrina.

ACCESS

The National Black MBA Association® focused on “Leading” in 2005. This theme was uniquely appropriate because it underscores one of the most important ways the Association serves its members; providing them with access to the business and community leaders who can show them the way to the winning path.

In 2005, whether it was at chapter meetings, volunteer programs, the annual conference, or social events, members networked with coaches, colleagues, mentors, and experts who could help them become “business champions.” They learned first-hand what it means to lead with “Passion, Purpose, and Power.”

It was a year in which the members connected with the resources, people, and information that could put them on the brink of opportunity.

EDUCATION

Access to scholarships, mentoring, coaching and models of leadership provided practical, thought-provoking education in classrooms, conference rooms, and boardrooms.

EMPLOYMENT

Times of radical change favor the risk-takers, the self-reliant, and the innovators. In 2005, members explored new opportunities and developed ways to realize their full potential on their own terms.

CAREER

From NtentialSM to the Career Success Network, NBMBAA® programs helped members test their skills, define their goals, and successfully shape their careers.

LEADERSHIP

In the year of “Leading with Passion, Purpose, and Power” members honed their leadership skills and exchanged ideas with the heads of some of the world’s most dynamic and innovative enterprises.

LIFESTYLE

Unique lifestyle programs helped our high-achieving members balance their personal and professional lives and learn how to maintain personal well-being despite the challenges and intensity of modern life.

Chapter of the Year Spotlights

NBMBAA® Chapters recount their 2005 program successes and resulting community impact.



Leading with Passion CLEVELAND/NORTHEAST OHIO CHAPTER

According to Alton Tinker, President of the Cleveland/NorthEast Ohio Chapter of the NBMBAA®, the key to the organization's successes is "passion." The Chapter's leadership

and members are passionate about the support they provide African American MBAs in their communities. In 2005, this zeal fueled the Chapter's expansion and the introduction of a number of new programs.

A "Chapter-of-the-Year" winner in 2003, 2004, and 2005, the organization built on its winning ways last year and extended its boundaries to include the Cleveland, Akron-Canton, Youngstown, and Lorain-Elyria metropolitan areas. Initiating new programs helped make this growth possible.

In June 2005, the Chapter launched its mentoring program, which pairs members with senior level executive who coach up-and-coming young managers. "The executives are truly committed to the program," said Tinker. "The President of Kaiser Permanente, Dr. Ronald Copeland, for example, developed a list of 'to do' items

with member Cathy Smith, and she reports regularly on her progress. Dr. Copeland has made a serious time commitment to help Cathy, despite his demanding schedule."

The Chapter also launched a \$350,000 endowment program in 2005 designed to put it on a solid financial footing. "We want to ensure that we are no longer subject to the uncertainty of being dependent on corporate donations," explained Jeanette Haynes-Gordon, VP of Operations.

This renewed vitality is also evident in a new meeting series, which focuses on corporate governance and is attracting speakers from the highest levels of Cleveland's biggest corporations. Henry Meyer III, Chairman and CEO, KeyCorp, opened the series, which will close with remarks by Dave Daberko, Chairman and CEO, National City Bank.

The willingness of these executives to participate in this series is indicative of the growing influence of the Chapter. It also reflects the power of the Chapter's passionate approach to serving its constituency.



Leading with Power COLUMBUS CHAPTER

Oyauma Garrison, President of the Columbus Chapter of the NBMBAA®, believes the key to success is driving results and

holding people accountable. This formula seems to be working well for his organization. Since 2000, the chapter has grown membership by 325%, doubled its lifetime membership, quadrupled the number of corporate partners, and provided nearly \$5,000 in scholarship, and provided \$4,000 and toys to families in need during the holiday season.

The Chapter has long been blessed with strong leadership. The immediate Past Chapter President, David Harrison, was named National MBA of the Year. The current president and his leadership team have established ambitious goals for 2006, such as increasing membership by 25% and lifetime membership by 50%,

developing an entrepreneurs' network, and maintaining monthly education programs for members to enhance their networking and business skills and to provide outlets for them to showcase their talents and businesses.

The Chapter has also been a good friend to African-American youth and the community. They give desktop computer systems to the graduates of their Leaders of Tomorrow® program. They also worked with community leaders to develop marketing, branding and business plans for a revitalization of the King Lincoln District. The centerpiece of this black-owned development program is the rehabilitation of the Lincoln Theater.

The Chapter leadership is committed to high standards and focusing on results. Its membership has responded to this challenge by exceeding expectations. Clearly, we can look forward to continued success and a growing NBMBAA® presence in the Columbus region.



Leading with Purpose MEMPHIS CHAPTER

The success of the Memphis Chapter, which has earned 2003 and 2005 “Chapter of the Year” honors, is rooted in its sense of purpose.

“The desire to understand and serve the needs of our members drives every effort,” said Kathy Lofton, former President. “We began the year with a survey to identify our members’ priorities and learned that entrepreneurship was a chief interest.”

The Chapter offered members the intensive FastTrac New Venture Program developed by the Kauffman Center for Entrepreneurial Leadership in Kansas City. One member, Fiona Coleman, has already leveraged the expertise developed in the program to launch her own business. The Chapter also enabled several members to participate in a one-year Leadership Academy program.

Efforts, such as these, made 2005 a banner year. Membership grew more than 20 percent. “We have attracted new members by enhancing our presence in the community, introducing an effective community

involvement program, and increasing social activities including a “Night of Poetry” and a performance at the Alvin Ailey American Dance Theater. Cable television and the Commercial Appeal, the city’s major daily newspapers featured the chapter. Memphis Women’s Magazine named member LaShawn Hampton one of the city’s top women following her nomination by the Chapter, LaShawn is serving as President in 2006, since Kathy is attending graduate school in New York.

We can also attribute the Chapter’s high profile in Memphis to its remarkable commitment to community service. It established a mentoring relationship with Rhodes College to support the school’s small population of African-American students. The Chapter also held a successful fundraiser for the Seek Ye the Old Path homeless shelter. In 2005, the Memphis Chapter “won with intention” as it set out clear goals and pursued them relentlessly. We are seeing similar successes in 2006, because it carried this same spirit of commitment and achievement into the new year.



Leading the Way NEW YORK CHAPTER

“Taking public service to another level” is one reason why the New York Chapter has made a significant impact in the nation’s economic

center. “We’re proud of our association with the William Jefferson Clinton Presidential Foundation,” said Frances Ferguson, Chapter President. “In 2005, our volunteers provided pro-bono technical assistance to small businesses in three of the nation’s poorest Congressional Districts.”

In February, the Chapter and the Foundation entered the fourth year of their partnership, which has brought expertise to small businesses in Harlem, the Bronx, and Brooklyn. “We make long-term commitments to these businesses and stick with them,” emphasized Ferguson. “Our members apply the lessons they learned in school and their professions to support the small businesses that are so vital to economic growth.”

Mentoring is a key focus of the chapter. Last year its members helped more than 90 high school students through its Leaders of Tomorrow® / College Awareness

Symbolizes Hope (LOT/CASH) Program. It also awarded more than \$25,000 to build on its “legacy of uplifting our future business leaders.” To make certain it can continue supporting students. The Chapter has launched a campaign to build an endowment, providing a continuous, reliable source of funding.

Members also profit from this sharing of expertise. The organization has made a concerted effort to encourage senior members to become more active and help junior members take the next steps in their careers. “Our members gain valuable insight about leading global corporations from the people who know from experience,” commented Ferguson. “They learn about life in the corner office and how to become members of corporate boards.” This growing participation by senior leaders is proving enormously popular. Invitations to general networking sessions generate floods of RSVPs.

By providing substantial benefits to both its members and its communities, the New York Chapter is Leading the way to success in the New York metropolitan area.

Independent Auditor's Report

The Board of Directors
National Black MBA Association, Inc.®:

We have audited the accompanying statements of financial position of National Black MBA Association, Inc.® (NBMBA), as of December 31, 2005 and 2004, and the related statements of activities and change in net assets and cash flows for the years then ended. These financial statements are the responsibility of NBMBA® management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 Black MBA Association, Inc.® as of December 31, 2005 and 2004, and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements of National Black MBA Association, Inc.® and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Benford Brown & Associates, LLC
Chicago, IL
August 9, 2006

Statement of Financial Position

December 31, 2005 and 2004

ASSETS	2005	2004
CURRENT ASSETS		
Cash - unrestricted (note 3)	\$ 703,830	\$ 1,303,721
Cash - restricted (notes 3 and 4)	28,350	–
Short-term investments (note 3)	275,063	266,516
Contracts receivable	3,646,951	1,356,055
Less: allowance for doubtful accounts	(10,000)	(10,000)
Contribution receivable	–	80,000
Prepaid expenses	55,000	155,000
Total current assets	4,699,194	3,151,292
NON-CURRENT ASSETS		
Furniture and equipment (note 5)	956,835	941,383
Leasehold improvements (note 5)	23,981	23,981
Less: accumulated depreciation (note 5)	(884,959)	(821,442)
Total non-current assets	95,857	143,922
Total assets	\$ 4,795,051	\$ 3,295,214
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued payroll	\$ 593,004	\$ 533,203
Deferred revenue	2,925,675	1,888,987
Notes payable - current portion (note 6)	312,566	18,901
Total current liabilities	3,831,245	2,441,091
NON-CURRENT LIABILITIES		
Due to related party (note 4)	28,350	–
Note payable - noncurrent portion (note 6)	46,586	357,473
Total noncurrent liabilities	74,936	357,473
Total liabilities	3,906,181	2,798,564
NET ASSETS		
Unrestricted	695,177	321,650
Temporarily restricted (note 8)	193,693	175,000
Total net assets	888,870	496,650
Total liabilities and net assets	\$ 4,795,051	\$ 3,295,214

Statements of Activities and Change in Net Assets

Years ended December 31, 2005 and 2004

	2005			2004		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Conference revenue	\$ 6,652,305	–	\$ 6,652,305	\$ 5,536,737	–	\$ 5,536,737
Product sales	501,203	–	501,203	482,925	–	482,925
Membership revenue	509,480	–	509,480	387,351	–	387,351
Contributions	149,755	136,193	285,948	177,167	150,000	327,167
In-kind contributions	50,000	–	50,000	–	–	–
Publication revenue	95,000	–	95,000	79,900	–	79,900
Special events	47,955	–	47,955	58,116	–	58,116
Investment income	–	–	–	12,011	–	12,011
Net assets released from restrictions	117,500	(117,500)	–	495,515	(495,515)	–
Total support and revenue	8,123,198	18,693	8,141,891	7,229,722	(345,515)	6,884,207
EXPENSES						
PROGRAM SERVICES						
Conference	4,735,329	–	4,735,329	3,160,829	–	3,160,829
Chapter relations	558,740	–	558,740	575,556	–	575,556
Membership	279,560	–	279,560	482,577	–	482,577
Other programs	746,699	–	746,699	1,007,771	–	1,007,771
Total program services	6,320,328	–	6,320,328	5,226,733	–	\$ 5,226,733
SUPPORTING SERVICES						
Management and general	1,131,075	–	1,131,075	1,066,132	–	1,066,132
Fundraising	298,268	–	298,268	406,751	–	406,751
Total supporting services	1,429,343	–	1,429,343	1,472,883	–	1,472,883
Total expenses	7,749,671	–	7,749,671	6,699,616	–	6,699,616
Increase/(decrease) in net assets	373,527	18,693	392,220	530,106	(345,515)	184,591
Net assets as of January 1, 2005 and 2004	321,650	175,000	496,650	(208,456)	520,515	312,059
Net assets as of December 31, 2005 and 2004	\$ 695,177	193,693	\$ 888,870	\$ 321,650	175,000	\$ 496,650

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