

GROWTH AMID TURBULENT TIMES

2008-2009 ANNUAL REPORT



/MESSAGE FROM THE NATIONAL CHAIR AND EXECUTIVE DIRECTOR/

Dear NSBE Supporters:

There is a saying that goes, "Smooth waters never made a great sailor." To that end we can all describe the 2008-2009 as "rough waters." On both sides of our partnership we were dramatically impacted by the severe downturn in the economy. Yet, through this rough water, the overwhelming majority of our relationships survived and because you all stayed with us when you easily could have abandoned ship, our relationship has grown STRONGER!

Despite the incredible challenges, we are pleased to report that NSBE is as strong as ever. Some of the highlights include:

- For the 5th year in a row, NSBE grew to all-time high in membership:
 33,067 members.
- Record attendance by students at the past Annual Convention, even though overall participation dipped.
- ☐ The National Leadership Conference was hosted by the United States Navy, on the historic campus of the United States Naval Academy in Annapolis.
- □ NSBE's premiere engineering pipeline development program known as the Summer Engineering Experience for Kids, SEEK, once again proved to be laudable in both Washington, D.C., and Columbus, Ohio.
- □ Scholarship applications reached an all-time high, with 3,351 students applying.
- □ Chevron, gave an unprecedented amount of scholarship funding for international students: \$50,000 over a 5-year period.

In closing, we look forward to another successful year, with changes that we are sure will ensure the strength and viability of an organization. Together we can all be proud even amid turbulent times.

Sincerely,

Stevenson A. Dunn, Jr. *NSBE National Chair*



Carl B. Mack

NSBE Executive Director



ABOUT **NSBE**

The National Society of Black Engineers (NSBE), with 33,067 members, is one of the largest student-run organizations in the country. NSBE comprises more than 400 chapters on college and university campuses, Alumni Extension chapters and interest groups, and NSBE Jr. chapters in the U.S., Asia, Canada, Africa, England and the Caribbean. The U.S. chapters are divided geographically into six regions. NSBE had its genesis in April 1975. Its founders are Anthony Harris, Brian Harris, Stanley L. Kirtley, John W. Logan, Jr., Edward A. Coleman and George A. Smith. NSBE was incorporated in 1976 as a nonprofit organization in the State of Texas. NSBE is a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code.

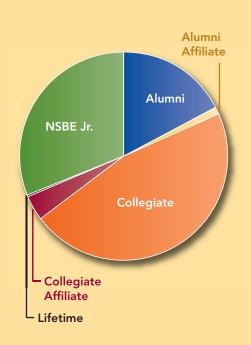
NSBE MISSION

To increase the number of culturally responsible Black engineers who excel academically, succeed professionally and positively impact the community.



The NSBE torch symbolizes our everlasting, burning desire to achieve success in this competitive society and to effect a positive change in the quality of life of all people. The lightening bolt represents the striking impact that will be felt by the Society and industry due to the contributions and accomplishments made by dedicated members of the National Society of Black Engineers.

TOTAL MEMBERSHIP



Alumni	5,745	17.4%
Alumni Affiliate	406	1.2%
Collegiate	15,306	46.3%
Collegiate Affiliate	1,250	3.8%
Lifetime	136	0.4%
NSBE Jr.	10,224	30.9%
TOTAL	33,067	

/MEMBERSHIP/

RECORD MEMBERSHIP GROWTH

Since 1971, NSBE has been committed to increasing the number of Black engineers. Thanks in large part to spirited outreach and enhanced programming, NSBE ended the year with an all-time high of 33,067 members. Across every demographic, the Society is growing and living the mission. With 455 chapters world-wide, NSBE continues to have active chapter engagement.

ALUMNI EXTENSION

The Society's growth is even more evident in the pre-college demographic as well as within its international segment. Collegiate members made up 46 percent of the total NSBE membership in 2009. The collegiate membership continued to grow, totaling 15,306, with Alumni membership reaching a high of more than 5,700 last year.

NSBE LIFETIME MEMBERSHIP

Since 2001, NSBE Lifetime membership has increased annually, and in the last year there were 49 new members! Now totaling 136, Lifetime members are

individuals like Wesley A. Brown, the first

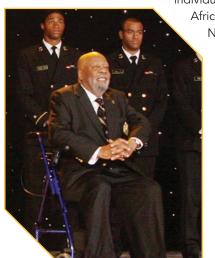
African-American to graduate from the U.S.

Naval Academy, who have pledged a

continued commitment to the fulfillment
of NSBE's mission.

Lt. Cmdr. Wesley A. Brown U.S. Navy (Ret.)

Lifetime Member #126



GRANTS AND DONATIONS

NSBE's **Summer Engineering Experience for Kids** continued in its third year with support from key continuants, including, but not limited, to:

Motorola, Inc. \$100,700

General Electric Company \$50,000

Pitney Bowes, Inc. \$25,000

Society of Automotive Engineers* In-Kind donation

In 2009, NSBE launched a campaign aimed at retiring the mortgage for its World Headquarters at 205 Daingerfield Road in Alexandria, Virginia, which was purchased for \$3.8 million in 2004. The campaign, entitled **Three-Over-Three Capital Campaign**, was set up to pay the mortgage off in three years, and, in 2009, more than \$102,800 was raised via donations from members and constituents.

Through the Federal Campaign **Educate America**, NSBE raised **\$19,894** in 2009.

^{*}A World in Motion curriculum, training and administrative resources

/35TH NSBE ANNUAL CONVENTION/

The Annual Convention and Career Fair is NSBE's home base for the Pre-College Initiative Conference, collegiate events, Graduate School Conference, Technical Professionals Conference, and International Mini-Conference. Attendance in 2009, at the 35th Annual Convention in Las Vegas, totaled more than 8,800, an astonishing feat given the economic conditions.

12th Annual Golden Torch Awards NSBE supports and promotes the aspirations of professionals, collegiate, and pre-college students. Held annually at the Annual Convention and Career Fair, the NSBE Golden Torch Awards celebrate the accomplishments of distinguished Black Engineers, technical professionals and college-bound Pre-College Initiative students. Since their inception, the Golden Torch Awards have provided more than \$330,000 in scholarships to support graduating high school seniors, such as Alexandra L. Lyday, who will, through their achievements, continue to contribute to the legacy of NSBE.



12TH ANNUAL NSBE GOLDEN TORCH AWARD HONOREES

Golden Torch Legacy Award

Lt. Cmdr. Wesley A. Brown United States Navy (Ret.)

Distinguished Engineer of the Year

Fayé A. Briggs, Ph.D. Chief Platform Performance Architect, Intel Corporation

Lifetime Achievement in Government

Larry E. Hollingsworth Avionics National Director Air 4.5, NAVAIR

Pioneer of the Year

Tyrone W.A. Grandison, Ph.D. Manager, Intelligent Information Systems, IBM Almaden Research Center

Outstanding Woman in Technology

Sonya V. Stewart Vice President, Performance Excellence, IS&GS–Civil, Lockheed Martin Corporation

Lifetime Achievement in Academia

Isaac J. Crumbly, Ph.D. Vice President, Careers and Collaborative Programs and Founder, Cooperative Development Energy Program, Fort Valley State University

Dr. Janice A. Lumpkin Educator of the Year

Ayanna M. Howard, Ph.D.
Associate Professor, School of Electrical and Computer Engineering, Georgia Institute of Technology

Minority Engineering Program Director of the Year

Tremayne O. Waller
Director, Pre-College Initiative and
Student Transition Engineering Programs,
Center for the Enhancement of Engineering Diversity, Virginia Polytechnic Institute
and State University

Graduate Student of the Year

Nicole L. Campbell Doctoral Student, University of Michigan

Pre-College Initiative Student of the Year (Male)

Malcolm Hooks Senior, Pike High School, Indianapolis, Indiana

Pre-College Initiative Student of the Year (Female)

Alexandra L. Lyday Senior, Sandra Day O'Connor High School, San Antonio, Texas

Pre-College Initiative Director of the Year

Helen J. Howell Founder and Advisor, Martinsville and Henry County NSBE Jr. Chapter, Martinsville, Virginia

Entrepreneur of the Year

Knox W. Tull Jr., P.E. President, Jackson and Tull

Corporate Community Service

Defining the Future, Northrop Grumman Corporation

Corporate/Education Partnership

Advanced Placement Incentive Program, Texas Instruments Incorporated



Corporate/Education Partnership

Summer Engineering Experience for Kids (SEEK) Camp, SAE International

Corporate Diversity Leadership

Building Engineering & Science Talent (BEST) Program, The Dow Chemical Company

Mike Shinn Distinguished Member of the Year (Male)

Edward J. William II Electrical Engineering Student, University of Idaho

Mike Shinn Distinguished Member of the Year (Female)

Candice M. Dixon Educational Technology Student, Louisiana State University

Alumni Extension Member of the Year

Keisha Slaughter Ohio STEM Learning Network/STEM Columbus

Alumni Extension Technologist of the Year

Robert L. Howard Jr., Ph.D. Human Factors Lead, NASA

STATEMENT OF FINANCIAL POSITION

As of July 31, 2009 and July 31, 2008

	2009	2008
ASSETS CURRENT ASSETS		
Cash and cash equivalents	\$ 3,216,904	\$ 1,843,422
Contributions receivable, net	1,512,106	3,048,377
Prepaid expenses and other assets	23,212	88,093
Total current assets	4,752,222	4,979,892
Investments – long term	6,657,218	8,120,952
Building, furniture, fixtures and equipment, net	4,524,869	4,826,087
Deposits	25,481	5,000
Total assets	\$ 15,959,790	\$ 17,931,931
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LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES	* (4) (4)	¢ (04.7/0
Accounts payable and accrued expenses Deferred revenue	\$ 646,668	\$ 694,769
Bond payable – current portion	2,283,838 100.000	2,841,860 100.000
	100,000	100,000
Total current liabilities	3,030,506	3,636,629
Bonds payable – long-term portion	3,125,000	3,225,000
Total liabilities	\$ 6,155,506	\$ 6,861,629
NET ASSETS		
Unrestricted	\$ 9,248,879	\$ 10,601,308
Temporarily restricted	518,014	431,604
Permanently restricted	37,391	37,390
Total net assets	9,804,284	11,070,302
Total liabilities and net assets	\$ 15,959,790	¢ 17 021 021
iotal liabilities and net assets	\$ 15,757,79U	\$ 17,931,931

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended July 31, 2009 with summary totals for fiscal year 2008

	2009	2008
REVENUE		
Corporate solicitations/sponsorships	\$ 3,000,211	\$ 3,233,944
BCA contributions	2,145,000	2,218,603
Conferences	1,134,794	1,281,714
Career fair	1,571,772	1,916,713
Publications	1,017,557	1,253,035
Dues	276,865	338,301
Scholarships/Competitions	540,083	602,160
Interest income	221,671	119,713
Royalty income	12,468	16,270
Gain on Sale of Building	-	24,900
Net unrealized (loss)/gain on investments	(1,657,654)	(402,947)
Total revenue	8,262,767	10,602,406
Net assets released from restrictions		
EXPENSES		
Program Expenses:		
National Convention	2,281,393	2,166,479
NSBE Publications	1,045,214	1,177,473
Regional activities	868,226	882,353
Scholarships/Competitions	893,784	999,512
Programs	1,259,042	1,223,942
Pre-College Initiative (PCI)	840,060	1,178,493
National Executive Board (NEB)	297,497	290,233
Alumni	266,050	316,035
Total program expenses	7,751,266	8,234,520
General & Administrative Expenses – National Office	1,777,519	1,922,637
Total expenses	9,528,785	10,157,157
Change in net assets	(1,266,018)	445,249
Net assets – beginning of year	11,070,302	10,625,053
Net assets – end of year	\$9,804,284	\$11,070,302

NSBE financial statements were audited by Williams, Adley & Company, LLP.

To read the full independent auditor's report please visit www.nsbe.org.



/PROGRAMS/

Programs and grassroots initiatives are the pulse of NSBE's mission, which touches members and the community.



The Summer Engineering Experience for Kids (SEEK) is the National Society of Black Engineers' (NSBE's) free three-week summer academy. SEEK provided interactive engineering activities for more than 650 students in third through eighth

grades, to spark an interest in engineering that many participants had not previously considered. Influencing SEEK campers' "when I grow up" vision statement with STEM activities is a core component of NSBE's pre-college initiatives and supports our mission of filling the career pipeline with Black engineers.

The SEEK academy was facilitated by 120 NSBE collegiate members: Black engineering students who are dedicated to pursuing academic and professional excellence and community service, and who served as mentors. Columbus City Schools, STEM Columbus, Friendship Public Charter School (Washington, D.C.), Arts Impact Middle School (Columbus, Ohio), General Electric, Caterpillar and Motorola were prominent partners in SEEK 2008 as was SEEK founding sponsor Battelle. The academy's curriculum was provided by the Society of Automotive Engineers.

COLLEGIATE PROGRAMS

National Leadership Institute is NSBE's premier training program for key national and regional officers. The 2008 sponsor, Lockheed Martin, conducted workshops in budgeting, expense management, public relations, and funds solicitation while teaching soft skills such as effective communications and conflict resolution. In addition to the NLI's year-round training, NSBE leaders participate in the National Leadership Conference, an intense five-day meeting that includes workshops in advertising, meeting planning and relationship management. The 2009 National Leadership Conference, sponsored by the U.S. Navy, was held at the Naval Academy in Annapolis, Maryland.

The Institute for Chapter Development is designed to guide Collegiate and Alumni Extension chapters in the implementation of national program directives as they relate to the national directors. The 2008–09 directives were: social consciousness; leadership development, academic and technical excellence, membership recruitment, and retention.

CHAPTERS OF THE YEAR 2008-2009

National Distinguished Chapter of the Year	University of Maryland, College Park
National Small Chapter of the Year	Johns Hopkins University
National Medium Chapter of the Year	University of Central Florida
National Large Chapter of the Year	University of Florida
Alumni Chapter of the Year	Washington (DC) AE Chapter
International Alumni Chapter of the Year	Nigeria AE
International Distinguished Chapter of the Year (Collegiate)	University of Aachen (Germany)
International Pioneer Chapter of the Year	NSBE UNIBEN (University of Benin – Nigeria)
International Rookie Chapter of the Year	University of Technology – Jamaica
NSBE Jr. Chapter of the Year	Patriots Technology Center NSBE Jr.

Pre-College Initiative (PCI)
PCI Engineering Design Competitions
Summer Camping Conferences
Team Engineering Design Competition
Try-Math-A-Lon (TMAL)



Academic Technical Bowl Achievers' Plus

Acilieveis i lus

A Walk for Education (AWFE)

Technical Paper Competition

Undergraduate Students in Technical Research (USTR)



NATIONAL LEADERSHIP CONFERENCE



U.S. Naval Academy

SCHOLARSHIPS, RECOGNITIONS AND AWARDS

NSBE awarded 339 scholarships worth \$703,000 to pre-college, collegiate and graduate students. Ranging from \$500 to \$15,000, NSBE scholarships provide student members with financial support that can make the difference in their ability to fund their studies. A number of scholarship recipients received multiple awards, further evidence of NSBE's exceptional talent pool.

Scholarships came from the following:

Battelle Collegiate

Battelle High School

BP

Bechtel Group Foundation

Caterpillar

Chevron International

Delphi Corporation

ExxonMobil

Freeport-McMoRan Foundation

Fulfilling the Legacy

GE Lloyd Trotter African-American Forum

Golden Torch Awards Scholars

International Studies

Johnson & Johnson

Lockheed Martin Corporation

Kellogg Corporate Citizenship Fund

Leroy Callendar

Morgan Stanley

NSBE Fellows Program

Northrop Grumman Corporation

PBS&J Foundation

Praxair Scholarships

Rockwell Collins, Inc.

S. D. Bechtel, Jr. Foundation

Toyota Motor Engineering & Manufacturing North America, Inc.

United States Steel Corporation

Verizon Communications

Academic Pyramid of Excellence (APEx), formerly NSBE TorchBearer and Junior TorchBearer, was launched in 2008 to recognize pre-college and collegiate members who received between a 3.0 and 4.0 GPA. More than 1,400 students were recognized at the Annual Convention as APEx honorees.



2008-2009 Board of Corporate Affiliates

The Board of Corporate Affiliates (BCA) provides ongoing, long-term support of NSBE through consultation with its leaders, in-kind services, funding operations and systems support, technical assistance and career opportunities, to meet the needs of its members. The BCA and NSBE strive to develop intensive programs to recruit, promote academic excellence, and enhance the professional development of Black and other minority students in engineering and the sciences. In 2008–2009, the BCA expanded to 56 companies in partnership with NSBE.

3M

Accenture

American Electric Power

BAE Systems

Battelle

Bechtel Corporation

The Boeing Company

Booz Allen Hamilton

Boston Scientific Corporation

ΒP

Caterpillar Inc.

Central Intelligence Agency

Chevron Corporation Cisco Systems, Inc.

The Clorox Company

Cummins Incorporated

Dell Inc. Deloitte

Delphi Corporation

Delta Air Lines

The Dow Chemical Company

DuPont

Eli Lilly and Company

EMC Corporation

Exxon Mobil Corporation

Genentech, Inc.

General Electric Company

General Mills, Inc.

General Motors North America

Harley-Davidson Motor Company

Hewlett-Packard Company

Honda

IBM Corporation

Intel Corporation

ITT Corporation

Johnson & Johnson

Kimberly-Clark Corporation

Lockheed Martin Corporation

 $Medtronic\ Inc.$

Merck & Co., Inc.

Microsoft Corporation

Morgan Stanley

Northrop Grumman Corporation

Pacific Gas and Electric Company

Praxair, Inc.

Raytheon Company

Rockwell Collins, Inc.

Rolls-Royce North America

Texas Instruments Incorporated

rexas instrainents incorporated

The Timken Company

Toyota Motor Engineering & Manufacturing North America, Inc.

United States Army Research

Development & Engineering Command

United States Navy

United States Steel Corporation

United Technologies Corporation

Verizon Communications

The Board of Directors
National Society of Black Engineers

We have audited the accompanying statements of financial position of the National Society of Black Engineers (NSBE) as of July 31, 2009 and 2008 and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of NSBE's management. Our responsibility is to express an opinion on these financial statements based on our audits. The statement of activities and changes in net assets for the year ended July 31, 2008 is presented with summarized comparative information which has been derived from NSBE's 2008 financial statements and in our report dated October 7, 2008 we expressed an unqualified opinion on those financial statements.

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 the National Society of Black Engineers as of July 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements of NSBE taken as a whole. The accompanying schedule of department revenue and expenses and the schedule of changes in net assets for the years ended July 31, 2009 and 2008 are presented for purposes of additional analysis on pages 12-13 and are not a required part of the basic financial statements. These schedules are the responsibility of the management of NSBE. The information in these schedules has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Williams, Adley & Company, LLP October 19, 2009

Washington, D.C.

NSBE BOARD MEMBERS AND HEADQUARTERS STAFF

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Vice Chair: Michael E. Johnson, Jr.
Treasurer: Jamere O. Clark
Secretary: Cynthia Bossard

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Assistant Treasurer-Finance Control:

Jessica Allen

National Assistant Treasurer–Special Projects:

L'Wade C. Lewin

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Ph.D.

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Reginald K. Ewing

Steven A. Jarrett

Donna O. Johnson

Michele Lezama

Gary S. May, Ph.D.

S. Gordon Moore Jr.

Pro-Bono Counsel: Howard B. Presant, Atty.

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Executive Assistant to the Executive Director:

Roena L. Cox

Deputy Executive Director: Sharon Southerland-Smith

Director, Programs: Michael D. Smith, D. Eng. Director of Membership and Registration:

Njemile A. Vinson

Director of Accounting and Finance: Shon McGhee

Director of Information Technology: Ricky Li

Publisher: Pamela D. Sharif

Chief Development Officer: Nadine Dennis Senior Manager of Corporate Relations:

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Pre-College Initiative Manager: Franklin O. Moore

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Media Coordinator: Lashonda M. Winston

Corporate Relations Coordinator:

Brandon McCollough

Collegiate Programs Coordinator: David Giles Pre-College Initiative Coordinator: Alaina M. Law

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Stephanie Mathis

Accounting Assistant: Felicia Carter Office Coordinator: Angela Jackson

Corporate Relations Assistant: Sherry Galloway

NATIONAL SOCIETY of BLACK ENGINEERS
WORLD HEADQUARTERS
205 DAINGERFIELD ROAD
ALEXANDRIA, VA 22314

