

Financial Report

Statement of Revenues, Expenses, and Changes in Fund Balance - Accrual Basis Year Ended December 31, 2011

REVENUES

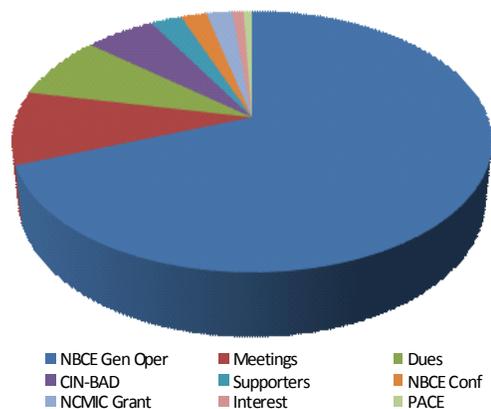
NBCE General Operations	\$500,000
Meetings (Conf & Districts)	65,285
Member Dues	56,800
CIN-BAD Subscriptions & Queries	40,681
Supporter Income (Conf & Districts)	18,215
NBCE Conference Shared Expenses	15,000
Interest	6,683
PACE	4,825
NBCE Capital Expense Grant	2,161
Wolfson Scholarship	1,500
Rebate income	1,450
Directory Sales	825
<i>NBCE In Kind Contributions</i>	<i>35,980</i>

SUBTOTAL REVENUES	\$749,405
<i>NBCE In Kind Contributions</i>	<i>(35,980)</i>
<i>NCMIC Tech Grant (Yr 5 of 5)</i>	<i>15,000</i>

TOTAL 2011 REVENUES **\$728,425**

TOTAL 2010 REVENUES **\$719,439**

Major Revenue Sources



Note: FCLB appreciates the NBCE's additional annual in-kind contribution of office space and utilities valued by NBCE at \$35,980.

OPERATING EXPENSES

Salaries	\$269,717
Meetings Expense*	241,247
Information Technology	38,479
Group Health & Dental	34,691
Legal Services	35,993
Payroll Taxes	21,350
Postage & Shipping	11,408
Retirement	10,536
Equipment Maintenance & Copies	7,481
Telephone	6,683
Office Supplies & Publications	6,480
Audit Services	6,000
Internet Services	5,757
Business Insurance	5,756
Dues (FARB, CCGPP, CLEAR, AHC)	3,648
Bank & Credit Card Servicing Fees	3,474
Gifts & Awards	3,349
Printing	1,359
Equipment - Small (less than \$1,000)	903
Public Relations	884
Storage	641

Contract Labor	294
Resident Agent & Filing Fees	37
Bad Debt	0
Staff Development & Misc.	0
<i>Rent & Utilities - NBCE In Kind</i>	<i>35,980</i>
<i>Depreciation & Amortization</i>	<i>24,213</i>

TOTAL EXPENSES	\$776,360
<i>Rent & Utilities - NBCE In Kind</i>	<i>(35,980)</i>
<i>Depreciation & Amortization</i>	<i>(24,213)</i>

TOTAL 2011 EXPENSES **\$716,167**

NET GAIN **\$12,258**

TOTAL 2010 EXPENSES **\$668,297**

**Includes travel expenses for participation at Annual Conference, Districts, Mid-Year BOD, PACE, FARB, CCGPP, Summit, ACC/RAC, WFC, COCSA, CCE, etc.*

Financial Analysis

FCLB Revenues

Net Assets: 12/31/11	\$762,453	12/31/11	\$728,425
Net Assets: 12/31/10	\$786,867	12/31/10	\$719,439
Net Assets: 12/31/09	\$772,337	12/31/09	\$719,557

REVENUES

NBCE continues to be the Federation's main source of funding. Testing is the primary avenue of support for all other federations of regulatory boards. FCLB's beautiful office space, provided by NBCE, was valued in 2011 at \$35,980 and is shown as an *in kind contribution* in the 2011 Audit.

FCLB extends its warmest appreciation to NBCE for its continued support.

Meetings income supports one of the larger and most valuable of the member services, enabling FCLB to provide top quality educational programs for both conference and district meetings.

Membership dues provided 7.48% of the 2011 budget.

CIN-BAD database revenues are down as HIPDB has been named by NCQA as an acceptable source for chiropractic credentialing, creating competition from the US federal government and therefore negatively impacting CIN-BAD revenues.

Supporter income by chiropractic colleges and independent sources assists FCLB in presenting important and effective programs in chiropractic regulation.

NBCE conference shared expenses is income to help offset dual conference costs.

Interest income is earned on available funds through certificates of deposit and other interest bearing accounts.

PACE received income in the form of records fees, annual renewal fees, and application renewal fees from its approved providers. In October 2011 the

PACE fee structure was revised to make the program more accessible.

NBCE capital expense grant - 2011 concluded the disbursement of this grant that was issued in 2007 for a total of \$30,000. These funds have been used to purchase larger equipment items including a copier, computer server, desktop workstations, and additional filing cabinets.

NCMIC awarded FCLB \$15,000 as the fifth and final installment of a five year grant that has enabled the upgrading of our information technology. FCLB is most grateful for NCMIC's affirmation at this critical time.



Financial Analysis

EXPENSES

Salaries & Benefits - The Federation continues to offer its five staff a retirement benefit and a group health insurance plan.

Meetings - FCLB constantly strives to provide the highest quality program at a cost that fits the budget of member boards and allows the greatest attendance by regulators. This category includes all costs involved in presenting and/or attending meetings including travel, hotel sleeping rooms, banquet fees, audiovisual, registration fees, etc., all of which continue to rise.

In addition to the programs provided by FCLB, the board and executive director attend and participate in meetings of other stakeholders as necessary. In July 2011 the board convened an in-person meeting in Greeley, CO, in combining the regularly scheduled board of directors meeting with a long range planning meeting.

The board of directors are eligible to receive a \$300/day honorarium and a \$75/day per diem for meals and tips when traveling on behalf of the FCLB.

Information Technology (IT) & Programming - FCLB went live in 2011 with its highly customized central database. As the project has taken longer than originally projected by the consultants, the board was able to place deferred project funds in reserves making them available for 2012 as needed.

As planned, many of the external costs of maintaining information technology have been brought in-house.

The database will continue to grow as the Federation integrates the current and upcoming projects.

Legal - Legal funds are expended for occasional attorney participation in board meetings, and general legal advice as needed.

Postage & Shipping includes shipping to educational conferences as well as daily postal costs. Much communication is done by e-mail and via the FCLB website.

Audit Services - Approved by the Board of Directors, performed by the independent CPA firm of Anton Collins Mitchell, LLP.

Internet Services - Hosting for the FCLB website and central integrated database.

Business Insurance - Business owner's liability, travel and accident liability, board of directors' liability, surety bonds, and worker's compensation coverage.

Dues - FCLB membership dues for participation in FARB, CCGPP, CLEAR, and AHC.

Bank and Credit Card Service Fees - Transaction costs charged to FCLB when services are paid for via credit card (a function increasingly preferred by stakeholders).

Gifts & Awards - Presented at conference in recognition of those who serve in chiropractic regulation as well as small gifts given throughout the year for special occasions.

Public Relations - Small promotional items identifying FCLB, such as pens and CIN-BAD calendars.



Financial Analysis

SIGNIFICANT NOTES

The 2011 figures are based on an audit by Anton Collins Mitchell, LLC, Certified Public Accounts. Their official statement is available for review by any member.

This report is not prepared by them but is presented to help members better understand FCLB finances.

FCLB identifies but does not fund depreciation.

The Federation began the 2011 fiscal year projecting a need to transfer \$42,850 from reserved funds by year end to balance the budget.

The anticipated transfer was due in large part to the continuing costs of the information technology rebuilding effort and had been held in reserves for this purpose. However, strict fiscal management resulted in a transfer of only \$32,250 from the Operating Fund to cover the July long range planning meeting.

The savings are in large part due to the following:

- The Board continued to hold tight reigns on the budget.
- Some additional programming for the central database was moved into 2012.
- An increase in conference attendance and containing conference costs by combining the Wednesday welcome reception and Friday night event into a single Thursday night event.

Using rigorous fiscal management the FCLB was able to abide by its goal of assigning \$21,300 to the board designated 12 months operations reserve account. Additionally, \$15,000 was added to the PACE Development Fund to cover 2102 meeting costs.



Financial Analysis

RESERVE FUNDS - APRIL 2012

Cash & Cash Equivalents

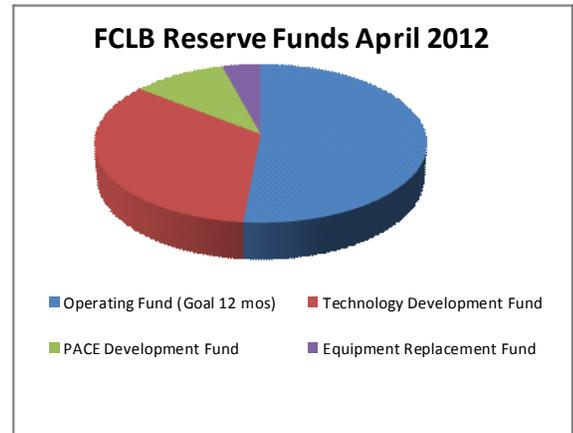
The FCLB began fiscal year 2012 with \$791,690 available cash for daily operations. Funds were invested in certificates of deposit and interest bearing money market accounts.

12 Months Operating Reserve

With a total of \$233,550, the fund is at 30.8% of the Board's goal of a 12 month operating reserve.

The board set a goal to allocate up to 3% of the total annual revenues to this fund in 2012. Continued additions to this fund are critical to stabilize FCLB.

Using rigorous fiscal management the FCLB was able to abide by its 2011 goal and \$21,300 was added at year end.



PACE Reserve

In anticipation of the implementation costs for the PACE program, the board approved the fund establishment in 2004 totaling \$70,000. The board depleted the fund in September 2005 and then replenished it with \$36,000 in January 2006. The board withdrew \$30,000 in January 2007 for PACE expenses. In January 2009 the board approved adding \$25,000 to this fund. \$15,000 was added in 2011 in to help cover the anticipated 2012 cost of a PACE rubric team meeting. The fund now stands at \$46,000.

Technology Reserve

Early in 2004, the board created a \$30,000 technology fund to support programming and internet costs. In January 2007, \$15,000 was applied toward technology costs. In December 2007, \$80,000 was added to the fund in anticipation of revamping the entire FCLB information technology infrastructure. An additional \$20,000 was added in January 2009, and \$40,000 was added in December 2009. The current balance is \$155,000. The 2012 budget anticipates tapping this fund by \$33,886 to aid in the cost of programming to integrate PACE with the centralized database and import fresh licensing lists from every board.

Equipment Upgrade Fund

This fund was established in December 2004 to replace and upgrade hardware on a three to eight year rotation schedule. It was used in the past to support CIN-BAD upgrade expenses and subsequently replenished. An additional \$10,000 was added in January 2009. The current balance is \$19,000.

Current Restricted Funds Balances (April 30, 2012)

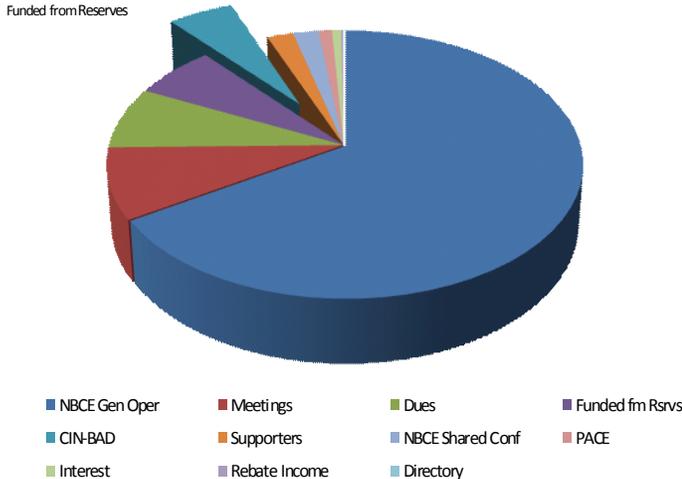
General Operating Fund	\$233,550
PACE Development Fund	\$ 46,000
Technology Development Fund	\$155,000
Equipment Replacement Fund	\$ 19,000
TOTAL	\$453,550

Financial Report

Adopted Budget 2012

PROJECTED REVENUES

2012 Projected Revenues



NBCE General Operations	\$511,481
Meetings Income (Conf. & District)	65,000
Dues	56,800
CIN-BAD Subscriptions & Queries	40,000
Supporter Income	15,500
NBCE Shared Conference Expenses	15,000
PACE	8,000
Interest	5,400
Rebate Income	1,000
Directory	500

2012 Total Projected Grants & Earned Revenue **\$718,681**

Funded - Tech Dev Reserve 22,405
Funded - PACE Dev Reserve 15,000
Total Budgeted Revenues **\$756,086**

2011 Total Grants & Earned Revenue **\$728,425**

NOTE: FCLB appreciates the NBCE's additional annual in-kind contribution of office space and utilities valued at approximately \$35,980.

PROJECTED EXPENSES

Salaries	\$270,000	Equipment - Small (less than \$1,000)	1,500
Meetings Expense*	220,630	Printing	2,000
Information Technology	45,000	Storage	1,200
Group Health & Dental	45,290	Contract Labor	1,000
Legal Services	38,000	Staff Development & Misc.	0
Payroll Taxes	23,000	Resident Agent & Filing Fees	100
Retirement	13,500		
Postage & Shipping	13,000	<u>2012 Total Projected Expenses</u>	<u>\$734,870</u>
Equipment Maintenance & Copies	7,500		
Insurance	6,000	<i>3% To be Added to Reserve Fund 2012</i>	21,216
Office Supplies & Publications	6,500	<u>Total Budgeted Expenses</u>	<u>\$756,086</u>
Internet Services	6,000		
Telephone	6,700	<u>2011 Total Expenses</u>	<u>\$716,167</u>
Audit Services	6,250		
Gifts & Awards	6,000		
Equip - Large (\$1,000+)	5,000		
Dues (FARB, CCGPP, AHC, CLEAR)	3,700		
Bank & Credit Card Servicing Fees	4,000		
Public Relations	3,000		

*Includes travel expenses for participation at Annual Conference, Districts, Mid-Year BOD, PACE, FARB, CCGPP, Summit, ACC/RAC, WFC, COCSA, CCE, etc.