

Financial Report

Statement of Revenues, Expenses, and Changes in Fund Balance - Accrual Basis Year Ended December 31, 2012

REVENUES

NBCE General Operations	\$511,482
Meetings (Conf & Districts)	72,110
Member Dues	59,845
CIN-BAD Subscriptions & Queries	45,101
NBCE Conference Shared Expenses	15,000
PACE	11,635
Supporter Income (Conference)	10,500
Raffle Receipts	5,850
Interest	4,135
Rebate income	2,211
Wolfson Scholarship	1,500
History Book Sales	1,147
Miscellaneous	500
Directory Sales	300
<i>NBCE In Kind Contributions</i>	<i>34,703</i>

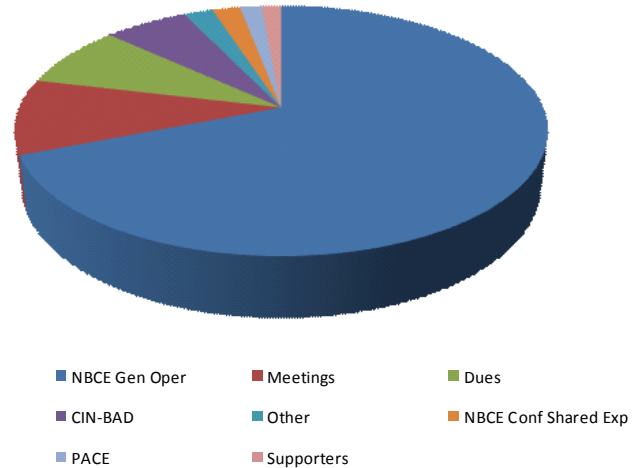
SUBTOTAL REVENUES **\$776,019**

NBCE In Kind Contributions (34,703)

TOTAL 2012 REVENUES **\$741,316**

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

Major Revenue Sources



Note: FCLB appreciates the NBCE's additional annual in-kind contribution of office space and utilities valued by NBCE at \$34,703.

OPERATING EXPENSES

Salaries	\$269,848
Meetings Expense*	217,293
Legal Services	40,798
Group Health & Dental	35,229
Information Technology	33,567
Payroll Taxes	21,254
Retirement	13,349
Postage & Shipping	9,944
Telephone	6,876
Equipment Maintenance & Copies	6,517
Audit Services	6,250
Business Insurance	5,918
Internet Services	5,801
Office Supplies & Publications	5,529
Equipment - Small (less than \$1,000)	5,121
Bank & Credit Card Servicing Fees	4,817
Gifts & Awards	3,706
Dues (FARB, CCGPP, CLEAR, AHC)	3,180
Printing	2,034
Public Relations	1,090
Storage	1,076

Contract Labor	960
Miscellaneous	653
Resident Agent	37
Staff Development & Misc.	0
<i>Rent & Utilities - NBCE In Kind</i>	<i>34,703</i>
<i>Depreciation & Amortization</i>	<i>19,813</i>

TOTAL EXPENSES **\$755,363**

Rent & Utilities - NBCE In Kind (34,703)

Depreciation & Amortization (19,813)

TOTAL 2012 EXPENSES **\$700,847**

NET GAIN **\$40,469**

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

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

Financial Analysis

FCLB Revenues

Net Assets: 12/31/12	\$783,109	12/31/12	\$741,316
Net Assets: 12/31/11	\$762,453	12/31/11	\$728,425
Net Assets: 12/31/10	\$786,867	12/31/10	\$719,439

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 2012 at \$34,703 and is shown as an *in kind contribution* in the 2012 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 8% of the 2012 budget. The FCLB was pleased to add the United Kingdom as the organization's newest member.

CIN-BAD database revenues increased as FCLB picked up a new subscriber, and 2012 was a re-credentialing year for several subscribers.

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

PACE gained three new for-profit providers in 2012 and received income in the form of records fees, annual renewal fees, and application fees from its approved providers.

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

Raffle income benefitted the CCCA program and was used toward the purchase of equipment necessary for operation of the program.

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



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, etc., all of which continue to rise while FCLB meeting registration fees have not increased.

In addition to the programs provided by FCLB, the board and executive director attend and participate in meetings of other stakeholders as necessary.

Members of 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.

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

Information Technology (IT) & Programming - FCLB went live in 2011 with its highly customized central database. In 2012 we began to integrate PACE and CCCA into the programming to maintain continuity of our operations.

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.

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

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

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.

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

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



Financial Analysis

SIGNIFICANT NOTES

The 2012 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 2012 fiscal year projecting a need to transfer \$37,405 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 no need to transfer funds from the reserve accounts.

The savings are in large part due to the following:

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

Using rigorous fiscal management the FCLB was able to abide by its goal of assigning \$21,216 to the board designated 12 months operations reserve account.



Financial Analysis

RESERVE FUNDS - APRIL 2013

Cash & Cash Equivalents

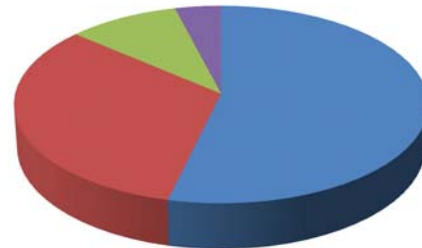
The FCLB began fiscal year 2013 with \$827,644 available cash for daily operations. Funds are invested in certificates of deposit and interest bearing money market accounts.

12 Months Operating Reserve

With a total of \$255,266, the fund is at 33.3% of the Board's goal of a 12 month operating reserve.

Using rigorous fiscal management the FCLB was able to abide by its 2012 goal and \$21,216 was added at year end. FCLB did not budget adding to this fund in 2013.

FCLB Reserve Funds April 2013



■ Operating Fund (Goal 12 mos) ■ Technology Development Fund
■ PACE Development Fund ■ Equipment Replacement Fund

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 2013 budget anticipates tapping this fund by \$20,550 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.

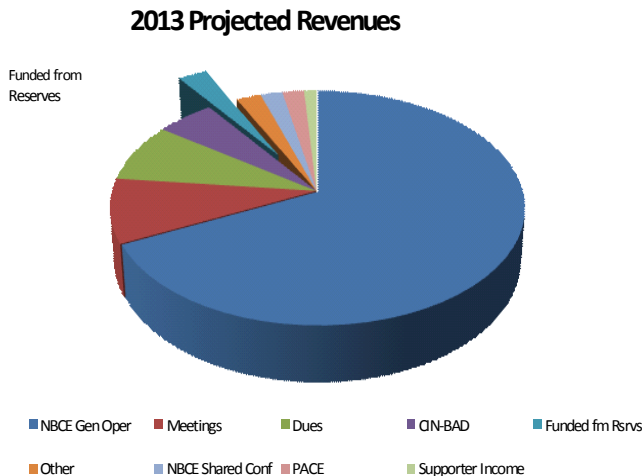
Current Restricted Funds Balances (April 30, 2013)

General Operating Fund	\$255,266
PACE Development Fund	\$ 46,000
Technology Development Fund	\$155,000
Equipment Replacement Fund	\$ 19,000
TOTAL	\$475,266

Financial Report

Adopted Budget 2013

PROJECTED REVENUES



NOTE: FCLB appreciates the NBCE's additional annual in-kind contribution of office space and utilities valued at approximately \$34,703.

NBCE General Operations	\$519,500
Meetings Income (Conf. & District)	68,000
Dues	62,000
CIN-BAD Subscriptions & Queries	40,000
NBCE Shared Conference Expenses	15,000
PACE	15,000
Supporter Income	8,500
Auction Receipts	7,000
CCCA	5,000
Interest	4,000
Rebate Income	1,000

2013 Total Projected Grants & Earned Revenue **\$745,000**

Funded - Tech Dev Reserve 20,550
Total Budgeted Revenues **\$765,550**

2012 Total Grants & Earned Revenue **\$741,316**

Updated information from NBCE indicates the 2013 General Operations contribution will be \$499,904 per the NBCE/FCLB Funding Agreement. The FCLB Board of Directors has been made aware of this information and appropriate budgetary adjustments are planned for 2013.

PROJECTED EXPENSES

Salaries	\$281,000	Bank & Credit Card Servicing Fees	4,800
Meetings Expense*	225,000	Dues (FARB, CCGPP, AHC, CLEAR)	3,500
Information Technology	45,000	Equipment - Small (less than \$1,000)	1,500
Group Health & Dental	46,750	Printing	1,500
Legal Services	40,000	Storage	1,200
Payroll Taxes	26,000	Auction	1,000
Retirement	13,700	Staff Development & Misc.	500
Postage & Shipping	11,000	Resident Agent & Filing Fees	50
Equipment Maintenance & Copies	7,500		
Public Relations	7,200	<u>2013 Total Projected Expenses</u>	\$765,550
Office Supplies & Publications	7,000		
Telephone	6,800	<u>Total Budgeted Expenses</u>	\$765,550
Audit Services	6,550		
Internet Services	6,500	<u>2012 Total Expenses</u>	\$700,847
Gifts & Awards	6,000		
Insurance	5,500		
Equip - Large (\$1,000+)	5,000		
Contract Labor	5,000		

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