

# Financial Report

Statement of Revenues, Expenses, and Changes in Fund Balance - Accrual Basis  
Year Ended December 31, 2009

## REVENUES

NBCE General Operations	\$500,000
Meetings (Conf & Districts)	51,180
CIN-BAD Subscriptions & Queries	49,044
Member Dues	48,305
Supporter Income (Conf & Districts)	35,450
Interest	12,087
PACE	4,489
Rebate & Other	2,552
Wolfson Student Scholarship Fund	1,000
Directory Sales	450

*NBCE In Kind Contributions* 37,637

**SUBTOTAL REVENUES** **\$742,194**

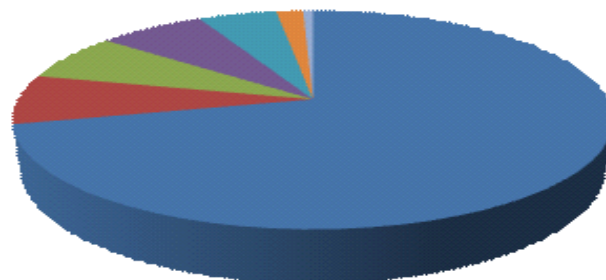
*NBCE In Kind Contributions* (37,637)

*NCMIC Tech Grant (Yr 3 of 5)* 15,000

**TOTAL 2009 REVENUES** **\$719,557**

**TOTAL 2008 REVENUES** **\$740,229**

## Major Revenue Sources



■ NBCE Gen Oper ■ Meetings ■ CIN-BAD  
■ Dues ■ Supporters ■ Interest  
■ PACE

*Note: FCLB appreciates the NBCE's additional annual in-kind contribution of office space and utilities valued by NBCE at approximately \$37,637.*

## OPERATING EXPENSES

Salaries	\$249,766
Meetings Expense*	172,772
Information Technology	47,355
Legal Services	41,336
Health Benefits	31,273
Payroll Taxes	19,956
Retirement	12,467
Postage & Shipping	12,205
Equipment Maintenance	6,895
Business Insurance	6,621
Telephone	6,287
Office Supplies & Publications	5,675
Gifts & Awards	5,313
Audit Services	3,700
Dues (FARB, CCGPP, CLEAR, AHC)	3,180
Contract Labor	2,824
Bank & Credit Card Servicing Fees	2,603
Internet Services	2,586
Public Relations	1,749
Small Equipment	1,506

Printing	1,440
Storage	1,044
Staff Development & Misc.	215
Resident Agent & Filing Fees	152
<i>Rent &amp; Utilities - NBCE In Kind</i>	37,637
<i>Depreciation &amp; Amortization</i>	30,894

**TOTAL EXPENSES** **\$707,451**

*Rent & Utilities - NBCE In Kind* (37,637)

*Depreciation & Amortization* (30,894)

**TOTAL 2009 EXPENSES** **\$638,920**

**NET GAIN** **\$80,637**

**TOTAL 2008 EXPENSES** **\$651,399**

*\*Includes board & staff expenses for attendance at Annual Conference, Districts, FARB, ACC/RAC, ACA/NCLC, CCGPP, etc.*

# Financial Analysis

## FCLB Revenues

Net Assets: 12/31/09	\$772,337	12/31/09	\$719,557
Net Assets: 12/31/08	\$736,264	12/31/08	\$740,229
Net Assets: 12/31/07	\$570,654	12/31/07	\$660,490

## 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 2009 at \$37,637 and is shown as an *in kind contribution* in the 2009 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.

**CIN-BAD database** revenues were down in 2009. Credentialing usage tends to rise and fall on a two year cycle with peaks in even years.

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.

**Membership dues** provided 7% of the 2009 budget. Members graciously voted to increase dues by 20% effective January 1, 2008, with subsequent years increased by 5% annually.

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

**Interest income** is earned on available funds through short-term (3-12 month) certificates of deposit.

**PACE** received income in the form of records fees and annual renewals from its approved providers.

**NCMIC** awarded FCLB \$15,000 as the third installment of a five year grant to aid in the continual upgrading of information technology. FCLB is most grateful for NCMIC's affirmation at this critical time.



# Financial Analysis

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

This category includes all costs involved in presenting and/or attending meetings including travel, hotel sleeping rooms, banquet fees, audiovisual, registration fees, etc., which continue to rise. The FCLB was able to participate in several additional meetings which had previously been unattended due to budget restrictions.

FCLB directors were eligible to receive a \$200/day honorarium and a \$50/day per diem for meals and tips. If meals are provided at the meeting, the \$50 per diem is forfeited. *Note: Beginning in January 2010, the honorarium has been increased to \$300/day and the per diem was increased to \$75/day.*

**Information Technology (IT) & Programming** - FCLB is in the process of moving to a highly customized central database. As the project spanned two fiscal years the board placed unused project funds in reserves making them available as needed to complete this project.

In prior audit years programming was depreciated but is now considered a cash expense.

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

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

**Postage & Shipping** - Shipping to educational conferences as well as daily costs. Much communication is done by e-mail and via the FCLB Web site.

**Equipment Maintenance** - Service contract for the office copier, security compliance for credit card processing, general equipment maintenance.

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

**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.

**Audit Services** - Approved by the Board of Directors, performed by the independent CPA firm of Watkins & Schommer, Inc.

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

**Contract Labor** - Miscellaneous office help at the Greeley headquarters.

**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).

**Internet Services** - Hosting for the FCLB website and CIN-BAD databank.

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



# Financial Analysis

## SIGNIFICANT NOTES

The 2009 figures are based on an audit by Watkins & Schommer, Inc., Certified Public Accountants. 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 2009 fiscal year projecting a need to transfer \$53,350 from reserved funds by year end to balance the budget.

The anticipated deficit 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 the ability to begin replenishing organizational reserves.

The savings are in large part due to the following:

- The Board continued to hold tight reigns on the budget.
- Contracted deposits on the centralized databank have been extended to 2010.
- Overall transportation and banquet fees did not increase as much as anticipated.
- Conference costs were contained for the welcome reception and Friday night event.
- Some budgeted meetings were not attended.



# Financial Analysis

## RESERVE FUNDS - APRIL 2010

### Cash & Cash Equivalents

The FCLB began fiscal year 2009 with \$652,849 available cash for daily operations. Funds were invested in short-term certificates of deposit and interest bearing money market accounts.

### 12 Months Operating Reserve

**With a total of \$210,000, the fund is at 28% of the Board's goal of a 12 month operating reserve.**

In January 2009 the board approved adding \$20,000 to this fund. This was the first increase since December 2004.

The board decided to allocate 5% of the total annual revenues to this fund beginning 2010 as continued additions to the operating reserve are critical to stabilize FCLB.

In December, the board approved adding \$35,000 of the 2009 operations savings to this fund to begin the approximately 5% contribution one year early.

### PACE Reserve

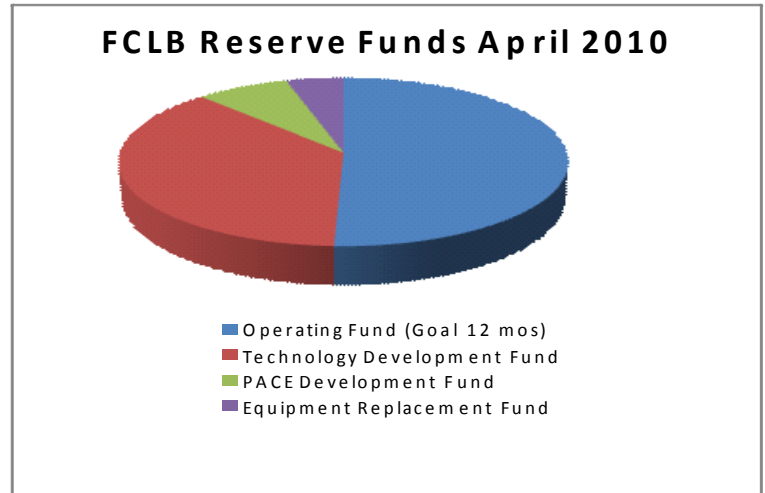
In anticipation of the implementation costs for the PACE program, the board approved the fund establishment in 2004 totaling \$70,000. The board depleted the fund in September 2005 and then replenished it with \$36,000 in January 2006. The board withdrew \$30,000 in January 2007 for PACE expenses. In January 2009 the board approved adding \$25,000 to this fund. The fund now stands at \$31,000.

### 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.

### 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 tapped 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, 2010)

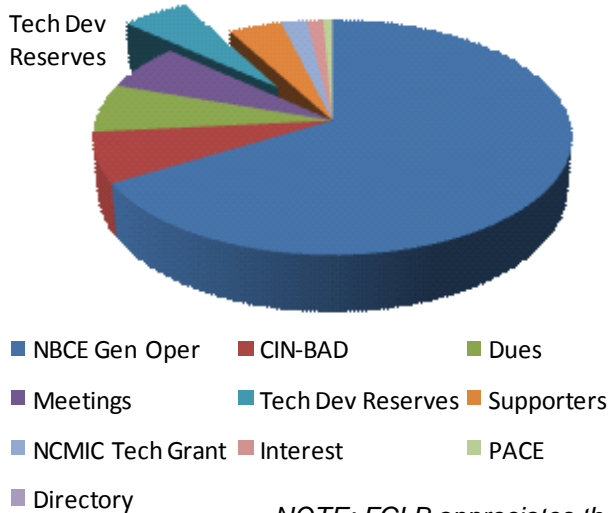
General Operating Fund	\$210,000
PACE Development Fund	31,000
Technology Development Fund	155,000
Equipment Replacement Fund	19,000
<b>TOTAL</b>	<b>\$415,000</b>

# Financial Report

## Adopted Budget 2010

### PROJECTED REVENUES

#### 2010 Projected Revenues



NBCE General Operations	\$500,000
CIN-BAD Subscriptions & Queries	52,000
Dues	50,000
Meetings Income (Conf. & District)	48,200
Supporter Income	31,000
NCMIC Technology Grant	15,000
Interest	9,500
PACE	5,000
Directory	400

<b>Total Grants &amp; Earned Revenues</b>	<b>\$711,100</b>
Funded from Tech Dev. Reserve	\$40,359

**TOTAL PROJECTED REVENUES** **\$751,459**

**TOTAL 2009 REVENUES** **\$719,557**

*NOTE: FCLB appreciates the NBCE's additional annual in-kind contribution of office space and utilities valued at approximately \$37,637.*

### PROJECTED EXPENSES

Salaries	\$255,000
Meetings Expenses <sup>1</sup>	229,575
Legal	50,000
Group Health & Dental	40,850
Information Tech Rebuilding	34,000
Payroll Taxes	23,250
Retirement	13,000
Postage & Shipping	13,000
Insurance	7,000
Equipment Maintenance & Copies	7,000
Office Supplies & Publications	6,000
Telephone	6,000
Internet Services	6,000
Auditor Services	5,000
Gifts & Awards	4,000
Bank & Credit Card Servicing Fees	3,200
Dues (FARB, CCGPP, AHC)	3,200
Contract Labor	3,000
Public Relations	2,500
Printing	1,500
Student Leadership Fund	1,454
Storage	1,100

Equipment - Small (less than \$1,000)	1,000
Staff Development	300
Resident Agent & Filing Fee	30

<b>SUBTOTAL 2010</b>	
<b>BUDGETED EXPENSES</b>	<b>\$716,959</b>
Reserve Fund 5%	34,500

**TOTAL 2010 EXPENSES** **\$751,459**

**TOTAL 2009 EXPENSES** **\$638,920<sup>2</sup>**

<sup>1</sup>Board & staff expenses for attendance at Annual Conference, Districts, FARB, ACC/RAC, ACA/NCLC, CCGPP, etc.

<sup>2</sup>2009 expenses were lower than budgeted because the central database project will not be fully implemented until 2010. Expenditures were delayed pending completion, which allowed the board to reserve the funds until they are needed in 2010.