

# Financial Report

Statement of Revenues, Expenses, and Changes in Fund Balance - Accrual Basis  
Year Ended December 31, 2010

## REVENUES

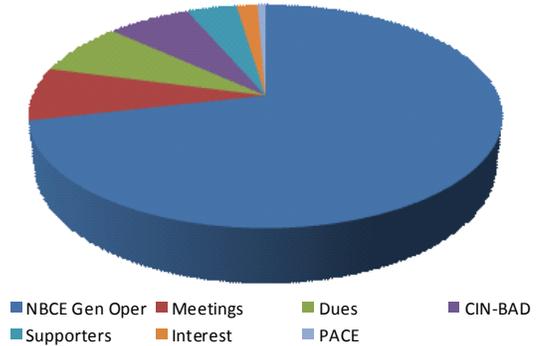
NBCE General Operations	\$500,000
Meetings (Conf & Districts)	53,902
Member Dues	53,295
CIN-BAD Subscriptions & Queries	47,554
Supporter Income (Conf & Districts)	28,700
Interest	9,341
PACE	4,994
ACBA transfer of funds	2864
Wolfson Scholarship	1,500
Rebate income	1040
Directory Sales	975
Miscellaneous	274
<i>NBCE In Kind Contributions</i>	<i>35,607</i>

<b>SUBTOTAL REVENUES</b>	<b>\$740,046</b>
<i>NBCE In Kind Contributions</i>	<i>(35,607)</i>
<i>NCMIC Tech Grant (Yr 4 of 5)</i>	<i>15,000</i>

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

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

Major Revenue Sources



Note: FCLB appreciates the NBCE's additional annual in-kind contribution of office space and utilities valued by NBCE at \$35,607.

## OPERATING EXPENSES

Salaries	\$257,456
Meetings Expense*	205,526
Information Technology	37,947
Health Benefits	35,662
Legal Services	34,143
Payroll Taxes	19,752
Retirement	14,537
Postage & Shipping	11,859
Telephone	6,594
Internet Services	6,205
Equipment Maintenance	6,175
Office Supplies & Publications	6,007
Audit Services	5,000
Business Insurance	4,915
Gifts & Awards	3,519
Dues (FARB, CCGPP, CLEAR, AHC)	3,080
Bank & Credit Card Servicing Fees	2,658
Public Relations	2,519
Contract Labor	1,503
Storage	1,131
Small Equipment	1,058

Printing	799
Bad Debt	200
Staff Development & Misc.	0
Resident Agent & Filing Fees	52
<i>Rent &amp; Utilities - NBCE In Kind</i>	<i>35,607</i>
<i>Depreciation &amp; Amortization</i>	<i>23,561</i>

<b>TOTAL EXPENSES</b>	<b>\$727,465</b>
<i>Rent &amp; Utilities - NBCE In Kind</i>	<i>(35,607)</i>
<i>Depreciation &amp; Amortization</i>	<i>(23,561)</i>

**TOTAL 2010 EXPENSES** **\$668,297**  
**NET GAIN** **\$51,142**

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

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

# Financial Analysis

## FCLB Revenues

Net Assets: 12/31/10	\$786,867	12/31/10	\$719,439
Net Assets: 12/31/09	\$772,337	12/31/09	\$719,557
Net Assets: 12/31/08	\$736,264	12/31/08	\$740,229

## 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 2010 at \$35,607 and is shown as an *in kind contribution* in the 2010 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% of the 2010 budget.

**CIN-BAD database** revenues were down slightly from 2009.

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.

**Interest income** is earned on available funds through short-term (6-12 month) certificates of deposit.

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

**NCMIC** awarded FCLB \$15,000 as the fourth 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

## 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 some additional meetings which had previously been unattended due to budget restrictions.

FCLB directors were eligible to receive a \$300/day honorarium and a \$75/day per diem for meals and tips. If meals are provided at the meeting, the \$75 per diem is forfeited.

**Information Technology (IT) & Programming** - FCLB continued the process of moving to a highly customized central database. As the project has taken longer than originally projected by professionals, the board was able to place deferred project funds in reserves making them available as needed to complete this project in 2011.

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 website.

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

**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.

**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.

**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).

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



# Financial Analysis

## SIGNIFICANT NOTES

The 2010 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 2010 fiscal year projecting a need to transfer \$40,359 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 transfers needed in 2010 from the technology development fund.

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 pending completion of the project in 2011.
- Conference costs continue to be contained 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 \$34,500 to the board designated 12 months operations reserve account.



# Financial Analysis

## RESERVE FUNDS - APRIL 2011

### Cash & Cash Equivalents

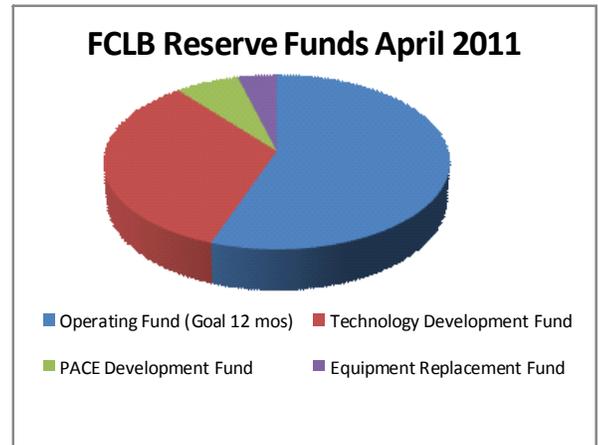
The FCLB began fiscal year 2010 with \$757,461 available cash for daily operations. Funds were invested in short-term certificates of deposit and interest bearing money market accounts.

### 12 Months Operating Reserve

***With a total of \$244,500, the fund is at 32% of the Board's goal of a 12 month operating reserve.***

The board set a goal to allocate up to 5% of the total annual revenues to this fund beginning 2010 as continued additions to this fund are critical to stabilize FCLB.

Using rigorous fiscal management the FCLB was able to abide by its goal and \$34,500 was added to this board designated fund at 2010 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. The fund now stands at \$31,000. No funds were added or withdrawn from this fund in 2010. The 2011 budget anticipated tapping this fund by \$4,350 as we continue to market PACE to potential providers and member boards.

### 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 2011 budget anticipates tapping this fund by \$33,000 as the project nears completion.

### 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. The 2011 budget will tap this fund by \$5,500 to replace five workstations that are up to seven years old.

### Current Restricted Funds Balances (April 30, 2011)

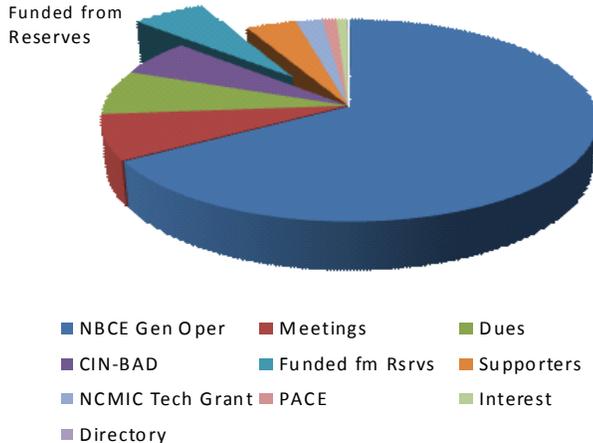
General Operating Fund	\$244,500
PACE Development Fund	31,000
Technology Development Fund	155,000
Equipment Replacement Fund	19,000
<b>TOTAL</b>	<b>\$449,500</b>

# Financial Report

## Adopted Budget 2011

### PROJECTED REVENUES

#### 2011 Projected Revenues



NBCE General Operations	\$500,000
Meetings Income (Conf. & District)	55,000
Dues	53,500
CIN-BAD Subscriptions & Queries	44,000
Supporter Income	28,700
NCMIC Technology Grant	15,000
PACE	8,000
Interest	6,000
Directory	400

**Total Grants & Earned Revenues** **\$710,600**

Funded -Tech Dev Reserve	\$33,000
Funded - Equip Replacement Reserve	5,500
Funded - PACE Dev Reserve	4,350

**TOTAL PROJECTED REVENUES** **\$753,450**

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

NOTE: FCLB appreciates the NBCE's additional annual in-kind contribution of office space and utilities valued at approximately \$35,607.

### PROJECTED EXPENSES

Salaries	\$264,700	Printing	1,200
Meetings Expenses <sup>1</sup>	225,100	Storage	1,100
Information Tech Rebuilding	45,000	Contract Labor	1,000
Group Health & Dental	42,950	Staff Development	0
Legal	38,000	Resident Agent & Filing Fee	100
Payroll Taxes	24,900		
Retirement	13,600	<b>SUBTOTAL 2011</b>	
Postage & Shipping	13,500	<b>BUDGETED EXPENSES</b>	<b>\$732,150</b>
Equipment Maintenance & Copies	7,500	Reserve Fund 3%	21,300
Insurance	7,000		
Office Supplies & Publications	6,500	<b>TOTAL 2011 EXPENSES</b>	<b>\$753,450</b>
Internet Services	6,200		
Telephone	6,000	<b>TOTAL 2010 EXPENSES</b>	<b>\$751,459</b>
Auditor Services	6,000		
Gifts & Awards	6,000		
Equip - Large (\$1,000+)	5,500		
Dues (FARB, CCGPP, AHC)	3,200		
Bank & Credit Card Servicing Fees	3,100		
Public Relations	2,500		
Equipment - Small (less than \$1,000)	1,500		

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