



NBCE

2021

Annual Report

STAKEHOLDER ENGAGEMENT

DEEP COMMUNICATION

TECHNOLOGY ENHANCEMENTS

PART IV ADVANCEMENT + DEVELOPMENT

# Building Engagement Through Transparency



# TABLE OF CONTENTS

<b>05</b>	INTRODUCTION
<b>06</b>	BOARD OF DIRECTORS
<b>08</b>	EXECUTIVE LEADERSHIP
<b>09</b>	TEST SITES
<b>10</b>	EXAM DELIVERY
<b>11</b>	TEST DEVELOPMENT COMMITTEES
<b>12</b>	PART IV ADVANCEMENT & DEVELOPMENT
<b>14</b>	CHIROPRACTIC EDUCATION INITIATIVE
<b>15</b>	NBCE GIVES BACK
<b>16</b>	CEO MESSAGE
<b>18</b>	FINANCIAL REPORT

# NATIONAL BOARD OF CHIROPRACTIC EXAMINERS

The NBCE was established in 1963 to ensure high standards of excellence in the chiropractic profession and chiropractic education.

## Our Mission

Ensuring professional competency through excellence in testing.

## Our Vision

NBCE is the trusted source of professional examination services. Using our resources and expertise, we will expand our organization through innovative product development to fulfill the evolving professional assessment needs of the communities we serve.

## Our Values

The NBCE embraces the philosophy of lifelong learning and demonstrates the values of integrity, honesty, fairness, transparency, and accountability in its interactions and relationship.



## 2021 BOARD OF DIRECTORS





# INTRODUCTION

from

**Daniel M. Côté, D.C.**

*NBCE Board President*

**"BUILDING ENGAGEMENT THROUGH TRANSPARENCY"** is the theme we chose to embody our work in 2021. We felt it represents our intentional focus on proactively communicating and sharing information along with engaging all of our stakeholders through the challenges of a global pandemic. Actively seeking participation and feedback from state boards, doctor of chiropractic programs, students, and other testing organizations helped us navigate the quickly-changing landscape of standardized testing. It was through these relationships and our committed staff, that we were able to safely and effectively administer over **20,000** chiropractic licensure exams.

Equally important to our mission is continued innovation. Throughout my time on the NBCE's Board of Directors, we have made significant progress on many fronts, such as transitioning to computer-based testing and evaluating our practical exam testing with the launch of our Part IV Advancement and Development project. We have also focused on supporting the chiropractic profession both nationally and abroad by increasing our international outreach, exam development assistance, and through key financial sponsorships like the F4CP's award-winning Olympic commercial. This commercial was viewed by more than 209 million viewers in 58 countries.<sup>1</sup>

With the support of the Board of Directors, stakeholders, and dedicated staff, the NBCE is achieving a successful and reliable end result—**EXCELLENCE IN TESTING**. I look forward to witnessing the great achievements yet to come. On behalf of the entire board, I proudly present the 2021 Annual Report, summarizing the work of the National Board of Chiropractic Examiners. With this online publication, we affirm the fiduciary and organizational responsibilities of our positions have been fulfilled.

Daniel M. Côté, D.C.

<sup>1</sup> Foundation for Chiropractic Progress – Educating the public to the benefits of chiropractic care. 2021. F4CP Concludes 2021 With Strongest Consumer Engagement and Awareness Ever. [online] Available at: <<https://www.f4cp.org/package/home/view-file/pre2021f4cp-concludes-2021-with-strongest-consumer-engagement-and-awareness-ever>>.



# BOARD OF DIRECTORS

The 11-member composition of the NBCE Board begins at the state/district level. States that utilize NBCE exams may name delegates and alternates to attend the NBCE annual meeting. At the meeting, district delegates nominate a person to serve as district director. An assembly of all state delegates votes to accept or reject each district nominee. Two seats are filled by appointment by the Federation of Chiropractic Licensing Boards. The board then elects at-large directors for two-year terms. Officers are elected annually. The four officers (President, Vice President, Treasurer and Secretary) compose the NBCE Executive Committee. The NBCE is a private, non-profit organization incorporated in the state of Texas and operates under bylaws.



**Daniel Côté, D.C.**  
PRESIDENT AND  
DISTRICT I DIRECTOR  
Silverton, Oregon



**LeRoy Otto, D.C.**  
VICE PRESIDENT AND  
DISTRICT II DIRECTOR  
Lake City, Minnesota



**Michael Fedorczyk, D.C.**  
TREASURER AND  
DISTRICT III DIRECTOR  
Dunkirk, Maryland



**John McGinnis, D.C.**  
SECRETARY AND  
DISTRICT V DIRECTOR  
Sumter, South Carolina



**Jason Jaeger, D.C.**  
DISTRICT IV DIRECTOR  
Las Vegas, Nevada



**Jason Young, D.C.**  
AT-LARGE DIRECTOR  
Corvallis, Oregon



**Kimberly Driggers, J.D.**  
AT-LARGE DIRECTOR  
Fort Lauderdale, Florida



**Margaret Freihaut, D.C.**  
AT-LARGE DIRECTOR  
Fenton, Missouri



**Karlos Baghosian, D.C.**  
AT-LARGE DIRECTOR  
Hartford, Connecticut



**Carol Winkler, D.C.**  
FCLB APPOINTMENT  
Bismarck, North Dakota



**Keita Vanterpool, D.C.**  
FCLB APPOINTMENT  
Washington, D.C.

# STATE BOARD DISTRICTS

## DISTRICT I

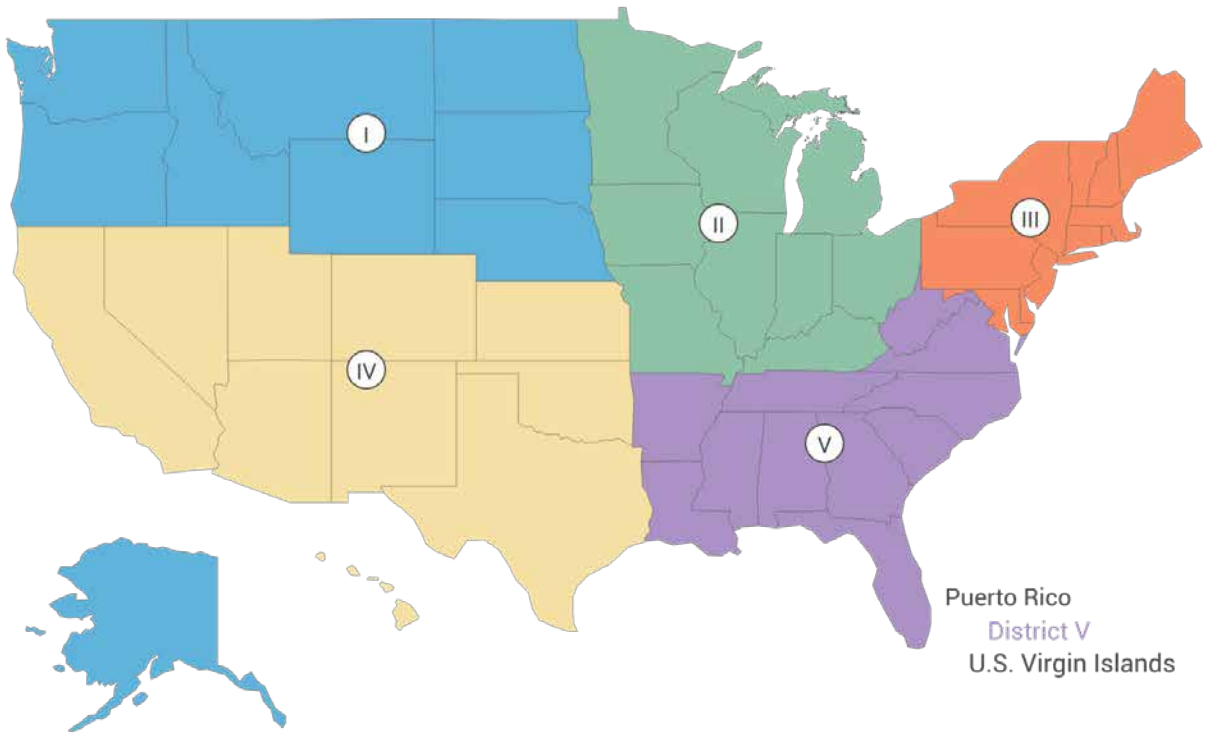
Alaska, Idaho, Montana, Nebraska, North Dakota, Oregon,  
South Dakota, Washington, Wyoming

## DISTRICT II

Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri,  
Ohio, Wisconsin

## DISTRICT III

Connecticut, Delaware, Maine, Maryland, Massachusetts,  
New Hampshire, New Jersey, New York, Pennsylvania,  
Rhode Island, Vermont, Washington D.C.



## DISTRICT IV

Arizona, California, Colorado, Hawaii, Kansas, Nevada,  
New Mexico, Oklahoma, Texas, Utah

## DISTRICT V

Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi,  
North Carolina, Puerto Rico, South Carolina, Tennessee,  
U.S. Virgin Islands, Virginia, West Virginia



# EXECUTIVE LEADERSHIP



**Norman Ouzts, D.C.**

CHIEF EXECUTIVE OFFICER

Dr. Norman E. Ouzts is the Chief Executive Officer for the NBCE and has served in that capacity since 2017. He supervises, directs and supports administrative and operational programs and procedures. Prior to being named CEO, Dr. Ouzts was the District V Director on the NBCE Board of Directors from 2007–2017. He was President from 2012–2014 and Vice President from 2010–2012.



**Melissa Stockberger, CPA, MS**

CHIEF FINANCIAL OFFICER

Melissa Stockberger was named Chief Financial Officer in 2021 and oversees the finance, accounting and human resources functions of the National Board of Chiropractic Examiners. She holds a Master of Science degree in accounting from the University of Wyoming, is a licensed Certified Public Accountant in the State of Colorado, a member of the American Institute of CPAs, and the Colorado Society of CPAs.



**Bruce Shotts, D.C.**

VICE PRESIDENT OF TESTING

Dr. Bruce Shotts has worked with the National Board of Chiropractic Examiners in several capacities during the past three decades. In January of 2014, he assumed responsibility as NBCE Director of Written Examinations. In October of 2021, he was promoted to NBCE Vice President of Testing where he oversees the development and production of all NBCE exams. He also actively promotes the advancement of computer-based and practical testing, along with the development and administration of several specialty exams.



**Tamara Sterling, MBA**

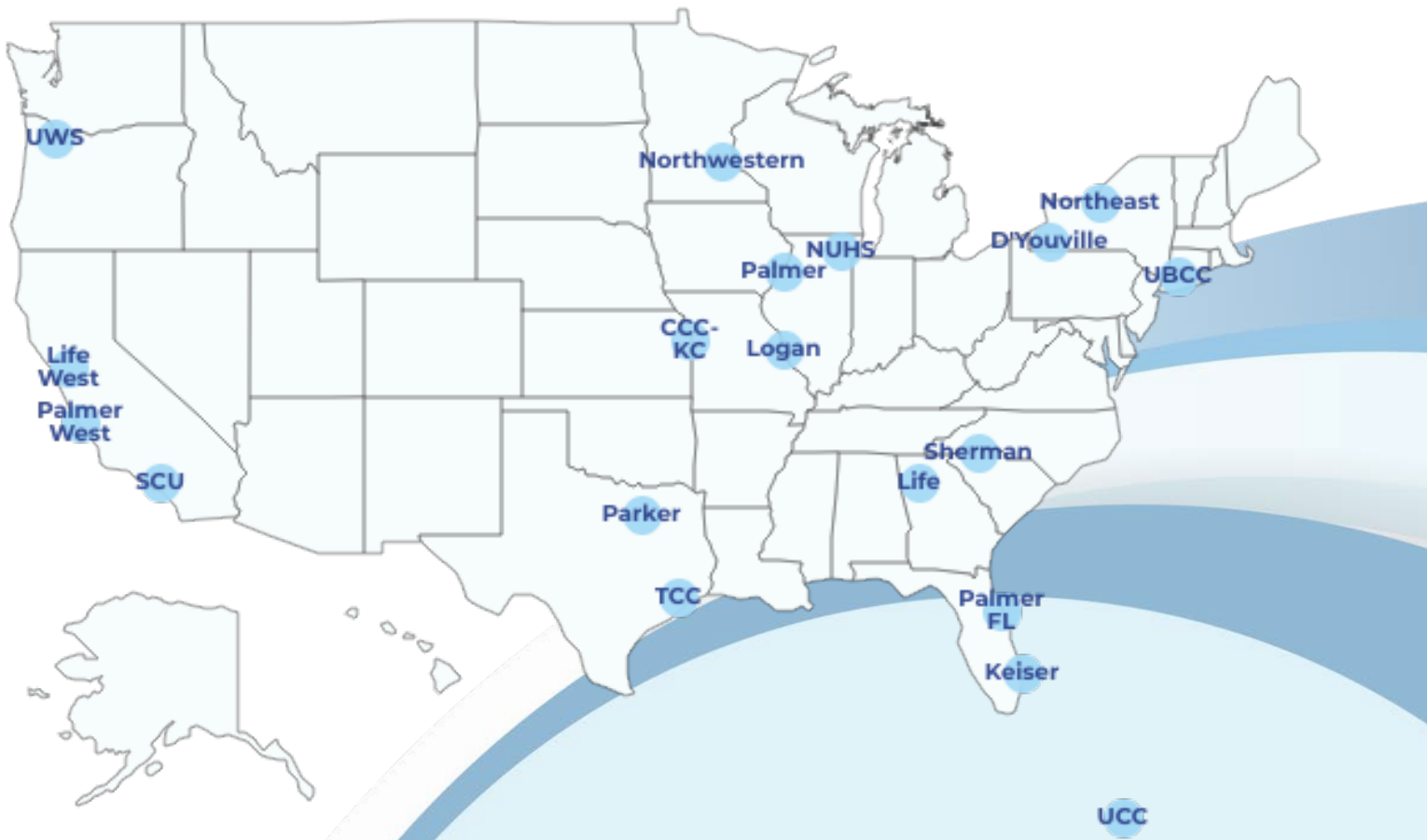
VICE PRESIDENT OF ADMINISTRATION

Tamara Sterling began her career at the NBCE in 2009 as a specialist in the Examinee Communications department. Assuming her role as Vice President of Administration in 2021, Tamara oversees daily operations for Exam Administration and Relations, Auxiliary Services, Public Relations, and Information Technology. She focuses on high-impact projects to meet the strategic goals of the organization.



# NBCE TEST SITES

The NBCE administers exams at available chiropractic college campuses and Prometric testing centers throughout the world. Our partnership with each chiropractic college allows NBCE access to their facilities and their staff members who assist in the successful administration of each exam. The NBCE is sincerely grateful for these working relationships.



## 2021 PARTS I, II, III, & PHT TEST SITES

Cleveland College of Chiropractic – Kansas  
 Keiser University – Florida  
 Life Chiropractic College West – California  
 Life University of Chiropractic – Georgia  
 Logan University College of Chiropractic – Missouri  
 Northeast College of Health Sciences – New York  
 Northwestern Health Sciences University – Minnesota  
 Palmer College of Chiropractic (Main Campus) – Iowa  
 Palmer College of Chiropractic – Florida  
 Palmer College of Chiropractic (West) – California  
 Parker University – Texas  
 Sherman College of Chiropractic – South Carolina  
 Texas Chiropractic College – Texas  
 Universidad Central del Caribe School of Chiropractic – Puerto Rico

## 2021 PART IV TEST SITES

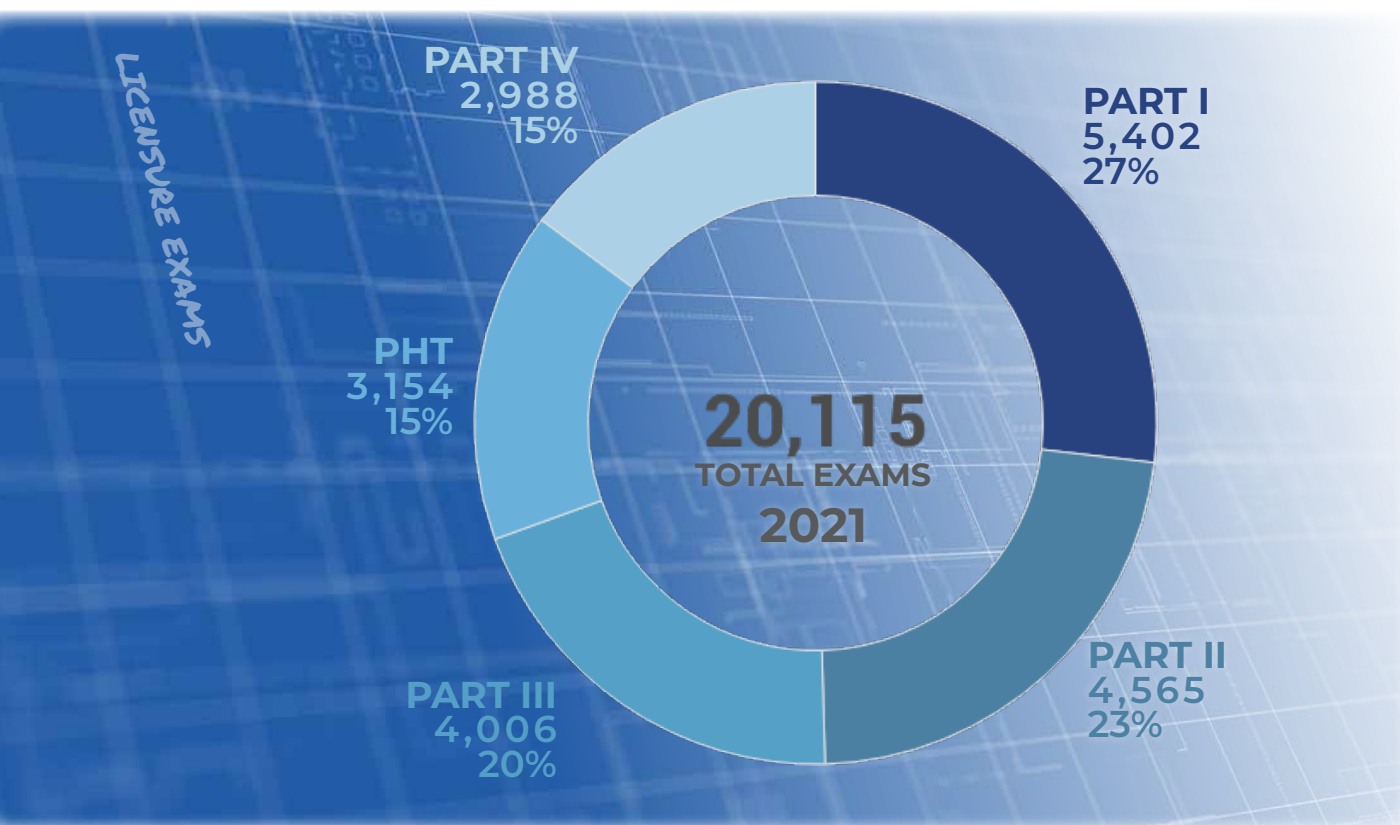
Cleveland College of Chiropractic – Kansas  
 Life Chiropractic College West – California  
 Life University of Chiropractic – Georgia  
 Logan University College of Chiropractic – Missouri  
 Northeast College of Health Sciences – New York  
 Northwestern Health Sciences University – Minnesota  
 Palmer College of Chiropractic (Main Campus) – Iowa  
 Palmer College of Chiropractic – Florida  
 Parker University – Texas  
 Southern California University of Health Sciences – California  
 University of Western States – Oregon

## COLLEGES UTILIZING PROMETRIC TESTING CENTERS

National University of Health Sciences – Illinois/Florida  
 University of Bridgeport School of Chiropractic – Connecticut  
 Southern California University of Health Sciences – California  
 University of Western States – Oregon

# EXAM DELIVERY

The NBCE follows the Standards for Educational and Psychological Testing established by the American Educational Research Association (AERA), American Psychological Association (APA) and National Council on Measurement in Education (NCME). The goal of the NBCE is to develop tests that produce valid and reliable scores for all testing populations.



## STATE BOARD SPONSORED EXAMS

The NBCE administers eight state board exams with the 2021 addition of the *Missouri State Board of Chiropractic Examiners Jurisprudence* exam, the *Missouri Professional Counselors Jurisprudence* exam, and the *Oklahoma Board of Chiropractic Examiners Jurisprudence* exam. From 2016–2021, **5,626** total state board exams were administered.

*Florida Chiropractic Laws & Rules*  
*Oklahoma Jurisprudence*  
*Oregon Ethics*

*Missouri Chiropractic Jurisprudence*  
*Oregon Chiropractic Assistant*  
*Oregon Minor Surgery & Proctology*

*Missouri Professional Counselors Jurisprudence*  
*Oregon Obstetrics, Gynecology & Genitourinary*

## SPECIALTY EXAMS

In 2021, the NBCE added a specialty exam for the *Certificate of Motor Vehicle Injuries* exam. From 2016–2021, a total of **1,903** specialty examinations were administered.

*Special Purposes Examination for Chiropractic*  
*American Board of Chiropractic Internists*

*Acupuncture*  
*Clinical Nutrition*

*Chiropractic College Aptitude*  
*Certificate of Motor Vehicle Injuries*

# TEST DEVELOPMENT COMMITTEES

Annually, the NBCE conducts test development committee workshops composed of state board members and college faculty representatives, based on their expert knowledge in specialized subject areas. This ensures content validity of examinations and that test items are approved for use on future examinations in accordance with NBCE test plans.

## MAY 2021 – PART III/PHT

8 academic representatives attended the May 2021 Part III/Physiotherapy Test Committee meeting. Attendees included the following: Scott Oswald, D.C. (Northwestern Health Sciences University); Mehrsa Harati, D.C. (Parker University); D. Ranier Pavlicek, D.C. (Palmer College of Chiropractic); Brett White, D.C., MHSc (Keiser University, College of Chiropractic); Gary Schultz, D.C., DACBR (University of Western States); Sarah Hock, D.C., CACCP (Sherman College of Chiropractic); Mathew DiMond, D.C., DACRB (University of Bridgeport, College of Chiropractic); Nakiesha Pearson, D.C., ND (National University of Health Sciences).



## JUNE 2021 – PART IV

24 state board nominated members participated in the annual Part IV Test Committee meeting. Attendees included the following: Robert Alpert, D.C. (GA); Frances Aragao, D.C. (RI); Mark Balderston, D.C. (KS); Karen Baranick, D.C. (OR); Nick Baucum, D.C. (TX); Scott Bautch, D.C. (WI); Wayne Bennett, D.C. (AZ); Stephen Chan, D.C. (WA); Jason Drake, D.C. (OK); Gene Garriss, D.C. (SC); Seth Hudson, D.C. (MO); Rachel Klein, D.C. (HI); Aaron Martin, D.C. (IA); Terry Martin, D.C. (UT); Douglas Matzner, D.C. (IL); Julie Mayer-Hunt, D.C. (FL); Dionne McClain, D.C. (CA); Paul Morin, D.C. (ME); Ella Pantazis, D.C. (MD); Mark Rich, D.C. (OH); Andrew Riddle, D.C. (DE); Ryan Thornton, D.C. (MI); Darcy Wyatt, D.C. (NM); Kent Yohe, D.C. (ND). In addition to the state board regulatory members, three academic representatives were also in attendance: Jeffrey Baier, D.C. (Cleveland College of Chiropractic); Amy Schleicher, D.C. (D'Youville College); Sarah Kelly, D.C. (National University of Health Sciences).



## JUNE 2021 – PART II

17 academic representatives attended the June 2021 Part II Test Committee meeting. Attendees included the following: Thomas Bodette, D.C., CCSP (Southern California University of Health Sciences); Chin-Suk (John) Cho, D.C., DACBR, BSc(hons) (Parker University); Ashlee Drover, D.C. (Palmer College of Chiropractic); Jeana Edwards, D.C. (Life Chiropractic College West); Jay Elliott, D.C., MEd (Logan University); Thomas Frank, D.C., MBA (D'Youville College); Stephen Grande, D.C., CCSP (D'Youville College); Shawn Hatch, D.C., MS, DACBSP (University of Western States); Dana Hollandsworth, D.C., MEd (Parker University); Bradley Koby, D.C., CCSP (Texas Chiropractic College); Yuri Korvatko, D.C., MSc, DACBR, BSc(hons) (National University of Health Sciences); Chris Major, D.C., DACBR, ATC (Northwestern Health Sciences University); Olena Plotkina, MD, D.C. (Life University); Daryl Ridgeway, D.C. (Logan University); Robert Rowell, D.C., MS (Palmer College of Chiropractic); Luis Vera, D.C., DIBCN, DIBE, FIACN (Palmer College of Chiropractic-Florida); Jeana Voorhies, D.C., (Northeast College of Health Sciences).

## JULY 2021 – PART I

15 academic representatives attended the July 2021 Part I Test Committee meeting. Attendees included the following: Paul Rupp, PhD (Cleveland University); David Miller, D.C., MS (D'Youville College); Janet Sikora Amendola, D.C., DIBCN (Keiser University); Mary Whalen, D.C. (Life Chiropractic College West); Vinnavadi Ravikumar, PhD, (Life University); Yuan Gao, MD, MS, (Logan University); Greg Cramer, D.C., PhD, (National University of Health Sciences); Muhammad Khan, MBBS, DTCD, MCPS, (National University of Health Sciences); Mackenzie Ott, PhD, (National University of Health Sciences); Paul Herbert, D.C., MS, (Northeast College of Health Sciences); Jeremy Barthels, D.C., MS, (Northwestern Health Sciences University); Michelle Drover, D.C., (Palmer College of Chiropractic); Anjum Odhwani, MBBS, MPH, (Parker University); Deborah Sanderson, D.C., (Sherman College of Chiropractic); William Borman, PhD, (University of Western States).

THANK YOU!



# PART IV ADVANCEMENT & DEVELOPMENT PROJECT (PAD)

## ADVISORY BOARD

### ASSOCIATION OF CHIROPRACTIC COLLEGES NOMINATIONS

Dr. Kevin Cunningham, *Palmer College of Chiropractic— Main Campus*  
 Dr. Scott Donaldson, *Life Chiropractic College West*  
 Dr. Ana Facchinato, *Southern California University of Health Sciences*  
 Dr. Wendy Maneri, *Northeast College of Health Sciences*  
 Dr. Kristina Petrocco-Napuli, *Logan College of Chiropractic*

### NBCE DISTRICT DIRECTOR NOMINATIONS

Dr. Jim Buchanan, *Wyoming Board of Chiropractic Examiners*  
 Dr. Scott Bautch, *Wisconsin Chiropractic Examining Board*  
 Dr. Nicole Canada-Harmel, *Nevada Board of Chiropractic Physicians*  
 Dr. Kevin Donovan, *Rhode Island Board of Examiners in Chiropractic Medicine*  
 Dr. Ned Martello, *Louisiana State Board of Chiropractic Examiners*

### NBCE BOARD REPRESENTATIVES

Dr. LeRoy Otto, *NBCE Vice President and District II Director*  
 Dr. Marty Freihaut, *At-Large Director*

### PART IV TEST SITE STAFF

Dr. Ron Boesch, *Overall In Charge, Palmer Iowa Test Site*

### NBCE PROJECT TEAM

Dr. Norman Ouzts, *NBCE Chief Executive Officer*  
 Dr. Andy Gow, *NBCE Practical Testing Manager*  
 Tamara Sterling, *NBCE Vice President of Administration*  
 Michele Fisher, *NBCE Test Production Manager*

PAD project  
**KICKOFF**

Announced project  
to stakeholders

Formed Advisory  
Board

First Advisory  
Board meeting

Announced  
proposal to move  
DIM to Part III

Open comment  
period for DIM  
proposal

Second Advisory  
Board meeting  
where open  
comment  
feedback was  
evaluated

**JANUARY/  
FEBRUARY**

**MARCH**

**APRIL**

**MAY**

**JUNE**

## PUBLIC COMMENTS ABOUT PROPOSED MOVING OF DIM TO PART III

### STUDENTS:

*"I think this would be a great switch. As a student I am having to travel for Part IV. Having the test on 2 days increases the time I'm in the area and paying for a hotel which drastically increases the cost of the exam, so something that would result in one day testing for all exams seems fantastic. On top of that I agree that material included in DIM melds better with Part III allowing students taking Part IV to focus solely on the practical."*

*"It would be nice to only focus on just the clinical application for part 4. It gets pretty exhausting coming in twice for 2 different stressful tests."*

### EDUCATOR:

*"I believe that it is most appropriate to move the diagnostic imaging from Part IV to Part III. I understand that it will not detract from the content assessed in Part III and it certainly will not detract from Part IV. I am fully in support of the change. Thank you."*

### STATE BOARD MEMBER:

*"I am in support. This will bring efficiencies to the process for students, NBCE and the host sites. It is also noted that bringing some small financial relief to students during this time and process will be well received."*



Andrew Gow, D.C., L.Ac

NBCE Practical Testing Manager



Michele Fisher

NBCE Test Production Manager

Dr. Gow and Michele Fisher spent fourth quarter of 2021 visiting, in person, all of the DCPs in the United States to learn about their clinic exams and tour their clinic spaces. We had the opportunity to host student focus groups to discuss the current Part IV exam and gather feedback about proposed changes.

Delivered first  
**PART III  
WITH DIM**

Campus site  
visits

UWS  
UBCC  
Northeast  
D'Youville  
Sherman  
Life University  
National  
Life West  
SCU

Campus site  
visits

Logan  
CCC-KC

Campus site  
visits

Keiser  
TCC  
Parker

Partnered with  
the National Board  
of Osteopathic  
Medical Examiners  
to develop the new  
exam format

DIM/DXI  
communication  
campaign  
launched

Campus site  
visits  
Northwestern  
Palmer – IA

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

PAD PROJECT PLAN

**PHASE 1****Discovery & Design**

Now through the end of 2022 – Researching best practices, gathering stakeholder feedback, evaluating vendors, and designing a testing plan.

**PHASE 2****Testing**

All of 2023 – Testing new Part IV exam format in the field, making adjustments as necessary, communicating changes to stakeholders, and planning roll out.

**PHASE 3****Implementation**

2024 – Possible first administration of updated Part IV.

**2021 - 2022****2023****2024**

In-depth research, reports and additional information at:  
<https://www.nbce.org/pad-updates/>



**Igor Himelfarb, Ph.D.**

NBCE DIRECTOR OF PSYCHOMETRICS  
& RESEARCH

# RESEARCH & CHIROPRACTIC EDUCATION INITIATIVE

Providing test and measurement services to the chiropractic profession in all areas of demonstrated need and advancing the chiropractic profession when in the best interests of the corporation and chiropractic testing.

## RESEARCH

The following papers were published in 2021:

Himelfarb, I., Shotts, B.L., & Gow, A. R. (2021). Examining the validity of chiropractic grade point averages for predicting National Board of Chiropractic Examiners Part I exam scores. *Journal of Chiropractic Education*.

Shotts, B.L., Himelfarb, I., Crawford, G.L., Harding, J., & Gow, A. R. Practice analysis and changes to the Chiropractic Board of Clinical Nutrition diplomate exam *Journal of Chiropractic Education*. 2021 Oct;35(2):171–83.

The following presentations were made in 2021:

Himelfarb, I., Fang, G., & Tang N-E. (2021). Detecting aberrant behavior in chiropractic testing. Paper accepted for presentation at NCME Annual Meeting. Online

Himelfarb, I., & Tang, N-E. (2021). Decision consistency study for full versus reduced versions of an exam. Paper accepted for presentation at NCME Annual Meeting. Online

## HARNESSING THE WEB

Dr. Himelfarb accepted the invitation to join the Scientific Committee and Advisory Board for Chiropractic Education at the CERF Virtual Conference. These tutorials were presented at the conference:

Ouzts, N.E., and Himelfarb, I. (2021). Current Directions in Chiropractic Professional Testing. Tutorial presented at the CERF Conference on June 6, 2021. Online.

Shotts, B.L., and Himelfarb, I. (2021). Professional Testing in Chiropractic: Test Content Development and Scoring. Tutorial presented at the CERF Conference on June 6, 2021. Online.

Gow, A.R., and Himelfarb, I. (2021). What Are the Performance-based Assessment Best Practices? Tutorial presented at the CERF Conference on June 6, 2021. Online.







# \$1,098,866

in support of the chiropractic  
profession in **2021**

## NBCE GIVES BACK

- The NBCE is a proud sponsor of the F4CP's historic award-winning TV commercial that was aired multiple times during the Summer Olympics. The commercial served not only as inspiration to athletes and others to consider a career as a doctor of chiropractic, but also as motivation for an international audience of consumers to seek chiropractic care.



- The NBCE provided an **\$11,000** sponsorship for the Research Agenda Conference and a **\$100,000** grant to The Association of Chiropractic Colleges.



- The NBCE provided **\$15,000** support to the World Federation of Chiropractic, for the advancement of chiropractic education and research, as well as **\$100,000** support for the WHO Project.



Additional support provided to the following:



Student International  
Chiropractors Association



Student American Black Chiropractic Association

- The NBCE provided the FCLB **\$22,500** which allows state board delegates, board administrators and board attorneys to attend district meetings.



- The NBCE provided **\$250,000** for ChiroCongress' Future Forum National Strategic Plan Fund.



- The NBCE is a proud **\$15,000** sponsor of the Women Chiropractors group, as they grow in their dedication to promoting chiropractic and the advancement of women in that role.



- The NBCE provided **\$10,000** funding to Brighthall, Inc. as sponsorship for their Research and Science Society.



- The NBCE continued its scholarship program in 2021 and provided four student awards of \$2,500 each for a total of **\$10,000**. Winners were Andrew Calderone, Jordan Crain, Kurt Kangas and Brienna Wilde.



# CLOSING REMARKS

from

## Norman Ouzts, D.C.

*NBCE Chief Executive Officer*

The highlights and achievements provided in this report merely graze the surface of the NBCE's operations and ventures in 2021. We are proud of the level of service we have maintained during the pandemic, the consistency of our communication with stakeholders, and our ability to balance the needs of today while preparing for tomorrow. In 2021, we focused on listening to our stakeholders and actively soliciting feedback through some of the following actions:

- Creating the Part IV Advancement and Development project Advisory Board made up of state licensing board members, college faculty, test site personnel, and NBCE board representatives
- Opening a comment period soliciting feedback on proposed changes to the Part III exam
- Surveying doctor of chiropractic programs (DCPs) and eliciting feedback about the score reporting process
- Initiating open and transparent conversations with the Association of Chiropractic Colleges and its members
- Representing NBCE at important Chiropractic events like Chiro Congress, ACC-RAC, etc.
- Visiting all DCP campuses to learn about their clinic training and examining methods

The open dialogue with our colleagues, consumers, and partners has enabled the NBCE to move into 2022 with actionable information to support our philosophies of lifelong learning, continuous improvement, and innovation. Here are some of the priorities we have for 2022:

### TECHNOLOGY ENHANCEMENTS

Through our partnerships with some of the testing industry's most innovative companies, the NBCE will focus on harnessing industry advancements and best practices. Our work in this area spans the entire organization—from the examinee application process to the technology platform we use to build our exams. These projects have individual goals and planned outcomes. All center around building efficiencies, improving the examinee experience, or working as part of the foundation needed to move toward offering more test administrations.

### INCREASING STAKEHOLDER ENGAGEMENT

The NBCE is committed to providing more opportunities and various platforms to engage state boards, DCPs, examinees, and the chiropractic profession as a whole. For example, we are nearly doubling the size of our Test Development Committees and allowing more state board and DCP faculty involvement in the creation of our exam products.

### TRANSPARENCY

The NBCE has financial audits performed by independent, third-party auditors. These annual audits and reports are always available to the public. In 2021, we opened our psychometric practices to an independent auditor and shared the results with the Association of Chiropractic Colleges. Changes to our exam products are introduced to our stakeholders early, so we can gather feedback and share the information collected. We are committed to building trust and opening channels by which we can have conversations that clarify, inform, or allow us to see gaps and opportunities for improvement in our own processes.

With the support of our Board of Directors, state boards, DCPs, and committed staff, we look forward to advancing our relationships with our stakeholders, investing in product innovation, and continuing to support Chiropractic regulation and public protection in 2022.

A handwritten signature in dark ink that reads "Norman Ouzts, D.C." in a cursive, professional style.

Norman Ouzts, D.C.

# **NATIONAL BOARD OF CHIROPRACTIC EXAMINERS AND SUBSIDIARY**

Consolidated Financial Statements  
and Supplementary Information

December 31, 2021 and 2020

---

BROCK AND COMPANY CPAS PC  
3711 JFK PARKWAY, SUITE 315  
FORT COLLINS, COLORADO 80525  
970.223.7855 | 303.530.9343 | 970.223.3926 FAX  
[WWW.BROCKCPAS.COM](http://WWW.BROCKCPAS.COM)



**National Board of  
Chiropractic Examiners  
and Subsidiary**

**Consolidated Financial Statements  
and Supplementary Information**

December 31, 2021 and 2020

# National Board of Chiropractic Examiners and Subsidiary

## **Table of Contents**

---

<b>Independent Auditor's Report</b>	Pages 2-3
<b>Consolidated Statements of Financial Position</b> December 31, 2021 and 2020	Pages 4-5
<b>Consolidated Statements of Activities and Net Assets</b> Years ended December 31, 2021 and 2020	Page 6
<b>Consolidated Statements of Functional Expenses</b> Years ended December 31, 2021 and 2020	Pages 8-9
<b>Consolidated Statements of Cash Flows</b> Years ended December 31, 2021 and 2020	Page 10
<b>Notes to Consolidated Financial Statements</b>	Pages 11-22
<b><u>Supplemental Schedules</u></b>	
<b>Consolidated Schedules of Revenues</b> Years ended December 31, 2021 and 2020	Page 23

PAGE INTENTIONALLY BLANK



**Independent Auditor's Report**

Board of Directors  
National Board of Chiropractic Examiners and Subsidiary  
Greeley, Colorado

**Opinion**

We have audited the accompanying consolidated financial statements of the National Board of Chiropractic Examiners and Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities and net assets, functional expenses, and cash flows for the years then ended, and related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of National Board of Chiropractic Examiners and Subsidiary as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Board of Chiropractic Examiners and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Board of Chiropractic Examiners and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



## **Independent Auditor's Report (continued)**

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**


In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Board of Chiropractic Examiners and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Board of Chiropractic Examiners and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### **Supplementary Information**

Our audits of the consolidated financial statements were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented on page 24 of this report is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Certified Public Accountants

Fort Collins, Colorado  
March 2, 2022

# National Board of Chiropractic Examiners and Subsidiary

## Consolidated Statements of Financial Position

December 31	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 8,729,774	\$ 8,482,745
Accounts receivable	2,999	3,965
Accrued interest receivable	1,076	1,050
Prepaid expenses and other current assets	298,623	201,116
Total current assets	<u>9,032,472</u>	<u>8,688,876</u>
<b>Property and Equipment, at cost</b>		
Land and improvements	2,007,778	1,979,968
Buildings and improvements	6,301,547	6,219,898
Office furniture and equipment	1,537,023	2,238,672
Vehicles	72,625	76,530
Artwork and decorations	81,280	111,142
	<u>10,000,253</u>	<u>10,626,210</u>
Less accumulated depreciation	<u>(4,789,945)</u>	<u>(5,342,678)</u>
Net property and equipment	<u>5,210,308</u>	<u>5,283,532</u>
<b>Other Long-Term Assets</b>		
Software, net of accumulated amortization, of \$669,416 and \$1,045,091 respectively	143,922	326,951
Certificates of deposit	241,771	235,820
Deposits	-	185
<b>Board designated assets</b>		
Cash and cash equivalents	1,441,382	1,095,347
Investments	27,272,286	22,982,121
Accrued interest receivable	80,797	84,303
Investment in 5401 building, net	1,527,787	1,457,476
Total Board designated assets	<u>30,322,252</u>	<u>25,619,247</u>
Total other long-term assets	<u>30,707,945</u>	<u>26,182,203</u>
Total assets	<u>\$ 44,950,725</u>	<u>\$ 40,154,611</u>

The accompanying Notes are an integral  
part of these financial statements.

Page 4

	2021	2020
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 117,847	\$ 40,067
Accrued wages payable	65,682	49,120
Accrued compensated absences	178,193	186,321
Accrued property taxes payable	214,855	198,611
Accrued other liabilities	1,638	1,547
Deferred revenue	3,231,653	3,700,265
Total current liabilities	<u>3,809,868</u>	<u>4,175,931</u>
<b>Long-Term Liabilities</b>		
Security deposits	<u>2,000</u>	<u>18,335</u>
Total liabilities	<u>3,811,868</u>	<u>4,194,266</u>
<b>Net Assets</b>		
Unrestricted		
Board designated	30,322,252	25,619,247
Net investment in property and equipment	5,210,308	5,283,532
Undesignated	5,606,297	5,057,566
Total net assets	<u>41,138,857</u>	<u>35,960,345</u>
Total liabilities and net assets	<u>\$ 44,950,725</u>	<u>\$ 40,154,611</u>

The accompanying Notes are an integral  
part of these financial statements.



# National Board of Chiropractic Examiners and Subsidiary

## Consolidated Statements of Activities and Net Assets

Years ended December 31	2021	2020
<b>Revenues and Gains</b>		
Revenues		
Examination fees	\$ 15,507,400	\$ 12,686,225
Other services	158,410	116,687
Total revenues	15,665,810	12,802,912
CARES Act Employee Retention Credits	819,298	209,169
Total revenues and gains	16,485,108	13,012,081
<b>Expenses and Losses</b>		
Operating expenses		
Program services	10,098,506	9,410,029
Management and general	2,612,781	2,683,867
Total operating expenses	12,711,287	12,093,896
Loss on abandonment of software development	-	329,960
Loss on disposal of assets	35,659	1,717
Total expenses and losses	12,746,946	12,425,573
<b>Change in Net Assets</b>		
Before Investment Income	3,738,162	586,508
<b>Investment Income</b>		
Interest income	846,881	659,538
Net realized and unrealized		
gains on investments	674,750	1,521,052
Investment expenses	(56,282)	(59,801)
Net loss on rental activities of 5401 Building	(24,999)	(118,985)
Net investment income	1,440,350	2,001,804
<b>Change in Net Assets</b>	5,178,512	2,588,312
<b>Net Assets, Beginning of Year</b>	35,960,345	33,372,033
<b>Net Assets, End of Year</b>	\$ 41,138,857	\$ 35,960,345

The accompanying Notes are an integral  
part of these financial statements.

Page 6

PAGE INTENTIONALLY BLANK

# National Board of Chiropractic Examiners and Subsidiary

## Consolidated Statements of Functional Expenses

Years ended December 31

2021

	Program Services	Management and General	Total
<b>Compensation and employee benefits</b>			
Salaries and wages	\$ 2,382,615	\$ 926,573	\$ 3,309,188
Employee benefits	455,314	177,066	632,380
Payroll taxes and workers' compensation	186,476	72,518	258,994
Retirement benefits	132,071	51,362	183,433
	<u>3,156,476</u>	<u>1,227,519</u>	<u>4,383,995</u>
<b>Exam programming expenses</b>			
Administration	4,093,149	-	4,093,149
Preparation	189,095	-	189,095
Training	75,754	-	75,754
Printing	33,769	-	33,769
Development	146,475	-	146,475
Practice analysis	1,170	-	1,170
EBAS expenses	103,114	-	103,114
	<u>4,642,526</u>	<u>-</u>	<u>4,642,526</u>
<b>Support to other organizations</b>			
FCLB financial assistance	665,366	-	665,366
Assistance to other organizations	386,000	-	386,000
	<u>1,051,366</u>	<u>-</u>	<u>1,051,366</u>
<b>Occupancy and office expenses</b>			
Utilities and building maintenance	301,640	117,305	418,945
Office equipment and supplies	237,834	93,775	331,609
Property taxes	130,593	50,786	181,379
Telephone	10,845	4,217	15,062
	<u>680,912</u>	<u>266,083</u>	<u>946,995</u>
<b>Meetings</b>			
Meetings, board of directors	-	414,651	414,651
Meeting functions	-	98,347	98,347
Meetings, chief executive officer and staff	2,866	17,605	20,471
	<u>2,866</u>	<u>530,603</u>	<u>533,469</u>
<b>Other</b>			
Depreciation and amortization	431,554	94,731	526,285
Miscellaneous	-	267,362	267,362
Insurance	79,391	30,874	110,265
Professional services	8,296	67,118	75,414
Public relations	14,304	115,733	130,037
Auto expenses	19,526	8,368	27,894
Postage and shipping	11,289	4,390	15,679
	<u>564,360</u>	<u>588,576</u>	<u>1,152,936</u>
<b>Total operating expenses</b>	<u>\$ 10,098,506</u>	<u>\$ 2,612,781</u>	<u>\$ 12,711,287</u>

The accompanying Notes are an integral  
part of these financial statements.

Page 8

2020

Program Services	Management and General	Total
\$ 2,719,644	\$ 812,361	\$ 3,532,005
510,625	152,524	663,149
195,053	58,262	253,315
155,974	46,589	202,563
<u>3,581,296</u>	<u>1,069,736</u>	<u>4,651,032</u>
3,517,740	-	3,517,740
84,065	-	84,065
61,422	-	61,422
55,291	-	55,291
52,831	-	52,831
13,803	-	13,803
94,911	-	94,911
<u>3,880,063</u>	<u>-</u>	<u>3,880,063</u>
711,425	-	711,425
110,000	-	110,000
<u>821,425</u>	<u>-</u>	<u>821,425</u>
365,480	109,170	474,650
251,106	75,006	326,112
127,841	38,185	166,026
24,704	7,379	32,083
<u>769,131</u>	<u>229,740</u>	<u>998,871</u>
-	438,450	438,450
-	159,845	159,845
22,952	9,836	32,788
<u>22,952</u>	<u>608,131</u>	<u>631,083</u>
231,123	331,309	562,432
-	243,461	243,461
75,776	22,635	98,411
-	87,848	87,848
-	78,329	78,329
16,058	9,032	25,090
12,205	3,646	15,851
<u>335,162</u>	<u>776,260</u>	<u>1,111,422</u>
<u>\$ 9,410,029</u>	<u>\$ 2,683,867</u>	<u>\$ 12,093,896</u>

The accompanying Notes are an integral  
part of these financial statements.



# National Board of Chiropractic Examiners and Subsidiary

## Consolidated Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2021	2020
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 5,178,512	\$ 2,588,312
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	619,379	652,851
Loss on disposal of assets	35,659	1,717
Loss on abandonment of software development	-	329,960
Provision for bad debts	-	2,370
Reinvested interest	(5,951)	-
Net realized and unrealized investment gains	(674,750)	(1,521,052)
Increase (decrease) in assets and liabilities		
Accounts receivable and accrued interest	940	127
Prepaid expenses and other assets	(97,322)	(12,163)
Accounts payable	77,780	(2,051)
Accrued expenses	8,434	(413,580)
Deferred revenue	(468,612)	796,760
Net cash provided by operating activities	<u>4,674,069</u>	<u>2,423,251</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment	(276,735)	(156,480)
Payments for capitalized software	(56,920)	(60,014)
Payments on lease incentive allowances and direct initial lease costs	(135,441)	-
Purchases of certificates of deposits	-	(18,413)
Maturities of certificates of deposits	-	503,818
Purchases of investments, board designated	(8,394,454)	(14,410,841)
Proceeds from the sale of investments, board designated	4,782,545	11,905,709
Net cash used by investing activities	<u>(4,081,005)</u>	<u>(2,236,221)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>593,064</b>	<b>187,030</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b><u>9,578,092</u></b>	<b><u>9,391,062</u></b>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 10,171,156</u></b>	<b><u>\$ 9,578,092</u></b>

The accompanying Notes are an integral part of these financial statements.

Page 10

# National Board of Chiropractic Examiners and Subsidiary

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

---

### Note 1 – Summary of Significant Accounting Policies

*Organization.* The National Board of Chiropractic Examiners (“NBCE”) was incorporated in 1963, under the laws of the state of Texas, to prepare and administer, to qualified applicants, examinations of superior quality whereby those legal agencies which govern the practice of chiropractic within each state and other countries may accept, at their discretion, those individuals who have successfully completed the examinations of the National Board of Chiropractic Examiners. Additionally, the NBCE provides test and measurement services to the chiropractic profession in areas of demonstrated need.

The Organization is the sole member of Ethics and Boundaries Assessment Services, LLC (“EBAS”). EBAS was formed in the state of Delaware as of July 1, 2013. EBAS develops and administers ethics and boundary examinations to individuals in regulated professions to evaluate their understanding of ethical behavior in their professional role and appropriate boundaries that are to be maintained.

*Consolidation.* The accompanying consolidated financial statements include the accounts of NBCE and its wholly-owned subsidiary, EBAS. All significant intercompany transactions have been eliminated in consolidation. Collectively, NBCE and EBAS are hereafter referred to as the “Organization”. The consolidated entities are not a separate legal entity.

*Basis of Presentation.* The accounting and reporting policies of the Organization conform with accounting principles generally accepted in the United States of America (“GAAP”), as codified in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”).

*Use of Estimates in the Preparation of Financial Statements.* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Net Asset Classification.* The Organization distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. The Organization complies with established standards for external reporting by not-for-profit organizations, which requires that resources be classified for reporting purposes into two net asset categories according to externally (donor) imposed restrictions.

Net assets are classified as follows:

*Net Assets Without Donor Restrictions.* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.



# National Board of Chiropractic Examiners and Subsidiary

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

---

### Note 1 – Summary of Significant Accounting Policies (continued)

*Net Assets With Donor Restrictions*. Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization does not generally receive contributions, and thus, has no net assets with donor restrictions as of December 31, 2021 and 2020.

*Cash and Cash Equivalents*. The Organization considers highly liquid investments with maturity of three months or less when purchased to be cash equivalents. The Board of Directors of NBCE has designated certain assets for future use. Accordingly, the board designated cash and cash equivalents have been classified as long-term. Net cash inflows or outflows of these designated funds are reflected as changes resulting from investing activities.

*Property and Equipment*. Property and equipment are stated at cost less accumulated depreciation. A summary by classification of the method and life guidelines used to depreciate cost is as follows:

Building and improvements	20 - 40 years
Office furniture and equipment	3 - 10 years
Vehicles	5 - 7 years
Artwork and decorations	25 years

Expenditures for maintenance, repairs and minor replacements are charged to operations, and expenditures for major replacements and betterments are capitalized. Depreciation expense totaled \$333,040 in 2021 and \$396,436 in 2020.

*Prepaid Expenses*. Prepaid expenses consist primarily of insurance premiums paid in advance of the coverage period, and certain other service contracts paid in advance of the service period. These costs will be recognized as an expense on a straight-line basis over the period of coverage and service period.

*Capitalized Software*. The Organization follows the provisions of FASB ASC 350-40, *Internal-Use Software*, for capitalizing software costs. Costs incurred during the application development stage are capitalized and costs incurred during the preliminary project and the post-implementation stages are expensed as incurred. Capitalized software costs are amortized using a straight-line method over the estimated useful life of approximately three years. Amortization begins when the products are ready for their intended use. Amortization expense totaled \$221,468 in 2021 and \$228,657 in 2020. Management has determined that certain exam delivery system software under development is no longer viable, and the Organization incurred a loss on the abandonment of the project totaling \$329,960 for the year ended December 31, 2020.



# National Board of Chiropractic Examiners and Subsidiary

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

---

### Note 1 – Summary of Significant Accounting Policies (continued)

*Long-lived Assets.* The Organization reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Organization performs undiscounted operating cash flow analyses to determine if an impairment exists. If an impairment is determined to exist, any related impairment loss is calculated based on fair value. Management has determined that no indicators of impairment existed as of December 31, 2021 and 2020.

*Board Designated Assets.* The general purpose for the Board designated assets is to provide funds for exceptional, non-ordinary, unforeseen emergencies; as well as the growth and development of future services for the chiropractic profession. These funds can be used for emergency operations, project development, legal expenses, support of other chiropractic organizations, and other needs as determined by the Board of Directors. The Board of Directors must approve all Board designated asset expenditures.

The NBCE is committed to a high degree of fiduciary responsibility and after considerable evaluation and research has established a long range goal for the board designated assets to be set at an amount (excluding real property assets) equal to two years current operating expenses.

*Revenue Recognition.* The Organization follows the provisions of FASB ASU No. 2014-09 (Topic 606), *Revenue from Contracts With Customers* and recognizes revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods and services. The Organization's revenue under contracts with customers are primarily comprised of examination fees collected in advance at the time of registration and are recorded as deferred revenue until recognized at a point in time upon the grading and reporting of the results to the examinee. The Organization satisfies its performance obligations related to examination fees by preparing, administering, grading, and reporting the results of the exams. In addition, the Organization receives fees for other services including transcripts, sample tests, certificates and plaques. Other service fees are generally collected in advance and recognized as revenue at a point in time in the period that the goods are transferred or the other services are performed.

*Income Taxes.* NBCE is a not-for-profit corporation exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code, except for activities that create unrelated business taxable income. The Organization is not a private foundation. EBAS is a single member limited liability company, with NBCE as the sole member, and accordingly, is classified as a disregarded entity for income tax purposes. EBAS revenues, expenditures and activities are attributed to NBCE for reporting with the Internal Revenue Service.

The Organization has no income from business unrelated to its exempt purpose, and accordingly no liability for federal income taxes has been recorded in the accompanying financial statements.



# National Board of Chiropractic Examiners and Subsidiary

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

---

### Note 1 – Summary of Significant Accounting Policies (continued)

The Organization utilizes the provisions of ASC 740, pertaining to accounting for uncertainty in income taxes. The pronouncement requires the use of a more-likely-than-not recognition criteria before and separate from the measurement of a tax position. An entity shall initially recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. With respect to the Association, this would primarily relate to the determination of unrelated business taxable income, and to the maintenance of its tax exempt status.

Management has evaluated the adopted policies and procedures that have been implemented to provide assurance that income is properly characterized and activities that jeopardize its tax exempt status are within limits established under existing tax code and regulations. Management has determined the effects of uncertain tax positions are not material to the Organization for recognition or disclosure in the accompanying financial statements and, accordingly, no income tax liability has been recorded for uncertain income tax positions in the accompanying financial statements.

All income tax years 2018 through the current year are open for examination and are subject to taxation at corporate tax rates. Additionally, penalties and interest may be assessed on income taxes that are delinquent. The assessment of uncertain income taxes is subject to estimate, and it is reasonably possible that the estimate may change in the near term and the change may be material.

*Concentrations.* Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances. The Organization's investments subject to credit risk consist primarily of equity investments and debt securities. The credit risk is reduced by maintaining the investments in a variety of funds.

*Subsequent Events.* Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through March 2, 2022, which is the date the financial statements were available to be issued.

# National Board of Chiropractic Examiners and Subsidiary

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

### Note 2 – Liquidity and Availability of Resources

The Organization has the following financial assets, primarily consisting of cash and cash equivalents, available to meet the cash requirements for general expenditures within one year of the statement of financial position dates as of December 31:

	<u>2021</u>	<u>2020</u>
Financial assets, end of year	\$ 37,770,085	\$ 32,885,351
Less certificates of deposits with long-term maturities	(241,771)	(235,820)
Less assets designated by the Board under the designated reserve investment policy	<u>(28,794,465)</u>	<u>(24,161,771)</u>
Financial assets available to meet cash requirements for general expenditures within one year	<u>\$ 8,733,849</u>	<u>\$ 8,487,760</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

In addition, the NBCE Board of Directors has a designated reserve investment policy. This policy was established to designate certain assets for the purpose of funding future capital improvements, long-term investments, contingent operating needs of the NBCE, and support of other chiropractic organizations. Those assets that have been included within the board designation are clearly indicated in the consolidated statements of financial position.

### Note 3 – Reconciliation of Cash and Cash Equivalents

The following table provides a reconciliation of cash and cash equivalents reported within the statements of financial position at December 31, 2021 and 2020 that sum to the total of the same such amounts shown in the statement of cash flows for the years then ended.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 8,729,774	\$ 8,482,745
Cash and cash equivalents, Board designated	<u>1,441,382</u>	<u>1,095,347</u>
	<u>\$ 10,171,156</u>	<u>\$ 9,578,092</u>



# National Board of Chiropractic Examiners and Subsidiary

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

### Note 4 – Investments

Investments are carried at fair value. Certificates of deposit with a maturity of greater than 90 days have been included in other long-term assets as certificates of deposit, and investments which have been designated by action of the Board of Directors have been included with other long-term assets.

The following details each major category of investments, and the related cost and fair value as of December 31, 2021:

	<u>Cost</u>	<u>Fair Value</u>
Long-term investments		
Fixed income		
Domestic notes and bonds	\$ 9,689,760	\$ 9,556,650
US Treasury notes	4,877,488	4,929,266
Municipal bonds	475,030	472,940
Equity funds		
Domestic all cap	1,695,083	2,787,425
International	1,207,088	1,682,019
Emerging markets	401,844	518,094
Floating rate corp loans	1,375,565	1,429,121
Real estate funds	1,412,536	1,586,282
Liquid low correlated hedge	2,762,564	2,812,154
Energy limited partnership	1,264,531	1,498,335
Certificates of deposit	241,771	241,771
	<u>\$ 25,403,260</u>	<u>\$ 27,514,057</u>

The following details each major category of investments, and the related cost and fair value as of December 31, 2020:

	<u>Cost</u>	<u>Fair Value</u>
Long-term investments		
Fixed income		
Domestic notes and bonds	\$ 7,955,310	\$ 8,031,535
US Treasury notes	3,781,860	3,989,891
Municipal bonds	300,010	299,894
Equity funds		
Domestic all cap	1,767,840	2,392,320
International	1,218,005	1,615,054
Emerging markets	464,789	621,715
Floating rate corp loans	1,166,888	1,199,269
Real estate funds	1,161,165	1,181,581
Liquid low correlated hedge	2,325,269	2,442,962
Energy limited partnership	1,190,820	1,207,900
Certificates of deposit	235,820	235,820
	<u>\$ 21,567,776</u>	<u>\$ 23,217,941</u>

# National Board of Chiropractic Examiners and Subsidiary

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

---

### Note 5 – Fair Value Measurements

*Fair Value Measurements.* The Organization reports using fair value measurements, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

*Level 1.* Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

*Level 2.* Inputs to the valuation methodology include, quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

*Level 3.* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

*Fixed Income Notes and Bonds.* The Organization values government and corporate notes and bonds based on current interest rates for instruments with similar characteristics, as estimated by the custodians of the securities.

*Equity Funds.* The Organization values domestic and international funds based upon quoted market prices for identical securities in active markets, and published redemption values at the close of business on December 31, 2021 and 2020, respectively.

*Certificates of Deposit.* The Organization values certificates of deposit at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. Early withdrawal charges may apply in the event the instruments are liquidated prior to their scheduled maturity date.



# National Board of Chiropractic Examiners and Subsidiary

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

### Note 5 – Fair Value Measurements (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the consolidated financial statements.

Investments measured at fair value on a recurring basis have been categorized into the hierarchy as follows at December 31, 2021:

	Level 1	Level 2	Total
Fixed income notes and bonds	\$ -	\$ 14,958,856	\$ 14,958,856
Equity funds	12,313,430	-	12,313,430
Certificates of deposit	-	241,771	241,771
	<u>\$ 12,313,430</u>	<u>\$ 15,200,627</u>	<u>\$ 27,514,057</u>

Investments measured at fair value on a recurring basis have been categorized into the hierarchy as follows at December 31, 2020:

	Level 1	Level 2	Total
Fixed income notes and bonds	\$ -	\$ 12,321,320	\$ 12,321,320
Equity funds	10,660,801	-	10,660,801
Certificates of deposit	-	235,820	235,820
	<u>\$ 10,660,801</u>	<u>\$ 12,557,140</u>	<u>\$ 23,217,941</u>

### Note 6 – Rental Real Estate

The Organization owns a rental real estate property, referred to as 5401 Building, in Greeley, Colorado which is comprised of the following at December 31:

	2021	2020
Land	\$ 230,000	\$ 230,000
Building	1,884,331	1,884,331
Building improvements	394,204	404,182
Lease incentives and direct initial costs, net	133,044	-
	<u>2,641,579</u>	<u>2,518,513</u>
Less accumulated depreciation	(1,113,792)	(1,061,037)
Net 5401 Building	<u>\$ 1,527,787</u>	<u>\$ 1,457,476</u>

# National Board of Chiropractic Examiners and Subsidiary

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

---

### Note 6 – Rental Real Estate (continued)

The building is being depreciated over the estimated life of the building of 40 years and building improvements are being depreciated over the estimated lives ranging from 20-40 years. Depreciation expense associated with this property totaled \$64,871 in 2021 and \$62,662 in 2020. The investment in this property has been reflected at cost, net of accumulated depreciation, in the accompanying consolidated statements of financial position as board designated. Revenues principally consist of rental income, and expenses principally consist of depreciation, property taxes, insurance, utilities and repairs.

Rental real estate activities are summarized as follows for the years ended December 31:

	2021	2020
Rental revenues	\$ 106,447	\$ 53,304
Less operating expenses	(131,446)	(172,289)
Net loss on rental activities of 5401 Building	<u>\$ (24,999)</u>	<u>\$ (118,985)</u>

Future minimum rental receipts under current leases are as follows as of December 31, 2021:

Year	Amount
2022	\$ 116,343
2023	119,833
2024	91,497
2025	68,011
2026	70,051
Thereafter	78,180
	<u>\$ 543,915</u>

### Note 7 – Contract Liabilities

Deferred revenue (contract liability) consists of amounts received in advance for examination fees. Beginning balances were \$3,700,265 and \$2,903,505 at January 1, 2021 and 2020, respectively. Ending balances were \$3,231,653 and \$3,700,265 at December 31, 2021 and 2020, respectively.

### Note 8 – Accrued Compensated Absences

It is the Organization's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits. Vacation benefits accrued may be carried over into future periods. Additionally, benefits would be paid to employees upon separation from the Organization. As of December 31, 2021 and 2020, the Organization has recorded a liability of \$178,193 and \$186,321, respectively, for these benefits, representing the Organization's commitment to fund such costs.



# National Board of Chiropractic Examiners and Subsidiary

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

---

### Note 9 – Operating Leases and Commitments

The Organization has entered into noncancellable operating leases for office equipment and a vehicle with terms ranging from three to five years. Rent expense under the operating leases totaled approximately \$41,371 in 2021 and \$35,074 in 2020.

Future minimum lease payments under the noncancellable operating lease agreements are as follows at December 31, 2021:

Year	Amount
2022	\$ 24,358
2023	13,348
2024	4,693
2025	391
	<u>\$ 42,790</u>

### Note 10 – Defined Contribution Retirement Plan

The Organization makes contributions to a qualified 401(k) plan administered by the Principal Financial Group. These accounts are owned by the employees. Contributions made to the employee accounts are based on a percentage of salary, as approved by the Board of Directors. Contributions were made based upon 6% of the employees' wages and were \$183,433 in 2021 and \$202,563 in 2020.

### Note 11 – EBAS Expenses

During the year ended December 31, 2021 and 2020, EBAS incurred direct expenses of \$103,114 and \$94,911, respectively, and indirectly benefitted from \$244,957 and \$250,512, respectively, of expenses incurred by NBCE. Software amortization expense of \$28,223 and \$27,759 for the years ended December 31, 2021 and 2020, respectively, are included in direct expenses. At December 31, 2021 and 2020, EBAS had cash of \$102,955 and \$59,417 and owed \$2,633,569 and \$2,388,386 to NBCE, respectively.

# National Board of Chiropractic Examiners and Subsidiary

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

### Note 12 – Financial Assistance to Other Organizations and Related Party Transactions

*Federation of Chiropractic Licensing Boards.* The Organization has a twenty year annual support agreement with the Federation of Chiropractic Licensing Boards (FCLB), a related entity through common members of Board of Directors, that was in its thirteenth year in 2021. In summary, NBCE agrees to pay FCLB the greater of either \$500,000 or 5% of annual chiropractic test revenue in two equal installment payments per year. The annual chiropractic test revenue to base this percentage on is the total examination fees for all delivered chiropractic exams less exam fee refunds. FCLB agrees to continue to support and promote the use of NBCE's exams. NBCE provides additional financial support to FCLB for their Annual Delegate Conference. In addition, NBCE leases, under an informal agreement, FCLB a portion of its investment building at 5401 West 10th Street in Greeley, Colorado for a nominal annual fee recorded as contributions in-kind based on the fair rental value of the property and an allocation of utilities expenses.

The Organization provided the following support to the FCLB for the years ended December 31:

	2021	2020
Payments sent to FCLB related to annual support agreement	\$ 631,866	\$ 677,408
Office space and utilities in-kind	33,500	34,017
Total support provided to FCLB	<u>\$ 665,366</u>	<u>\$ 711,425</u>

*Foundation for Chiropractic Progress.* In 2019, the Organization entered into an agreement with the Foundation for Chiropractic Progress (F4CP) for a \$600,000 donation to partially fund, with other organizations, the cost of airing five 0:30 second *Career in Chiropractic* commercials during the broadcasting of the 2020 Summer Olympics for the promotion of growth and awareness of careers in the chiropractic profession. The Organization made an initial payment of \$200,000 in August 2019, with two additional installments of \$200,000 payable in January and May 2020. In March 2020, the International Olympic Committee postponed the 2020 Summer Olympics to 2021 which the commercials aired during the event.

### Note 13 – Contingencies

During the ordinary course of business, the Organization may be subject to legal claims relating to its activities. No amounts have been recorded in the accompanying financial statements for claims or counterclaims. The recognition of contingencies is subject to estimation. It is reasonably possible that estimates may change in the near term.



# National Board of Chiropractic Examiners and Subsidiary

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

---

### Note 14 – Risk and Uncertainties

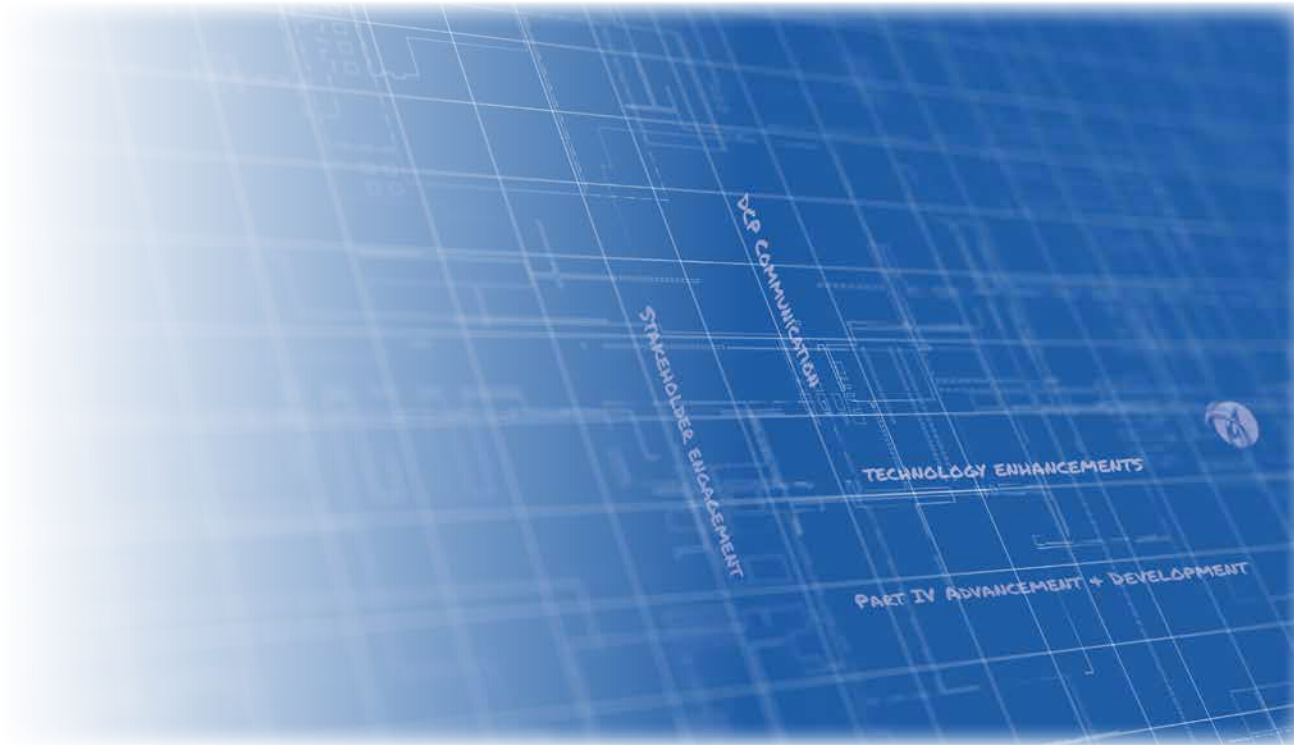
During 2020, a health care pandemic has occurred in the United States and internationally. In response to the crisis, the federal, state, and municipal governments have enacted various policies to curtail group gatherings until the risk has diminished. Certain services of the Organization are subject to modified operations. Additionally, the global economy has been negatively impacted. The pandemic has continued in 2022 and no reliable estimate of the potential future financial impacts of this uncertainty on the Organization can be made at this time.

The federal government has enacted legislation to mitigate some of the economic effects of the pandemic, including the Coronavirus Aid, Relief, and Economic Security Act (CARES) of 2020. The CARES Act provisions for a Employee Retention Credits (ERC) to qualified entities intended to help workplaces keep employees on their payroll during the downturn caused by the COVID-19 pandemic. More specifically, the ERC is a fully refundable payroll tax credit that's equal to 50% of qualified wages, up to \$10,000 of wages per employee. The Organization received credits totaling \$819,298 and \$209,169 for the years ended December 31, 2021 and 2020 that are reported as other income in the accompanying Statement of Activities.

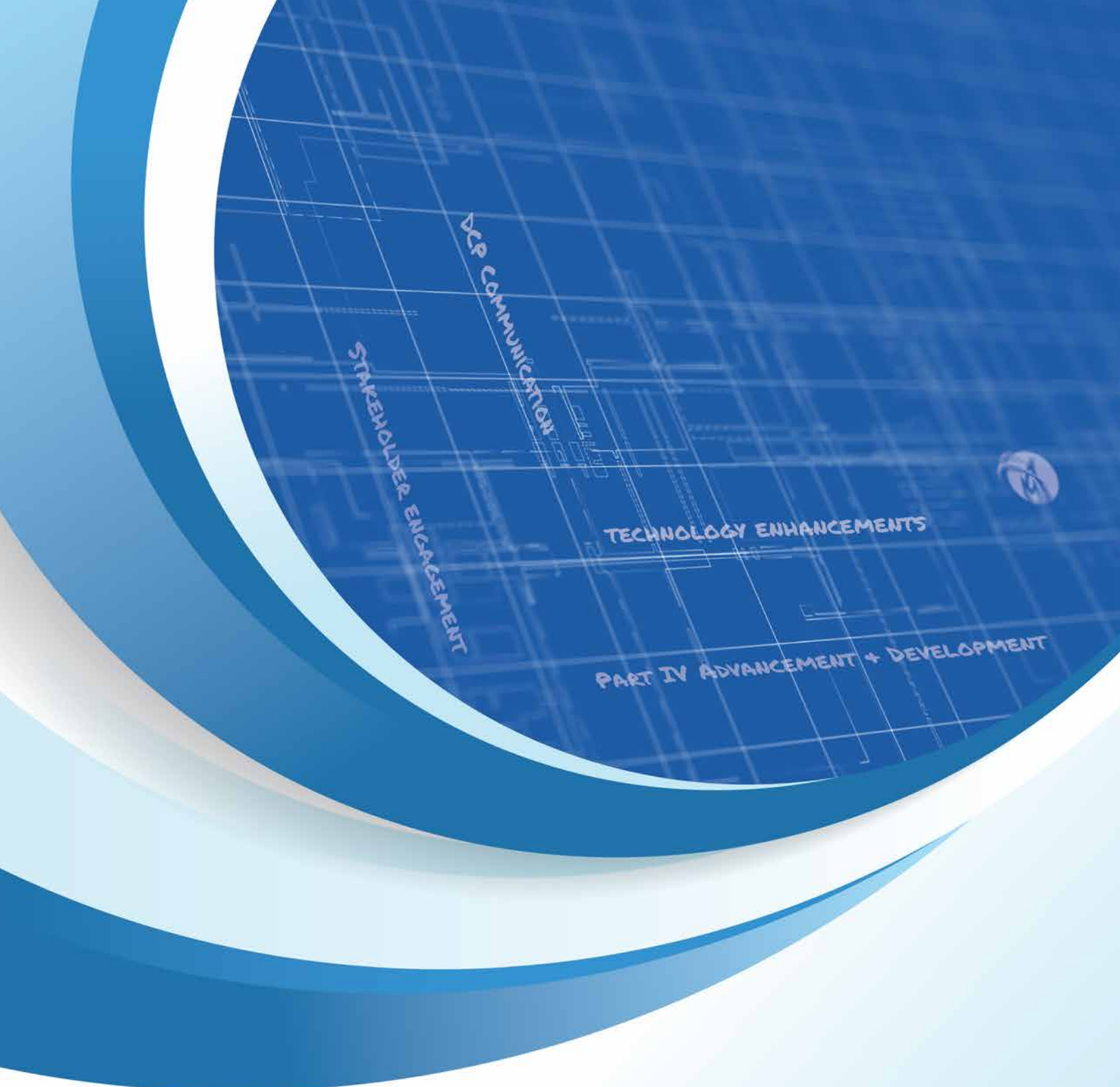
# National Board of Chiropractic Examiners and Subsidiary

## Consolidated Schedules of Revenues

Years ended December 31	2021	2020
<b>Examination Fees</b>		
Part IV	\$ 4,664,705	\$ 4,165,990
Part III	2,800,420	2,200,220
Part I	2,751,355	2,063,905
Part II	2,418,715	2,086,510
Physiotherapy	1,405,850	1,104,150
Part I and II subject retakes	998,970	722,260
State specialty	142,030	83,755
Special Purposes Examination for Chiropractic (SPEC)	106,500	88,500
EBAS	105,900	81,900
Acupuncture	102,750	110,250
Certified Chiropractic Clinical Assistant (CCCA)	10,200	7,900
Specialty council	1,800	8,000
Refunds	(1,795)	(37,115)
	<u>15,507,400</u>	<u>12,686,225</u>
<b>Other Services</b>		
Transcripts	76,495	68,200
Online sample test	30,770	28,185
Miscellaneous	30,400	12,837
Cancellation fees	12,825	150
Certificates and plaques	6,225	5,095
Part IV appeal	1,200	1,950
Chiropractic College Aptitude Test (CCAT) fees	495	270
	<u>158,410</u>	<u>116,687</u>
<b>Total revenues</b>	<u><b>\$ 15,665,810</b></u>	<u><b>\$ 12,802,912</b></u>







NBCE 2021 Annual Report  
901 54th Avenue  
Greeley, CO 80634

Tel. 1-800-964-6223  
[www.nbce.org](http://www.nbce.org)  
[www.mynbce.org](http://www.mynbce.org)