



Our committee charge and charter is to maintain a strong financial position that allows the organization to enhance quality, introduce new program elements, and grow without compromising or jeopardizing core program delivery to nursing regulatory bodies. A

In addition to program revenues and investment earnings, 11% of FY-21 support will come from the financial reserves. And that's a broad overview of our revenue sources. NCLEX is also our largest expenditure at 59 cents of every dollar spent goes directly to support exams. The exams department also receives substantial support from the other 41 cents.

Occupancy, administrative services, information technology, and communications all provide support to exams. Combined expenditures on other program activities to assist member boards, including committees, meetings research, NLC legislative support, and online offerings for members comprise 17% of the total budget.

NURSYS, including ORBS and e-Notify, is 5% of the budget. IT infrastructure equals 7%. A combined total expenditures on supporting services which include governance for the board and executive management, communications, finance, and HR equal 10%. And occupancy, primarily the office, space equals 2%.

So that's a broad overview of how we use our funds at National Council. Looking to the projected value of our fund balance from the end of FY-21 through FY-24, you can see that the fund balance in this chart is about 204 million. Eleven percent of FY-21 operating will come from the financial reserves as shown in the source of funds slide.

We project that we will continue to use some of those reserve funds to support operations resulting in a decline in the reserve balance. You will see a slight decline that looks pretty drastic in this graph, but that's not cause for immediate concern. We will still have a very healthy investment balance even with having to use some of these operating fund balance to provide support for our projects.

While this will not jeopardize NCSBN's financial stability in the short term, the finance committee reviews and consider strategies to balance that budget for the longer term. The committee recommended to the board of directors to consider targeting fiscal year 2023 to increase the annual operating revenue to a level that could sustain the operations for the long term, and we continue to closely monitor the financial performance and update the forecast as needed.

In summary, some of the performance outcome measurements that the finance committee looks for is a strong financial position that provides an internal source of funds that allows for financial flexibility so that we can expand our services to the members and to provide financial stability by planning operating budgets that we can support over the long term, and preparing budgets that link financial resource allocation to the strategic initiatives and mission of the organization, to have an investment policy and strategy in place that produces the desired return on financial investments within the risk tolerance of NCSBN.

We received an audit opinion from the independent auditors and there are good policies in place that guide good internal control practices. We've engaged auditors in the past to conduct a fraud risk assessment to ensure that all best practices for maintaining control are in place. And that completes your

- [Rob] Thank you, Adrian, for your presentation. Adrian is joining us for a live Q&A.

So please type your questions into the Q&A box.

- Thank you, Rob. And good day, members and attendees. And thank you for allowing us the honor of presenting the financial standings of NCSBN during this year's finance committee forum. Rob and I are honored to try to answer any questions you might have.

- Okay. Adrian, we have a question from Pamela Zickafoose. Do you anticipate an increase in NCLEX test fee to increase operating revenue for 2023?

- Thank you, Pam, for that question. Yes, the finance committee has discussed that in order to maintain a strong financial position, at some point, the organization's going to need to raise the NCLEX fee. NCSBN has managed to keep the fee unchanged for over 20 years now, and with our operating expenses exceeding revenue, and projected declining in the fund balance, we're approaching that point where we need to look at that.