

Financial Report

Statement of Revenues, Expenses, and Changes in Fund Balance - Accrual Basis
Year Ended December 31, 2001

Revenues

NBCE	\$250,000
CIN-BAD subscriptions & queries	89,145
2001 Conference	57,357
Dues	35,212
Interest	14,282
District Meetings	14,139
ACA	2,500
Directory Sales	1,920
Miscellaneous	20
<u>TOTAL 2001 REVENUES</u>	<u>\$464,575</u>
<u>TOTAL 2000 REVENUES</u>	<u>\$452,967</u>

Note: an additional \$6,000 was generously paid directly to the San Antonio hotel by our friends and co-sponsors of the welcome reception. This does not show up as conference revenue for accounting purposes but is helpful in comparing revenues from year to year.

Expenses

Salaries	157,387	Bank Fees	2,786
2001 Conference Expenses	70,967	Staff Development	2,450
		Council on Chiro Guidelines - Dues	1,500
Database & web design ¹	57,186	Storage	825
New equipment ¹	5,082	Copies & Printing	780
		Publications	484
Professional Fees	19,001	Dues - Miscellaneous	450
Employee Benefits	14,646	Miscellaneous	121
Board Expenses	13,509	Contract Labor	91
Data Bank - Program Exp	13,264	Mid-Year Board Meeting*	0
Payroll Taxes	13,031	* Rescheduled to January 2002	
District Meetings	11,023	<u>2001 EXPENSES</u>	<u>\$433,004</u>
Office Supplies	10,411	General Depreciation & Amortization	\$47,019
Gen. Travel & Meeting Expense	6,149	¹ Equipment, software design transferred to assets	(\$62,268)
General Telephone	5,622	<u>TOTAL 2001 EXPENSES</u>	<u>\$417,755</u>
Postage & Express	5,564	<u>TOTAL 2000 EXPENSES</u>	<u>\$443,009</u>
Federation of Assns of Reg Boards	5,233		
Insurance	4,109		
Public Relations	4,009		
Directory Expense	3,913		
Equipment Maintenance	3,410		

Financial Analysis

Note: The FCLB Board of Directors has adopted a long term goal of accumulating a reserve equal to 18 months operating expenses. We are currently at about 63% of that goal.

Net Assets: 1/1/02	\$412,305
Net Assets: 1/1/01	\$365,485
Net Assets: 1/1/00	\$302,331

FCLB Revenues - Comparison

12/31/01	\$464,661
12/31/00	\$452,967
12/31/99	\$426,118

Significant Notes The 2001 figures are based on an audit conducted by Rodahl and Company, LLC, 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 the FCLB finances.

FCLB identifies but does not fund depreciation.

Revenues: With thanks to all of our revenue sources as well as frugality by our board and staff, we are happy to report a net increase in assets of \$46,820 since last year.

The NBCE provided our main source of income with a generous \$250,000 grant for the year 2001.

ACA continues to contribute to our funding with a \$2,500 grant for unrestricted operations support.

Membership dues provide much needed support as we continue to serve our member boards.

Another important source of income continues to be CIN-BAD queries and subscriptions. With the addition of our ALLDOCS module, these revenues increased this year by 21%, accounting for over \$15,000 in new support for FCLB projects.

Both revenues and expenses associated with the *Official Directory* have dropped since we put the publication on-line. While the program produces a small net loss, the on-line format has proven to be a valuable service to the public and our member boards and is vastly easier to keep current than previous printed version.

Expenses: Thanks to the ongoing frugality of our board and staff, our expenses decreased this year by \$25,254.

We continue to outsource our databank and software development. ALLDOCS programming went online this year and we are maintaining our commitment to move away from document management toward database management. CIN-BAD, HIPDB, ALLDOCS, our internet and intranet programs all undergo continuous upgrades. Many of our services are now available on the web.

New computers were purchased for the staff to maintain efficiency as technology moves forward.

Professional fees increased as we involve our legal counsel more in the operations of the Federation. This resource has proven to be an excellent investment as we chart our future services.

Board expenses decreased with a slight reduction in travel.

CCGPP includes only dues in 2001 as travel associated with this project was assigned to other related meetings.

The board of directors rescheduled the midyear board meeting from December 2001 to January 2002, which essentially "skips" the \$12,000 - \$15,000 meeting expense for the 2001 fiscal year. The FCLB board meets in person only twice annually, once in the winter (Denver or Greeley) and once in conjunction with the annual conference. Additional board business is handled by telephone conference call and e-mail.

Public relations represents two newsletters rather than one the previous year. While we are committed to providing some important information via the newsletter format, we are enhancing that effort with ever increasing use of e-mail notices to our members. This allows information to be sent more quickly and cost effectively.

Staff development encompassed a regulatory law and leadership training seminar in Colorado Springs, to which we sent our entire staff.

Bottom Line: A number of factors resulted in the FCLB being fortunate to add to our net assets again in 2001, most significantly: more CIN-BAD revenues, moving the midyear board meeting from December to January, and the generous increase in unrestricted operating support offered by the NBCE to compensate for project grants from NCMIC Insurance Co. which concluded successfully last year.

Looking ahead to 2002: As the NBCE faces significant budget cuts in 2002, the impact will also be shared by the FCLB as we expect a 20% reduction in funding from this source.

We hope and envision that programs such as centralized approval for continuing education and continued enhancements to CIN-BAD will eventually help support our various member services, such as educational conferences for which registration fees do not cover all costs.

While these efforts take time and investment to realize results, we have financial reserves for this type of investment. Our financial planning has been designed for these types of growth initiatives. The 2002 budget is currently based on drawing modestly from these reserves as well as delaying filling one vacant staff position as long as possible.