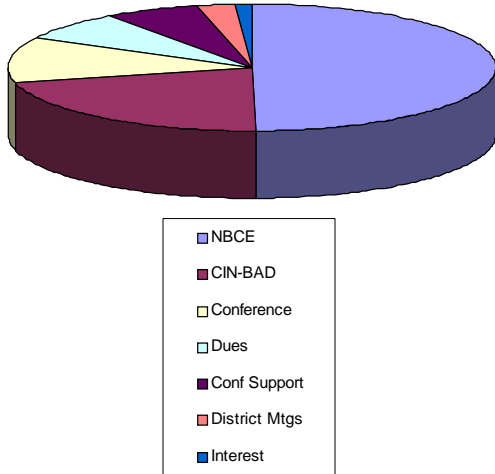


Financial Report

Statement of Revenues, Expenses, and Changes in Fund Balance - Accrual Basis Year Ended December 31, 2003

Major Sources of Revenue



REVENUES

NBCE	\$250,000
CIN-BAD	107,194
Conference	58,067
Dues	36,875
Conference Support	31,000
District Meetings	12,769
Interest	5,712
Directory Sales	1,335
Other	82

TOTAL 2003 REVENUES **\$503,034**
TOTAL 2002 REVENUES **\$408,737**

EXPENSES

Salaries	\$142,634	Storage	840
'03Conference Expenses	61,060	Dues (CLEAR & Assn History Chiro)	605
Database & web development ¹	48,064	Directory Expense	481
Professional Fees	26,200	New equipment	467
Board Expenses	19,486	Miscellaneous	329
Employee Benefits	15,613	Contract Labor	59
Mid-Year Board Meeting	13,935		
Payroll Taxes	11,975		
PACE development ¹	8,274	<u>2003 EXPENSES</u>	<u>\$399,595</u>
District Meetings	6,781	Depreciation & Amortization	64,660
General Telephone	5,708		
Office Supplies	5,134	¹ Software development	
Relocate Kremmling office to Greeley	4,819	transferred to assets	(50,899)
Data Bank - Program Exp	4,751		
Gen. Travel & Meeting Expense	4,659	<u>TOTAL 2003 EXPENSES</u>	<u>\$413,356</u>
Insurance	4,131		
Bank Fees	3,866	<u>TOTAL 2002 EXPENSES</u>	<u>\$401,074</u>
Postage & Express	3,029		
Federation of Assn Reg Boards	2,204		
Equipment Maintenance	2,084		
Council on Chiro Guidelines - Dues	1,500		
Copies & Printing	907		

Financial Analysis

Note: The FCLB Board of Directors has adopted a long term goal of accumulating a reserve equal to 18 months operating expenses

Net Assets: 1/1/04 \$509,646
Net Assets: 1/1/03 \$419,968
Net Assets: 1/1/02 \$412,305

FCLB Revenues

12/31/03 \$503,034
12/31/02 \$408,737
12/31/01 \$464,661

SIGNIFICANT NOTES

The 2003 figures are based on an audit 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 FCLB finances.

FCLB identifies but does not fund depreciation.

We continue to outsource our databank and software development and also to move away from "document" management toward "database" management. Most of our services are now available on the web, which receives over 22,000 unique hits per month.

PACE expenses were held to a minimum with much interaction being done by telephone and e-mail.

The Executive Director's office which had been located in Kremmling, Colorado was relocated to Greeley.

No significant money was spent on equipment or technology upgrades.

REVENUES

NBCE continues to be our main source of funding and we are most appreciative of the supplemental grant for general operations in the amount of \$50,000 which was received in November 2003.

Membership dues continue to provide much needed support.

ACA continues to contribute to our funding by providing a grant for unrestricted operations support.

The addition of a conference sponsorship program as well as the maturing CIN-BAD program added significantly to our revenues.

Thanks to the frugality and hard work of our board and staff, and to the generosity of the NBCE, we were able to end the year in the black.

LOOKING AHEAD TO 2004

The surplus funds with which we ended the year 2003 are crucial as we bring the PACE program on board in 2004. A temporary reserve account of \$50,000 has been established to support PACE development. Another temporary reserve account in the amount of \$30,000 was established to support ongoing technology development. With the additional funding, we expect to begin accepting applications this spring.

We added \$25,000 to the FCLB restricted funds for 18 months operating reserve, bringing the total to \$125,000 in this reserve (approximately 18% of our goal). This is the first time we have been able to add to this reserve since its adoption in December 2000.

Frugality continues to be our adage as we move aggressively to protect the public and to serve our member boards.

EXPENSES

Expenses were up only 3% from 2002 as FCLB continued its conservative spending and delayed further PACE development while awaiting funding.

Professional fees increased as we engaged legal counsel on PACE and other projects.