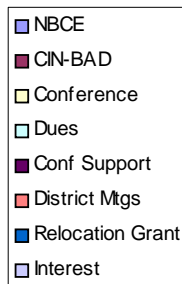
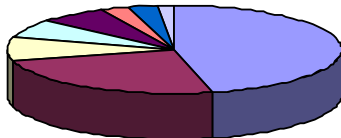


# Financial Report

## Statement of Revenues, Expenses, and Changes in Fund Balance - Accrual Basis Year Ended December 31, 2004

### REVENUES

#### Major Sources of Revenue



|                         |           |
|-------------------------|-----------|
| NBCE General Operations | \$250,000 |
| NBCE Relocation Grant   | 15,000    |
| CIN-BAD                 | 131,333   |
| Conference              | 48,422    |
| Dues                    | 36,000    |
| Conference Support      | 35,500    |
| District Meetings       | 15,475    |
| Interest                | 8,324     |
| Directory Sales         | 1,436     |
| Other                   | 22        |

**TOTAL 2004 REVENUES \$541,512**

**TOTAL 2003 REVENUES \$503,034**

### EXPENSES

|  |           |                                   |                         |
|--|-----------|-----------------------------------|-------------------------|
| Salaries                               | \$177,702 | Copies & Printing                 | 1,307                   |
| '04 Conference Expenses                | 51,902    | Storage                           | 840                     |
| Professional Fees                      | 36,931    | Staff Development                 | 720                     |
| Databank & Web Maintenance             | 29,980    | Dues (CLEAR & Assn History Chiro) | 605                     |
| Employee Benefits                      | 26,875    | Small Equipment & Supplies        | 546                     |
| Board Expenses                         | 17,166    | Depreciation & Amortization       | 56,796                  |
| Mid-Year Board Meeting                 | 14,980    |                                   |                         |
| Payroll Taxes                          | 14,206    | <b><u>TOTAL 2004 EXPENSES</u></b> | <b><u>\$493,448</u></b> |
| District Meetings                      | 13,750    |                                   |                         |
| General Travel & Meeting Expense       | 6,449     | <b><u>TOTAL 2003 EXPENSES</u></b> | <b><u>\$413,356</u></b> |
| PACE Travel, Legal, Misc. <sup>1</sup> | 5,255     |                                   |                         |
| Insurance                              | 5,409     |                                   |                         |
| Bank Fees                              | 4,657     |                                   |                         |
| Office Supplies                        | 5,739     |                                   |                         |
| Federation of Assn Reg Boards          | 4,372     |                                   |                         |
| Postage & Express                      | 3,202     |                                   |                         |
| General Telephone                      | 3,184     |                                   |                         |
| Council on Chiro Guidelines            | 2,944     |                                   |                         |
| CCE / CCEI / WFC                       | 2,507     |                                   |                         |
| Directory Expense                      | 2,110     |                                   |                         |
| Equipment Maintenance                  | 1,903     |                                   |                         |
| Contract Labor                         | 1,411     |                                   |                         |

<sup>1</sup>PACE: Approximately \$26,000 in programming expenses are assigned by our auditor to Depreciation and Amortization. No in-person committee meetings were held in 2004. The remaining expenditures are for legal counsel, and some minor travel and overhead. (Please note that significant expenses have already been incurred early in 2005.)

# 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: 1/1/05 \$557,710**  
**Net Assets: 1/1/04 \$509,646**  
**Net Assets: 1/1/03 \$419,968**

## FCLB Revenues

**12/31/04 \$541,512**  
**12/31/03 \$503,034**  
**12/31/02 \$408,737**

## **SIGNIFICANT NOTES**

The 2004 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.*

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

## **REVENUES**

**NBCE** continues to be our main source of funding, in the same way testing supports all other federations of regulatory boards. In 2004 NBCE also provided a stunning new, and more efficient office for FCLB along with a \$15,000 relocation grant.

**Our CIN-BAD database program** continues to mature and showed a 23% increase over the 2003 income.

**Conference income** shows a decrease over 2003 reflecting a decrease in registrations.

**Membership dues** continue to provide much needed support and remain at the same level as last year

**ACA's unrestricted general operations grant** was redirected to conference sponsorship.

**District revenues** increased approximately \$2,700 reflecting increased participation and activities.

## **EXPENSES**

**Salaries** increased when the FCLB filled a long-vacant staff position and moved the employment status of the Executive Director from part-time to full time. Almost all of our salary expenses are covered by the income generated by CIN-BAD's commercial subscribers.

**Conference** expenses decreased with the meeting held locally in Denver and a decrease in registrations. Also, publications have been reduced, with many transferred to internet communications.

**Professional fees** include the costs for our annual audit and on-going legal counsel. The \$10,000 increase over 2003 is attributable to attorney fees for a special board project to analyze D.C. diagnosis responsibilities under U.S. statutes and regulations. The FCLB has no current or pending litigation.

**Database and web development** - Approximately \$26,000 in PACE programming is included in the Depreciation and Amortization. The remaining \$29,980 covers our normal information/technology needs.

**Employee benefits** includes accrued vacation liability assigned as an expense by our auditor for the first time this year, as well as the fact that additional staff became eligible for employee benefits in 2004.

**District expenses** rose in light of increased attendance, hotel costs, and social activities, but operated within the income generated by registration fees and sponsorships.

**General travel and meeting expense** represents several more business trips required of the Executive Director.

# Financial Analysis

## EXPENSES (cont'd)

**Insurance** increased when we added coverage for our internet programs.

**Bank fees** are the transaction fees charged to FCLB when people pay for our services via credit card (a function increasingly preferred by our stakeholders).

**FARB** included an extra meeting in 2004 and a modest dues increase.

**Telephone expenses** decreased due to greater use of e-mail and efficient long distance services.

**CCGPP** encompassed reimbursement for travel expenditures for two meetings for our representative.

**CCE / CCEI / WFC** - FCLB representatives hosted several meetings in conjunction with the World Federation of Chiropractic's annual educational conference in Toronto. These related to board recognition of education and accreditation credentials.

**Directory expense** - replenished the inventory of supplies for hardcopy distribution.

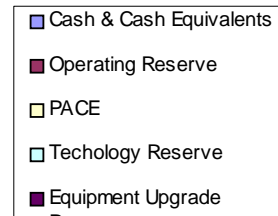
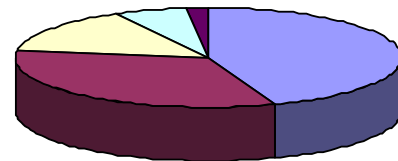
**Contract labor** - utilized the services of a summer intern.



## CASH & CASH EQUIVALENTS

The FCLB has \$212,000 available money for daily operations to begin the 2005 fiscal year.

## LOOKING AHEAD



### Operating Reserve

In January 2004, the Board of Directors approved adding \$25,000 from surplus 2003 monies to our Operating Reserve fund, bringing the balance to \$125,000. This was the first time since the fund's establishment in 2000 that we have been able to add to the fund. In December 2004, the Board authorized an additional \$30,000 contribution to this fund. ***With a new total of \$155,000, the fund is at 17.2% of our goal*** of an 18 month operating reserve. The board believes continued additions to the operating reserve are critical in light of expanded program services and rising costs.

### PACE Reserve

In anticipation of extraordinary implementation costs for the PACE program, the board approved the fund establishment in 2004 totaling \$70,000.

### Technology Reserve

Also early in 2004, the Board created a \$30,000 technology fund to support programming and Internet costs.

### Equipment Upgrade Fund

\$9,000 has been allocated to allow us to replace and upgrade hardware on a 3 year rotation and the main photocopier on about an 8 year rotation.