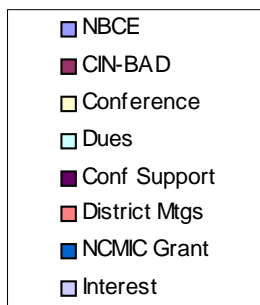
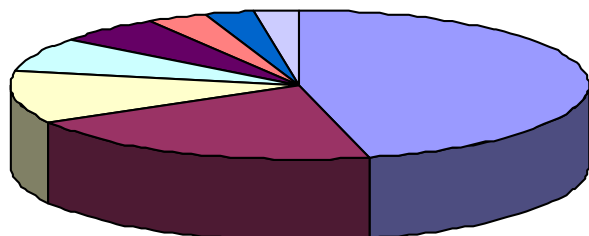


# Financial Report

## Statement of Revenues, Expenses, and Changes in Fund Balance - Accrual Basis Year Ended December 31, 2005

### REVENUES

#### Major Sources of Revenue



NBCE General Operations	\$250,000
CIN-BAD	111,149
Conference	60,578
Dues	42,750
Conference Support	31,500
District Meetings	17,684
NCMIC Grant	15,000
Interest	14,193
Directory Sales	1,436
Other	30
<i>In Kind Contributions<sup>1</sup></i>	35,327

**TOTAL REVENUES** **\$579,647**  
*In Kind Contributions<sup>1</sup>* (35,327)

**TOTAL 2005 REVENUES** **\$544,320**

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

### EXPENSES

Salaries	\$220,539
'05 Conference Expenses	74,398
PACE Travel, Legal, Misc.	50,546
Databank & Web Maintenance	40,949
Board Expenses	29,360
Employee Benefits	22,699
Mid-Year Board Meeting	22,976
Payroll Taxes	17,166
Professional Fees	15,317
District Meetings	15,258
General Travel & Meeting Expense	6,049
Office Supplies	6,026
Insurance	5,742
Bank Fees	4,674
Fed of Assn Reg Boards (FARB)	4,626
Postage & Express	4,031
Publications & Gifts	3,268
General Telephone	2,949
Counsel on Chiro Guidelines (CCGPP)	2,901
Copies & Printing	2,567

Equipment Maintenance	2,391
General Committee Expense	1,521
Storage	840
Directory Expense	619
Dues (CLEAR & Assn History Chiro)	455
Miscellaneous	94
<i>Rent &amp; Utility Expense - In Kind<sup>1</sup></i>	35,327
<i>Depreciation &amp; Amortization</i>	45,491

**TOTAL EXPENSES** **\$638,779**

*Rent & Utility Expense - In Kind<sup>1</sup>* (35,327)  
*Depreciation & Amortization* (45,491)  
Pace Programming 19,643  
Equipment & Software 5,140

**TOTAL 2005 EXPENSES** **582,744**

**NET LOSS** **(38,424)**

**TOTAL 2004 EXPENSES** **\$493,448**

# 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: 1/1/06 \$498,578  
Net Assets: 1/1/05 \$557,710  
Net Assets: 1/1/04 \$509,646

## FCLB Revenues

12/31/05 \$544,320  
12/31/04 \$541,512  
12/31/03 \$503,034

## SIGNIFICANT NOTES

The 2005 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.*

***2005 expenses exceeded the income, but thanks to the frugality and hard work of our board, staff, many committee volunteers, and the generosity of the NBCE and other grantors, we were able to draw on the savings set aside in earlier years to fund the development of PACE without jeopardizing the existing FCLB services.***

***PACE made its official debut and began taking applications January 20, 2006. Its development has been done in a meticulous fashion and is evolving into a service of which we can all be proud.***



## REVENUES

**NBCE** continues to be our main source of funding, in the same way testing supports all other federations of regulatory boards. Our beautiful office space, provided by NBCE, is calculated at a value of \$33,327 and is shown as an *"in kind" contribution*<sup>1</sup> in the 2005 Audit. NBCE was also a platinum supporter for the 2005 conference.

**CIN-BAD database** revenues have decreased about 15% in 2005 after several years of steady increases.

**Conference income** shows an increase over 2004 reflecting more registrations. Conference support by chiropractic colleges and independent sources continues to be helpful in allowing FCLB to provide a top quality educational program.

**Membership dues** were increased \$100 per category, effective 2005, by delegates in Denver, 2004. This was the first increase since 2000.

**District revenues** increased approximately 15% reflecting the registration fee increase from \$125 to \$150. This was necessary due to increased meeting costs.

**NCMIC** is the single largest user of the CIN-BAD system, and in their continued generosity toward FCLB, provided a grant for the on-going development and upgrading of the CIN-BAD system.

# Financial Analysis

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## EXPENSES

**Salaries** - We currently have five full-time employees and one high school intern.

**Employee benefits** - The federation began offering group health insurance for full-time staff in April 2005.

**Conference** expenses increased coinciding with greater attendance.

**PACE** development totaled approximately \$70,000. \$19,643 in programming expenses are assigned by our auditor to Depreciation and Amortization. Travel costs totaled \$37,536 which included two in-person committee meetings. Legal costs totaled \$10,430. The remaining expenditures represent miscellaneous development costs.

**Database and web development** - Some of this expense was offset by the NCMIC grant and some by our Equipment Upgrade Fund. We refined and upgraded our CIN-BAD system and Internet services. We also upgraded programming per HIPDB requirements. The FCLB reports at no charge for 30 boards.

**Board expenses** increased significantly as more of the director travel is picked up by FCLB. The Federation still requests that those directors who qualify for travel coverage by their own board do not seek reimbursement from FCLB for hotel, airfare, ground transportation, and parking. FCLB directors can receive a \$100/day director's fee and up to \$50/day per diem for meals and tips. If meals are provided at the meeting, the \$50 per diem is forfeited.

**Mid-Year Board Meeting** costs were higher for several reasons, including the number of directors who do not qualify for outside travel support and increased meeting costs.

**Professional fees** include the costs for our annual audit and general legal counsel. Legal costs were reduced this year as we concentrated our use of counsel on the development of PACE.

**District expenses** continued to operate within the income generated by registration fees and sponsorships.

**General travel and meeting expense** represents travel required of the Executive Director and staff.

**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** includes dues and travel for the FCLB President and Executive Director.

**CCGPP** includes dues and reimbursement of travel expenditures for two meetings attended our representative.

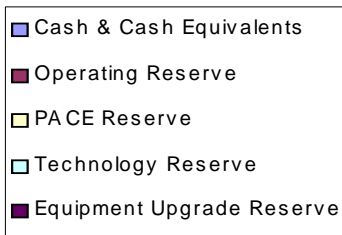
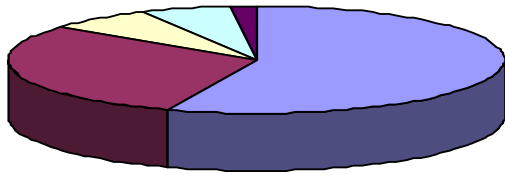
**Copies and printing** includes letterhead, envelopes, etc., printed with our new logo.



# Financial Analysis

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## LOOKING AHEAD



### Cash & Cash Equivalents

The FCLB began fiscal year 2006 with \$290,200 available cash for daily operations.

### Operating Reserve

***With a total of \$155,000, the fund is at 16.7% of our goal*** of an 18 month operating reserve. No additional dollars were added to the fund in 2005. 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. In December 2005, \$70,000 was withdrawn to support the development expenses. In Jan 2006, the Board voted to replenish the fund with \$36,000.

### Technology Reserve

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 for replacement and upgrading of hardware on a 3 year rotation and the main photocopier on about an 8 year rotation. In December 2005, \$9,000 was withdrawn to support CIN-BAD upgrade expenses. In Jan 2006, the Board voted to replenish the fund with \$9,000.