

**The American Contract Bridge League, Inc.**  
**Results of Operations**  
For the Four Months ending April 30, 2004

The ACBL reported excess revenues over expenses of \$187,000 for the first four months of 2004, an improvement of \$91,000 over the \$96,000 excess revenue amount for the same period in 2003. The comparison of revenues and expenses for the two years are as follows:

(000's Omitted)	2004	2003	Fav / (Unfav) Change	Fav / (Unfav) %
Revenues	\$ 3,251	\$ 3,015	\$ 236	7.8 %
Expenses	3,065	2,920	(145)	(5.0)
Excess Revenues	<u>\$ 187</u>	<u>\$ 96</u>	<u>\$ 91</u>	<u>95.4 %</u>

**OPERATING REVENUES**

Income recognized on **Membership Dues** was \$28,000, or 2.1%, higher than the \$1,320,000 earned during the first trimester of 2003. The number of dues-paying members increased 0.5% while the number of unpaid Life Masters increased by 4.0%.

Category	April 30 2004	April 30 2003	Change vs 2003	% Change vs 2003
Life Masters	45,397	44,648	749	1.7%
Non-Life Masters	104,706	104,750	(44)	0.0%
Paying Members	150,103	149,398	705	0.5%
Unpaid Life Masters	17,560	16,881	679	4.0%
Total Members	<u>167,663</u>	<u>166,279</u>	<u>1,384</u>	<u>0.8%</u>

The Spring **North American Bridge Championship** in Reno produced a \$382,000 profit on 14,888 tables, which was \$240,000 more than the \$142,000 profit realized last year in Philadelphia on 10,852 tables. The revenue generated by the increase in attendance (\$202,000) and higher entry fees (\$57,000) were the primary reasons for the favorable profit comparison. Expenses were slightly higher (\$23,000).

The **North American Pairs** event is unusual since it begins in one accounting year and ends in the following accounting year. As a result, ACBL management must estimate in December the travel costs & revenues for the following Spring. In this year's event, management's cost estimate was too high and resulted in a favorable accounting adjustment of \$19,000. This compares to the Spring of 2003 when the year-end accrual was within \$1,000.

**Investment Income** of \$50,000 was \$28,000 less than last year's \$78,000 as the reinvestment of maturing securities into lower yielding instruments continues to take its toll. The accounting adjustment to mark down our securities to market value was \$36,000 compared to the \$43,000 adjustment in 2003's first trimester.

**OPERATING EXPENSES**

**Marketing & Public Relations** increased \$137,000 from \$141,000 in 2003 to \$278,000 in 2004. Major initiatives during the first trimester include: Unit cooperative rebates (+\$29,000), public relations (+\$27,000), internet (website development) (+\$31,000), advertising for education (+\$30,000), exhibit activities (+\$12,000), membership and NABC promotions (+\$19,000).

**Audit, Consulting & Legal expenses** increased \$28,000 from \$35,000 to \$63,000 due to higher legal fees.

**Postage & Supply expense** increased \$21,000 from \$82,000 to \$103,000 due primarily to accounting reclassification adjustments (\$10,000), increased supplies for imaging (\$7,000) and write-offs of obsolete form inventory (\$4,000).



A decrease in **Depreciation & Amortization** from \$140,000 in 2003 to \$113,000, or \$27,000 was the result of lower capital spending in the second half of 2003 and continuing through the first trimester of 2004.

Expenses associated with the **ACBL President & Board of Directors** decreased \$26,000 to \$82,000 in 2004 vs \$108,000 in 2003 due to lower President expenditures (\$12,000), Board of Governors' lower equipment rental charges (\$4,000) and Reno meeting expenses being lower in lodging (\$7,000) and catering (\$3,000).

#### **BUDGET COMPARISONS:**

<u>(000's Omitted)</u>	<u>2004 Actual</u>	<u>2004 Budget</u>	<u>Fav / (Unfav) Change</u>	<u>Fav / (Unfav) %</u>
Revenues	\$ 3,251	\$ 3,278	\$ (26)	(0.8) %
Expenses	3,065	3,139	74	2.4
Excess Revenues	<u>\$ 187</u>	<u>\$ 139</u>	<u>\$ 48</u>	<u>34.7 %</u>

Positive revenue comparisons to budget include: Sanction Fees (\$23,000), Spring NABC (\$51,000) and Special Event games (\$17,000).

Negative revenue comparisons to budget were seen in Product Sales (-\$36,000) and Investment & Rental (-\$83,000).

Favorable expense comparisons to budget include: Tournament Directors (\$28,000), Marketing & Public Relations (\$27,000) and Depreciation & Amortization (\$30,000).

Unfavorable expense comparisons to budget include: Audit, Legal & Consulting (\$24,000) and Internet/ ACBL Online (\$34,000).

#### **FINANCIAL POSITION HIGHLIGHTS:**

<u>(Dollars in Thousands)</u>	<u>Asset Balances as of April 30th</u>		<u>Change</u>
	<u>2004</u>	<u>2003</u>	
Cash Reserves	\$ 6,237	\$ 6,257	\$ -0.3%
Current Assets	3,718	2,951	26.0%
Current Liabilities	2,206	2,181	1.1%
Net Assets *	7,382	7,434	-0.7%
Current Ratio	1.69 times	1.35 times	0.33 times

\* As reflected in the GAAP Financial Statements prepared by management. Figures are different from internal reports due to the inclusion of FAS 116 accounting adjustments for member dues restrictions. The above net assets include a negative \$5,000 adjustment in 2004 and a positive \$13,000 adjustment in 2003 for the first four months of each year.



**AMERICAN CONTRACT BRIDGE LEAGUE, INC.**  
Statement of Revenues and Expenses  
For the Four Months ending April 30, 2004 and 2003  
Amounts in Thousands of Dollars

<b>REVENUES</b>	<b>2004 Actual</b>	<b>2003 Actual</b>	<b>2004 vs 2003</b>	<b>2004 Budget</b>	<b>2004 vs Budget</b>
Membership Dues	1,348	1,320	28	1,350	(2)
Sanction Fees	1,153	1,148	5	1,130	23
North American Championships					
Spring	382	142	240	331	51
Summer	0	0	0	0	0
Fall	0	0	0	0	0
Prior Years	6	12	(6)	0	6
Special Events					
World Wide Pairs	0	0	0	0	0
Instant Match Pt	0	0	0	0	0
N.A. Pairs	19	1	19	0	19
Grand National Teams	12	10	1	12	(0)
Seniors	3	3	1	1	2
N.A. 49ers	0	0	0	0	0
Product Sales	225	237	(12)	261	(36)
Investment & Rental	50	78	(28)	133	(83)
All other revenues	53	65	(11)	60	(6)
<b>TOTAL REVENUES</b>	<b>3,251</b>	<b>3,015</b>	<b>236</b>	<b>3,278</b>	<b>(26)</b>

<b>EXPENSES</b>	<b>2004 Actual</b>	<b>2003 Actual</b>	<b>2004 vs 2003</b>	<b>2004 Budget</b>	<b>2004 vs Budget</b>
Salaries	1,238	1,222	16	1,243	(5)
BULLETIN	249	252	(3)	238	11
Education	35	27	8	38	(3)
Tournament Directors	(65)	(47)	(18)	(36)	(28)
Postage & Supplies	103	82	21	100	3
Member Billing	22	26	(4)	28	(6)
Travel - Staff (excludes Board Mtgs)	14	15	(1)	22	(8)
Buildings & Grounds	99	104	(5)	110	(11)
Marketing & Public Relations	278	141	137	305	(27)
Employee Benefits & Payroll Taxes	590	581	9	584	7
President & Board of Directors	82	108	(26)	94	(12)
Computer Scoring	5	6	(0)	6	(1)
Audit, Consulting & Legal	63	35	28	39	24
Uncollectable A/R	(0)	(0)	(0)	0	(1)
Depreciation & Amortization	113	140	(27)	143	(30)
General Insurance	78	68	11	88	(10)
Real Estate Taxes	16	19	(3)	17	(1)
Banking Fees	23	18	5	22	1
Telephone & Utilities	55	45	10	54	1
Internet / ACBL Online Activities	27	19	8	(7)	34
All other expenses	39	59	(19)	51	(12)
<b>TOTAL EXPENSES</b>	<b>3,065</b>	<b>2,920</b>	<b>145</b>	<b>3,139</b>	<b>(74)</b>
<b>EXCESS REVENUE / (EXPENSE)</b>	<b>187</b>	<b>96</b>	<b>91</b>	<b>139</b>	<b>48</b>



ACBL, Inc

Description	Current Year	Last Year
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Assets		
Current Assets		
Cash	672,468.16	435,243.09
Investments	1,336,514.58	906,429.33
Accounts Receivable less Allowance	269,481.96	286,009.20
Due from Affiliates	72,739.15	45,467.84
Inventories	909,880.81	796,664.39
Prepaid Expenses	397,473.02	431,502.79
Other Current Assets	59,100.23	50,067.73
Total Current Assets	3,717,657.91	2,951,384.37
Investments	4,227,632.78	4,915,746.55
Investments in Subsidiary	1,000.00	1,000.00
Property and Equipment Less Accumulated Depr	1,696,083.24	1,792,859.40
Video Costs less Accum Amort	.00	2,500.05
Total Assets	9,642,373.93	9,663,490.37
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Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	152,178.94	117,686.73
Due to Affiliates	.00	.00
Accrued Expenses:		
Taxes	4,248.00	1,400.00
Tournaments	3,413.78	639.47
Other	492,555.77	441,131.45
Accrued Pension Cost	248,502.87	245,435.90
Accrued Post Ret Health	855,706.14	881,250.41
Unredeemed Scrip/Gift Cert	96,077.55	85,633.55
Deferred International Fund	108,240.64	177,054.45
Deferred Junior Fund	119,030.00	97,844.72
Unit Dues Payable	133,121.20	134,436.89
Total Current Liabilities	2,206,247.33	2,181,234.63
Unit Dues Refunds Payable	54,584.65	48,171.58
Total Liabilities	2,260,831.98	2,229,406.21
Net Assets		
Unrestricted	3,882,342.33	4,022,378.42
Temporarily Restricted	3,499,199.62	3,411,705.74
Total Net Assets	7,381,541.95	7,434,084.16
Total Liab and Net Assets	9,642,373.93	9,663,490.37
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