

American Contract Bridge League, Inc.**Results of Operations****Fully-Allocated Cost Format****Year Ending December 31, 2005**

On a fully-allocated cost basis, the ACBL reported a \$693,000 loss for the year ending December 31, 2005. This loss is \$343,000 greater than the \$350,000 loss that had been budgeted for the year. The profit/(loss) by line of business is summarized below (dollar amounts in thousands):

Line of Business	2005 Actual	2005 Budget	Fav / (Unfav)	%
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Membership Services	\$ 275	\$ 380	\$ (105)	(27.7) %
Playing at the Club	784	910	(126)	(13.9)
Playing in Tournaments	273	174	99	56.6
Marketing	(1,783)	(1,704)	(79)	(4.6)
Product Sales	(242)	(110)	(132)	(119.7)
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Totals	\$ (693)	\$ (350)	\$ (343)	(98.2) %
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Membership Services

The Bulletin registered a profit after allocations of \$199,000, \$35,000 worse than the \$234,000 budget profit as a result of \$36,000 less in advertising revenue. Lower in-house advertising by ACBL departments accounted for \$23,000 and higher advertising discounts accounted for the balance of the revenue decrease.

Masterpoint recording showed a \$4,000 loss after allocations compared to a \$17,000 loss budget. Non-dues revenue of \$4,000 was \$6,000 less than the \$10,000 budget as a result of lower interest income. The lower revenue was offset by a favorable comparison to overhead allocation expense (\$403,000 vs \$423,000 budget) resulting from less staff time exhibited in this area.

Customer service recorded a \$79,000 profit versus \$163,000 budgeted profit. This \$84,000 shortfall was the result of lower direct revenue (\$7,000 less) from affinity programs and lower non-dues revenue allocation (\$26,000 less), which was lower primarily due to lower interest income on investments. Additionally, we had a higher overhead expense allocation (\$53,000 higher) due to greater emphasis on this area by HQ staff members.

Playing at the Club

Club games reflected a \$1,164,000 profit, which was \$63,000 less than the budgeted profit of \$1,227,000. The unfavorable variance is attributable to two areas, direct revenue generated from Rating Point Games was \$52,000 less than budget, and non-dues revenue was \$11,000 less due to lower interest income.

Playing in Tournaments

Tournament play was the only line of business that was favorable to budget as the group combined to show a \$273,000 profit versus a \$174,000 budgeted profit. The \$99,000 favorable variance was led by the NABCs which showed a \$316,000 profit (vs \$212,000 profit budget), followed by Regional tournaments' \$22,000 profit (vs \$25,000 budget profit) and Sectional tournaments' \$13,000 loss (vs \$62,000 budget loss).

Marketing

Total cost of Marketing & Promotion of \$1,783,000 was \$79,000 unfavorable to the \$1,704,000 budget. Department & Infrastructure costs were \$132,000 higher primarily as the result of the Youth Bridge Initiative (\$142,000 higher) and the final 2004 payment from the unit cooperative rebate program (\$61,000 higher) that was made in the first quarter of 2005. Several programs were reduced to offset the increased program costs

Product Sales

Product sales showed a \$242,000 loss compared to a budgeted loss of \$110,000 for an unfavorable variance of \$132,000 as a result of an overly optimistic budget for sales revenue.

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2005 ThirdTrimester - Actual

Lines of Business	Allocation of			Direct Expense	Direct TD Expense	Depart + InfraStructre Expense	Overhead Allocation	Net Profit or (Loss)
	Direct Revenue	Non-Dues Revenues	Memberships Dues					
Membership Services								
BULLETIN	391,960	5,859	1,550,369	-	-	1,093,223	655,974	198,991
Masterpoint Recording	-	3,598	395,614	-	-	-	402,870	(3,658)
Customer Service	20,170	16,478	1,900,106	-	-	12,681	1,844,865	79,208
Playing at the Club								
Club Games	1,947,916	6,629	53,792	-	-	101,855	742,156	1,164,326
Special Games	336,163	3,418	-	15,251	84,967	279,938	340,180	(380,756)
Playing in Tournaments								
Regional Games	2,120,125	13,007	126,508	3,617	1,501,933	18,383	705,275	30,431
Sectional Games	1,866,837	11,465	114,533	2,450	1,212,872	105,797	677,166	(5,450)
NABC Games	1,791,535	4,029	104,596	113,257	378,206	898,067	261,941	248,690
Marketing								
Marketing & Promotion	33,677	7,562	-	1,581	-	976,144	846,666	(1,783,152)
Product Sales								
Product Sales	1,988,770	6,821	-	893,879	-	579,644	763,716	(241,648)
Governance								
Governance	125	-	-	-	-	454,989	(454,864)	-
Affiliated Organizations	-	-	-	-	-	95,924	(95,924)	-
Unallocated Items								
General & Unallocated	5,063,649	(78,866)	(4,245,518)	26,634	(3,177,978)	10,580,631	(6,690,022)	-
Total - All lines of Business	15,560,927	-	-	1,056,669	-	15,197,276	-	(693,018)

Budget as approved by the Board of Directors at the 2004 Fall Meetings in Orlando, Florida.

Adjustments made to spreadsheet since the board meeting (December 2004):

- 1 Membership services allocation of membership dues has been adjusted to reflect a more recent CPI figure for the 2004 period (3.3% vs 2.5%).
- 2 Previously unallocated revenues were included in the membership dues allocation. This has been changed to allocate non-dues revenues based upon overhead allocation factors.
- 3 NABC director costs revised to avoid double-counting, July 2005.

Lines of Business	Allocation of			Direct Expense	Direct TD Expense	Depart + InfraStructre Expense	Overhead Allocation	Net Profit or (Loss)
	Direct Revenue	Non-Dues Revenues	Membership Dues					
Membership Services								
BULLETIN	428,250	15,451	1,548,870	-	-	1,101,850	656,395	234,325
Masterpoint Recording	-	9,949	395,232	-	-	-	422,671	(17,495)
Customer Service	27,350	42,178	1,898,268	-	-	13,100	1,791,821	162,875
Playing at the Club								
Club Games	2,000,000	17,532	51,288	-	-	96,866	744,809	1,227,145
Special Games	364,310	6,423	-	16,735	242,275	277,145	151,726	(317,145)
Playing in Tournaments								
Regional Games	2,243,720	36,536	120,618	5,000	1,590,884	23,050	756,710	25,225
Sectional Games	1,915,290	32,193	109,200	2,500	1,282,132	107,450	726,566	(61,965)
NABC Games	1,820,625	10,243	99,726	128,400	415,860	947,595	227,235	211,505
Marketing								
Marketing & Promotion	38,665	21,593	-	3,000	-	844,093	917,319	(1,704,155)
Product Sales								
Product Sales	2,135,800	18,724	-	907,764	-	561,316	795,433	(108,985)
Governance								
Governance	100	-	-	-	-	412,879	(412,779)	-
Affiliated Organizations	-	-	-	-	-	90,199	(90,199)	-
Unallocated Items								
General & Unallocated	5,239,216	(210,821)	(4,223,201)	33,150	(3,531,151)	10,990,902	(6,687,707)	-
Total - All lines of Business	16,213,326	-	-	1,096,549	-	15,466,445	-	(349,665)

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