

2007 Preliminary Budget Assumptions
Chicago, IL Meeting

1. Finance Committee Liquidity Ratios

The status of the League's position relative to its financial guidelines as of December 31, 2005 is positive for all three areas:

<u>Description</u>	<u>Guideline</u>	<u>Current Position (12/31/05)</u>
Net Assets, Unrestricted	\$ 2.5 Million	\$ 2.9 Million
Current Assets	3.0 times liabilities	4.2 times liabilities
Cash Reserves	3.0-4.0 months expenses	4.1 months expenses

Those positions should edge further into positive territory if we meet our budget goal of \$65,150 profit.

As a result of our current position, the ACBL can lose as much as \$472,000 in 2007 and still be within compliance of the financial guidelines.

2. Rates of Inflation

Annual Change, Consumer Price Index

2005	3.4%
2004	3.3
2003	1.9
2002	2.4
2001	1.6

Anticipated 2006 & 2007 Inflation Rates

General Inflation	3.4%
Health Care	8.0%
Salaries	4.4%

3. Price Increases

Current year budgeted profit	\$ (65,000)
2006 Rating Pt increase (remaining portion)	(60,000)
Projected increase in 2007 due to inflation	661,000
D&O Insurance for Units & Districts	116,000

Additional Funding Required to Break-even in 2007	<u><u>\$ 652,000</u></u>

Looking to 2007, we expect the current budgeted expenses of \$16,670,000 to increase by approximately \$661,000 simply due to inflation. In addition, if we decide to contract for D&O insurance for Units & Districts, the expected cost to the League will be approximately \$116,000. To achieve a break-even budget, the following example can be used to illustrate how much to raise fees to allow us meet the \$652,000 shortfall.

EXAMPLE

Membership Dues increase \$3.00 per member	\$ 225,000
Reduce Unit Rebate (from 11% to 5% of dues)	267,000
Regional game sanction fees increase by 10 %	77,000
Sectional game sanction fees increase by 10 %	74,000
NABC increase by \$ 4.00 per table	140,000
TD session fees 4.0% salary increase = 8% fee increase	124,000

Total Fee Increases – EXAMPLE ONLY	\$ 907,000
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4. NABC Attendance

<u>Time</u>	<u>2006 Events</u>			<u>2007 Events</u>	
Spring	Dallas	10,500	vs	St Louis	10,000
Summer	Chicago	13,500	vs	Nashville	12,000
Fall	Honolulu	10,000	vs	San Francisco	13,000
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Totals		34,000			35,000
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