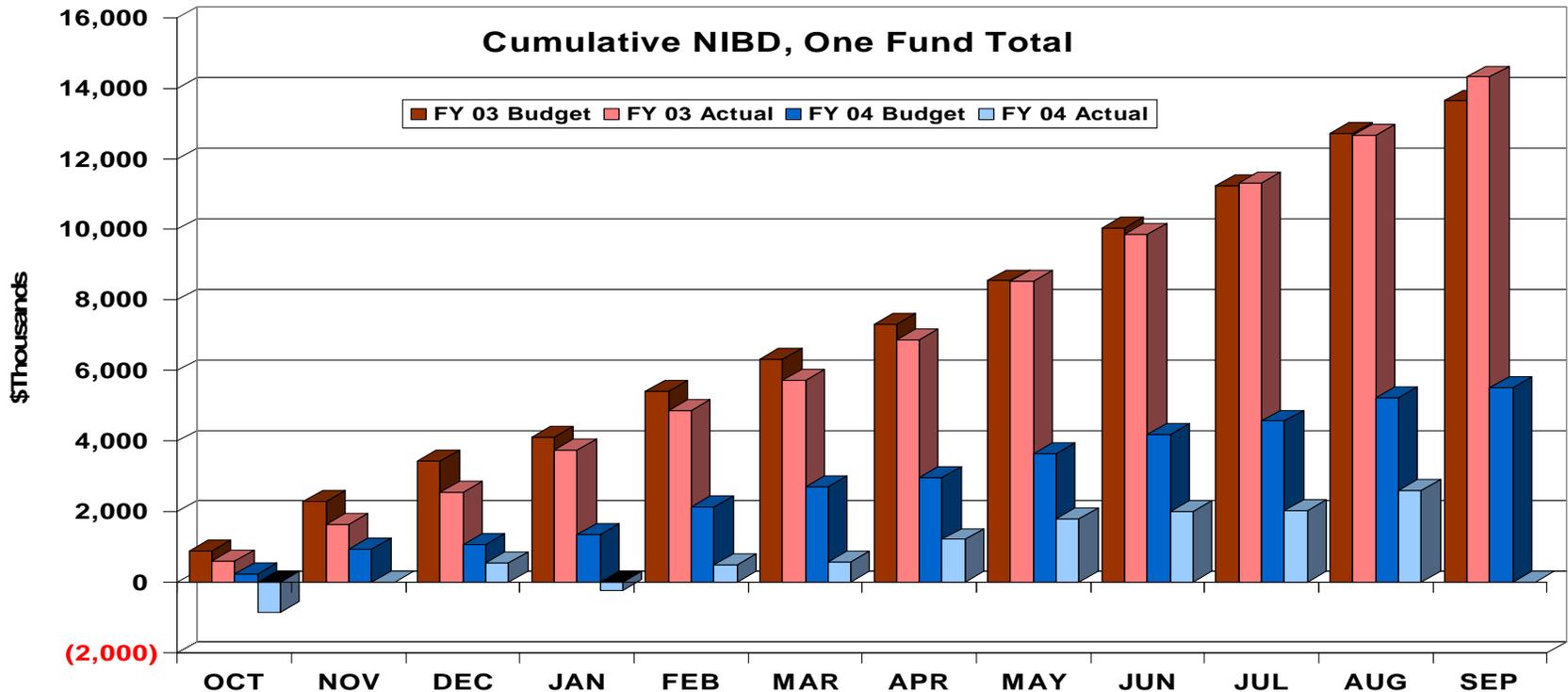


TOPIC: IMA-E NAF ONE FUND PROFITABILITY – AUG FY04 YTD, \$000's

STAFF PROPONENT: IMA-E, MWRD, FMG

ASSESSMENT: RED



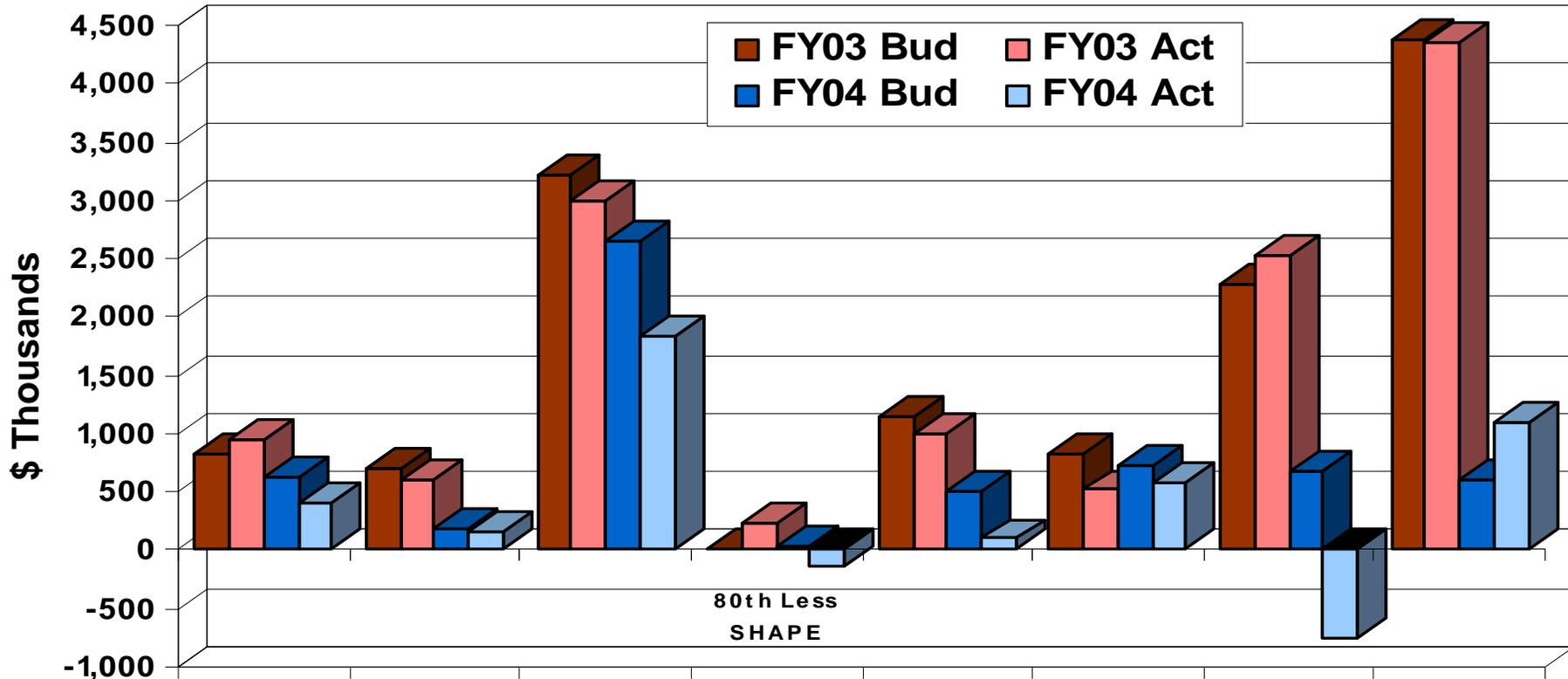
- Aug showed improvement as NIBD was only 14% under budget. The YTD Europe Region NIBD is \$2,600K vs. a budget of \$5,230K. YTD budget variance is rated red at a - 50%, and NIBD is 3.4% of net revenue.
- 85% of the Region budget variance is in clubs, food & beverage, and large bowling programs. Additional factors are reduced indirect revenues and increased Services overhead costs .

CORRECTIVE ACTION:

- Maximize authorized APF reimbursement as the YTD shortfall is \$636K over budget.
- Reduced indirect income is significant, however, high 'other operating expenses' remain the primary problem. If these expenses were on budget in these programs, the Region would only be 18% under budget vice 50%.



One Fund Components Budget Vs Actual Aug YTD



	6th	22d	26th	80th	98th	100th	104th	HQ
FY03 Bud	822.0	711.3	3,222.4	13.7	1,145.2	829.7	2,271.1	4,387.6
FY03 Act	940.3	600.5	2,998.0	238.8	990.6	517.2	2,521.9	4,360.6
FY04 Bud	637.9	185.1	2,650.9	24.9	502.8	730.7	679.9	603.7
FY04 Act	396.4	158.9	1,832.3	(129.7)	97.4	567.3	(757.4)	1,107.4
FY03 Var	14.4%	-15.6%	-7.0%	1648.3%	-13.5%	-37.7%	11.0%	-0.6%
FY04 Var	-37.9%	-14.1%	-30.9%	-619.9%	-80.6%	-22.4%	-211.4%	83.4%