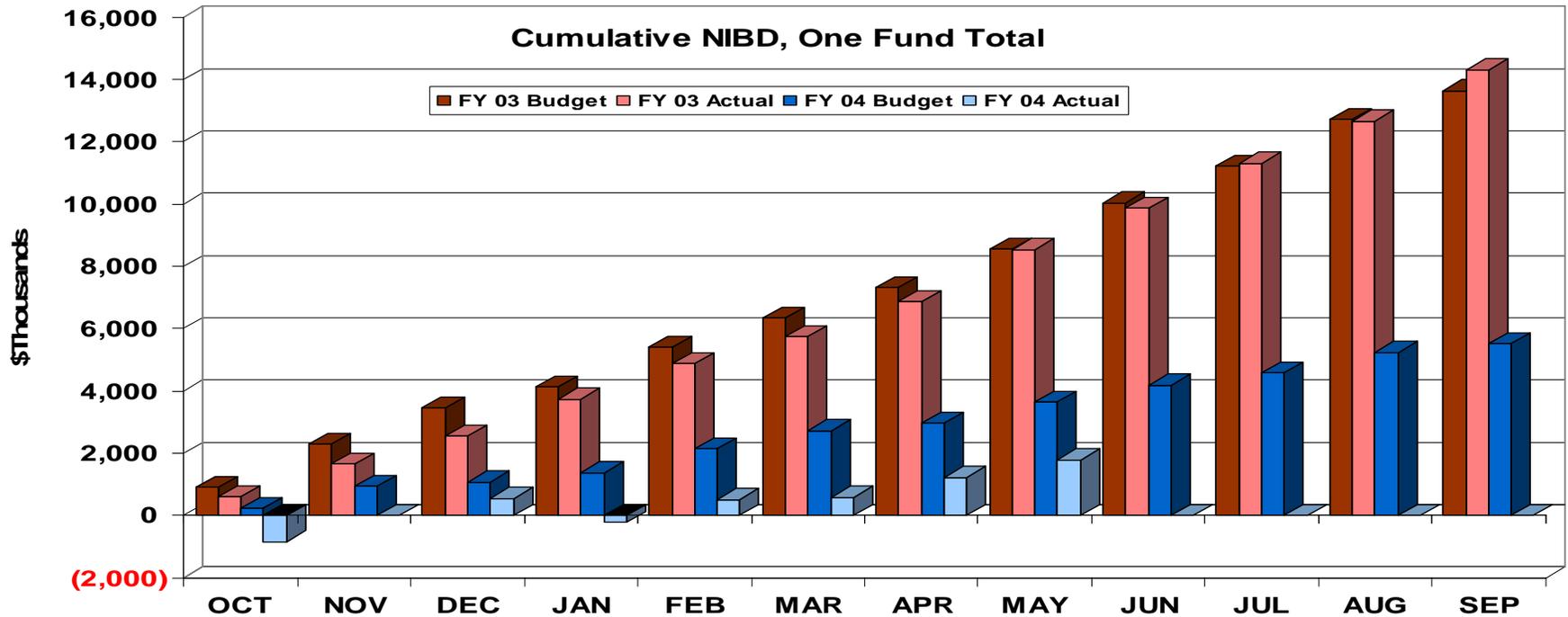


TOPIC: IMA-E NAF ONE FUND PROFITABILITY – MAY FY04 YTD, \$000's

STAFF PROPONENT: IMA-E, MWRD, FMG

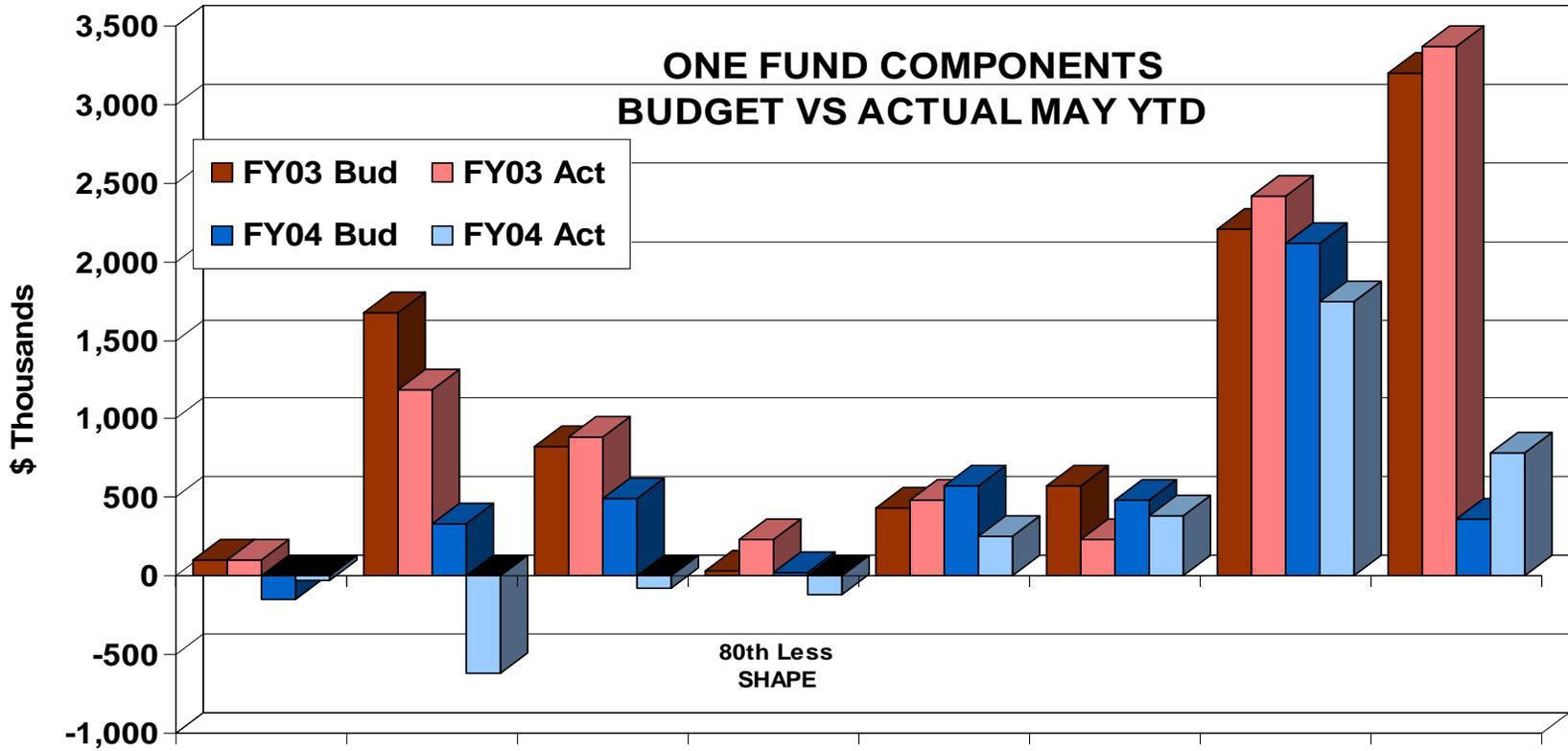
ASSESSMENT: RED



- May NIBD was under budget by 16%. The YTD Europe Region NIBD is \$1,792K vs. a budget of \$3,646K. YTD budget variance is rated red at a negative 51%.
- 66% of the Region budget variance continues to be in programs KA, KG, KM, & LE which are 817K under budgeted sales and 850K over budgeted other operational expenses.

CORRECTIVE ACTION:

- Increase efforts to maximize authorized APF reimbursement...the YTD shortfall is \$402K over budget.
- Reductions in operating expenses continue to lag reductions in revenue. Reducing high 'other operating expenses' remains a priority as these expenses exceed budget by nearly the amount NIBD is under budget.



	22d	104th	98th	80th	6th	100th	26th	HQ
FY03 Bud	104.0	1,679.0	819.9	24.7	428.5	576.3	2,204.9	3,204.9
FY03 Act	98.4	1,181.2	883.3	229.6	477.1	230.3	2,416.2	3,373.6
FY04 Bud	(156.1)	330.5	488.6	22.8	567.7	480.4	2,117.7	358.6
FY04 Act	(28.9)	(627.4)	(79.1)	(118.0)	247.7	381.3	1,742.3	777.9
FY03 Var	-5.4%	-29.6%	7.7%	828.7%	11.3%	-60.0%	9.6%	5.3%
FY04 Var	81.5%	-289.8%	-116.2%	-617.3%	-56.4%	-20.6%	-17.7%	116.9%