

TUG Business

TUG financial statements for 2008

David Walden, TUG treasurer

The financial statements for 2008 have been reviewed by the TUG board but have not been audited. They may change slightly when the final 2008 tax return is filed. As a US tax-exempt organization, TUG's annual information returns are publicly available on our web site: <http://www.tug.org/tax-exempt>.

Revenue (income) highlights

Membership dues revenue was slightly up from 2007 to 2008 (at the end of December 2008 we had 1,549 paid members); conference income was substantially down; and interest income was down somewhat. Product sales income was down; contributions income was up about \$1,500. Altogether, revenue decreased 9 percent from 2007 to 2008.

Cost of Goods Sold and Expenses highlights

Payroll, office expenses, and *TUGboat* production and mailing continue to be the major expense items in 2008.

The production and shipping expense of the 2008 \TeX Collection software includes \$1,400 for 1600 DVD's, \$350 for 1500 mailers, and \$2,161 for postage and labor. The 'Postage/Delivery — Members' item is the mailing cost for individual *TUGboat* issues sent from the office, instead of the bulk mailing house; this expense was down in 2008 from 2007 on account of the timing and contents of the first *TUGboat* issue in the respective years. Direct *TUGboat* expenses were up in 2008 from 2007 because two issues were larger than usual (the first issue was a Euro \TeX proceedings) and included color.

Overall, expenses are up about \$8K in 2008 because of a modest cost-of-living increase in payroll, overhead (credit card and bank charges), and a significant increase in contributions made by TUG.

The bottom line

Subtracting 'Cost of Goods Sold' from 'Income', gross profit is down from 2007 to 2008. As expenses are up about \$8K, the net income for 2008 is a loss of about \$8K, compared to a profit of about \$15K in 2007. This is pretty much as budgeted. The year 2007 was the first year of an increase in fees, and the annual conference in San Diego made an unusually large profit. Thus, for 2008 (and 2009) we budgeted no increase in fees, essentially spreading the 2007 surplus over 2008 (and 2009).

Often we have a prior year adjustment that takes place early in the year to compensate for something that had to be estimated at the time the books were closed at year end; however, at this time there are no known prior year adjustments for 2008.

Balance sheet highlights

TUG's end-of-year asset level is essentially the same from 2007 to 2008.

The 'Committed Funds' come to TUG specifically for designated projects: the \LaTeX project, the \TeX Development fund, and so forth. They have been allocated accordingly and are disbursed as the projects progress. TUG charges no overhead for administering these funds.

'Prepaid Member Income' is member dues that were paid in 2008 for 2009 and beyond. Most of this liability (the 2009 portion) was converted to 'Membership Dues' for 2009 on January 2009. The payroll liabilities are for 2008 state and federal taxes due January 15, 2009.

Because of the large decrease in year-to-year profit, the Total Equity is also down significantly.

Summary

TUG remained financially solid as we entered 2009, such that we again budgeted no fee increase for 2009, continuing to use the carry over surplus from 2007. This cannot go on indefinitely.

TUG continues to work closely with the other \TeX user groups and ad hoc committees on many activities to benefit the \TeX community.

TUG 12/31/2008 (versus 2007) Balance Sheet

	<u>Dec 31, 08</u>	<u>Dec 31, 07</u>
ASSETS		
Current Assets		
Total Checking/Savings	162,709	160,490
Accounts Receivable	95	254
Other Current Assets	1,315	1,327
Total Current Assets	164,119	162,071
Fixed Assets	2,396	3,726
TOTAL ASSETS	<u>166,515</u>	<u>165,797</u>
LIABILITIES & EQUITY		
Liabilities		
Committed Funds	33,569	24,413
Prepaid member income	2,905	4,075
Payroll Liabilities	1,096	1,080
Total Current Liabilities	37,570	29,568
TOTAL LIABILITIES	<u>37,570</u>	<u>29,568</u>
Equity		
Unrestricted	136,230	120,820
Net Income	-7,285	15,409
Total Equity	<u>128,945</u>	<u>136,229</u>
TOTAL LIABILITIES & EQUITY	<u>166,515</u>	<u>165,797</u>

TUG 2008 (versus 2007) Revenue and Expenses

	<u>Jan - Dec 08</u>	<u>Jan - Dec 07</u>
Ordinary Income/Expense		
Income		
Membership Dues	103,171	101,956
Product Sales	5,809	7,667
Contributions Income	6,987	5,423
Annual Conference	-1,339	6,827
Interest Income	5,341	5,901
Advertising Income	405	230
Total Income	<u>120,374</u>	<u>128,004</u>
Cost of Goods Sold		
TUGboat Prod/Mailing	31,401	25,130
Software Production/Mailing	3,911	1,111
Postage/Delivery - Members	3,164	6,296
Conf Expense, office + overhead	1,036	1,164
JMM supplies/shipping	829	
Member Renewal	408	335
Copy/Printing for members	30	55
Total COGS	<u>40,779</u>	<u>34,091</u>
Gross Profit	<u>79,595</u>	<u>93,913</u>
Expense		
Contributions made by TUG	10,525	5,750
Office Overhead	12,595	11,653
Payroll Exp	62,200	59,863
Professional Fees	230	200
Depreciation Expense	1,330	1,498
Total Expense	<u>86,880</u>	<u>78,964</u>
Net Ordinary Income	<u>-7,285</u>	<u>14,949</u>
Other Income/Expense		
Other Income		
Prior year adjust	0	459
Total Other Income	<u>0</u>	<u>459</u>
Net Other Income	<u>0</u>	<u>459</u>
Net Income	<u>-7,285</u>	<u>15,408</u>