

TUG Business

TUG financial statements for 2005

Robin Laakso

This financial report for 2005 has been reviewed by the TUG board but has not been audited. It may change slightly when the final 2005 tax return is filed. TUG's tax returns are publicly available on our web site: <http://www.tug.org/tax-exempt>.

Revenue highlights

TUG income decreased 10 percent for 2005 compared to 2004. Total membership dues were \$91.1K at the end of 2005, compared to \$101.6K in 2004. This represents a decline in membership of approximately 110—from a little more than 1600 TUG members in 2004 to just over 1500 in 2005. The joint membership with NTG increased slightly, while UK-TUG joint membership dropped slightly.

TUG had \$19.4K in income in 2005 from other sources than membership fees. Three areas of particular note:

- TUG store revenue of \$7.4K included sales of:
 - T_EX CDs and DVDs;
 - discounted WinEdt licenses, through our arrangement with the WinEdt team;
 - discounted T_EXnical books, through our arrangement with the Pearson Publishing Group (which includes Addison-Wesley);
 - the Lucida font collection, through our arrangement with Bigelow & Holmes (which started late in 2005).
- Contribution income from generous TUG members and individuals worldwide increased 6 percent from 2004 to 2005.
- Interest income was down 15 percent in 2005 compared to 2004, mostly due some of our reserves (held in a CD) being used to cover accrued liabilities; notably, paying for the *TUGboat* issues as we get back on schedule.

Expense highlights

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

Payroll was down slightly in 2005 from 2004 (as it was from 2003 to 2004).

Software production and mailing was down 10 percent, from \$9K in 2004 to \$8K in 2005. The savings is partially due to excellent prices obtained

in Germany for copying both the DVD and CDs, and partially because fewer members in 2005 resulted in lower postage costs.

TUGboat production and mailing at \$18.6K in 2005 included three publications: the Practical T_EX 2005 conference proceedings, the TUG 2005 (Wuhan, China) proceedings, and a regular issue to be published in early 2006 for which the estimated expense was accrued in 2005. Fewer pages in the first two issues, combined with smaller print runs, helped bring the cost down significantly in 2005.

Much of the \$2.1K for the “Postage/delivery — members” line item was individually mailing issues of *TUGboat* and software discs, as members join throughout the year.

In 2005, TUG made contributions of \$2,000 to the TUG Bursary, \$1,000 to EuroT_EX 2005, \$500 for an Apple developer membership, and miscellaneous donations of \$950.

Netting Revenue, Cost of Goods Sold, and Expenses, TUG had a loss of \$2,986 for the year. This is a 27 percent smaller loss than in 2004.

However, there was an unexpected prior year adjustment of −\$9,784, shown near the bottom of the Profit and Loss comparison. This resulted entirely from the publication in 2005 of the 2004 EuroT_EX conference proceedings. This 322 page issue cost TUG just under \$19K to produce and mail, which was over \$11K more than we had anticipated (and therefore accrued) at the end of 2004.

Balance sheet highlights

We have accrued \$7,000 to produce and mail the last 2005 issue of *TUGboat* which is this present issue being mailed in early 2006. We expect this accrual to be close to the right amount.

The ‘committed donations’ come to TUG specifically designated for the L^AT_EX project, the T_EX Development fund, etc.; they have been committed accordingly and are disbursed as the projects progress.

The deferred conference donations came from DANTE in late 2005 for conferences in 2006. The deferred member income came from members who paid their 2006 dues in 2005.

The payroll liabilities are for 2005 state and federal taxes due January 15, 2006.

If you have any questions about TUG’s finances, or if you would like to help with any TUG-related activities, please contact the TUG office.

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TUG 12/31/2005 Balance Sheet

Assets	
Checking/savings	\$115,994
Accounts receivable	\$635
Other current assets	\$728
Total current assets	<u>\$117,357</u>
Fixed assets	\$5,591
Total assets	<u><u>\$122,948</u></u>
Liabilities and Equity	
Liabilities	
Late TUGboat accrual	\$7,000
Committed donations	\$7,005
Deferred conf. donations	\$1,794
Deferred member income	\$1,160
Payroll liabilities	\$1,037
Total liabilities	<u>\$17,996</u>
Equity	
Equity as of 1/1/2005	\$117,722
Net income for 2005	<u>-\$12,770</u>
Total equity	<u>\$104,952</u>
Total liabilities and equity	\$122,948

TUG 2005 (versus 2004) Revenue and Expenses

	2005	2004
Revenue		
Membership dues	\$91,173	\$101,631
Product sales	\$7,410	\$8,259
General contributions	\$7,938	\$7,453
Conferences	\$182	-\$296
Interest	\$3,672	\$4,295
Advertising	\$200	\$950
Other		\$765
Total revenue	<u>\$110,575</u>	<u>\$123,057</u>
Cost of Goods Sold		
TUGboat prod/mail	\$18,626	\$26,242
Software prod/mail	\$8,092	\$8,962
Postage/delivery-members	\$4,874	\$5,111
Conf. expenses (TUG)	\$2,082	\$1,115
Member renewal		
Copy/printing - members	\$300	\$389
Total COGS	<u>\$33,974</u>	<u>\$41,819</u>
Gross profit	<u>\$76,601</u>	<u>\$81,238</u>
Expenses		
Contributions made by TUG	\$4,950	\$8,449
Office overhead	\$13,411	\$12,788
Payroll	\$59,066	\$59,768
Professional fees	\$119	\$2,016
Depreciation	\$2,041	\$2,305
Total expenses	<u>\$79,587</u>	<u>\$85,326</u>
Net ordinary income	<u>-\$2,986</u>	<u>-\$4,088</u>
Prior year adjustment	<u>-\$9,784</u>	<u>-\$260</u>
Net profit	<u><u>-\$12,770</u></u>	<u><u>-\$4,348</u></u>