

## 2007 YEAR-END BUDGET PROJECTION AS OF SEPTEMBER 31, 2007

A **budget net of over \$70,000** is expected for the end of 2007.

The exact year-end budget balance projected at this time is \$73,453. When combined with the existing \$81,436 funds balance from the end of 2006, this year's remaining balance will bring TDNA's funds total up to \$154,889.

Total income of \$415,022 is projected, and \$412,603 was budgeted, so an extra \$2,418 will be received.

Expenses are projected to total \$341,569 compared to \$348,764 budgeted, leaving \$7,195 unspent.

This leaves a projected net budget balance of \$73,453, which is \$9,613 more than the \$63,839 budgeted for 2007.

**Income:** Income fell short in Associate Dues and the Annual Meeting. There was a net loss of \$2,000 in associate dues, and the convention brought in only half of its goal – \$485 of the net \$1,000 budgeted.

Interest Earned is the big winner this year, bringing in four times its budget goal as TDNA's cash balance continues to grow and to earn more interest. While only \$1,500 was budgeted, around \$6,000 will be earned by year's end. Sale of Materials is also expected to go over budget slightly.

Regular Dues will end the year as budgeted, and there was nothing budgeted for Special Assessment or Miscellaneous Income.

**Expenses:** There will be about \$7,000 saved in expenses this year.

Of 22 expense budget categories, 10 will be underspent, five will be overspent, and seven will be at or close to budget.

The most overspending was in Legal/Legislative (\$864 over budget) due to activities during the legislative session and in Office Equipment & Repairs (\$610 over) with extra website development.

Details follow on the status of each individual 2007 budget item as of the end of September:

## INCOME

**Regular Dues...\$390,623 budgeted, \$318,664 to date...\$390,623 projected (as budgeted)** There were 71 newspaper members starting the year and there will be 71 at the end of the year.

There were no dropped memberships and everyone has paid, or is expected to pay, this year's dues. One new member, the Sweetwater Reporter just joined but will begin paying dues for the 2008 year.

**[Dues adjustment breakout attached to budget sheet.]**

**Associate Dues...\$15,480 budgeted, \$11,320 to date...\$13,480 projected (\$2,000 under budget)** At the beginning of 2007 there were 19 members, and there will be 18 members as the year ends, after one new member was gained and two were lost.

TXU Power joined, and the two dropped members were Konica Minolta Imaging Graphics U.S.A., Inc. and Landon Media Group.

The Texas Press Association exchanges complimentary memberships with TDNA and therefore does not affect income.

**[Dues adjustment breakout attached to budget sheet.]**

**Interest Earned...\$1,500 budgeted, \$4,100 to date...\$6,000 projected (\$4,500 over budget)** In past years TDNA had maintained a low cash balance, so savings and investments were able to earn only a modest amount of interest. Now that each successive year's budget is ending in the black and adding to that cash balance, TDNA's money market investment account at Frost Brokerage Services is earning a more substantial amount of interest.

**Sale of Materials...\$4,000 budgeted, \$3,933 to date...\$4,433 projected (\$433 over budget)** Although TDNA also sells a few auto window PRESS decals every year, almost all of its sales income comes from the annual *Directory of Texas Daily Newspapers*. Directory sales have been steady in the last couple of years.

**Annual Meeting...\$1,000 budgeted, \$59 to date...\$485 net profit projected (\$515 under budget)** All convention billings to attendees have been paid, but there were a few concessions to attendees who contested their bills.

**[Convention income and expense breakouts attached to budget sheet.]**

**Special Assessments...nothing budgeted for 2007**

**Miscellaneous Income...\$0 budgeted, nothing received to date**

This account receives any payments from the previous year that had already been written off as bad debts, or any other unexpected income.

## EXPENSES

**Auditing & Accounting...\$5,000 budgeted, \$968 to date...\$5,000 projected (as budgeted)** Includes accountant fees for preparing annual income tax and sales tax reports as well as payroll service by PayChex to calculate payroll, issue checks and process all payroll tax reports. Will be close to the amount budgeted this year.

**Automobiles...\$13,000 budgeted, \$9,523 to date...\$13,000 projected (as budgeted)** Auto lease is \$685 per month. Gasoline, repairs, tires and other auto-related expenses are averaging around \$400 per month.

**Awards...\$1,800 budgeted, \$1,527 to date...\$1,800 projected (as budgeted)**  
This account covers production of plaques for all awards as well as gifts to judges. Cash awards to Hartman and Fentress winners are sponsored by Hartman Newspapers and Cox Newspapers. The Murphy Award cash prize has its own budget account. Reimbursement for the Hartman Award was not requested until recently, so expenses will be nearly as budgeted by year's end.

**Bank & Credit Card Fees...\$1,000 budgeted, \$804 to date...\$1,064 projected (\$64 over budget)** This account includes bank fees, late payment fees, and charges for processing credit card payments through Innovative Merchant Solutions. The costs for accepting credit card payments depends upon the volume of money processed per month, the amount of credit card data provided for each transaction, and whether or not there are any charge-backs or credit checks.

**Board Meetings...\$600 budgeted, \$273 to date...\$573 projected (\$27 under budget)** This item covers the cost of a meeting room, continental breakfast, and lunch for two board meetings at the Headliners Club in Austin. Telephone conference calls at board meetings are charged to the Telephone account.

**Dues & Subscriptions...\$3,300 budgeted, \$1,441 to date...\$2,626 projected (\$674 overspent)** Includes memberships to Headliners Club, Nebraska Press Association (for disability insurance) and Newspaper Association Managers (NAM). Subscriptions include *Austin American-Statesman, Editor & Publisher, E&P Yearbook, American Journalism Review, and Quorum Report.*

**Insurance...\$43,900 budgeted, \$32,243 to date...\$40,357 projected, (\$3,543 unspent)** Includes full insurance coverage for Ken Whalen and his family and employee coverage for Darla Thompson. Other insurance costs are workers comp, auto insurance, and commercial and liability coverage.

Until the death of John Murphy in September, TDNA made the monthly premium payments on his AARP policy. At the end of each year TDNA invoiced John for anything

over the amount originally agreed upon at the time of his retirement from TDNA, but in this final year of his TDNA coverage his family will not be billed for \$700 in overages.

This account is budgeted each year with the possibility in mind that group health insurance rates may go up by as much as 20%. Most years, as was the case this year, the increased cost is much less leaving unspent funds in the insurance. Savings in both dental and group health costs this year covered the extra on John Murphy's AARP policy and created most of the remaining positive balance.

**Legal/Legislative...\$10,000 budgeted, \$8,405 to date...\$10,864 projected (\$864 over budget)** This category includes lobbyist registrations, TDNA's half of Legislative Advisory Committee meetings (TPA pays half), cell phone for Ken Whalen, attorney fees, and travel and meals related to legislative work. Also included is the December NAM legislative conference.

**Miscellaneous...\$2,500 budgeted, \$678 to date...\$1,206 projected (\$1,294 overspent)** This account covers any hourly clerical contract labor, flowers, memorials, gifts and renewal of TDNA's postal bulk mail permit. There were more funeral flowers and memorials than usual this year.

In past years, this budget category also included administrative fees for TDNA's old pension plan. That plan has been closed, and administrative fees for the new 401(k) plan are now included in Pension expenses.

**Murphy Award...\$1,000 budgeted, \$1,000 to date...\$1,000 projected (as budgeted)** This year's winner was Dan Purschwitz of the *Fort Worth Star-Telegram*.

**Office Equipment & Repairs...\$8,000 budgeted, \$4,677 to date...\$8,610 projected (610 overspent)** Usual costs include the postage machine lease, copier maintenance agreement and quarterly charges, website assistance and onsite computer troubleshooting, software and repairs. There were extra costs this year for website development.

**Office Rent...\$29,880 budgeted, \$24,900 to date...\$29,880 projected (as budgeted)** Office rent to the Texas Press Association is \$2,490 per month, which includes telephone and cable TV service.

**Payroll Taxes...\$13,700 budgeted, \$9,008 to date...\$13,508 projected (\$192 under budget)** This expense item covers Social Security, Medicare, Unemployment and Texas Workforce Compensation payroll taxes.

**Pension Trust...\$12,000 budgeted, \$785 to date...\$10,882 projected (\$1,118 under budget)** This account provides 3% employer contributions on salaries for Ken and Darla to TDNA's 401(k) plan with Merrill Lynch. An additional amount has been included to cover any profit sharing or additional contributions to be determined by the board of directors. The board will set the final amount for this budget account.

Monthly administrative fees of \$90 for processing employer and employee contributions to the 401(k) plan are also charged to this account. Contributions are handled by PayChex, which also administers TDNA's payroll. PayChex charges for handling the payroll are charged to Auditing and Accounting.

**Postage/Freight/Mailing...\$7,500 budgeted, \$7,737 to date...\$7,917 projected (\$417 overspent)** Costs for metered mailings, bulk mailings, stamps, and overnight mail will go slightly over budget this year.

**Printing...\$7,300 budgeted, \$6,644 to date...\$7,300 projected (as budgeted)** Includes annual newspaper directory, printing of directory order form flyers, intern posters, and all other miscellaneous printing.

**Promotion/Sales...\$1,000 budgeted, \$461 to date...\$561 projected (\$439 under budget)** This account fluctuates with special projects and sometimes includes donations or gifts.

**Salaries...\$170,784 budgeted, \$114,570 to date...\$170,326 projected (\$458 under budget)** Includes salaries and bonuses for two full-time employees and one part-time employee.

**Supplies...\$6,000 budgeted, \$3,373 to date...\$4,873 projected (\$1,127 under budget)** Usual expenses include copier paper, ink and toner for printers, computer discs, large envelopes, coffee and soft drinks and other supplies.

**Taxes-Other...\$500 budgeted, \$0 to date...\$827 projected (\$327 overspent)** This budget category covers property taxes on the leased car, leased postage machine, and all office equipment and furniture.

**Telephone...\$1,000 budgeted, \$184 to date...\$394 projected (\$606 under budget)** Conference calls and Darla Thompson's cell phone are charged to this account. TPA provides local and long distance service, DSL, and telephone equipment as part of TDNA's lease.

**Travel & Meetings...\$9,000 budgeted, \$7,166 to date...\$9,000 projected (as budgeted)** This category includes expenses for travel, meals, parking, special meetings, and conference attendance (TPA convention and NAM summer conference).