

**USENIX ASSOCIATION FINANCIAL
REPORT FOR 2006**

Ellie Young

The following information is provided as the annual report of the USENIX Association's finances. The accompanying statements have been reviewed by Michelle Suski, CPA, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The 2006 financial statements were also audited by McSweeney & Associates, CPAs, whose unqualified opin-

ion accompanies the complete financial statements. Accompanying the statements are several charts that illustrate where your USENIX and SAGE membership dues go. The Association's complete financial statements for the fiscal year ended December 31, 2006, are available on request.

USENIX continues to be a healthy organization. For fiscal year 2006, USENIX broke even in operations. The additional \$736K in gains in investment income, interest, and dividend income from the Reserve Fund meant that we ended the fiscal year with a \$742K increase in net assets.

**USENIX MEMBERSHIP DUES
AND EXPENSES**

USENIX averaged 5,400 members in 2006, slightly down from 2005. Of these, 2,500 opted for SAGE membership as well, and

500 people are SAGE-only members. Chart 1 shows the total USENIX membership dues revenue (\$553K) for 2006, divided by membership type. Chart 2 presents how those dues were spent. Note that all costs for producing conferences, including staff, marketing, and sales and exhibits, are covered by revenue generated by the conferences. Chart 3 demonstrates how the money allocated to student programs, sponsorship of other conferences, and standards activities (\$284K) was spent in 2006. Chart 4 shows how the USENIX administrative expenses were allocated ("Misc." covers such items as renewals, taxes, licenses, consultants, temp help, and training). Chart 5 shows where the \$224K to provide SAGE benefits and services was spent (note: SAGE member dues revenue was \$131K).

**USENIX ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2006 and 2005**

ASSETS	2006	2005
Current Assets		
Cash & cash equivalents	\$ 1,245,162	\$ 1,138,826
Receivables	63,087	47,081
Prepaid expenses	47,203	39,003
Inventory	4,388	5,913
Total current assets	1,359,840	1,230,823
Investments at fair market value	6,047,657	5,343,665
Property and Equipment		
Office furniture and equipment	503,596	477,724
Less: accumulated depreciation	(452,814)	(421,264)
Net property and equipment	50,782	56,460
Other assets	248,521	206,515
	<u>\$ 7,706,800</u>	<u>\$ 6,837,463</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued expenses	\$ 671,921	\$ 589,575
Accrued income taxes payable	-	11,200
Contributions held for OpenAFS	176	1,200
Deferred Revenue	55,290	40,000
Total current liabilities	727,387	641,975
Long-term Liabilities	248,521	206,515
Total liabilities	975,908	848,490
Net Assets		
Unrestricted Net Assets	6,730,892	5,988,973
Net Assets	6,730,892	5,988,973
	<u>\$ 7,706,800</u>	<u>\$ 6,837,463</u>

**USENIX ASSOCIATION
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2006 and 2005**

	2006	2005
REVENUES		
Conference & workshop revenue	\$ 3,407,994	\$ 3,281,826
Membership dues	552,978	572,560
Product sales	8,017	12,858
SAGE dues & other revenue	131,290	128,039
General sponsorship	0	2,925
Total revenues	4,100,279	3,998,208
OPERATING EXPENSES		
Conferences & workshops	2,645,671	2,709,818
Membership; login;	394,439	387,520
Projects & GoodWorks	284,472	291,935
SAGE	224,313	164,111
Management and general	433,327	457,473
Fund Raising	112,143	97,782
Total operating expenses	4,084,365	4,108,639
Net operating surplus/(deficit)	5,914	(110,431)
NON-OPERATING ACTIVITY		
Donations	0	0
Interest & dividend income	245,024	171,766
Gains & losses on marketable securities	556,471	32,907
Investment fees	(62,165)	(59,267)
Other non-operating	(3,305)	(20,197)
Net investment income & non-operating expense	736,005	125,209
Increase/(decrease) in net assets	741,919	14,778
Net assets, beginning of year	5,988,973	5,974,195
Net assets, end of year	\$ 6,730,892	\$ 5,988,973

**USENIX ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2006 and 2005**

	Conferences and Workshops	Programs and Membership	Student Programs, Good Works and Projects	SAGE	Total Program	Management and general	Fund Raising	Total Support	2006 Total	2005 Total
Operating Expenses										
Conference & workshop-direct	\$ 1,747,016	\$	\$	\$	\$ 1,747,016	\$	\$	\$ 0	\$ 1,747,016	\$ 1,878,613
Personnel and related benefits:										
Salaries	557,566	112,292	12,825	62,924	745,607	176,676	56,728	233,404	979,011	1,002,359
Payroll taxes	42,624	8,585	980	4,810	56,999	13,506	4,337	17,843	74,842	74,591
Employee benefits	121,927	24,557	2,805	13,760	163,049	38,634	12,405	51,039	214,088	209,267
Membership/products		6,241			6,241			6,241	8,068	
Membership/login:		164,301			164,301			0	164,301	137,433
SAGE expenses				117,813	117,813			0	117,813	52,061
Student programs, Good Works, and projects			262,250		262,250			0	262,250	263,473
General and administrative	176,538	78,463	5,612	25,006	285,619	204,511	38,673	243,184	528,803	482,775
	\$ 2,645,671	\$ 394,439	\$ 284,472	\$ 224,313	\$ 3,548,895	\$ 433,327	\$ 112,143	\$ 545,470	\$ 4,094,366	\$ 4,108,639

**USENIX ASSOCIATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2006 and 2005**

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 741,919	\$ 14,778
Adjustments to reconcile increase in net assets to net cash provided by/(used for) operating activities:		
Depreciation	31,550	41,524
Decrease/(Increase) in receivables	(16,006)	39,336
Decrease in inventory	1,525	4,916
Decrease/(Increase) in prepaid expense	(8,200)	14,313
Increase in accrued expenses	81,322	277,019
Increase in accrued income taxes	(11,200)	11,200
Increase in deferred revenue	15,290	38,140
Total adjustments	94,281	426,448
Net cash provided by operating activities	836,200	441,226
CASH FLOWS PROVIDED BY/(USED FOR) INVESTING ACTIVITIES:		
Purchase of investments	(3,743,603)	(2,423,109)
Sale of investments	3,743,603	2,423,109
Net investment income designated for long-term purposes	(142,510)	(105,057)
Realized & unrealized gains on investments	(561,482)	(32,907)
Disposition of equipment	0	1,643
Purchase of property & equipment	(25,872)	(15,210)
Net cash used for investing activities	(729,864)	(151,531)
Net change in cash & equivalents	106,336	289,695
Cash & equivalents, beginning of year	1,138,826	849,131
Cash & equivalents, end of year	\$ 1,245,162	\$ 1,138,826
Cash payments for:		
Interest	-0-	-0-
Taxes	-0-	\$3,532

Chart 1: USENIX Member Revenue Sources 2006

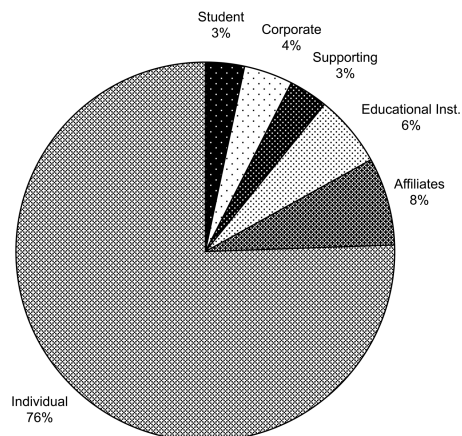


Chart 2: Where Your 2006 Membership Dues Went

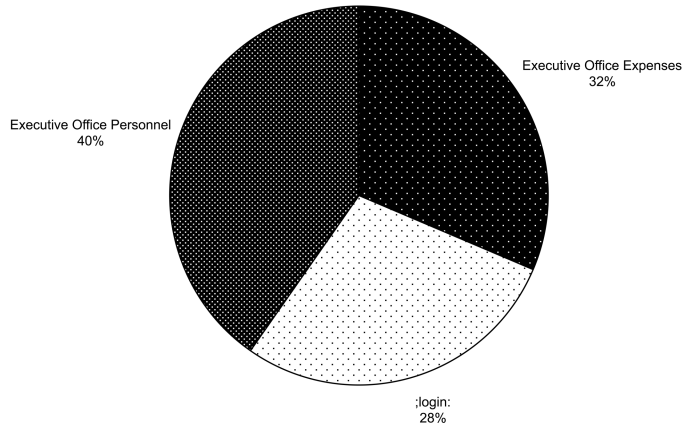


Chart 4: USENIX Administrative Expenses 2006

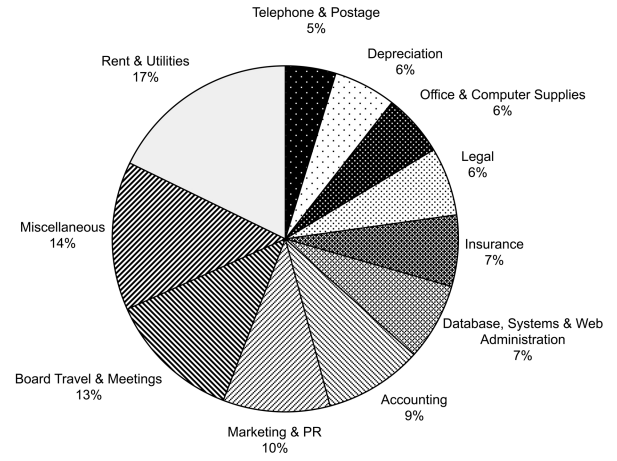


Chart 3: Student & Support for Other Programs Expenses 2006

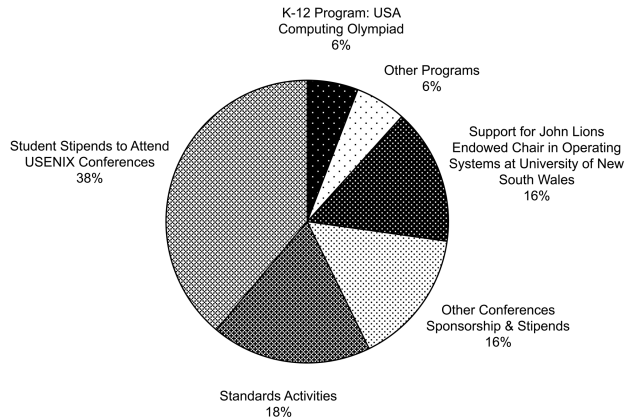


Chart 5: SAGE Expenses 2006

