

Internet Society

# 2015 Financials





## Statement of Financial Position\*

The accompanying figures reflect Internet Society activities only and do not include activities of its affiliate, Public Interest Registry. \* All figures cited in U.S. dollars.

December 31, 2015

### Assets

Cash and Cash Equivalents	\$ 5,500,961
Investments	24,045,815
Accounts Receivable	1,495,575
Prepaid Expenses	852,147
Total Current Expenses	31,894,498
Net Furniture, Equipment, and Leasehold Improvements	1,896,970
Other Assets	29,715
<b>TOTAL ASSETS</b>	<b>\$ 33,821,183</b>

### Liabilities and Net Assets

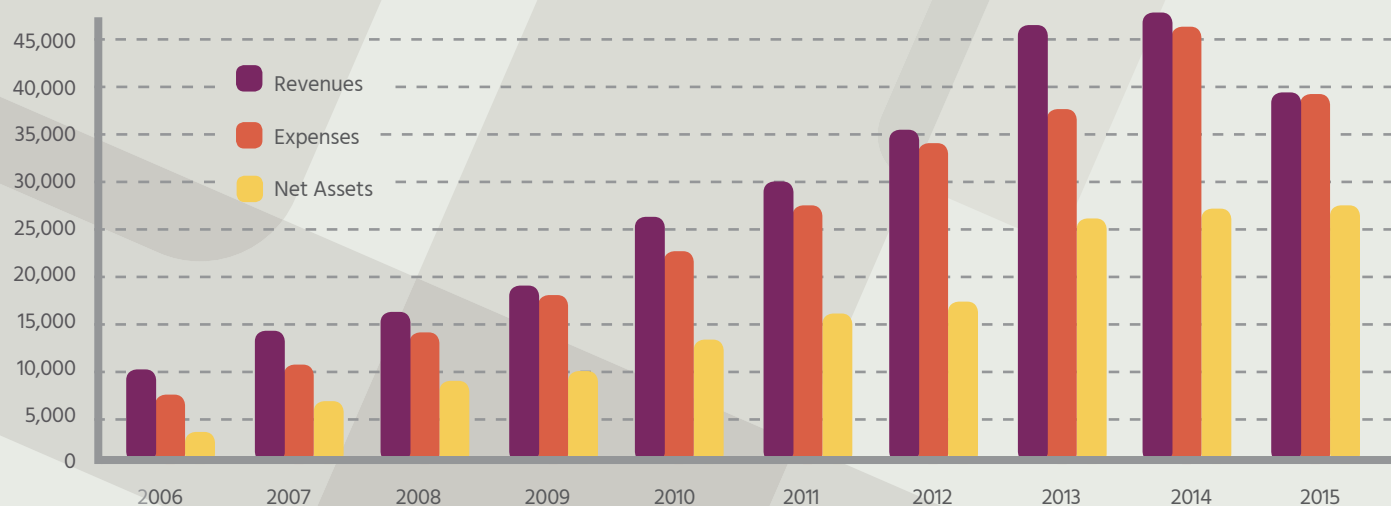
#### Current Liabilities

Accounts Payable and Accrued Expenses	\$ 2,507,148
Accrued Salaries and Benefits	1,586,552
Security Deposit	4,035
Deferred Revenue	1,686,537
Deferred Rent	925,363
Total Current Liabilities	6,709,635
<b>TOTAL LIABILITIES</b>	<b>\$ 6,709,635</b>

#### Net Assets

Unrestricted	\$ 25,776,970
Temporarily Restricted	1,238,055
Permanently Restricted	96,523
<b>TOTAL NET ASSETS</b>	<b>\$ 27,111,548</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 33,821,183</b>

### ISOC Revenue, Expenses & Net Assets 2006-2015 (\$000'S)



## Statement of Activities and Changes in Net Assets\*

For the Year Ended 31 December 2015

The accompanying figures reflect Internet Society activities only and do not include activities of its affiliate, Public Interest Registry.

\* All figures cited in U.S. dollars.

	Unrestricted		Temporarily Restricted	Permanently Restricted	Totals 2015
	Undesignated	Designated			
<b>Revenue</b>					
Programme Support	\$ 29,695,008				\$ 29,695,008
Organizational and Individual Membership Dues	1,607,076				1,607,076
IETF Meetings and Misc. IETF Revenue	4,367,683				4,367,683
Sponsorship, Registration, and Other Revenue	370,418				370,418
Realized and Unrealized Loss/Gain	(980,868)				(980,868)
Interest/Dividend Income	807,845				807,845
Contributions	2,107,954		1,095,461	10,300	3,213,715
Net Assets Released from Restriction	1,450,153		(1,450,153)		
<b>Total Revenue</b>	<b>\$ 39,425,269</b>		<b>\$ (354,692)</b>	<b>\$ 10,300</b>	<b>\$ 39,080,877</b>
<b>Expenses</b>					
Global Engagement	10,305,747				10,305,747
Stakeholder Relations	2,006,778				2,006,778
Technology & Standards Development	9,405,555				9,405,555
Global Policy	3,530,886				3,530,886
Management & General	6,252,854	122,302			6,375,156
Strategic Communications	3,338,086	457,306			3,795,392
Information Technology	2,005,282	22,629			2,027,911
Fundraising	1,603,676				1,603,676
<b>TOTAL EXPENSES</b>	<b>\$ 38,448,864</b>	<b>\$ 602,237</b>			<b>\$ 39,051,101</b>
Change In Assets	976,405	(602,237)	(354,692)	10,300	29,776
Net Assets Transfer	(2,195,500)	2,195,500			
Net Assets, Beginning of Year	23,955,402	1,447,400	1,592,747	86,223	27,081,772
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 22,736,307</b>	<b>\$ 3,040,663</b>	<b>\$ 1,238,055</b>	<b>\$ 96,523</b>	<b>\$ 27,111,548</b>

# Programme Expenditures 2015

## Global Engagement / \$10,305,747

- Regional Bureau Activities
- INET Regional Meetings
- Education and Leadership Programmes
- Technical Capacity Building Programmes
- Internet Society Fellowships to the IETF
- Chapter Development and Support
- Beyond the Net
- Public Policy Makers to the IETF

## Stakeholder Relations / \$2,006,778

- Event Planning
- Organization Member Support
- Individual Members & Donors

## Technology & Standards Development / \$9,405,555

- Standards and Technology
- Development and Operationalization
- Trust and Identity
- IETF Meetings and Activities
- Network & Distributed System Security Symposium

## Global Policy / \$3,530,886

- Public and Member Briefings
- Global and Regional Policy Development
- Internet Policy Outreach
- Engagement with International Organizations
- Internet Governance Coordination

## Management & General / \$6,375,156

- Executive Office
- Finance & Accounting
- Human Resources
- Administration & Office
- Legal & Governance
- Depreciation & Amortization

## Strategic Communications / \$3,795,392

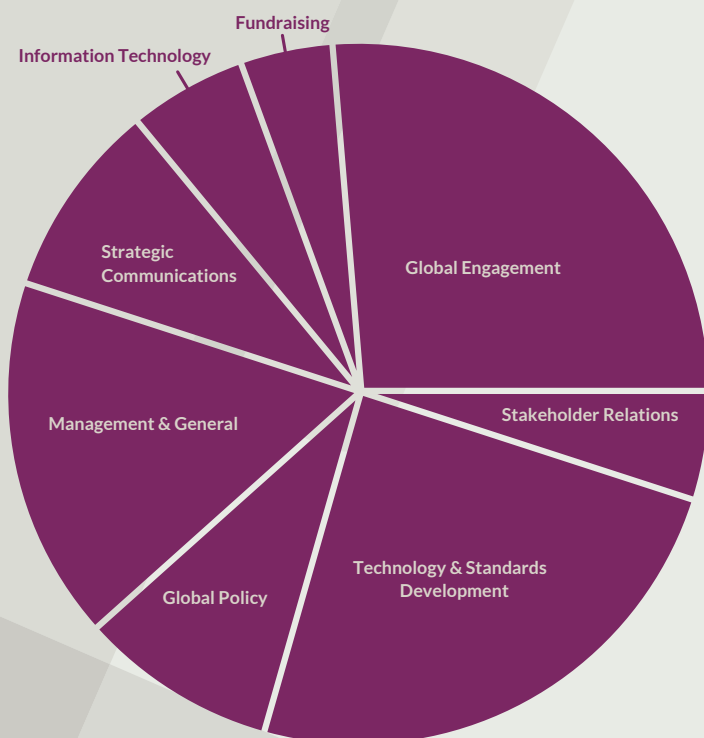
- Corporate Communications
- Publications and Campaigns
- Internet Hall of Fame
- External Communications Programmes
- Communications Platform Development
- Digital Content Strategy and Execution
- Organizational Operational Support (e.g. Design, Print, Translation)
- IETF Communications Support
- Brand & Identity/Website

## Information Technology / \$2,027,911

- IT and Internal Communication
- Network Communications
- Global Conferencing
- Operational activities to support a healthy global organisation
- Three Year Technology Improvement Plan (TYTIP)
- Enhancing technology platforms
- Utilising the Internet for creation, collaboration, and extending ISOC's reach

## Fundraising / \$1,603,676

- Grant Research & Application
- Grant Administration
- Open Internet Endowment
- Organization Member Recruitment
- Postal Service Award
- Individual Donor Cultivation
- IETF Meeting and Host Sponsorships



# Nature of Activities and Significant Accounting Policies

## Nature of Activities

The Internet Society (ISOC) is a nonprofit organization incorporated on December 11, 1992, to provide leadership in Internet related standards, education, and policy. With offices around the globe, it is dedicated to ensuring the open development, evolution and use of the Internet for the benefit of people throughout the world. ISOC provides leadership in addressing issues that confront the future of the Internet, and is the organizational home for the groups responsible for Internet infrastructure standards, including the Internet Engineering Task Force (IETF) and the Internet Architecture Board (IAB).

On October 3, 2011, ISOC formed Internet Society Asia Limited, a corporation limited by guarantee, located in the Republic of Singapore. This incorporation provides support and visibility to the work ISOC does in the Asia-Pacific region and enhances ISOC's ability to deliver programs in that region.

## Net Assets

Contributions and net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets, and the changes therein, are classified and reported as such:

- **Unrestricted Net Assets** are unrestricted support and revenue received without donor-imposed restrictions. These net assets are available for the operation of ISOC and include both internally designated and undesignated resources.
- **Temporarily Restricted Net Assets** are contributions subject to donor-imposed stipulations that will be met by the actions of the organizations and/or the passage of time. When a restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.
- **Permanently Restricted Net Assets** are contributions subject to donor-imposed restrictions that the net assets remain permanently restricted. The current permanently restricted net asset balances support the future of IETF through the Open Internet Endowment.

## Revenue and Support

Membership dues for ISOC are recorded as deferred revenue upon receipt and are recognized as revenue ratably over the period to which the dues relate. Deferred revenue consists of membership dues and conference revenue collected in advance.

The IETF meeting sponsor contributions and attendee registration fees are recognized in the year in which the applicable conference occurs.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported on the consolidated statements of activities as net assets released from restrictions. Restrictions that are met by ISOC in the year in which they were received are recognized as unrestricted support.

## Cash and Cash Equivalents

ISOC considers all cash and other highly-liquid investments with initial maturities of three months or less to be cash equivalents.

## Related Party Transaction

ISOC is the sole incorporator of Public Interest Registry (PIR). PIR is a non-stock corporation organized under the laws of the Commonwealth of Pennsylvania Nonprofit Corporation Law of 1988 as a 501(c)(3) on October 7, 2002.

PIR is the registry for the .ORG top-level domain pursuant to an agreement with the Internet Corporation for Assigned Names and Numbers (ICANN). As a registry, PIR maintains a master directory for all domain names in the .ORG top-level domain. The mission of PIR is to manage the .ORG domain in a way that supports the continuing evolution of the Internet as a research, education and communications infrastructure, and to educate and empower the non-commercial community to most effectively utilize the Internet. PIR charges Registrars a fee per registration-year for registration services provided.

The Internet Engineering Task Force (IETF) is a large, international community of network designers, operators, and researchers responsible for developing and defining the standards and protocols that makes up the Internet. ISOC has been the operational home of the IETF since ISOC's inception; however, the Secretariat function and some of the administrative duties were performed by other organizations. In early 2005, as part of a long-term restructuring plan, the IETF decided to create an IETF Administrative Support Activity (IASA), to replace the other organizations and formally structure their administrative support functions within ISOC. To complete the restructuring process, on December 15, 2005, the IETF Trust was formed to hold the intellectual property rights associated with the IETF's standards process. ISOC hosts meetings on behalf of the IETF. The revenue and expenses related to these meetings and the IASA functions are reflected on the consolidated statements of activities.

## Lease Commitments

ISOC has a lease agreement for its Reston, Virginia office. The lease originally commenced on June 23, 2001, and has been amended and extended to include 30,037 square feet of space shared by ISOC and Public Interest Registry. The lease now expires in two parts with 19,665 square feet expiring in June 30, 2018 and 10,372 square feet expiring in September 30, 2020.

In February 2009, ISOC entered into a five-year office lease agreement for its Geneva, Switzerland office which ended December 31, 2013, and was renewed for five years ending December 31, 2018.

## Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, consist of the following:

	2015
ISOC Equipment Donation	\$ 504,659
Internet Protocol Journal	376,126
Internet Leaders	162,210
IXP Toolkit Project	136,121
Dr. Jun-Ichiro Hagino Fund	34,223
DANE Project	20,000
Abhu Ahuja Award	4,716
	<b>\$ 1,238,055</b>

## Net Assets Released from Restrictions

Temporarily restricted net assets were released from restriction during the year due to the purpose restriction being accomplished as follows:

	2015
Strengthening the Internet	\$ 420,000
Internet Protocol Journal	393,877
ISOC Equipment Donation	275,268
IXP Toolkit Project	208,491
Internet Leaders	142,790
Abhu Ahuja Award	9,727
	<b>\$ 1,450,153</b>



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