INTERNET SOCIETY
Statement of Activities and Change in Net Assets
For the Period Ending November 30, 2006

IASA

<table>
<thead>
<tr>
<th>Annual</th>
<th>November</th>
<th>Year to Date</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>Actual</td>
<td>Actual</td>
<td>Budget</td>
</tr>
</tbody>
</table>

REVENUE:

- IETF Meetings Revenue: $2,062,500, 112,455 $, 2,088,960, 2,062,500 $, 26,460 $, 1.28%
- Meeting Sponsorships: 100,000, 50,000, 50,000, 100,000, (50,000), -50.00%
- Hotel Commissions: 150,000, 129,226, 100,000, 29,226, 29.23%
- Other Revenue: -
- ISOC Contribution: 1,445,918, 1,032,014, 1,210,047, 178,033, 14.71%

Total Revenue: $3,758,418, 162,455 $, 3,300,200, 3,472,547

EXPENSES:

- Salaries & related expenses: 184,888 $, 13,414 $, 162,275 $, 194,815 $, 7,206 $, 4.25%
- RFC Editor: 882,121, 73,510, 723,443, 808,611, 85,168, 10.53%
- IETF Secretariat & Meetings: 2,067,934, 203,193, 2,155,405, 1,947,582, (207,823), -10.67%
- Tools Development & Special Projects: 300,000, - , 31,078, 270,957, 239,879, 88.53%
- IETF Support: 50,000, 2,442, 30,266, 45,833, 15,567, 33.97%
- IAB Support: 43,500, 2,445, 43,003, 39,875, (3,128), -7.84%
- IASA Support (travel, telephone, meetings & misc): 117,212, 1,717, 38,876, 52,250, 13,574, 25.98%
- Legal Services: 25,000, 807, 16,614, 24,000, 7,386, 30.78%
- D&O Insurance: 16,000, - , 15,173, 16,000, 827, 5.17%

Total Direct expenses: $3,626,555, 297,528, 3,215,933, 3,374,589, 158,656, 4.70%

- G&A/Governance Allocation: 106,863, 9,134, 84,267, 97,958, 13,691, 13.98%

Total IASA expenses *: $3,733,418, 306,662 $, 3,300,200, 3,472,547, 172,347 $, 4.96%

* Does not include $25,000 in legal fees which were budgeted for the IETF Trust, which is a separate legal entity and must be accounted for as such.

Notes:

1. For 2006, the ISOC Board approved a contribution to IASA of $1,445,918.
2. RFC Editor includes actual invoices for Q1, Q2, and Q3, and accruals for October and November.
3. Secretariat and Meetings expense includes credit card fees to process IETF registrations as well as events cancellation insurance for the IETF-67 San Diego Meeting. NeuStar actual invoices through October 31, 2006 have been included, as well as an accrual for November.
4. IASA tools and special projects represents all costs for RFC copy-edit consultant, who was budgeted in the “Special Projects” category. The consultant completed his association with IASA in September.
5. IAB Support includes expenses for 2-day IAB Retreat at the end of May.
6. The IETF Support includes (2) IESG Retreats. The first retreat was held in San Francisco in February and the second was held in Boston in May.
7. D&O insurance includes premiums for IETF, IAB, IAD, RFC Editor, IANA Designated Experts and other Working Group Chairs covered under the IETF. It does not include premiums for the IETF Trust.
8. In 2005, the IETF purchased computer equipment in the amount of $12,808, which has been capitalized and is being depreciated over three years. The depreciation expense is included in the G&A/Governance allocation.
9. Year to date through November, significant funds remain available in the “Tools and Special Projects” category. The tools project will not start in 2006, but a large tools development project is scheduled to begin Jan 2007.
10. The food and beverage costs for the IETF Meetings are running higher than budgeted; however the extra funding in the tools category will absorb the loss in the food and budget area.