



First Quarter 2008 Statement of Activities **Management Comments**

The Statement of Activities (attached) reflects:

- Actual results for the year-to-date compared to the 2008 Budget; and
- The full year 2008 Budget, compared to a recent year-end forecast (“YEF”).

Summary

Performance for the first quarter was very close to the 2008 Budget, and we forecast that the results for the year will be slightly better than the budget.

As discussed in more detail below, first quarter revenues were slightly below budget, but are offset by hotel commissions in excess of budget for IETF 71, which were received in April. The revenue forecast for the year matches the budget target.

First quarter expenses were 9% below the budget. However, some of this variance represents short-term timing differences. For the year, we expect that expenses will be slightly lower than the budget target.

Registration Revenues

Meeting registration revenues were \$14,650 less than the budget for the quarter due to paid attendance being 23 attendees under the 1,150 expected for the IETF meeting in Philadelphia.

The YEF assumption for paid attendance for IETF’s 72 and 73 totaling 2,350 remains unchanged. Therefore, the forecast for the full year shows a revenue shortfall in meeting registrations equal to the small Philadelphia shortfall.

ISOC’s IETF Sponsorship Revenues

Budget objectives for \$170,000 in ISOC sponsorships for the IETF were met in Q1, including NOC hosting.

The YEF assumption for Host and Sponsor revenues for 2008 remains unchanged, although there could be a decline in revenue of \$125,000 should the IETF 72 NOC host continue to pursue the “classic” Host model of performing meeting network support itself. This revenue decline would be offset by a similar decrease in NOC expenses.

Hotel Commissions

As expected in the budget, hotel commission revenue is recognized as received (except at year-end). However, hotel commissions received in April for IETF 71 in Philadelphia were \$14,700 above the budgeted \$60,000.

The YEF assumes no change in revenues from IETF 72 and IETF 73 budget for hotel commissions. Therefore, the YEF reflects an expected positive variance for 2008 equal to IETF 71's positive variance.

IASA Expenses

Expenses were \$123,000, or 9%, below budget for the first quarter. Of the fourteen expense categories, all but three were under budget.

Since many of these positive variances are considered timing differences, the YEF projects expenses coming in under budget by \$33,000 for the year.

Q1 Expenses of Note

For the first quarter, copy edit services are nearly \$12,500 below budget. The YEF projects copy edit spending at less than 50% of budget due to a decrease in activity and realignment of work with ISI, for a forecast savings of at least \$30,000 in copy edit services for the year. Due to the anticipated savings in this category, an additional \$30,000 has been requested to provide needed ISI support tools. If approved, these tools expenditures would offset the \$30,000 positive copy edit variance, as reflected in the over-budget forecast for RFC Editor expenses.

Secretariat management fees for the year are forecast to be \$30,000 below budget as a result of timing difference in initial AMS contract fees recognized at the end of 2007 instead of in 2008, as anticipated in the 2008 budget.

2008 Secretariat Transition Expenses, largely incurred in Q1, are forecast to be \$18,000 over budget due to higher than expected IT transition costs.

ISOC Contribution

ISOC's contribution to the IETF was \$299,400 for the quarter, 27% less than the \$407,591 contribution budgeted. Much of this savings is timing related. For the entire year, a \$33,000 favorable variance is forecast, including the impact of the forecasted over-budget results for RFC Editor expenses (if the additional \$30,000 in tools development expense is authorized).

The entire contingency of \$50,000 remains unused, as well.

IETF/IASA
Statement of Activities
For the Three Months Ending March 31, 2008

	Year to Date			For the Year Ending 12/31/2008		
	Actual	Budget	Variance	Year-End Forecast	Annual Budget	Forecast Variance
REVENUE:						
IETF Registrations	\$ 715,850	\$ 730,500	\$ (14,650)	\$ 2,208,100	\$ 2,222,500	\$ (14,400)
ISOC's IETF Sponsorships & NOC Hosting	170,000	170,000	-	605,000	605,000	-
Hotel Commissions	-	-	-	194,700	180,000	14,700
Other Revenue	-	-	-	-	-	-
Total IETF/IASA Revenues	885,850	900,500	(14,650)	3,007,800	3,007,500	300
EXPENSES:						
RFC Editor	168,337	169,450	1,113	708,000	677,800	(30,200)
Copy-Edit Services	2,580	15,000	12,420	29,600	60,000	30,400
IETF Secretariat & Meeting (AMS)	357,666	382,750	25,084	1,501,000	1,531,000	30,000
Variable Managed Meeting Costs	270,925	326,000	55,075	894,500	919,600	25,100
Secretariat Transition Expenses	89,107	70,000	(19,107)	93,000	75,000	(18,000)
General Meeting Contingency	-	-	-	50,000	50,000	-
Short Term Contracts	-	-	-	25,000	25,000	-
Tools	2,559	3,000	441	10,000	10,000	-
IASA Support (incl. IAD expenses & salary)	62,796	95,540	32,744	336,300	335,116	(1,184)
IETF Support	13,547	23,492	9,945	90,000	95,050	5,050
IAB Support	13,755	13,250	(505)	54,600	52,250	(2,350)
Other Meeting Expenses (incl NOC Hosting Exp)	178,435	179,984	1,549	602,500	596,633	(5,867)
IETF Trust Expenses	6,439	5,875	(564)	23,500	23,500	-
G&A/Governance (Indirect)	19,132	23,750	4,618	95,000	95,000	-
Total IETF/IASA Expenses	1,185,278	1,308,091	122,813	4,513,000	4,545,949	32,949
ISOC Contribution to IETF Activities (exclusive of Capital Expenditures)	\$ 299,427	\$ 407,591	\$ 108,163	\$ 1,505,200	\$ 1,538,449	\$ 33,249
Capital Expenditures (Tools Development)	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -

Note: See the accompanying Management Commentary for a discussion of significant items.