

June 16, 2014  
ISOC Board Call – Finance Committee Update

**Meetings:** The Finance Committee recently held a call (summary below). Our next meeting will be with new members. We may need additional meetings to work with the CEO and CFO to re-baseline the 2014 budget following the recent reorganization, and we anticipate additional meetings pertaining to the preparation of the 2015 budget.

**Last meeting:** May 13, 2014 at 15:00 UTC

**Upcoming meetings:** September 11, September 26, and October 28

### **Recognizing Bert Wijnen**

Bert Wijnen has been a long-standing and valued member of the Finance Committee. The Finance Committee thanks Bert for his active, inquisitive, and principled service on the Finance Committee. We will miss his contributions and service.

### **Summary of the Recent Finance Committee Meeting:**

Attendees: Jason Livingood, Treasurer and Chair of the Finance Committee, and David Farber, Rudi Vansnick, Bert Wijnen as members of the Finance Committee. Also in attendance were Kathy Brown, ISOC's President and Chief Executive Officer, Greg Kapfer, Chief Financial Officer, and Sandra Spector, Director of Finance.

### **Review of Q1 Financial Statements and Management Report**

The Finance Committee reviewed the updates to 2014 financial statements to cover costs for corporate realignment, addition of Office of the President and Finance Administration & Partnership Development departments and separation of major grant fulfillment costs.

The CFO walked through the 1Q2014 financial results of a net surplus of \$1.2M. The CFO highlighted revenue results and expenditure variances, and provided guidance that ISOC will have a challenge meeting the 2014 non-PIR revenue targets.

### **Reinvestment of \$10 Million of Non-Recurring Revenue**

The Finance Committee discussed and agreed upon continued reinvestment of the \$10M in short-term financial instruments. There were no changes to the agreed upon investment strategy.

### **Status Update of 2013 Financial Statement Audit**

The CFO stated that at the next Audit Committee meeting on May 27, Grant Thornton would present the 2013 ISOC consolidated financial statements and audit results. At that time the Audit Committee would review the audit and send it to the Board for acceptance at the June 16 meeting.

### **Other Issues We Are Watching**

As was explained in our last update, the Finance Committee is aware of an employment-related legal issue for ISOC. We continue to track potential costs related to this activity and remain confident that management is taking appropriate steps to protect ISOC. This was not discussed during our last call but Jason and Greg continue to periodically discuss the issue and we felt it was important to track it here as an open issue.