

**INTERNET2**  
**Statement of Activities and Change in Net Assets (Management Prepared)**  
**For the Periods Ending 12/31/2015, 2016, 2017 & Budget 2018**

|   | ACTUAL<br><u>2015</u>  | ACTUAL<br><u>2016</u> | ACTUAL<br><u>2017</u>  | BUDGET<br><u>2018</u> |
|---|------------------------|-----------------------|------------------------|-----------------------|
| <b>Revenues</b>                                   |                        |                       |                        |                       |
| Dues & Meeting Fees                               | \$ 11,658,644          | \$ 12,198,522         | \$ 12,906,238          | \$ 12,658,567         |
| Network Services                                  | 49,352,655             | 51,116,296            | 52,451,081             | 51,853,812            |
| Net + Services                                    | 2,952,456              | 3,760,674             | 5,069,895              | 4,564,111             |
| Trust & Identity/TIER                             | 5,654,388              | 5,412,011             | 6,401,384              | 7,321,031             |
| Miscellaneous                                     | 59,482                 | 575,972               | 905,734                | 735,389               |
| Special Fund Projects (UNIZIN, DPN, etc)          | 9,245,786              | 2,690,152             | 1,232,920              | 1,177,800             |
|   | <u>78,923,411</u>      | <u>75,753,626</u>     | <u>78,967,251</u>      | <u>78,310,710</u>     |
| Direct cost of revenues (& subcontracts)          | <u>\$ (11,947,590)</u> | <u>\$ (8,520,485)</u> | <u>\$ (10,631,916)</u> | <u>\$ (8,899,083)</u> |
| <b>Revenues net of direct costs</b>               | <b>\$ 66,975,821</b>   | <b>\$ 67,233,141</b>  | <b>\$ 68,335,336</b>   | <b>\$ 69,411,627</b>  |
| <b>Expenses:</b>                                  |                        |                       |                        |                       |
| Program Expenses                                  | 27,040,234             | 26,734,805            | 24,092,922             | 26,404,069            |
| General Administrative Expenses                   | 6,184,481              | 5,630,026             | 6,433,517              | 6,353,076             |
| Network Operating Expenses                        | 21,115,032             | 21,174,891            | 20,030,876             | 20,884,391            |
| Interest  | 478,644                | 445,625               | 601,959                | 639,576               |
| Other   | 88,459                 | (12,970)              | (14,000)               | (14,000)              |
| Contingency                                       | -                      | -                     | -                      | 500,000               |
| <b>Total Exp Before Depr</b>                      | <u>54,906,850</u>      | <u>53,972,377</u>     | <u>51,145,274</u>      | <u>54,767,112</u>     |
|   |                        |                       | 94.76%                 |                       |
| <b>Revenues less Expenses before Depreciation</b> | 12,068,971             | 13,260,764            | 17,190,062             | 14,644,515            |
| Total Depreciation Expense                        | <u>12,900,195</u>      | <u>13,266,183</u>     | <u>14,286,794</u>      | <u>13,779,656</u>     |
| YTD Net from Operations                           | (831,224)              | (5,419)               | 2,903,268              | 864,859               |
| Unusual or Infrequently Occurring Items           | -                      | (666,666)             | 112,590                | -                     |
| <b>Increase (Decrease) in net assets</b>          | <u>\$ (831,224)</u>    | <u>\$ (672,085)</u>   | <u>\$ 3,015,857</u>    | <u>\$ 864,859</u>     |
| Total Capital Expenditures                        | <u>\$ 3,988,217</u>    | <u>\$ 7,278,625</u>   | <u>\$ 3,718,127</u>    | <u>\$ 3,057,400</u>   |