

USENIX ASSOCIATION

The Advanced Computing Systems Association

Financial Statements
with Independent Auditor's Report

Years Ended December 31, 2015 and 2014

USENIX ASSOCIATION

Years Ended December 31, 2015 and 2014

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BHLF

BONG HILLBERG LEWIS FISCHESSEY LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
USENIX Association

We have audited the accompanying financial statements of USENIX Association, a California nonprofit corporation (the Organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USENIX Association as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of USENIX Association as of December 31, 2014, were audited by other auditors whose report dated June 9, 2015, expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 2015 supplemental schedule of functional expenses, LISA SIG schedule of activities, schedule of conference event revenue and expenses and schedule of general and administrative expenses on pages 15 through 19 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The 2014 supplementary information on pages 15 through 19 was subjected to the auditing procedures applied in the 2014 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2014 financial statements as a whole.

Bong Hillberg Lewis Fisherman LLP

Walnut Creek, California
August 18, 2016

USENIX ASSOCIATION

Statements of Financial Position December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current assets		
Cash and equivalents	\$ 431,293	\$ 252,948
Accounts receivable, net	355,919	83,740
Prepaid expenses	130,826	91,704
Investments	<u>5,416,766</u>	<u>5,096,241</u>
Total current assets	6,334,804	5,524,633
Property and equipment, net	<u>234,343</u>	<u>362,930</u>
Total assets	<u>\$ 6,569,147</u>	<u>\$ 5,887,563</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 77,703	\$ 44,473
Accrued compensation	62,459	56,222
Deferred revenue	<u>516,600</u>	<u>91,080</u>
Total current liabilities	<u>656,762</u>	<u>191,775</u>
Deferred revenue, net of current portion	<u>487,500</u>	<u>-</u>
Total liabilities	<u>1,144,262</u>	<u>191,775</u>
Net assets - unrestricted		
Undesignated	8,119	599,548
Board designated	<u>5,416,766</u>	<u>5,096,240</u>
Total net assets	<u>5,424,885</u>	<u>5,695,788</u>
Total liabilities and net assets	<u>\$ 6,569,147</u>	<u>\$ 5,887,563</u>

See notes to financial statements.

USENIX ASSOCIATION

Statements of Activities Years Ended December 31, 2015 and 2014

	2015	2014
REVENUES		
Conference & workshop revenue	\$ 3,679,420	\$ 3,598,142
Membership dues	262,877	281,847
Event services & projects	618,774	111,088
Product sales	6,215	7,361
LISA SIG dues & other	40,482	44,046
General sponsorship	90,000	85,500
Total revenues	4,697,768	4,127,984
EXPENSES		
Conferences and workshops	3,366,015	3,268,065
Projects, programs and membership	763,900	448,589
LISA SIG	3,889	3,586
Total program services	4,133,804	3,720,240
Management and general	595,237	420,976
Fundraising	188,236	97,276
Total expenses	4,917,277	4,238,492
CHANGE IN NET ASSETS FROM OPERATIONS	(219,509)	(110,508)
OTHER INCOME (EXPENSES)		
Donations	26,754	23,197
Investment income (loss)	(30,042)	164,316
Investment fees	(49,532)	(59,895)
Other income	1,426	332
Total other income (expenses)	(51,394)	127,950
Change in net assets	(270,903)	17,442
NET ASSETS - unrestricted		
Beginning of year	5,695,788	5,678,346
End of year	\$ 5,424,885	\$ 5,695,788

See notes to financial statements.

USENIX ASSOCIATION

Statements of Cash Flows Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (270,903)	\$ 17,442
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	157,820	155,433
Realized gain (loss) on investments	(101,262)	186,223
Change in unrealized gain (loss) on investments	272,472	(159,884)
Accounts receivable	(272,179)	(64,723)
Prepaid expenses	(39,122)	(38,270)
Accounts payable and accrued expenses	33,230	(67,426)
Accrued compensation	6,237	14,737
Deferred revenue	913,020	59,540
	<u>699,313</u>	<u>103,072</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(2,858,862)	(2,601,278)
Sale of investments	2,367,127	2,545,445
Purchases of property & equipment	(29,233)	(11,846)
	<u>(520,968)</u>	<u>(67,679)</u>
Net cash used for investing activities		
NET CHANGE IN CASH AND EQUIVALENTS	178,345	35,393
CASH AND EQUIVALENTS		
Beginning of year	<u>252,948</u>	<u>217,555</u>
End of year	<u>\$ 431,293</u>	<u>\$ 252,948</u>

See notes to financial statements.

USENIX ASSOCIATION

Notes to Financial Statements

1. NATURE OF OPERATIONS

USENIX Association (Organization) is a non-profit corporation and was incorporated in 1980. The Organization's primary purpose is to provide educational benefit, including the exchange and communication of research and technological ideas pertaining to advanced computing systems and tools. The Organization has approximately 2,300 members in 47 countries. The Organization's programs include:

Conferences and Events – Conferences are designed using a combination of staff expertise and volunteer program committees that are comprised of industry professionals. The Organization's conferences are highly technical, attracting attendees with mid-to-senior level experience in information technology positions, and offering opportunities for learning, networking, presenting, and publishing research in the conference proceedings.

Major annual conferences include the Large Installation System Administration (LISA) Conference, the USENIX Security Symposium, File and Storage Technologies Conference (FAST) and the USENIX Annual Technical Conference. Smaller conferences focusing on specific areas in advanced computing systems are also held. Co-located workshops are held with many conferences and a highly regarded tutorial program accompanies some events.

Programs and Memberships – The Organization publishes a magazine six times a year. The publication features technical articles on a wide range of topics, tips on system administration techniques, workplace strategies, and book reviews. Membership in the Organization provides benefits that include discounts on conference registration fees and a free subscription to the Organization's magazine, ;login:. The Organization also promotes open access to its conference proceedings, including papers, video, audio and slides, to members and non-members alike.

Student Programs, Good Works, and Projects – Special distributions are designated by the Board for student programs, good works, and various projects.

LISA – The USENIX Special Interest Group (SIG) for Sysadmins – LISA is a special interest group of USENIX serving the system administration community. LISA benefits include a series of booklets on practical topics such as job descriptions, a salary survey, a members' email list, and a Web resource site that includes job postings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The accompanying financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The net assets, revenues, gains and losses, expenses and other changes in the accompanying financial statements are classified based on the existence or absence of donor imposed restrictions. Accordingly, for reporting purposes, net assets of the Organization and changes therein are classified as follows:

Unrestricted net assets – Represent net assets that are not subject to donor-imposed stipulations and are available to support the Organization's operations. This includes certain amounts designated by the board for the reserve fund or other uses.

USENIX ASSOCIATION

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Temporarily restricted net assets – Represent contributions that are limited in use by the Organization in accordance with temporary donor-imposed stipulations. These stipulations may expire with time or may be satisfied and removed by actions of the Organization according to the terms of the contribution. Upon satisfaction of such stipulations, the associated net assets are released from temporarily restricted net assets and recognized as unrestricted net assets. There are no temporarily restricted net assets at December 31, 2015 and 2014.

Permanently restricted net assets – Represent contributions to be held as investments in perpetuity as directed by the original donor. At December 31, 2015 and 2014 the Organization does not have any permanently restricted net assets.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and equivalents – For purposes of the statement of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents unless otherwise restricted or designated. Periodically, such deposits may be in excess of federally insured limits.

Investments – The Organization has reported investments in marketable securities with readily determinable fair market values and all investments in debt securities at their fair market values in the statements of financial position. Realized and unrealized gains and losses are reflected in the statement of activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized

Inventory – The Organization does not maintain physical inventory of its conference proceedings as these materials are distributed through electronic-only formats. Proceedings are distributed electronically to attendees before conferences and they are also available online with unrestricted access after the conferences occur.

Property and equipment – Property and equipment are recorded at cost and depreciated on a straight-line basis over their respective estimated useful lives, which range from five to seven years. It is the Organization's policy to capitalize expenditures for those items in excess of \$1,000. Repairs and maintenance are charged to expense as incurred. Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

Conference registration and sponsorship revenue and receivables – Revenues from conferences and workshops are recognized when the events take place. Amounts received prior to the events are recorded as deferred revenue. Membership dues, which are non-refundable, are recognized as income when dues are received. Revenues from product sales are recognized upon completion of sales. Contributions are recognized when an unconditional promise to give is made. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to an allowance for doubtful accounts based on its assessment of the current status of individual accounts. There was no allowance for doubtful accounts at December 31, 2015 and 2014, respectively.

USENIX ASSOCIATION

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and pledges receivable – Pledges receivable are recognized when the donor makes an unconditional promise to give to the Organization.

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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the period in which the contributions are recognized.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increase or decreases in unrestricted net assets unless their use is restricted by explicit donor restriction or by law.

Functional allocation of expenses – Expenses by function have been allocated among program and supporting services classifications on the basis of estimates made by the Organization's management.

Reclassifications – Certain prior year balances have been reclassified to conform with current year financial statement presentation. Reclassification had no impact on prior year change in net assets or total net assets.

3. ACCOUNTS RECEIVABLE

Accounts receivable are stated as unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, and other circumstances, which may affect the collectability. Receivables are considered impaired if the balance is unpaid 60 days after the due date. As of December 31, 2015 and December 31, 2014, the Organization has determined that all receivables are fully collectible.

4. INVESTMENTS

Investments at consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Mutual funds	\$ 2,175,950	\$ 1,700,778
Common stock	2,109,491	1,930,410
Cash equivalents	446,567	782,274
Corporate bonds	454,034	360,407
U.S. government securities	<u>230,724</u>	<u>322,372</u>
	<u>\$ 5,416,766</u>	<u>\$ 5,096,241</u>

USENIX ASSOCIATION

Notes to Financial Statements

4. INVESTMENTS (CONTINUED)

Investment income has been classified as increases (decreases) in unrestricted net assets and was comprised of the following at December 31:

	<u>2015</u>	<u>2014</u>
Interest and dividend income	\$ 141,168	\$ 190,655
Unrealized gain (loss) from investments	(272,472)	159,884
Realized gain (loss) from investments	<u>101,262</u>	<u>(186,223)</u>
	<u>\$ (30,042)</u>	<u>\$ 164,316</u>

Investment fees were \$49,532 and \$59,895 for the year ended December 31, 2015 and 2014, respectively.

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	<u>2015</u>	<u>2014</u>
Leasehold Improvements	\$ 32,217	\$ 32,217
Equipment	409,105	379,872
Website	<u>700,765</u>	<u>700,765</u>
	1,142,087	1,112,854
Less: Accumulated Depreciation	<u>(907,744)</u>	<u>(749,924)</u>
	<u>\$ 234,343</u>	<u>\$ 362,930</u>

Depreciation expense is \$157,820 and \$155,433 for the years ended December 31, 2015 and 2014, respectively.

6. FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

USENIX ASSOCIATION

Notes to Financial Statements

6. FAIR VALUE MEASUREMENTS (CONTINUED)

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014:

U.S. government securities: Valued at the closing price reported in the active market in which the individual securities are traded.

Corporate bonds: Certain corporate bonds are valued at the closing price reported in the active market in which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Common stock: Certain common stocks are valued at the closing price reported in the active market in which the individual securities are traded. Investments in certain restricted common stocks are valued at the quoted market price of the issuer's unrestricted common stock less an appropriate discount. If a quoted market price for unrestricted common stock of the issuer is not available, restricted common stocks are valued at a multiple of current earnings less an appropriate discount. The multiple chosen is consistent with multiples of similar companies based on current market prices.

Mutual funds: Valued at the net asset value (NAV) of shares, based on quoted market prices, held by the Organization at year-end.

Cash equivalents: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization management believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

USENIX ASSOCIATION

Notes to Financial Statements

6. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<u>2015</u>				
Mutual funds	\$ 2,175,950	\$ -	\$ -	\$ 2,175,950
Common stock	2,109,491	-	-	2,109,491
Cash equivalents	446,567	-	-	446,567
Corporate bonds	-	454,034	-	454,034
U.S. government securities	-	230,724	-	230,724
	<u>\$ 4,732,008</u>	<u>\$ 684,758</u>	<u>\$ -</u>	<u>\$ 5,416,766</u>
<u>2014</u>				
Mutual funds	\$ 1,700,778	\$ -	\$ -	\$ 1,700,778
Common stock	1,930,410	-	-	1,930,410
Cash equivalents	782,274	-	-	782,274
Corporate bonds	-	360,407	-	360,407
U.S. government securities	-	322,372	-	322,372
	<u>\$ 4,413,462</u>	<u>\$ 682,779</u>	<u>\$ -</u>	<u>\$ 5,096,241</u>

7. BOARD DESIGNATED NET ASSETS

In December 1992, the Board of Directors established an investment account with the intent of assuring a reserve fund for operations and a growth opportunity for supporting the "Good Works" programs envisioned by USENIX. The fund was established with \$1,000,000 from unrestricted funds. The Board has established portfolio objectives and investment guidelines that outline the permitted asset mix and characteristics of the portfolio of securities. The intent of the Board is to allow the reserve funds to be invested in high quality securities and bonds for mid-term growth while still providing the Organization with liquidity and safety for reserve needs.

Funds are invested and have been designated as follows:

Balance at December 31, 2013	\$ 5,066,750
Investment income	164,260
Investment fees	(59,770)
Transfers from reserve fund	<u>(75,000)</u>
Balance at December 31, 2014	<u>\$ 5,096,240</u>
Investment income	(30,067)
Investment fees	(49,407)
Transfers to reserve fund	<u>400,000</u>
Balance at December 31, 2015	<u>\$ 5,416,766</u>

USENIX ASSOCIATION

Notes to Financial Statements

8. INCOME TAXES

The Organization was granted tax-exempt status other than a private foundation as provided by Internal Revenue Code Section 501(c)(3) in a determination letter dated August 15, 1984. As a result, the Organization is exempt from paying income taxes, except with respect to income unrelated to its tax exempt purpose. At December 31, 2015 and 2014 the Organization does not have any unrelated business income, and thus no provision for income taxes has been reflected in these financial statements.

The Organization has analyzed tax positions taken for filings with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial position, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2015 and 2014, respectively.

As of December 31, 2015, periods subsequent to 2011 are subject to audit by various taxing authorities; however, there are currently no audits for any tax periods in progress.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively. The Organization has not recognized any interest and penalties in the years ended December 31, 2015 and 2014, respectively.

9. RETIREMENT PLAN

The Organization maintains a 401(k) retirement plan (Plan) for all eligible employees. Contributions are made on behalf of the employees at the rate of 5% of an eligible employee's compensation. The amounts contributed to the plan for the years ended December 31, 2015 and 2014 are \$48,039 and \$38,974, respectively.

10. COMMITMENTS

The Organization leases 2,910 square feet of office space at its headquarters in Berkeley, California, under terms of a lease dated January 13, 1987. The most recent renewal, dated June 8, 2011 extended the lease through May 31, 2016. The base rent is \$5,703 per month, beginning June 1, 2016 (\$2.06 sq. ft.). There is a provision for a CPI adjustment with minimum increase per year. The future lease obligations are as follows, assuming a 3% increase, for the years ended December 31:

2016	\$	73,383
2017		73,260
2018		75,458
2019		77,722
2020		80,053
Thereafter		<u>33,765</u>
	\$	<u><u>413,641</u></u>

Rent expense for the years ended December 31, 2015 and 2014 is \$85,831 and \$83,298, respectively.

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Notes to Financial Statements

10. COMMITMENTS (CONTINUED)

The Organization sponsors numerous conferences, including the USENIX Annual Technical Conference, a major Systems Administration Conference, known as LISA, and a Security Conference. In addition, the Organization sponsors a number of smaller events on specialized topics. Commitments for the larger conferences are generally made for hotel and meeting room space up to five years prior to the conference dates. The following major contracts existed at December 31, 2015:

<u>Conference Name</u>	<u>Location</u>	<u>Peak Night Rooms Committed</u>	<u>Total Nights Committed</u>
<u>USENIX Annual Technical Conference</u>			
June 2016	Denver CO	250	1,050
<u>LISA Conference</u>			
December 2016	Boston, MA	533	2,846
October - November 2017	San Francisco, CA	552	3,000
October - November 2018	Nashville TN	552	3,000
October - November 2019	Portland OR	425	2,604
December 2020	Boston, MA	552	3,000
<u>Security Symposium</u>			
December 2016	Austin, TX	240	1,076
August 2017	Vancouver, BC	240	1,075
<u>Conference on File & Storage Technologies (FAST)</u>			
February 2016	Santa Clara, CA	160	570
February 2017	Santa Clara, CA	160	544
February 2018	Oakland, CA	151	609
<u>Conference for Site Reliability Engineering Professionals (SREcon)</u>			
April 2016	Santa Clara, CA	65	130
July 2016	Dublin, IR	100	300
<u>Symposium on Operating Systems Design and Implementation (OSDI)</u>			
November - October 2016	Savannah, GA	300	1,125
<u>Symposium on Networked Systems Design and Implementation (NSDI)</u>			
March 2016	Santa Clara, CA	125	425
<u>Enigma</u>			
January 2016	San Francisco, CA	350	1,050

In the event of a cancellation or a lower than anticipated attendance, there is a potential liability to the Organization for the commitments to the hotels and convention centers involved in these contracts. As of December 31, 2015 the potential liabilities in the event of cancellation for all USENIX conference commitments were \$2,920,366.

USENIX ASSOCIATION

Notes to Financial Statements

11. SUBSEQUENT EVENTS

The Organization's management has reviewed the results of activities for the period of time from its year ended December 31, 2015 through August 18, 2016, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor any additional subsequent events have occurred, the nature of which would require disclosure.

SUPPLEMENTAL SCHEDULES

USENIX ASSOCIATION

Schedule of Functional Expenses Years Ended December 31, 2015 and 2014

	<u>Conferences and workshops</u>	<u>Projects, programs and membership</u>	<u>LISA SIG</u>	<u>Total Program Services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
2015							
Conferences & Workshops	\$ 2,509,170	\$ -	\$ -	\$ 2,509,170	\$ -	\$ -	\$ 2,509,170
Personnel and related benefits	598,348	154,341	2,542	755,231	308,823	127,027	1,191,081
General and Administrative	258,497	67,373	1,100	326,970	286,414	61,209	674,593
Membership; Login	-	168,085	-	168,085	-	-	168,085
Membership/products/video-recording	-	74,075	-	74,075	-	-	74,075
Programs, Projects, & Good Works	-	300,026	-	300,026	-	-	300,026
LISA SIG Expenses	-	-	247	247	-	-	247
	<u>\$ 3,366,015</u>	<u>\$ 763,900</u>	<u>\$ 3,889</u>	<u>\$ 4,133,804</u>	<u>\$ 595,237</u>	<u>\$ 188,236</u>	<u>\$ 4,917,277</u>
Total expenses							
2014							
Conferences & Workshops	\$ 2,253,478	\$ -	\$ -	\$ 2,253,478	\$ -	\$ -	\$ 2,253,478
Personnel and related benefits	667,121	94,410	1,938	763,469	186,934	56,185	1,006,588
General and Administrative	347,466	49,172	1,009	397,647	234,042	41,091	672,780
Membership; Login	-	174,213	-	174,213	-	-	174,213
Membership/products/video-recording	-	67,174	-	67,174	-	-	67,174
Programs, Projects, & Good Works	-	63,620	-	63,620	-	-	63,620
LISA SIG Expenses	-	-	639	639	-	-	639
	<u>\$ 3,268,065</u>	<u>\$ 448,589</u>	<u>\$ 3,586</u>	<u>\$ 3,720,240</u>	<u>\$ 420,976</u>	<u>\$ 97,276</u>	<u>\$ 4,238,492</u>
Total expenses							

See independent auditor's report

USENIX ASSOCIATION

LISA SIG Schedule of Activities Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Membership dues	\$ 38,595	\$ 41,560
LISA SIG publications	1,331	2,045
Other LISA SIG income	<u>556</u>	<u>441</u>
Total revenues	<u>40,482</u>	<u>44,046</u>
EXPENSES		
Salary survey	155	-
Publication and booklets - Amazon fees	6	319
LISA SIG publication mailings	86	206
Discretionary expenses	-	114
Personnel and administrative	<u>3,642</u>	<u>2,947</u>
Total expenses	<u>3,889</u>	<u>3,586</u>
Change in net assets - LISA SIG	<u><u>\$ 36,593</u></u>	<u><u>\$ 40,460</u></u>

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USENIX ASSOCIATION

Schedule of Conference Events Year Ended December 31, 2015

	E1 ATC & Workshops	E2 LISA & Workshops	E3 Security & Workshops	E5 HotOS	E6 SREcon	E7 FAST & Workshops	E9 NSDI	E10 SaTC PI	E11 SREcon Europe	Total
Location	Santa Clara, CA	Washington, DC	Washington, DC	Switzerland	Santa Clara, CA	Santa Clara, CA	Oakland, CA	Arlington, VA	Dublin, Ireland	
REVENUE										
Conference registration	\$167,210	\$1,164,143	\$406,870	\$64,404	\$103,250	\$284,688	\$174,230	\$293,859	\$-	\$2,658,654
Training	-	-	-	-	-	35,810	-	-	-	35,810
Co-located workshops	81,082	11,350	144,205	-	-	1,150	-	-	-	237,787
Sponsorships	108,700	131,700	152,469	10,000	96,100	137,900	73,700	-	11,000	721,569
Vendor exhibitions and other	-	189,490	-	-	-	17,470	-	-	-	206,960
Total revenue	<u>356,992</u>	<u>1,496,683</u>	<u>703,544</u>	<u>74,404</u>	<u>199,350</u>	<u>477,018</u>	<u>247,930</u>	<u>293,859</u>	<u>11,000</u>	<u>3,860,780</u>
EXPENSES										
Marketing	3,367	55,392	8,058	33	1,242	2,916	1,116	1,083	33	73,240
Registration package and directory	13,013	52,373	26,223	2,535	5,628	15,304	7,429	3,636	2,745	128,886
Connectivity	2,500	11,736	5,000	-	2,995	10,728	-	12,095	-	45,054
Catering	80,218	289,884	164,274	31,847	94,763	149,565	103,599	181,374	8,661	1,104,185
Program sessions	39,858	99,732	70,767	1,270	20,848	39,303	34,718	51,444	393	358,333
Training	-	244,484	-	-	-	20,596	-	-	-	265,080
Vendor exhibits	296	95,479	-	-	3,366	2,318	259	-	-	101,718
Workshops	64,806	46,692	77,755	-	-	147	-	-	-	189,400
Student and women grants	17,865	5,400	16,490	3,850	-	33,480	14,750	-	-	91,835
Miscellaneous	8,239	60,809	22,759	25,317	4,792	11,086	3,397	10,042	548	146,989
Staff hotel and travel	-	-	-	-	-	-	-	3,443	-	3,443
Meeting room rent	-	-	-	-	-	-	-	1,007	-	1,007
Personnel and administrative	90,907	364,374	154,647	26,444	43,837	77,714	66,691	21,398	10,833	856,845
Total expenses	<u>321,069</u>	<u>1,326,355</u>	<u>545,973</u>	<u>91,296</u>	<u>177,471</u>	<u>363,157</u>	<u>231,959</u>	<u>285,522</u>	<u>23,213</u>	<u>3,366,015</u>
Change in net assets - conferences and events	<u>\$ 35,923</u>	<u>\$ 170,328</u>	<u>\$ 157,571</u>	<u>\$ (16,892)</u>	<u>\$ 21,879</u>	<u>\$ 113,861</u>	<u>\$ 15,971</u>	<u>\$ 8,337</u>	<u>\$ (12,213)</u>	<u>\$ 494,765</u>

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USENIX ASSOCIATION

Schedule of Conference Events Year Ended December 31, 2014

	E1 Federated Conferences & ATC	E2 LISA & Workshops	E3 Security & Workshops	E4 OSDI	E7 FAST & Workshops	E9 NSDI	Total
Location	Philadelphia, PA	Seattle, WA	San Diego, CA	Broomfield, CO	Santa Clara, CA	Seattle, WA	
REVENUE							
Conference registration	\$ 103,755	\$ 564,086	\$ 340,895	\$ 272,930	\$ 329,614	\$ 139,305	\$ 1,750,585
Training	13,890	590,179	-	-	39,915	-	643,984
Co-located workshops	90,045	31,005	127,048	46,390	2,025	-	296,513
Sponsorships	93,250	75,720	120,306	180,150	129,510	63,500	662,436
Vendor exhibitions and other	7,500	199,324	-	11,500	17,300	9,000	244,624
	<u>308,440</u>	<u>1,460,314</u>	<u>588,249</u>	<u>510,970</u>	<u>518,364</u>	<u>211,805</u>	<u>3,598,142</u>
EXPENSES							
Marketing	5,557	72,282	8,568	1,083	6,001	1,401	94,892
Registration package and directory	14,550	47,837	20,860	14,601	15,747	5,695	119,290
Connectivity	-	27,676	7,246	-	5,839	3,928	44,689
Catering	77,823	277,752	132,893	197,606	138,188	60,911	885,173
Program sessions	53,190	106,610	41,971	37,767	31,813	29,474	300,825
Training	15,899	203,229	-	-	20,198	-	239,326
Vendor exhibits	249	64,874	712	2,724	4,050	-	72,609
Workshops	58,742	54,629	68,683	30,533	825	-	213,412
Student and women grants	29,050	6,100	29,885	38,455	36,290	22,785	162,565
Miscellaneous	10,760	70,942	12,918	8,125	9,131	7,310	119,186
Staff hotel and travel	-	-	-	-	-	-	-
Meeting room rent	1,511	-	-	-	-	-	1,511
Personnel and administrative	196,510	377,142	173,905	91,278	87,426	88,326	1,014,587
	<u>463,841</u>	<u>1,309,073</u>	<u>497,641</u>	<u>422,172</u>	<u>355,508</u>	<u>219,830</u>	<u>3,268,065</u>
Total expenses							
Change in net assets - conferences and events	<u>\$ (155,401)</u>	<u>\$ 151,241</u>	<u>\$ 90,608</u>	<u>\$ 88,798</u>	<u>\$ 162,856</u>	<u>\$ (8,025)</u>	<u>\$ 330,077</u>

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USENIX ASSOCIATION

Schedules of General and Administrative Expenses Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Depreciation	\$ 157,820	\$ 155,433
Occupancy	85,831	83,298
Information technology	84,053	85,216
Legal	60,876	29,963
Accounting	58,034	52,837
Other	48,788	78,240
Board of director meetings	38,010	48,765
Office	36,044	44,403
Image marketing and public relations	30,498	15,140
Insurance	28,425	34,374
Bank and merchant fees	24,021	22,712
Telephone and internet	20,849	20,503
Renewal mailings and electronic renewals	1,344	1,896
	<u>674,593</u>	<u>672,780</u>
Total general and administrative expense	<u>\$ 674,593</u>	<u>\$ 672,780</u>

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