



STORAGE NETWORKING INDUSTRY ASSOCIATION
2009 ANNUAL REPORT





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LETTER FROM THE 2009 SNIA CHAIRMAN



Wayne M. Adams,
Chairman,
SNIA Board of Directors

Dear SNIA Members and Industry Colleagues,

I am very pleased to report to you on the significant achievements of the SNIA in 2009 and share our insights for 2010. Despite the recession our global industry is enduring, we are in the midst of several profound technology and economic trends: converging data center fabrics, cost-effective solid state storage technology, petabyte data management, cloud computing, green IT, and data security. SNIA has remained nimble in these times to continue to deepen our focus and deliverables for these trends through our technical programs, our Forums/Initiatives, our Regional Affiliates, and our alliances. Because of our evolving focus, SNIA continues to attract new members, new alliances, new programs, and increased volunteerism from our longstanding members.

I point out several highlights from across our organization, with more details available inside this Annual Report and on our Web site www.snia.org. For SNIA specifications, we have completed Disk Data Format (DDF) V2.0, Storage Management Initiative Specification (SMI-S) VI.4, eXtensible Access Method (XAM) VI.0 and Cloud Data Management Interface (CDMI) VI.0. SNIA specifications become SNIA Architecture by membership vote, and may then be submitted to the InterNational Committee for Information Technology Standards (INCITS) for American National Standards Institute (ANSI) and International Organization for Standardization (ISO) accreditation.

To improve time to market and consistent interpretation of industry standards, SNIA has expanded its technical work to include the creation of software developer kits (SDKs). In 2009, we delivered SDKs for Network Data Management Protocol (NDMP) and for XAM.

For SNIA education, we have created new qualification tests for Data Protection and Virtualization. We continue to maintain a portfolio of over 75 tutorials delivered at SNW and other industry conferences around the globe. SNIA has launched e-courseware for IT professionals located anywhere globally to prepare for SNIA Certification Exams. For 2010, SNIA will add storage security certification exams to its portfolio.

SNIA rationalized its need and requirements for the continuation of a Technology Center in 2009. This resulted in the relocation of its Technology Center in early 2010 in Colorado Springs, to continue its programs for SMI-lab, SMI-S Conformance Testing Program (CTP), and hosting a number of systems for SDK development and Input/Output Traces, Tools, and Analysis (IOTTA) trace repository. SNIA originally opened a Technology Center in 2001 and re-opened its doors in February of 2010. The facility has the capacity and infrastructure to support more technology programs as well as classroom education programs.

Progress from the SNIA Forums and Initiatives, Committees, and Regional Affiliates continue to play a substantial role in the organization's success. Whitepapers and best practice documents on the topics of data protection, information retention, storage security, solid state storage TCO calculator, and cloud storage were published, along with numerous trade publication articles. New alliances were formed and established alliances were expanded, including Blade Systems Alliance



LETTER FROM THE 2009 SNIA CHAIRMAN

(BSA), Trusted Computing Group (TCG), Fibre Channel Industry Association (FCIA), The Green Grid (TGG), the U.S. Environmental Protection Agency (EPA), ClimateSavers, European Union, Open Grid Forum (OGF), Solid State Drive Alliance (SSDA), and Distributed Management Task Force (DMTF).

With the formation of the Malaysia Country Forum and near completion of the Brazil legal filings, they join SNIA's other successful Regional Affiliates and Forums in Australia-New Zealand, China, Europe, India, Japan, and South Asia. Our regions deliver many Storage Academies, host SNW events, localize SNIA materials into local languages, and engage the end-user IT community at trade-events and through industry publications.

Our SNW events in the U.S., Europe and China continue to be highly successful, and this strategic partnership between IDG/Computerworld and the SNIA reaches several thousand IT professionals each year. SNIA tutorials, SNW Hands-on labs, and SNIA demonstrations are some of the many unique, vendor-neutral SNIA deliverables experienced at SNW conferences.

The longstanding SNIA Storage Developer Conference (SDC) was produced by SNIA in September. SDC is a unique event dedicated to developers for the most current storage standards and specifications, specification implementation tools, interoperability programs, and best practices. In 2009, SDC featured more than 60 conference sessions for over 250 attendees. SDC included live Hands-on Lab for Developers (HOLD) sessions, as well as plugfests for CIFS/SMB/SMB2, SOHO consumer storage and XAM. 2010 plans are underway for our 7th annual SDC in September in Silicon Valley.

Starting in 2008, the SNIA leveraged Web 2.0 technologies to keep engaging the storage community beyond the SNIA membership. Some of the new online collaborative offerings in 2009 included the Cloud Storage community, Cloud Storage CDMI demonstration community, Cloud365, Twitter, and new podcasts. In 2010, we plan to expand our presence through key alliances and increase our use of blogging, podcasts, video-casts, and Twitter.

The success of the SNIA has always depended on the dedication, hard work, and commitment of its volunteers. When combined with an equally focused and industrious Staff to support member and volunteer efforts, our collective mission can be realized. On behalf of the SNIA Board of Directors, I thank everyone who contributed to our accomplishments this year, including committee and workgroup volunteers, SNIA group leaders, our Forum and Initiative teams, SNIA staff, and past and current SNIA contributors. I also congratulate the exceptional volunteers who received SNIA volunteer leadership and accomplishment awards. The many achievements detailed in this Annual Report are a testament to our passionate and dedicated volunteers, and we look forward to another exciting year in 2010.



Wayne M. Adams
2009 Chairman, SNIA Board of Directors



The SNIA's Technical Council, Technical Working Groups (TWGs), Standards Committee, Initiatives, and Forums continued to deliver significant technical advancements in 2009. Additionally, SNIA's Technology Center in Colorado Springs, Colorado, played a vital role in supporting many of the SNIA's technology and education efforts. These groups and **technical activities** are central to the SNIA's work driving the alignment of storage technologies with information management requirements.

TECHNICAL WORK GROUPS AND SYMPOSIA

Under the guidance of the SNIA Technical Council, the 24 SNIA Technical Work Groups deliver information and standards that accelerate the adoption of storage networking. They support the SNIA mission charting a course for the storage networking industry.

There are several key benefits in actively participating in the technical activities of SNIA Technical Work Groups, including:

- Ensure revisions of SNIA standards meet the technical requirements of your company
- Gain in-depth knowledge of the details in the standards being developed and as a result develop expertise on the standards
 - The best way to become an expert is through participation, not just reading
- Work with and get assistance from the other experts on the standards as you develop an implementation

Participation in the TWGs is open to SNIA Members worldwide. The TWGs accomplish their work through regularly scheduled conference calls, and face to face meetings which take place at SNIA Symposia.

In 2009, SNIA held 6 Symposia which included several summits and industry workshops (e.g., Cloud Storage, Green Storage) and also featured industry speakers. The SNIA also co-met with other industry associations for cross-industry collaboration and work coordination.

SPECIFICATIONS AND DEVELOPING TECHNICAL WORK

In 2009, the SNIA's **Storage Management Initiative Specification (SMI-S) v 1.4.0 rev 4** was completed and adopted by the SNIA voting members as SNIA Architecture. SMI-S defines a method for the interoperable management of a heterogeneous Storage Area Network (SAN) to support the specific requirements of managing devices in and through SANs.

In addition, the SNIA Common RAID Disk Data Format (DDF) v2.0 Specification was completed, adopted by the SNIA voting members and published as a SNIA Technical Position. DDF defines a standard data structure describing how data is formatted across the disks in a RAID group. This structure allows a basic level of interoperability between different suppliers of RAID technology, enabling data-in-place migration among systems from different vendors.

SNIA STANDARDS AND TECHNOLOGY

In 2009, SNIA published its first SNIA Member-approved SNIA Software, NDMPv4 Release 1.0. This software implements version 4.0 of the Network Data Management Protocol (NDMP) standard. NDMP addresses the challenges associated with backing up multi-vendor network attached storage systems. The SNIA software will help accelerate the already widespread adoption of the NDMP standard by storage vendors and IT users in all markets worldwide by assisting their implementation of NDMP v4.



Data storage at the new SNIA Technology Center in Colorado Springs.

In addition, the XAM Software Development Kit (SDK) was also completed, adopted by the SNIA voting members as SNIA Software and released. The XAM SDK software implements the XAM Specification, an industry standard for fixed content storage developed by the SNIA.

NEW TECHNICAL WORK GROUPS

In 2009, the SNIA Technical Council initiated work in several new technical areas by creating the following new **Technical Work Groups** (TWGs):

The Cloud Storage TWG acts as the primary technical entity within the SNIA to identify, develop and coordinate systems standards for Cloud Storage. The TWG is developing the Cloud Data Management Interface (CDMI) specification, and a software reference implementation of CDMI. The CDMI specification defines the standard functional interface for applications to use to create, retrieve, update and delete data elements in the Cloud. Through this interface, a client is able to discover the capabilities of a cloud storage offering and to manage cloud-based containers and the data that is placed in them. In addition, metadata can be set on containers and their contained data elements. CDMI is also used by administrative and management applications to manage containers, accounts, security access and monitoring/billing information, even for storage that is accessible by other protocols.

The Hypervisor Storage Interfaces TWG's goal is to extend and/or develop standard interfaces for storage interactions (including provisioning, management, control and I/O operations) with and through hypervisors (the term "hypervisor" is used here in the generic sense). The TWG will leverage pre-existing standards and standards bodies where possible. Since gaps do exist in the currently approved standards, and gaps may exist among the charters of the existing standards bodies, this TWG will identify those gaps and either assist the appropriate standards body in closing those gaps, or when this avenue is not available, to close them with standards drafted by the TWG.

I/O TRACES & TOOLS AND ANALYSIS (IOTTA) REPOSITORY

The I/O Traces, Tools and Analysis (IOTTA) Repository is a repository of I/O traces of various workloads, I/O trace collection and analysis tools, and related best practices. In 2009 the repository increased the number of traces freely available at <http://iotta.snia.org> with the addition of several large new traces. The IOTTA Repository actively seeks I/O traces and tools and makes them available to developers, researchers, and other interested parties world-wide. The IOTTA TWG, which developed the repository, participates in the annual USENIX File and Storage Technologies (FAST) Conference to promote the availability of the traces and to seek new traces.

STANDARDS ACTIVITIES

In 2009 the SNIA submitted the following draft standards to INCITS for ANSI standardization, to be followed by submission to ISO for international standardization.

- *SMI-S v1.3* - SMI-S defines a method for the interoperable management of a heterogeneous Storage Area Network (SAN), and describes the information available to a WBEM Client from an SMI-S compliant CIM Server and an object-oriented, XML-based, messaging-based interface designed to support the specific requirements of managing devices in and through SANs.
- *XAM v1.0.1* - The XAM (eXtensible Access Method) Interface specification defines a standard access method (API) between “Consumers” (application and management software) and “Providers” (storage systems) to manage fixed content reference information storage services. XAM includes metadata definitions to accompany data to achieve application interoperability, storage transparency, and automation for ILM-based practices, long term records retention, and information security.

In addition, SMI-S v1.1 was approved as an ISO standard in 2009.

STORAGE DEVELOPER CONFERENCE

The SNIA’s Technical Council and community play a key role in the [Storage Developer Conference \(SDC\)](#), a unique event dedicated to helping developers in the storage industry improve and enhance their development skills. In 2009, this annual event was once again a success, featuring more than 60 conference sessions on SNIA standards work and emerging trends in storage, with over 250 attendees participating in the event (presentations from SDC 2009 are [available for download](#)). As an added feature, SDC 2009 included live Hands-On Lab for Developers (HOLD) sessions, as well as the traditional and well attended CIFS/SMB/SMB2 Plugfest and a new XAM Plugfest.

SNIA TECHNOLOGY CENTER, UNITED STATES

In 2009, the organization made its plans to move the SNIA Technology Center from the HP complex in Colorado Springs Technology Park to the LSI Corporation campus, also in Colorado Springs. During the nine years at the HP complex, the Center hosted approximately 4,000 computer engineers, technicians and IT professionals who participated in more than 500 technical



The SNIA Technology Center in Colorado Springs relocated to its new facility on the LSI Corporation campus on February 10, 2010.

standards development, interoperability testing, and education activities. The new facilities, opened in February 2010, will continue to build on this success with more than 8,600 square feet of data center, computer lab, office, classroom and meeting space. The SNIA Technology Center has been and will continue to be the home of the Association’s industry-wide technical innovation and professional education.

SNIA INITIATIVES AND FORUMS

SNIA Forums and Initiatives primarily focus on technology promotion and technical marketing activities. With their ongoing progress and valuable contributions, in 2009 these groups continued to play a key role in the organization’s overall success. The highlights of these activities follow.

SNIA INITIATIVES ● ● ●

Cloud Storage Initiative

In October 2009, the SNIA announced the formation of the Cloud Storage Initiative (CSI) with the purpose of fostering the growth and success of the market for Cloud Storage. In addition to coordinating all Cloud-related activities in SNIA, CSI is responsible for managing many cloud-related programs including those for education, marketing, technical coordination with the Cloud Storage TWG, business developments, cloud standards cross-industry efforts. The CSI will also collaborate with the Cloud Storage TWG on CDMI reference implementations, and conformance testing.



CSI showcased their new initiative in a pavilion at SNW Fall.

SNIA’s rallying efforts in the Cloud Storage area had began with the launch of the Cloud Storage Technical Workgroup (CS-TWG) in April 2009, with an immediate focus on developing a standard interface for Cloud Storage called CDMI – Cloud Data Management Interface. This technical track was shortly followed in July 2009 with a whole program at the SNIA Summer Symposium, where a pioneering team of volunteers organized a series of meetings and discussions with cloud and storage industry experts to identify the main challenges of the cloud storage industry and to start the formation efforts of the Cloud Storage Initiative. This was also a first opportunity to detail the initial content of the CDMI specification. Opportunistically, the CSI-formation team also launched a discussion group (a Google Group called “snia-cloud”) outside the SNIA membership as a means to inform the cloud community at-large about SNIA’s progress.

The CSI team ended Fiscal Year 2009 with a successful official launch at the SNW-Fall event in Phoenix, with a noted presence in the expo-hall at the CSI Pavilion and its participation in the SNW Cloud Summit. The launch efforts were continued at the SNW Europe event in Frankfurt later in the same month. CSI has already established a strong presence on the SNIA website (snia.org/cloud) and has released reference documents and white papers. CSI is also pursuing collaboration with SNIA Regional Affiliates in order to spread the initiative outreach to the international community. Overall, the CSI team has built strong foundations in 2009 for an exciting roll-out of activities in 2010.

Green Storage Initiative

SNIA’s Green Storage Initiative (GSI) is dedicated to advancing energy efficiency and conservation in all shared storage technologies, helping to minimize the environmental impact of data storage operations. GSI activities include technical programs, alliance programs, and educational programs. In 2009, SNIA continued to educate the industry and end-user customers through the delivery of its Green Storage tutorials at a number of industry events around the world, and via Webinars covering energy measurement metrics and best practices for data center networked storage.

In January of 2009, the GSI and the SNIA Green TWG released the initial draft of the Green Storage Power Measurement Specification. This important specification includes a “Green Storage Taxonomy” for classifying storage products based on energy consumption characteristics and application environments, as well as a baseline standard for idle power metrics. This specification has served as the basis for work by the US Environmental Protection Agency (EPA) on an ENERGY STAR® specification for Data Center Storage. Ongoing SNIA work has focused on active power measurements, as well as processes for certifying results. New efforts underway are focusing on a SNIA-branded “Green energy label” for use by everyone in the storage manufacturing industry. Interim test measurements for idle power, active power, and power supply efficiencies have been shared with the EPA as part of their on-going industry workshop series, and have provided a foundation for the EPA data center storage data collection specification.

Energy efficiency in the data center is a global concern and one broader than storage alone, whereby the GSI has actively partnered with several important organizations. SNIA Europe has established SNIA as a European Union Data Center Code of Conduct recognized Endorser, and SNIA Japan is fully engaged with the Japan cross-industry Green work with JEITA, JDSF, and the GIP Council. In addition, SNIA has expanded its alliance with The Green Grid, whereby in both Japan and Europe, there are joint industry education programs and coordinated work with the regional agencies. SNIA also partnered with ClimateSavers/ECOS Consulting/EPRI to validate industry power supply energy efficiency test methods for the 80PLUS Program, as they would apply to storage product power supplies.

Solid State Storage Initiative

The Solid State Storage Initiative (SSSI) is committed to being the recognized authority for storage made from nonvolatile, solid state memory devices. SSSI’s mission is to foster the growth and success of the market for solid state storage in both enterprise and client environments. Drawing from the experience and expertise of its nearly 40 members, the SSSI works to advance the knowledge and acceptance of solid state storage through education, market outreach, and by developing the standards (through its technical work group, the SSS TWG) that are necessary for industry-wide adoption.

The SSSI, in partnership with the SSS TWG, has taken the lead in defining the metrics and methods for measuring the performance of solid state storage. A draft specification was developed in 2009, scheduled for public release in 1Q2010. In addition, 3 white papers were developed within the SSSI and published, and 10 tutorials have been authored and delivered at SNW Spring and Fall, SNW Europe, Storage Visions, DiskCon, and the Flash Memory Summit during 2009.

2010 is shaping up to be another important year for SSS, with many new players and products entering the market. The interest and excitement is building for an exciting new year.

SNIA INITIATIVES AND FORUMS

Storage Management Initiative

SMI is dedicated to fostering the creation of implementable, deployable and verifiable end-user storage management solutions based on SNIA standards adopted industry-wide. SMI drives the development of the Storage Management Initiative - Specification (SMI-S) and promotes it to vendors and developers at SNW, the SNIA Storage Developers Conference, and the Management Developers Conference. SMI also promotes the implementation of SMI-S through its SMI-Lab program and a publicly accessible Developers email discussion group, where implementers can obtain answers directly from experts who have written and implemented the specification.

In 2009, SMI released Conformance Testing Program (CTP) for the Storage Management Initiative Specification (SMI-S) version 1.4. CTP for SMI-S 1.4 features easy-to-understand CTP reports, testing of the delivery of event notifications, and identification of tested management tasks using business-oriented terms. CTP for SMI-S 1.4 also includes expanded functionality tests like thin provisioning, remote copy services, host RAID controllers, virtual fabrics and partitioned fabric switches. In addition, to help end users align their specific requirements with vendors' capabilities, the CTP results pages now provide information on optional configuration functions such as LUN creation and mapping/masking.

SMI resources also played a key role in 2009 in helping the SNIA plan and begin the relocation of the SNIA Technology Center, which is where the SMI CTP and the SMI-Lab program are located.

XAM Initiative

In 2009, XAM v1.0 was approved as a SNIA Architecture, was submitted to INCITS to become an ANSI standard, and completed the ANSI review and is in the final stage of approval for being published as an ANSI standard. XAM v1.0 provides a much-needed framework for standards-based information independence for applications and storage systems. While providing storage transparency to end users, XAM is designed to assure information immutability to meet long-term digital information retention requirements.

Also in 2009, the XAM Software Development Kit (SDK) v1.0 was approved and released as a SNIA Software Release. The XAM SDK v1.0 provides Independent Software Vendors (ISVs), storage vendors, and operating system vendors with the tools they need to develop and test code based on the latest XAM specification. At SDC 2009, the XAM plugfest united the platform and ISV XAM communities to improve interoperability for deployed solutions.

In addition, SNIA engaged the TopCoder® community of developers with XAM contests for application ideas and proof of concept solution prototypes. Contest submissions came from all corners of the globe: North America, Europe, China, Middle East, and India. Penn State shared with the industry their plans to use XAM for their digital archives and preservation project.

2010 will have increased ISV uptake of the XAM standard, while SNIA continues to apply XAM in the solution areas for Electronic Health Records, e-Discovery, and Digital Preservation. In 2010, SNIA will launch its XAM solution directory to quickly guide IT professionals to the breadth of market offerings.

SNIA FORUMS

Data Management Forum

In 2009, the SNIA Data Management Forum (DMF) continued to provide key programs via its three initiative-based workgroups: the Data Protection Initiative (DPI), the Information Lifecycle Management Initiative (ILMI), and the Long Term Archive and Compliance Storage Initiative (LTACSI).

DMF members continued to embrace educational opportunities by contributing ten published articles on topics ranging from Data Deduplication, Data Classification and Database Information Management, along with five Webcasts offered through the very popular SNIA BrightTalk Channel. In addition, the DMF e-Bulletin was distributed every other week to keep members and friends informed about DMF activities and events.

Two major pieces of work were published in 2009. The first, *“Building a Terminology Bridge: Guidelines to Digital Information Retention and Preservation Practices in the Datacenter,”* explains retention and preservation management practices in the datacenter within an ILM context and concludes 2 years of work started by the DMF’s Long-Term Archive and Compliant Storage Initiative (LTACSI) in collaboration with the DMF ILM Initiative (ILMI). The second, *“The ILM Maturity Model,”* is a self-assessment tool that can be used to help demonstrate to an organization the progression and value of improving the information management process. Organizations looking to reduce operating costs and improve efficiencies in the data center now have a roadmap for improvement, and a tool to assess the alignment of their information assets with the needs of the business.

Another major achievement for the year was development by the SNIA Qualified Data Protection Associate Exam, driven by SNIA Education and DMF members who provided best practice expertise to the development of this qualification. This exam validates basic knowledge of data protection and recovery as well as strategies and solutions as they apply within a storage environment.

The IP Storage Forum becomes the Ethernet Storage Forum

In 2009, the SNIA IP Storage Forum (IPSF) announced a significant expansion of its charter, and a name change to the Ethernet Storage Forum (ESF), in response to the continued and accelerating growth of Ethernet-based storage networking deployments and in recognition of changing customer demand.

SNIA INITIATIVES AND FORUMS

The SNIA Ethernet Storage Forum (ESF) continues to be the marketing organization within the Storage Networking Industry Association focused on driving the broad adoption of Ethernet-connected storage networking solutions through vendor neutral education, driving market awareness and positioning, and accelerating market acceptance through the development of best practices on deployment and interoperability for IT professionals. “Ethernet-connected storage networking solutions” refers to any storage networking products that use Ethernet as the storage-to-host network -- for example iSCSI disk arrays, or Network-Attached Storage systems using the NFS protocol.

The basic operational structure of the Forum is unchanged. The big difference is the creation of two new Special Interest Groups (SIGs); the iSCSI SIG and the NFS SIG, each focused on a specific technology. The role of the SIGs is to create and maintain a marketing and education plan related to their area of focus and provide subject-matter expertise to promote and market their technology.

Storage Security Industry Forum

In 2009, the SNIA Storage Security Industry Forum (SSIF) expanded its delivery of storage security education to end users and the industry.

The SNIA and the Trusted Computing Group (TCG) announced an alliance to help further facilitate both TCG input into the SNIA activities as they relate to trusted systems, and SNIA input into TCG activities as they relate to storage and storage security for trusted systems. Under the alliance, the SSIF and TCG collaborate on education and marketing outreach for storage security, and unite at storage-related events to further promote the trusted systems technology in the storage and storage security industry.

This year, the SSIF updated their “Solutions Guide to Data-at-Rest,” addressing concerns around data privacy, integrity, availability, and liability, offering baseline considerations and guidance into factors that should be considered when evaluating storage security technologies and solutions. SSIF member solutions for encryption and key management are profiled. The SSIF contributed to the formation of a Storage Security Hands-On Lab at the SNW conference, which highlighted encryption and key management technologies. The SSIF also authored a webcast on the topic of “Information Risk Management,” presenting the newest techniques that help address evolving computer security threats.

In addition, the SSIF published two SNIA Technical Proposals created by the SNIA Security Technical Working Group. The “Introduction to Storage Security” whitepaper highlights the basics of identifying key business drivers for data security, describes threats and attacks, summarizes security concepts and relationships, and then describes what constitutes storage security. The “Encryption Checklist v2.0” whitepaper defines a nine-step process that should be performed to effectively implement at-rest data encryption.



In 2009, the organization re-organized the bodies overseeing its worldwide efforts into the International SNIA Council (ISC), chartered to guide the overall SNIA organization to achieve significant storage industry objectives on a global basis, in line with the SNIA strategic plan.

With SNIA Regional Affiliates continuing to grow and expand, they are critical to the execution of the organization’s local activities in support of SNIA’s global mission. The 2009 highlights from the SNIA [Regional Affiliates and Forums](#) around the globe follow.

SNIA AUSTRALIA-NEW ZEALAND (ANZ)

Throughout 2009, SNIA ANZ pursued its strategy of driving membership and education as key initiatives. SNIA ANZ now has four strategic teams that focus on Membership, Professional Development, Creating the Community, and Public Relations. The membership team placed its attention on the membership value proposition which was improved by the implementation of a new hosted website application. This now provides SNIA ANZ with complete control over the Web content and improved services to membership such as event calendars, member profiles, content library, online newsletters, and a career centre. The Professional Development program led to more storage professionals being trained than ever before and a continued growth in certification numbers. The next step is to identify a long term strategic training partner who can market the curriculum to a broader regional audience.

A number of new programs and initiatives were also developed including media roundtables, reseller briefing sessions, content submission incentives, and regular online newsletters. Storage professionals can now subscribe online to receive updates from SNIA ANZ. The Community team drove an event strategy that resulted in collaboration with Techtarget to add a tutorial track to the Storage Decisions Conference, and take up major speaking opportunities such as at Security 2009.

SNIA BRAZIL

SNIA Brazil, since becoming established in 2008, has focused on market development and membership outreach programs. With the creation of the SNIA Cloud TWG and Cloud Storage Initiative, SNIA Brazil has reviewed local cloud projects and how to leverage the planned SNIA CDMI standard. Several SNIA Cloud white papers have been translated into local language Portuguese, as well as the SNIA Dictionary. SNIA Brazil representatives delivered presentations on Information Management and Storage at the 2009 IDC Infrastructure & Storage Vision Conference in Sao Paulo. The SNIA Brazil leadership has attended both SNW Spring and SNW Fall 2009 in the USA. In 2010, SNIA Brazil will become recognized by the Brazilian government as a non-profit and further undertake new SNIA projects such as SNIA Storage Academy and SNIA certification training.



SNIA INTERNATIONAL

SNIA CHINA

Despite the softened Chinese economy due to the global recession, SNIA China made many strides in 2009 for new membership development and market development while containing costs. SNIA China had an effective media campaign throughout the year, reaching thousands of IT end-users through traditional print and electronic media publications. SNIA organized and authored the number one desktop reference book, “Path to Storage Technology Expert,” available in local Chinese language, whereby over 8,000 copies have been sold and a second printing is now underway. SNW China 2009 featured a large number of SNIA Tutorials, one of the most valued educational experiences attendees had cited, and plans for SNW 2010 are underway for mid-year in Beijing. SNIA China welcomed the increased volunteerism from omnipresent Chinese technology companies including Huawei-Symantec, H3C, and Lenovo; along with longstanding members Brocade, Cisco, EMC, HP, HDS, IBM, Wisdata, and several others.

SNIA EUROPE

In 2009, SNIA Europe expanded its flagship SNW Europe event to include two new co-located shows – Virtualization World and Datacenter Technologies – all under one roof. The new expanded event broke all previous SNW Europe attendance records, attracting over 1,500 delegates from 20 countries, marking an 11% increase over 2008, even as other events were being cancelled or drastically downsized in the challenging economic climate. The two-day event included over 130 sessions and was supported by 55 sponsors, with over 70% of the attendees qualified as quality delegates, including end users, systems integrators and resellers, analysts and press.



The first of the 2010 Datacenter Technologies Academy series kicked off in Munich on 23 February.

SNIA Europe greatly expanded its contacts with European Union government agencies involved in setting standards and best practices in a wide array of computing areas, positioning SNIA Europe as the organization of experts for all things related to storage with this key audience. In October, SNIA Europe was officially accepted as an Endorser of the EU Code of Conduct for Datacenter Efficiencies, and entered into two project consortia applying for EU grant funding under the 7th Framework Program. The grant consortia are both focused on topics related to cloud storage, with decisions on the funding proposal expected in early 2010.



SNIA INDIA

SNIA India expanded its Board and appointed Board members in 2009 with specific responsibilities for growing Education, Technical Working Groups and Marketing initiatives. Its education initiatives resulted in the appointment of new franchisees in Bangalore and Delhi, increasing the reach of these training programs. In 2009, SNIA India further added to its Web infrastructure and made it more informative and interactive. Today, all student registrations as well as student feedback happens online on the Web site, thereby streamlining the education delivery process.

SNIA India participated in the Data Center Green Technology conference in October 2009 and the 2009 CIO conference in December, both in Bangalore. These events helped us to carry the message of SNIA and its activities to the end user community.

SNIA JAPAN

In 2009, SNIA Japan held well-attended education seminars in Tokyo and Osaka, for a total of eight days of in-depth training in the region. SNIA Japan also offered tutorial sessions at the 11th Data Storage Expo, which is “the world’s largest comprehensive exhibition on data storage,” where the group addressed topics such as green storage, de-duplication, and storage security.

In addition, SNIA focused to develop new alliance relationships with The Green Grid Japan and IDC Japan through collaboration activities.

SNIA SOUTH ASIA (SA)

In the first quarter of 2009, SNIA South Asia continued with the highly successful customer breakfast briefing events. These featured SNIA tutorials and external partner presentations, with approximately 25-30 end users attending each session.

In November 2009, SNIA South Asia contracted with Evito to act as its General Manager. With direct experience with the SNIA Europe Board, and involvement in the growth of SNIA ANZ, Evito will be a valuable resource in driving growth in 2010, and has already been responsible for introducing some significant changes in the region. The organization has simplified its membership fee structure, implemented a new hosted website application, and has started planning a Storage Academy Conference for Singapore in late February 2010. SNIA SA is also working on the official formation of SNIA Malaysia in early 2010.



SNIA EDUCATION

The SNIA's **educational programs** are key in helping storage professionals keep up with the latest information and methodologies for storage networking and information management. In 2009, the organization experienced ongoing success in SNIA Tutorials, the SNIA Certified Storage Networking Professional program, SNW Hands-On Labs, and the SNIA Dictionary.

SNIA Education continues to provide important leadership in the creation and delivery of hundreds of vendor-neutral, knowledge-based tutorials on networked storage and associated technologies in the popular SNIA Tutorials program. Already a mainstay at SNW conferences, with over one hundred tutorials presented at SNW 2009 in the USA, and in other geographies like SNW Europe, SNW China, SNW Japan, and SNW Australia, the SNIA Tutorial program experienced continued growth and success through extending and delivering these materials in other venues.

These valuable resources are used worldwide by technical staff, resellers, analysts, journalists, end users and vendors, and in part, can be a tool in the training of new employees. They are the primary resource for the SNIA Tutorial booklets and are one of the resources used as a reference for SNIA Certification exams.



Over 4000 people attended SNIA Tutorials at SNW in 2009

In 2009, the SNIA Storage Networking Certification Program saw a 14% increase in value for its SNIA Storage Networking Professional credential, even in the midst of a difficult economy (according to the 2009 Salary Survey conducted by Certification Magazine, Dec. 2009 issue). SNIA certifications continue to gain traction as respected credentials for storage networking professionals. This year's activities saw the introduction of two new SNIA Qualification Credentials – SNIA Qualified Data Protection Associate and SNIA Qualified Storage Virtualization Associate, which closely align to the SNIA Tutorial program. SNIA continues to collaborate and integrate its vendor-neutral certification exams with vendor-specific certifications from Brocade, Cisco, EMC, Hitachi Data Systems, HP, and NetApp. In addition, the SNIA continued to leverage its Technology Center in 2009 by introducing hands-on-lab training offerings in the SNIA Storage Networking Certification curriculum. Hundreds of end users from across the globe have trained at the SNIA Technology Center in Colorado Springs.

SNIA's contributions to the popular SNW Hands-On Lab program resulted in two very successful engagements at SNW Spring and SNW Fall events. With 39 member companies collaborating to produce rich and compelling "test drives" of cutting edge storage networking and information management technologies, hundreds of end users were able to participate in these hands-on events at SNW Fall. SNIA will continue to collaborate with Computerworld to produce compelling, participative, and informational offerings for the SNW Hands-On Lab.

A final area of program focus for SNIA Education is the Dictionary of Storage Networking Technology, also known as the SNIA Dictionary. The SNIA Dictionary continues to grow in popularity, even as it moves into different formats and translations. Spearheaded by SNIA's Technical Council (which reviews new terms and approves the final format), the publication is gaining credence not only in its increasing citation by writers and researchers in the industry, but also in such diverse sources as software documentation and published tutorials and white papers. The SNIA Dictionary is now available in online and print versions, with translations in English, Japanese, and Mandarin Chinese.



The SNIA is committed to pursuing and maintaining close collaborative working relationships with other industry associations through its Alliances program, with the goal of increasing the level of heterogeneous integration of storage solutions for general business and IT environments. In addition to its strong active alliances with ARMA International, the Distributed Management Task Force (DMTF), the Fibre Channel Industry Association (FCIA), the Green Grid and the Open Grid Forum (OGF), the Solid State Drive Alliance (SSDA), the SNIA continued to expand its alliances in 2009.

In 2009, the SNIA formed a relationship with the [Blade Systems Alliance](#), focused on bringing together their expertise in storage networking and blade-oriented systems, respectively, with the goal of collaborating on vendor-neutral industry education and marketing outreach.

Also in 2009, the SNIA formed an alliance with the [Trusted Computing Group](#). SNIA and the TCG will collaborate on education and marketing outreach for storage security, which will include joint whitepapers and Web site links from one organization to the other. They also plan to have a combined presence at storage-related events to further promote the trusted systems technology in the storage and storage security industry.



SNIA AND END USERS

Storage consumers and suppliers collaborate in the SNIA End User Council (EUC), working to advance the development of storage networking technology and solutions. EUC membership is open to all end users, including those in IT management, IT architecture, storage and systems engineering, and storage operations.

In 2009, the EUC continued its Storage Technology Online Community, known as StorTOC. Providing a vendor-free venue where storage end users can network on a daily basis – locally or internationally – StorTOC is a portal where end users set the agenda to define best practices, further technical and leadership skills, and find opportunities for larger collaboration with industry on key initiatives.



SNW

Since its inaugural conference in 1999 as “Storage Networking World,” SNW has been the leading, twice-annual industry conference series designed for IT end-users and storage industry professionals. Complementing the production efforts of our Computerworld/IDG partners and co-owners of SNW, we saw higher-than-ever end user attendance at both the 2009 Spring event in Orlando and the Fall conference in Phoenix.

In 2009, we also took the next step in the evolution of the conference to move the brand from “Storage Networking World” to “SNW,” in order to promote the availability of sessions and event features that cover topics beyond a traditional storage focus. These included information and data center management, along with other subject areas of SNIA Forums and Initiatives such as green storage, solid state solutions, cloud storage, virtualization, and data protection.

Also in 2009, SNW China and SNW Europe took place with a rich mix of presentations, SNIA tutorials, Hands-on Lab, sponsors, demonstrations, and an ever-growing attendance.



LEADERSHIP

2009 BOARD OF DIRECTORS

Wayne M. Adams Chairman EMC	Leo Leger Non-voting Executive Director SNIA
David Dale Vice Chairman NetApp	Gary Phillips Symantec
Phillip Mills Secretary IBM	Julie Ryan LSI
Robert Peglar Treasurer Xiotech	Doug Voigt Hewlett-Packard
Eric Bart Sun Microsystems	SW Worth Microsoft
Vincent Franceschini Hitachi Data Systems	Alan Yoder Non-voting Chairman of the Technical Council NetApp
Skip Jones QLogic	Allan Zmyslowski Fujitsu



Back Row Left to Right: Allan Zmyslowski, Skip Jones, David Dale, Wayne M. Adams, Vincent Franceschini, Robert Peglar, Gary Phillips, Julie Ryan
Front Row Left to Right: S.W. Worth, Alan Yoder, Leo Leger, Phillip Mills, Eric Bart, Doug Voigt

2009 TECHNICAL COUNCIL

Alan Yoder Chairman NetApp
Mark Carlson Vice Chairman Oracle
Richelle Ahlvers HP
Duane Baldwin IBM
Don Deel EMC
Arnold Jones Non-voting Technical Council Managing Director SNIA
Erik Riedel EMC
Dave Thiel HP
Steve Wilson Brocade

2009 END USER COUNCIL GOVERNING BOARD

Laurence Whittaker, Chair Hudson's Bay Company
Terry Yoshii, Vice Chair Intel Corporation
Norman Owens, Treasurer Carlson Company
Jackson Shea, Secretary Regence Group
Elvin Peterson, Member at Large David Stevens, Member at Large Marty Foltyn, Industry Advisor Joseph Goins, Industry Advisor Wendy Betts, Industry Advisor Julie Ryan, SNIA Board Advisor



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT
FOR THE YEARS ENDED NOVEMBER 30, 2009 AND 2008**

Board of Directors
Storage Networking Industry Association
San Francisco, California

We have audited the accompanying statements of financial position of Storage Networking Industry Association (a California nonprofit organization) as of November 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Storage Networking Industry Association as of November 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McCahan, Helfrick, Thiercof & Butera
Accountancy Corporation

San Jose, California
April 14, 2010



FINANCIAL STATEMENTS AND REPORTS

STATEMENTS OF FINANCIAL POSITION NOVEMBER 30, 2009 AND 2008

ASSETS

	2009	2008
Cash and Cash Equivalents	\$ 630,371	\$ 977,838
Investments	2,078,051	2,371,002
Accounts Receivable - Membership	970,086	924,944
Accounts Receivable - Storage Networking World	105,499	125,124
Accrued Revenue	48,363	110,196
Dividends Receivable	18,150	20,953
Prepaid Expenses	15,197	18,049
Property and Equipment - Net	<u>273,790</u>	<u>353,551</u>
Total Assets	<u>\$ 4,139,507</u>	<u>\$ 4,901,657</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts Payable	\$ 162,316	\$ 315,599
Deferred Revenue	1,146,340	1,146,700
Accrued Expenses	<u>213,791</u>	<u>176,799</u>
Total Liabilities	<u>1,522,447</u>	<u>1,639,098</u>

Net Assets:

Unrestricted:

Designated by Board of Directors -		
For Regional Affiliates and Forums	214,706	439,659
For Operating Reserve	1,500,000	1,800,000
Undesignated	<u>902,354</u>	<u>1,022,900</u>
Total Unrestricted	2,617,060	3,262,559
Temporarily Restricted	0	0
Permanently Restricted	0	0
Total Net Assets	<u>2,617,060</u>	<u>3,262,559</u>
Total Liabilities and Net Assets	<u>\$ 4,139,507</u>	<u>\$ 4,901,657</u>



**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED NOVEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Unrestricted Net Assets:		
Support and Revenue:		
Memberships, Forums and Initiatives	\$ 1,788,585	\$ 1,865,603
Storage Networking World and Other Events	333,787	1,292,740
Storage Management Initiative Programs	114,600	247,000
Sponsorships	223,970	472,599
Lab Fees	288,167	312,983
Administrative Fees	199,934	185,199
Certification Fees	124,984	178,235
Course Fees	115,632	139,340
Other	58,879	66,327
Investment Income - Net	<u>110,097</u>	<u>86,059</u>
Total Unrestricted Revenues	<u>3,358,635</u>	<u>4,846,085</u>
Expenses:		
Program Services:		
Storage Management Initiative Programs	664,386	730,898
Marketing Committee	226,089	309,276
XAM Initiative	349,350	264,681
Technology Center	200,123	249,580
Education Committee	106,072	218,737
Data Management Forum	179,259	184,816
Cloud Storage Initiative	84,829	0
Storage Developer Conference	84,352	119,429
Green Storage Initiative	61,471	101,142
Storage Security Industry Forum	49,053	84,745
Conference Committee	36,306	77,210
Technical Council	38,700	37,229
Solid State Storage Initiative	127,618	32,898
Ethernet Storage Forum	19,066	20,918
Storage Networking World	18,264	13,460
End User Council	16,040	0
Interoperability Committee	0	2,885
Membership Committee	5,461	1,949
Development Operation	<u>2,649</u>	<u>241</u>
Total Program Services	<u>2,269,088</u>	<u>2,450,094</u>

FINANCIAL STATEMENTS AND REPORTS

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED NOVEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Unrestricted Net Assets (Continued):		
Expenses:		
Supporting Services:		
General and Administrative Expenses:		
Salaries and Related Expenses	1,337,344	1,599,891
Operations	387,085	588,150
Board of Directors	<u>10,617</u>	<u>5,885</u>
Total Supporting Services	<u>1,735,046</u>	<u>2,193,926</u>
Total Expenses	<u>4,004,134</u>	<u>4,644,020</u>
Changes in Unrestricted Net Assets	(645,499)	202,065
Changes in Temporarily Restricted Net Assets	0	0
Changes in Permanently Restricted Net Assets	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	(645,499)	202,065
Net Assets - Beginning	<u>3,262,559</u>	<u>3,060,494</u>
Net Assets - Ending	<u>\$ 2,617,060</u>	<u>\$ 3,262,559</u>

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED NOVEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	\$ (645,499)	\$ 202,065
Adjustments to Reconcile Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	157,431	260,799
Unrealized Gain (Loss) on Investments	(28,811)	34,813
Realized Gain (Loss) on Investments	5,096	(14,833)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(25,517)	(494,170)
Other Receivables	64,636	(106,794)
Prepaid Expenses	2,852	(18,049)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(153,283)	45,888
Accrued Liabilities	36,992	(9,607)
Deferred Revenue	(360)	711,708
Total Adjustments	<u>59,036</u>	<u>409,755</u>
Net Cash Provided (Used) by Operating Activities	<u>(586,463)</u>	<u>611,820</u>
Cash Flows from Investing Activities:		
Cash Payments for the Purchase of Property and Equipment	(77,670)	(26,782)
Net (Increase) Decrease in Investments	<u>316,666</u>	<u>(195,330)</u>
Net Cash Flows Provided (Used) by Investing Activities	<u>238,996</u>	<u>(222,112)</u>
Cash Flows from Financing Activities	<u>0</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(347,467)	389,708
Cash and Cash Equivalents, Beginning of Year	<u>977,838</u>	<u>588,130</u>
Cash and Cash Equivalents, End of Year	<u>\$ 630,371</u>	<u>\$ 977,838</u>

Supplemental Disclosures of Cash Flow Information:

No payments were made for taxes or interest during the fiscal years ended November 30, 2009 or 2008.

The accompanying notes are an integral part of this financial statement

FINANCIAL STATEMENTS AND REPORTS

NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 2009 AND 2008

NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Organization:

Storage Networking Industry Association was incorporated on December 22, 1997 under the corporate laws of the State of California.

Purpose and Operations:

Storage Networking Industry Association (The Organization) is a United States of America based trade association engaged in the promotion, growth, and development of storage networking systems and technologies throughout the world. The Organization provides education, training, and market information to companies in the field of storage networking technologies as well as developing standards, specifications, and infrastructure. The Organization also acts as a referral and information network for such companies.

The Organization's 2007-2009 Strategic Plan expanded their mission and vision to include developing and promoting standards, technologies, and educational services to empower organizations in the management of information.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Organization maintains its accounting records on a fiscal year commencing on December 1.

Revenue:

Revenues are derived primarily from annual membership fees, sponsors, special events, contributions, and trade shows. Membership fees are recognized over the period to which the dues relate. New membership fees are recognized over a fiscal year beginning on the date of membership.

The Organization offers vendor and channel members the option of a voting or non-voting membership. Vendor and channel member companies sign up for the membership level based on their annual revenue as follows: large membership - revenue greater than \$500 million per year; medium membership - revenue between \$10 million and \$500 million per year; and small membership - revenue less than \$10 million per year. The yearly membership fee distinguishes the Vendor and Channel voting member companies from the non-voting companies. Additionally, non-voting fee-based memberships are available for individuals, end-users (IT departments of any company) and non-profit organizations such as colleges and universities.

The Organization is involved in various industry events. For events in which the Organization is the 100% owner, revenue from attendee fees and sponsorships are recorded at the time of the event. For those events in which the Organization is not the 100% owner, revenues are recorded as the net amount received from the entity producing those events in the month in which the events occur.



NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 2009 AND 2008

NOTE A- NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents:

For the purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with maturities of three months or less at acquisition to be cash equivalents.

Allowance for Doubtful Accounts:

The Organization provides an allowance for doubtful accounts based on management's assessment of the collectibility of existing specific accounts. Management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Investments:

The Organization maintains an investment account at Smith Barney, a division of Citigroup Global Markets Inc. Investments in this account, which is governed by a formal investment policy, are composed primarily of money market funds, mutual funds, government and government sponsored entities (GSE) bonds, and certificates of deposit and are carried at fair value. The money market funds included in the investment account are not considered to be cash equivalents because management intends to invest these funds in investments maturing in more than three months.

Depreciable Assets:

The Organization owns various property and equipment which is located at their administrative office in San Francisco, California and their technology center in Colorado Springs, Colorado. These assets are carried at cost or, if donated and placed in service, at the approximate fair value at the date of donation and depreciated over the estimated useful lives on the straight-line method. Major items and betterments are capitalized; minor items and repairs are expensed as incurred.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



FINANCIAL STATEMENTS AND REPORTS

NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 2009 AND 2008

NOTE A- NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services:

A portion of the Organization's functions and activities is conducted by unpaid volunteer officers and committees. The value of this contributed time is not reflected in the accompanying financial statements since the volunteer time does not meet the criteria for recognition under Financial Accounting Standards Board (F.A.SB) Accounting Standards Codification 958-605, Contributed Services.

Fair Value of Financial Instruments:

The carrying amounts of financial instruments, including cash, cash equivalents, accounts receivable, accounts payable, deferred revenue, and accrued liabilities, approximates fair value due to the short maturity of these instruments.

Recent Accounting Pronouncements:

The Organization has not elected early adoption of FASB Accounting Standards Codification 740-10-50-15, Accounting for Uncertain Tax Positions, which is effective for fiscal years beginning after December 15, 2008. The Organization does not expect the standard to have a material impact on the results of activities or net assets.

NOTE B - INCOME TAXES

The Organization is exempt from Federal Income Tax under Internal Revenue Code Section 501(c)(6) and from California State Tax under Revenue and Taxation Code Section 23701(e). The Organization complies with other Internal Revenue reporting requirements regarding contributions received, payroll transactions, and payments to independent contractors.

NOTE C - CONCENTRATION OF CREDIT RISK

The Organization may, during the course of operations, maintain cash deposits in excess of federally insured limits. Effective October 3, 2008, the basic limit on federal insurance coverage was temporarily increased from \$100,000 to \$250,000 per depositor through December 31, 2009. In addition, on October 14, 2008 the FDIC announced its Transaction Account Guarantee Program which provides depositors with unlimited coverage for noninterest-bearing transaction accounts if their bank is a participant in the Program. The Organization's bank discontinued its participation in this Program on December 31, 2009.



**NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2009 AND 2008**

NOTE D - INVESTMENTS

Investments are composed of money market funds, mutual funds, government and GSE bonds, and certificates of deposit. These investments, which are governed by an investment policy, have a cost basis of \$2,068,678 and \$2,405,816 and a fair value of \$2,078,051 and \$2,371,002 as of November 30, 2009 and 2008, respectively.

The following summarizes the investment return and its classification in the statement of activities for the years ended November 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Interest and dividends	\$ 86,382	\$106,040
Unrealized gains (losses)	28,811	(34,814)
Realized gains (losses)	<u>(5,096)</u>	<u>14,833</u>
Total investment return	<u>\$110,097</u>	<u>\$ 86,059</u>

NOTE E - DEFERRED REVENUE

The Organization offers annual voting and non-voting memberships to companies and individuals. The membership term begins upon the invoice date and continues for a period of one year. Income from membership dues is recognized over the period to which the dues relate. The portion that covers the period subsequent to the end of the Organization’s fiscal year is recorded as deferred revenue on the Statement of Financial Position.

NOTE F - OPERATING LEASES

On August 4, 2008, the Organization entered into a sublease agreement to sublet alternate space for its administrative offices in San Francisco, California. The sublease began on January 1, 2009 and continues in force for a term of sixty months. The monthly base rent is \$2,340 for the first two years and \$2,500 for the remainder of the lease term.

The Organization leases a facility and various personal property located in Colorado Springs, Colorado for use as a technology center. On October 7, 2008 the third and final term extension was executed and the lease was extended through January 31, 2010. Monthly lease payments, which remain unchanged at \$2,916.67, are payable on the first of each month. The lease was not extended.



FINANCIAL STATEMENTS AND REPORTS

NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 2009 AND 2008

NOTE F - OPERATING LEASES (Continued)

On October 9, 2009, the Organization entered into a thirty-six month license agreement for a facility located on the LSI campus in Colorado Springs, Colorado for use as an alternate technology center. The lease is effective starting January 1, 2010 and expires on December 31, 2012. The monthly lease payments of \$3,333.33 are to be paid on the first of each month. In addition to the monthly lease payment, the Organization is responsible for the actual costs of electricity it uses in connection with the occupancy of the facility, not to exceed \$30,000 per year.

On February 21, 2007 the Organization entered into a thirty-six month operating lease for a copier, payable in monthly installments of approximately \$314.

At November 30, 2009, the minimum rental payments due under these leases are as follows:

Year ending November 30,

2010	\$71,209
2011	69,840
2012	70,000
2013	33,333
2014	2,500
Thereafter	0
	<u>\$246,882</u>

The total rental expense was \$66,375 and \$88,029 for the years ended November 30, 2009 and 2008, respectively.

NOTE G - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2009</u>	<u>2008</u>
Machinery and equipment - Donated	\$ 677,335	\$677,335
Machinery and equipment - Other	319,428	243,178
Office furniture	<u>98,165</u>	<u>96,745</u>
	1,094,928	1,017,258
Accumulated depreciation	<u>(821,138)</u>	<u>(663,707)</u>
	<u>\$ 273,790</u>	<u>\$353,551</u>

Depreciation expense totaled \$157,431 and \$260,799 at November 30, 2009 and 2008.



NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 2009 AND 2008

NOTE H - CONTRIBUTIONS

In March 2006, the Organization launched the SNIA Technology Center Champions Program to encourage and recognize contributions to the technical infrastructure expansion of the Technology Center in Colorado Springs, Colorado. In-kind contributions under this program consist of donated computer systems software and equipment which are recorded as revenue in the year received at fair value.

There were no contributions received for the years ended November 30, 2009 and 2008.

NOTE I - MEMBERSHIP, FORUM, AND INITIATIVE REVENUE

Membership, Forum, and Initiative revenue for the years ended November 30, 2009 and 2008 is comprised as follows:

	<u>2009</u>	<u>2008</u>
Association Memberships	\$ 985,995	\$1,124,452
Storage Management Initiative	192,312	190,730
Data Management Forum	196,734	198,875
Ethernet Storage Forum	45,100	42,308
Storage Security Industry Forum	35,868	53,968
XAM Initiative	96,710	115,834
Green Storage Initiative	79,258	113,192
Solid State Storage Initiative	116,315	26,244
Cloud Storage Initiative	38,592	0
End User Council	1,701	0
Total	<u>\$1,788,585</u>	<u>\$1,865,603</u>

NOTE J - DEFERRED COMPENSATION AND PROFIT SHARING PLAN

The Organization maintains a qualified deferred compensation and profit sharing plan under Section 401(k) of the Internal Revenue Code. The Plan covers substantially all employees meeting certain eligibility requirements. Employees may contribute a percentage of their eligible compensation to the Plan, up to the maximum permitted by the Internal Revenue Code. The Organization made matching contribution of \$34,591 and \$35,326 for the years ended November 30, 2009 and 2008, respectively.

Any forfeitures are used to first pay administrative expenses and then to reduce the employers contributions. At November 30, 2008, there was approximately \$334 in the forfeiture account. The balance in the forfeiture account at November 30, 2009 was \$18,238.

FINANCIAL STATEMENTS AND REPORTS

NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 2009 AND 2008

NOTE K - SUBSEQUENT EVENTS

Reduction in Operating Reserves

Subsequent to November 30, 2009, the Board approved a reduction from \$1,500,000 to \$1,200,000 in the unrestricted net assets designated for operating reserves for the 2010 fiscal year. The SNIA Investment Policy formula was used to calculate the required operating reserve.

Staff Reorganization

During the first quarter of the 2010 fiscal year, the Organization initiated a reorganization of its staff by eliminating four existing positions and adding one new position. A second new position was added in the second quarter.

The costs associated with the reorganization, which include the payout of accrued vacation and severance pay, approximate \$70,000.

Relocation of the Technology Center

In February 2010, the Organization relocated its Colorado Springs Technology Center from the Hewlett-Packard campus to the LSI campus. In conjunction with this move, various member companies donated furniture and equipment to be used in the new facility. Build-out and fit-up are estimated to cost up to \$150,000 to prepare the facility for use and occupation. The revenue and expenditures resulting from the relocation will be reflected in the financial statements for fiscal year 2010.



UNITED STATES

Vendor: Large Voting

Dell Computer Corporation
EMC Corporation
Fujitsu America, Inc.
Hewlett-Packard
Hitachi Data Systems
IBM
Intel Corporation
Juniper Networks, Inc.
LSI Corporation
Microsoft Corporation
NetApp
Oracle Corporation
QLogic
Sun Microsystems
Symantec
VMware, Inc.

Vendor: Large Non-Voting

BMC Software, Inc.
Brocade Communications Systems
Cisco Systems
Hitachi Global Storage Technologies
Marvell Semiconductor
Micron Technology, Inc.
NEC Corporation
Quantum Corporation USA
Samsung Electronics Co.
SanDisk Corporation
Seagate Technology
Western Digital Technologies, Inc.

Vendor: Medium Voting

Computerworld
Emulex Corporation
Xitech Corporation

Vendor: Medium Non-Voting

3PAR Inc.
ATTO Technology, Inc.
BlueArc Corporation
Crossroads
Dataram
Exar Corporation
FalconStor Software, Inc.
Finisar
HCL Technologies
Infotrend Technology, Inc.
PMC-Sierra
Riverbed Technology
SMART Modular
Texas Memory Systems
Xyratex

Vendor: Small Voting

Bycast
Fusion-io
Panasas, Inc.
Permabit
Pillar Data Systems

Vendor: Small Non-Voting

ActiFio
Avere Systems, Inc.
BITMICRO NETWORKS, Inc
Calypso Systems, Inc
Compellent Technologies, Inc.
Enigma Data Solutions Ltd.
F5 Data Solutions Group
Knowledge Transfer
Intransa, Inc.
Mezeo Software
Mtron Storage Technology
Nimbus Data Systems, Inc.
Olocity
OnStor, Inc.
ParaScale, Inc.

Pliant Technology, Inc.
QSAN Technology
Quest Software
SandForce, Inc.
SANpulse Technologies, Inc.
Sepaton
StorSimple, Inc.
Storspeed
Storwize, Inc.
Tek-Tools, Inc.
WhipTail
Violin Memory, Inc.

Channel: Large Non-Voting

Tokyo Electron

Channel: Medium Non-Voting

Anacom
Patni Americas

Channel: Small Non-Voting

Patni Americas, Inc.
NexStor LTD
Vcare Infosystems

Customer Company

Arkansas Bluecross & Blueshield
Capgemini Finland Oy
Iron Mountain
WBEM Solutions

MEMBER COMPANIES

AUSTRALIA/ NEW ZEALAND

Full Members

Acronis
Alphawest
Clonnaugh Pty Ltd.
Dell
Dimension Data
EMC Corporation
Hewlett Packard
Hitachi Data Systems
IBM Australia
Ingram Micro
Jargonmaster Communications
National Australia Bank Limited
NetApp Australia Pty Ltd.
RMAA
Sun Microsystems
Symantec Australia Pty Ltd.

Associate Members

Adaptec
Attorney Generals Department
Avnet
Dataflex
Datastor
Diversus
Evito
Express Data
Moonwalk
Netstar Australia
Quantum
Recall
Revera
Thomas Duryea
XSI

BRAZIL

Brocade
Cisco
EMC
FIAP

Fujitsu
Hewlett-Packard
IDC
Royer SI
Siemens
Skill Computer

CHINA

Vendor Members

Vendor members
Brocade
Cisco
EMC
Finisar
H3C
Hewlett-Packard
HDS
Huawei Symantec
IBM
Infotrend
Inspur
Lenovo
NEC
Wisdata

Non-Profit Institution

Huazhong University of Science
and Technology (HUST)
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