

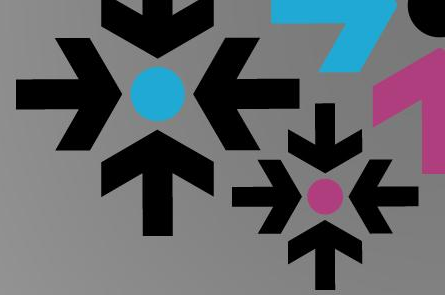


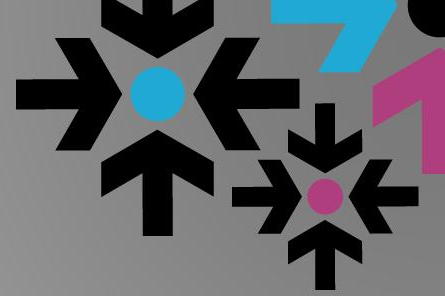
# Financial Report

Nancy Carter, Treasurer

# Financial Report

- Finance Committee update
- Revenues
- Operating expenses
- Statement of Financial Position
- Investments
- Net assets and operating expense coverage

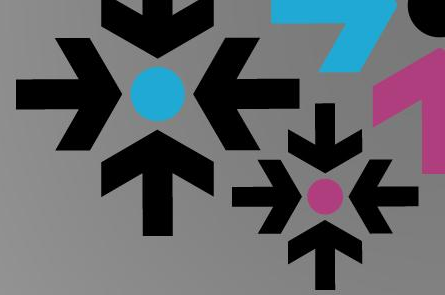




# Finance Committee Update

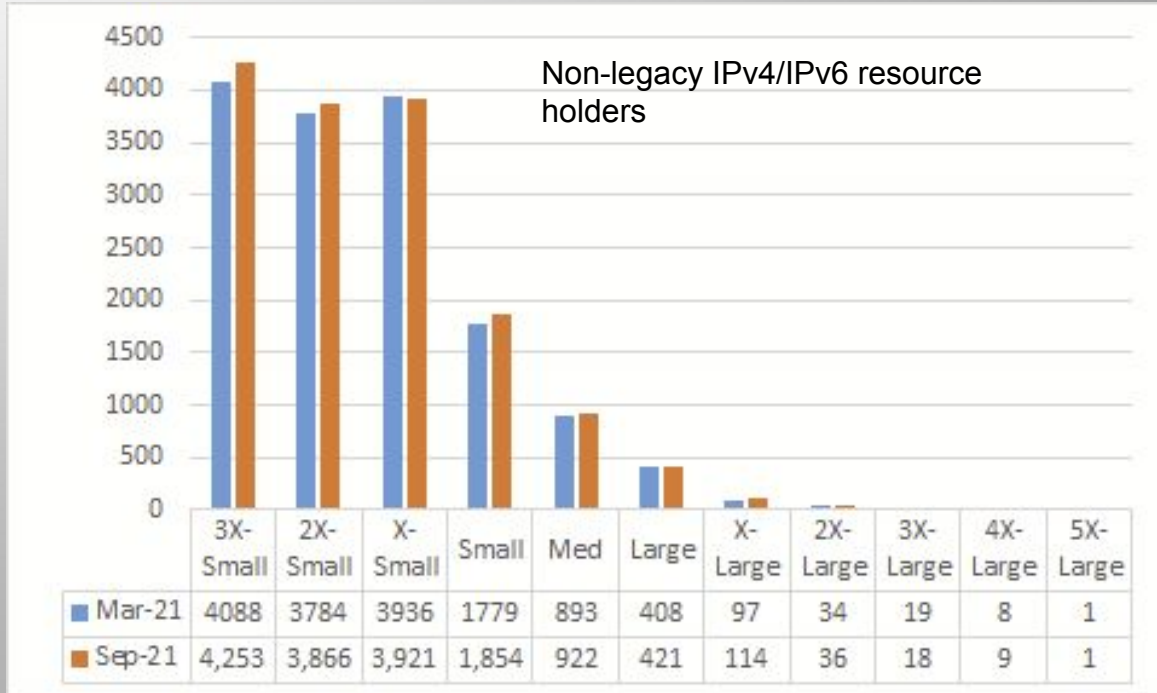
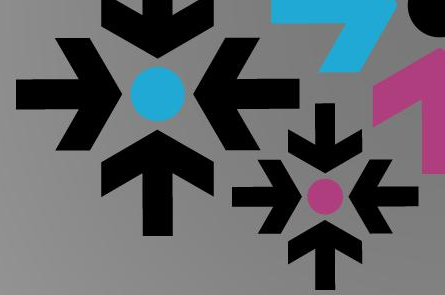
- Finance committee meetings
  - 9 committee meetings held in 2021 YTD
- 2021 Business
  - Transitioned to new investment advisor (Fiducient Advisors)
  - Transferred investment assets to new custodian (Schwab)
  - Amended Investment Policy Statement
  - Rebalanced investment portfolio in alignment with new target asset mix
  - Successful completion of audit of 2020 financial statements with BDO
  - Completed and filed 2020 IRS Form 990
  - Reviewed and approved the 2022 budget

# Total revenues

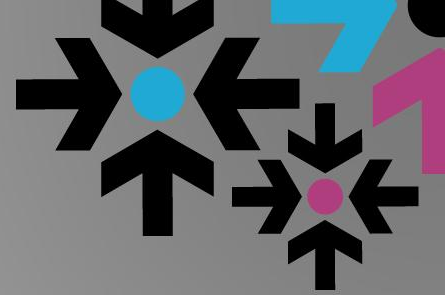


- Total 2021 revenues of \$16.0M
- 2021 revenue performance is tracking to budgeted amounts
- 2021 revenues are 3% greater than 2020

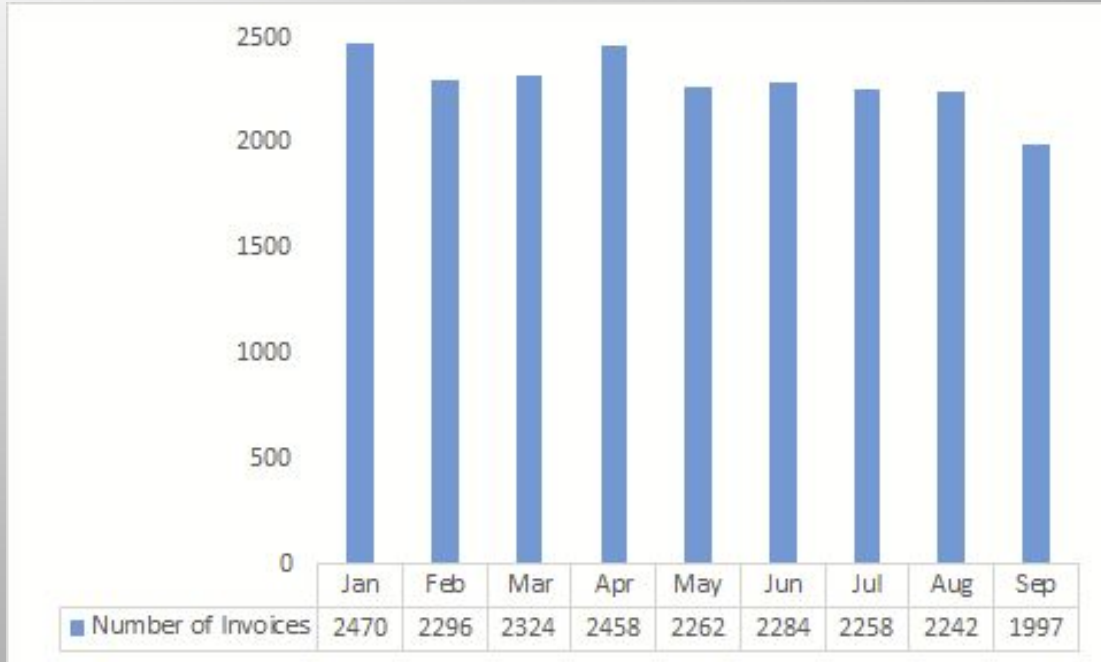
# Resource statistics



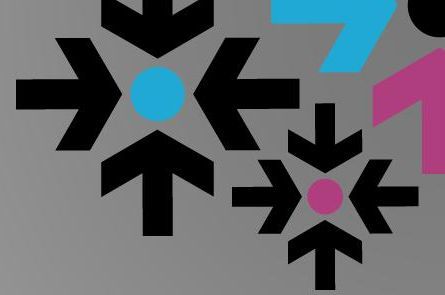
- Total non-legacy IPv4 or IPv6 resources holders grew to 15,415
- ASN Only and Legacy
  - ASN only - 7,776
  - Legacy organizations with LRSA - 728
  - Legacy organizations without a contract - 15,223 (no fee)



## Billing activity



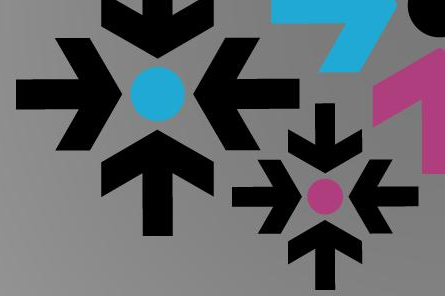
- ARIN prepares more than 27,000 invoices each year
- Through September, the average number of monthly invoices is ~2,300



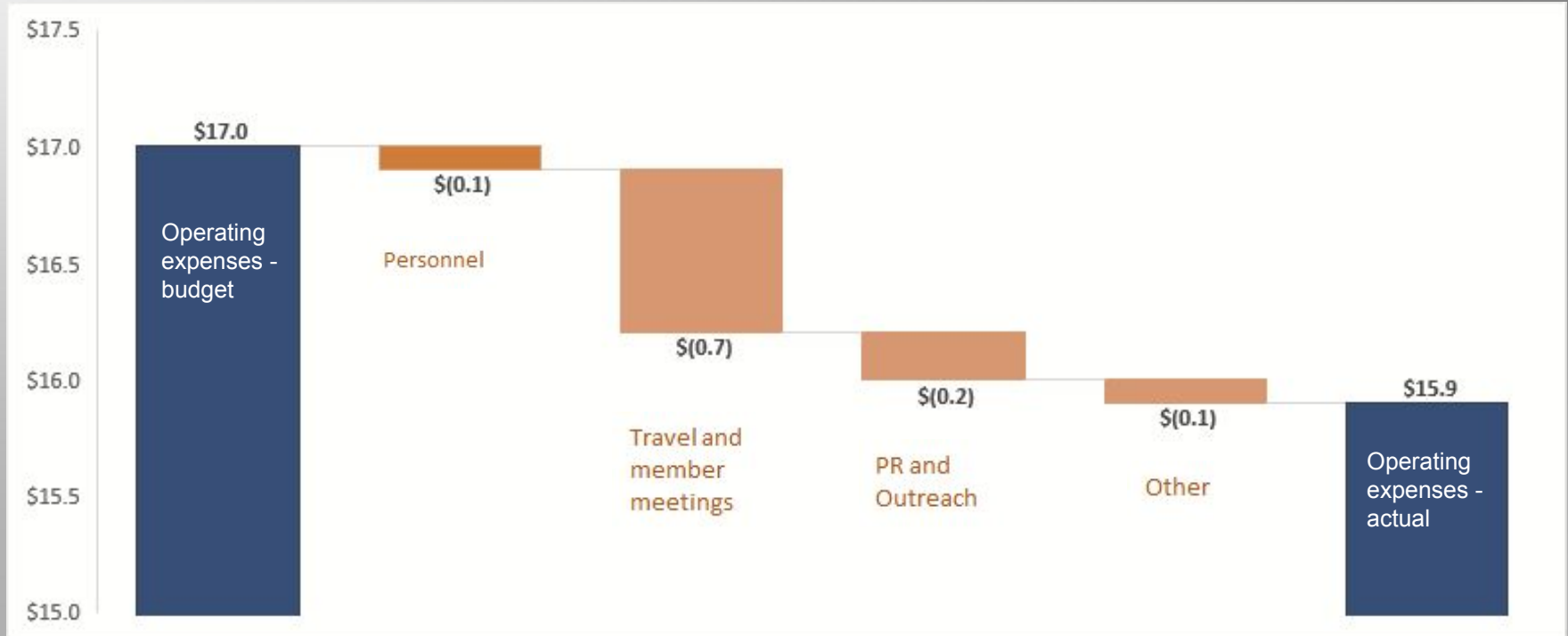
# Total operating expenses



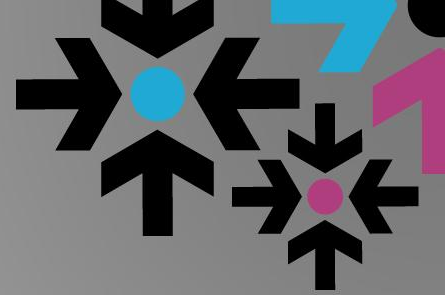
- Total 2021 expenses are \$15.9M
- Expenses are 8.0% more than prior year
- Expenses are 6.5% below budget



# 2021 operating expenses – budget variances



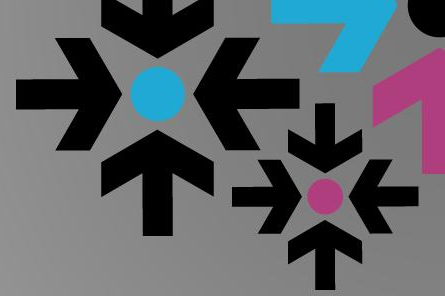




# Statement of financial position

	December 2020	September 2021
<b>Assets</b>		
Cash and cash equivalents	\$ 2.7	\$ 4.2
Investments	\$ 31.8	\$ 34.5
Property and equipment - net	\$ 4.5	\$ 4.3
Other assets	\$ 1.6	\$ 1.4
	<b>\$ 40.6</b>	<b>\$ 44.4</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 1.8	\$ 2.0
Deferred revenue	\$ 9.6	\$ 10.5
Deferred rent	\$ 1.7	\$ 1.6
Total liabilities	<b>\$ 13.1</b>	<b>\$ 14.1</b>
Net assets	\$ 27.5	\$ 30.3
	<b>\$ 40.6</b>	<b>\$ 44.4</b>

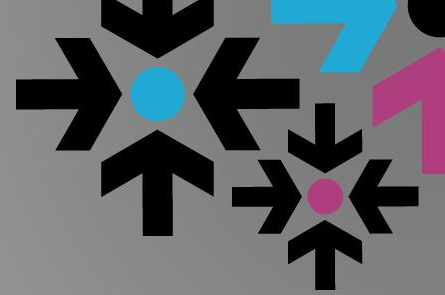
- Spending below budget has contributed to an increase in cash
- Investments continue to grow
- Balance sheet continues to be in good shape



# Investments



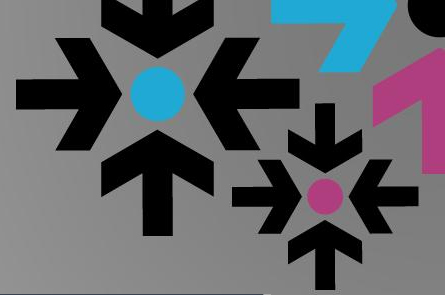
- Total investments of \$34.5M at end of Q3
  - Long Term Reserve Fund - \$30.7M
  - Operating Reserve Fund - \$3.8M
  
- Long Term Reserve Fund has grown by \$2.7M; an increase of almost 10%



## Net assets

Change in net assets:	2020 Actual		2021 Actual	
	Jan-Dec		Jan- Sep	
<b>Net assets, January 1</b>	\$	24.2	\$	27.5
Revenues	\$	20.8	\$	16.0
Operating expense	\$	(21.4)	\$	(15.9)
<b>Excess of revenues over (under) operating expenses</b>	\$	(0.6)	\$	0.1
<b>Investment income (loss)</b>	\$	3.9	\$	2.7
<b>Net assets, December 31</b>	\$	27.5	\$	30.3

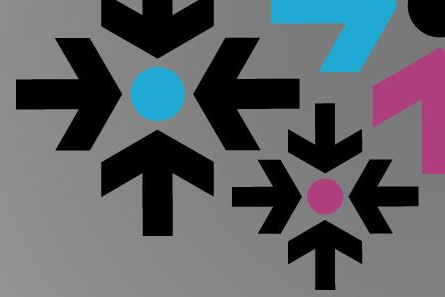
- Growth in net assets of \$2.8M



## Net asset coverage ratio

	Dec-20	Dec-21 (Est)
Operating expenses (USD in millions)	\$21.4	\$22.0
Net assets (USD in millions)	\$27.5	\$30.0
<b>Operating expense coverage percentage</b>	<b>129%</b>	<b>136%</b>
<b>Number of months covered by net assets</b>	<b>15.4</b>	<b>16.4</b>

- Net assets at December 31, 2021 are expected to be ~\$8.0M more than 2021 operating expenses



Thanks for listening...

Any questions?