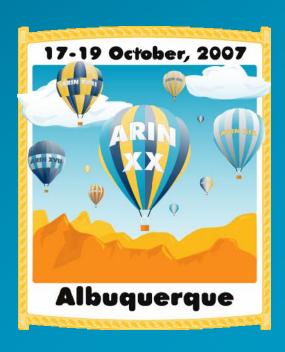
TREASURER'S REPORT

Lee Howard,
Treasurer





OVERVIEW

- Review 2006 Financial Statements
- Revenue Recognition Change
- PCI Credit Card Audit
- Financial Controls Audit
- IPv6 Fee Waiver Adapted
- Change in Fee Language on ARIN's Website



Albuquerque, New Mexico

STATEMENTS OF FINANCIAL POSITION

December 31,	2006	2005
	Assets	
Current assets		
Cash and cash equivalents	\$ 1,181,488	\$ 606,872
Investments	22,637,241	19,194,476
Nontrade receivables	16,280	17,668
Prepaid expenses	<u>244,532</u>	<u>217,029</u>
Total current assets	24,079,541	20,036,045
Property and equipment – net	749,315	911,626
Escrow – deposit	861,648	571,948
Security deposit	56,826	-
	25,747,330	21,519,619

Friday, October 19, 2007

ARIN XX



STATEMENTS OF FINANCIAL POSITION

December 31,	2006	2005
	Liabilities and Net Assets	

Current liabilities

Accounts payable and		
accrued expenses	\$ 551,655	\$ 527,409
Due to ICANN	849,095	617,064
Deferred rent	98,463	93,780
Deferred revenue	3,834,794	3,252,995
Total current liabilities	5,334,007	4,491,248

Unrestricted net assets	20,413,323	17,028,3/1	
	25.747.330	21.519.619	



STATEMENT OF ACTIVITIES

Years	Ended	Decem	ber 31,	2006

2005

Revenue and Support

Registrations	\$ 8,944,520	\$8,561,979
IP end-user registrations	481,750	288,500
Maintenance fees	810,092	756,584
Contributions	51,104	7,500
Other revenue	5,576	7,846
Membership dues	50,000	36,542
Total revenue and support	10,343,042	9,658,951



STATEMENT OF ACTIVITIES

Years Ended December 31,	2006	2005
	ZU/U/O)	

Operating expenses

Program Services:

Engineering	\$ 3,268,705	\$ 2,777,298
Registration Services Group	1,785,632	1,707,905
Member Services	<u>1,969,736</u>	1,649,719

Total program services 7,024,073 6,134,922

Support Services:



STATEMENT OF ACTIVITIES

Years Ended December 31,	2006	2005
Change in net assets before investment activities	\$ 1,689,285	\$ 2,068,071
Interest and Dividends	686,207	366,597
Realized and unrealized gains		
On investments	1,009,460	<u>506,133</u>
Change in net assets	3,384,952	2,940,801
Unrestricted net assets –		
Beginning of year	17,028,371	14,087,570
Unrestricted net assets –		
End of year	20,413,323	17,028,371



REVENUE RECOGNITION CHANGE

- Recommended by 2006 Audit Firm
- Accepted GAAP Recognition
 - Recognize annual subscription renewal revenue when invoices are sent, not when revenue is received
 - ARIN is now in position to implement after having caught up with "overdue" invoices
 - ⇒ ARIN will have a "reserve for bad debt" for those invoices that are uncollectible



PCI CREDIT CARD AUDIT

Board Mandate

- Have an accredited PCI vendor come in and audit ARIN's credit card procedures for security
- Audit ARIN's online credit card process
- Ensure ARIN's network meets the security recommended by PCI



FINANCIAL CONTROLS AUDIT

- Review of controls on ARIN's financial processes and reporting
- Similar to controls mandated on publicly-traded companies by the Sarbanes-Oxley Act of 2003
- ARIN as a non-profit is not required to undergo this type of audit
- Last Sarbanes audit was 3 years ago
 - Weaknesses found have been corrected
- Board wants to ensure full compliance with all controls and "best practices"



IPv6 FEE WAIVER

- Existing waiver expires December 31, 2007
- End Users:
 - ⇒ No waiver for IPv6 assignments after December 31, 2007
- If you have both IPv4 and IPv6, continuing waiver:

Initial fee waived
Pay larger fee of IPv4/IPv6 renewal
IF:

Held under same Org ID
Org is a Member In Good Standing
Meet other allocation requirements



FEE LANGUAGE ON THE WEBSITE

- Any organization that has an IPv4 and IPv6 allocation will only be charged the larger of the two fees
- Seeks to encourage the adoption of IPv6 by current IPv4 holders



NEW WAIVER AS OF JANUARY 1, 2008 For IPv6 allocations not covered on previous slide:

Size	Base Fee	2008 90% waived	2009 75% waived	2010 50% waived	2011 25% waived	2012 0% waived
X-small	1,250/yr	125	312.50	625	937.50	1,250
Small	2,250/yr	225	562.50	1,125	1,687.50	2,250
Medium	4,500/yr	450	1,125	2,250	3,375	4,500
Large	9,000/yr	900	2,250	4,500	6,750	9,000
X-Large	18,000/yr	1,800	4,500	9,000	13,500	18,000
XX-Large	36,000/yr	3,600	9,000	18,000	27,000	36,000



Thank you