

Financial Report

Nancy Carter
Treasurer,
ARIN Board of Trustees





Agenda

- Finance Committee Update
- Financial Performance
 - Revenues
 - Operating Expenses
 - Investments
- Financial Position
- Data Center Move
- Long-term Financial Plan

Finance Committee Update



Finance Committee meetings

- Six meetings since ARIN 55

Business items

- Reviewed quarterly financial statements
- Reviewed quarterly investment results with investment advisor
- Reviewed and updated Investment Policy Statement
- Met with CLA auditors to review the draft audit report and send to full Board for approval
- Met with CLA tax team to review the draft Form 990 and send to full Board for approval
- Reviewed 2026 draft budget and sent to full Board for approval



Financial Performance

Financial Performance

\$20.1M

Revenues

**0.5% above
budget**

\$19.9M

**Operating
Expenses**

**3.7% below
budget**

\$0.2M

**Operating
Surplus**

**\$860K
above budget**

\$2.4M

**Investment
Income**

**\$770K
above budget**



Revenues

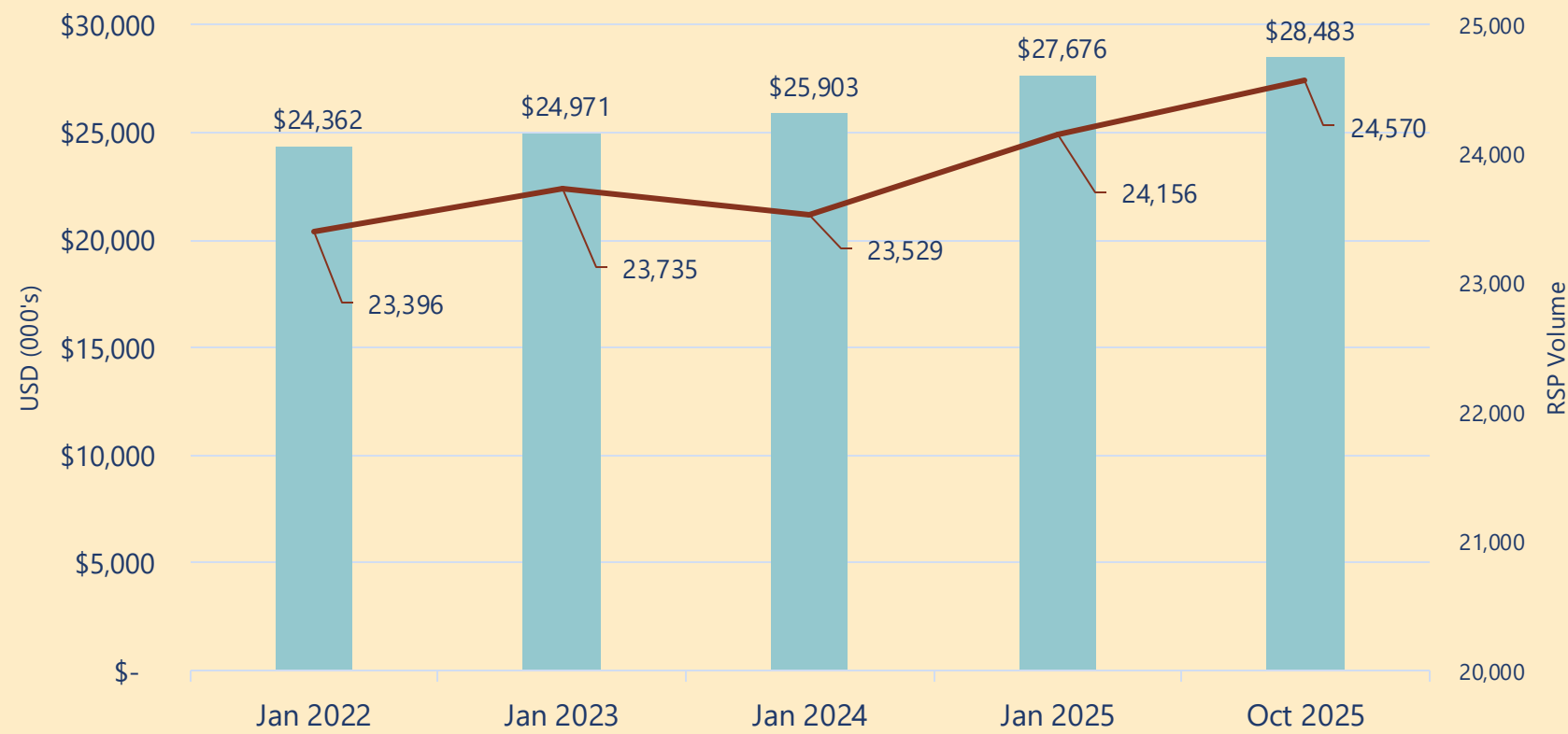


**2025 Revenues
\$20.1M - 0.5%
Above Budget**

- Annual renewal resource registration fees: \$18.1M – on budget (\$17.1M in 2024)
- Initial resource registration fees: \$0.4M – 13% over budget (\$0.5M in 2024)
- Transfer fees: \$1.1M – 3% under budget (\$1.0M in 2024)
- Other revenues: \$0.5M – on budget (\$0.4M in 2024)

Registration Services Plan – Annual Run Rate

Revenue Run Rate RSP Volume



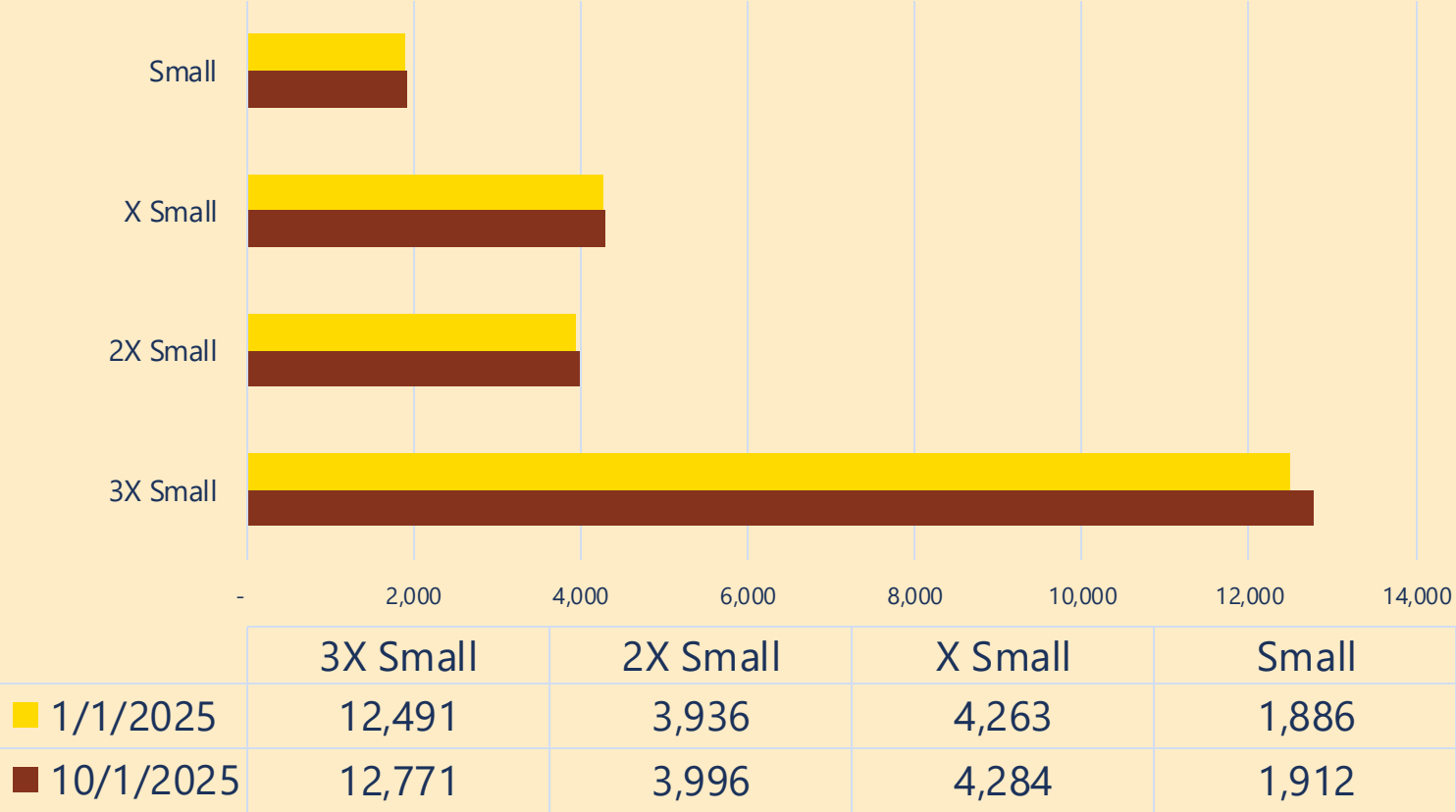
Note: Autonomous System Number-only customers were transitioned into the Registration Services Plan pricing model in January 2024. For comparison purposes, this chart includes ASN-only volumes and revenues for 2022 and 2023.

Registration Services Plan – Annual Run Rate

Small RSP Accounts

■ 1/1/2025 ■ 10/1/2025

- 22,963 "small" level RSP accounts
- Annual revenue run rate of \$14.0M

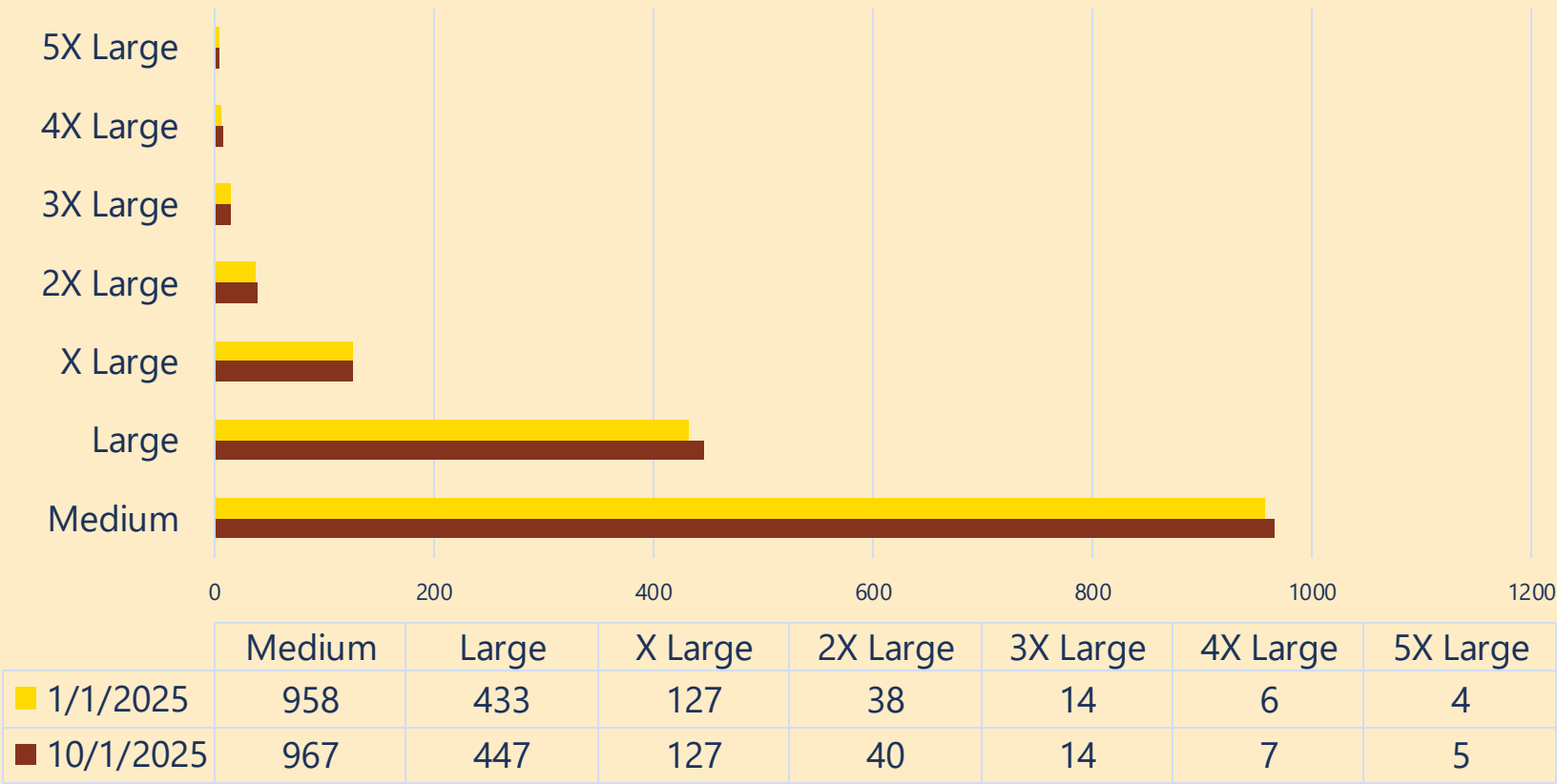


Registration Services Plan – Annual Run Rate

Medium - X5 Large RSP Accounts

1/1/2025 10/1/2025

- 1,607 medium/large level RSP accounts
- Annual revenue run rate of \$14.5M





Operating Expenses

2025 Operating Expenses

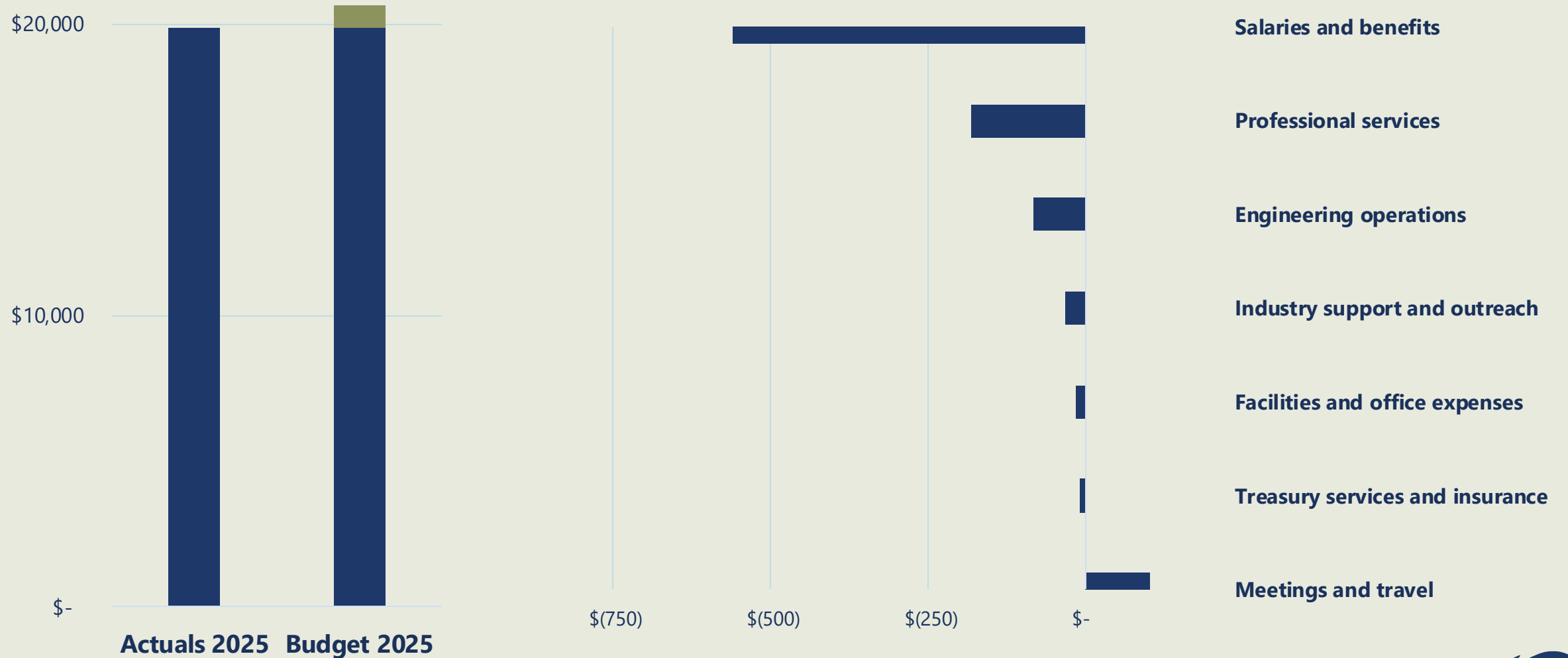
\$19.9M - 3.7% Under Budget



- Salaries and benefits: \$12.9M
 - 4% under budget
 - Began 2025 with 105 employees; currently at 103
 - Average number of employee is 103 (compared to budget of 106)
 - Healthcare coverage expenses are well under budget
- Engineering operations: \$3.2M
 - 2.5% under budget
 - Software and data center service expenses are slightly under budget
- Other expenses: \$3.8M
 - 3% under budget



Operating Expense Budget Variance





Investments

2025 Investment Results

Total investments of \$37.1M

Net increase of \$1.3M

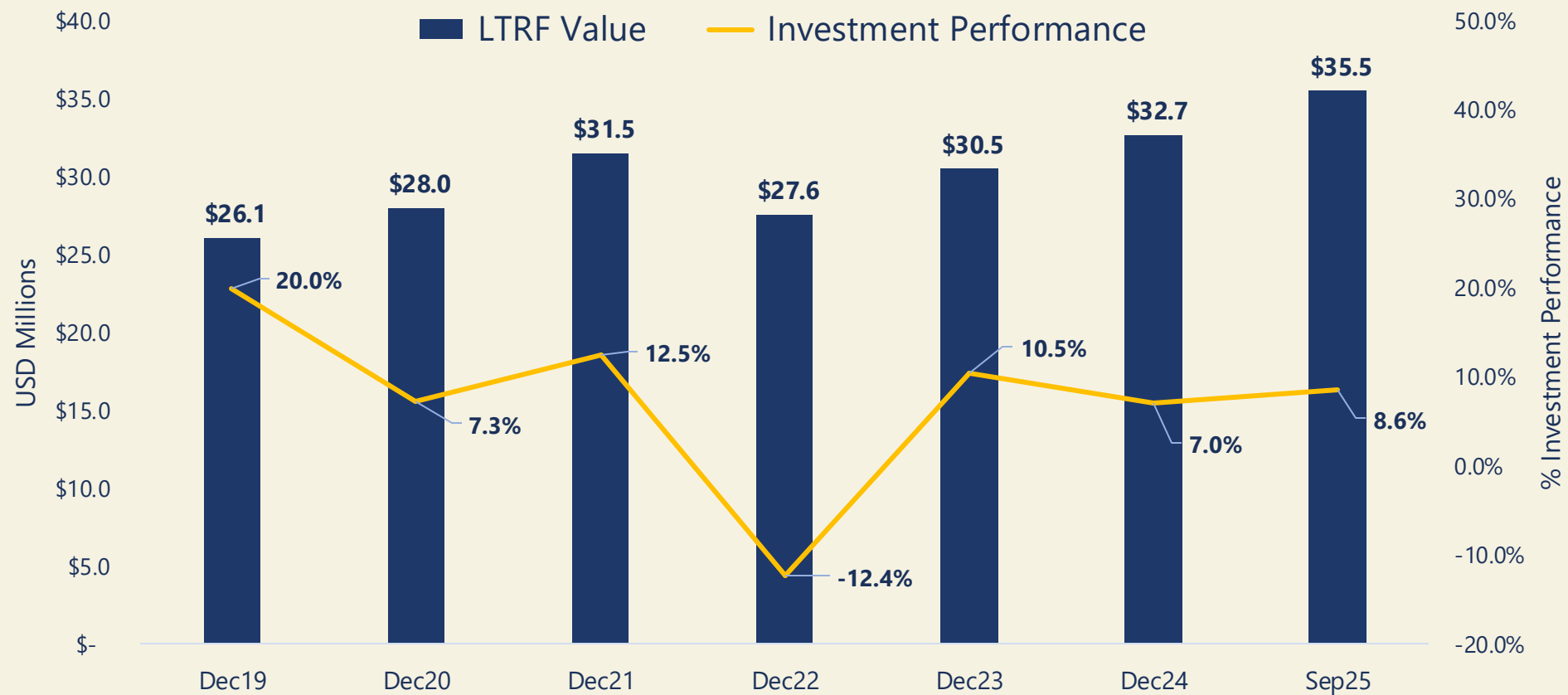
**Long-term investment
fund: \$35.0M**

Investment earnings of
\$2.3M (7%)

**Operating investment
fund: \$2.1M**

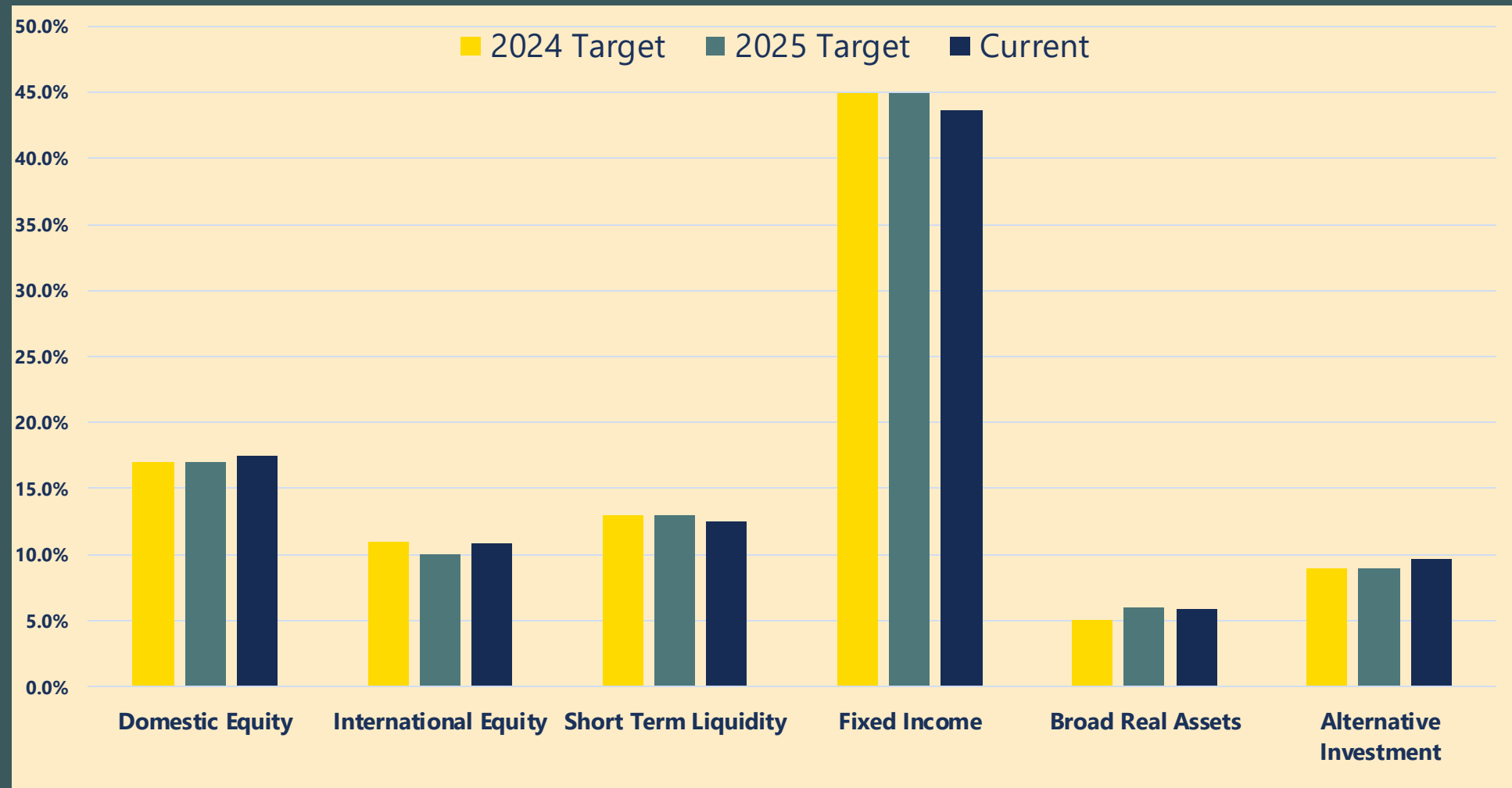
Interest earnings of \$79K
(2.5%)

Withdrawals of \$1.1M



2025 earnings of 8.6% on
long-term investment fund

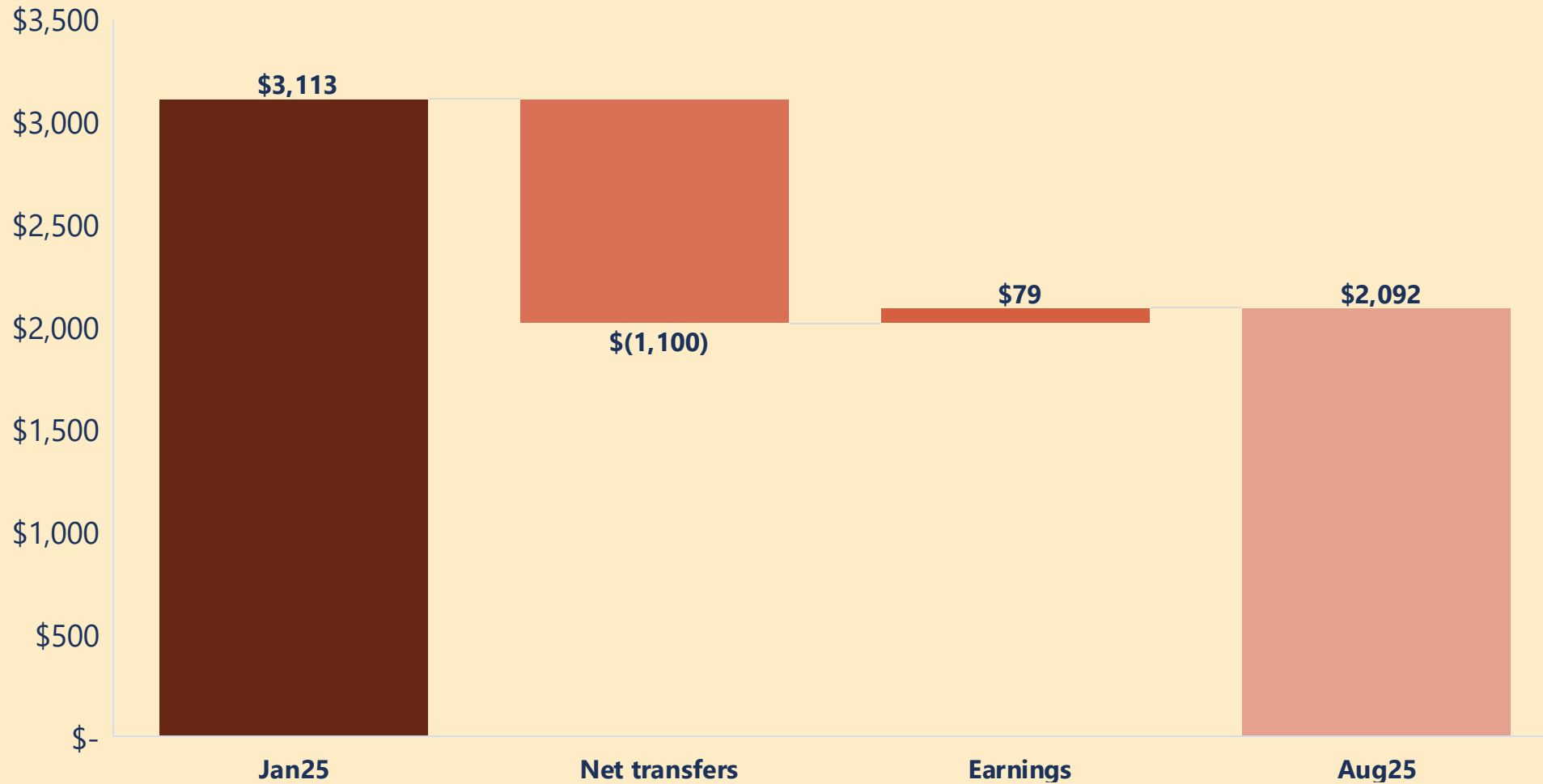




**Asset allocation
remains conservative**



Net reduction of \$1.1M in the operating investment fund



2025 Target Reserve

Target operating reserve is defined as nine months of annual operating expenditures

2025 target operating reserve is \$24.7M

2025 budgeted operating expenditures are \$32.9M

Investment balance is \$12.4M more than the target operating reserve



Financial Position

Financial Position



Assets	Aug 2025	Dec 2024
Cash and Accounts Receivable	\$2.0	\$1.7
Investments	\$37.1	\$35.8
Other Assets	\$8.6	\$7.7
Total Assets	\$47.7	\$45.2
Net Assets and Liabilities	Aug 2025	Dec 2024
Net Assets	\$28.9	\$26.3
Total Liabilities	\$18.8	\$18.9
Total Net Assets and Liabilities	\$47.7	\$45.2

**Overall consistency in
ARIN's financial position!**



Other Business



Data Center Move

2025 project budget of \$2.1M
approved by Board of Trustees

- Equipment purchases of \$1.6M
- Project spending is on budget

Long-term Financial Plan

Achieve a balanced budget by year 2030

- Financial forecasts indicate ARIN will be in a negative budget position for the next several years
- By exercising annual Registration Services Plan price increases of up to 5%, and managing year-over-year spending, ARIN anticipates achieving a balanced budget in year 2030
- Annual budget deficits will be funded from investments
 - This is a short-term solution to enable the achievement of a balanced budget without a reduction in services to the community
 - Even with a conservative investment strategy, total investment balances are forecasted to be adequate to fund the target operating reserve



Questions and Comments?

Thank You

