

# Financial Report

Hank Kilmer  
Treasurer,  
ARIN Board of Trustees





# Agenda

- Finance Committee Update
- Financial Performance
- Revenues
- Operating Expenses
- Investments
- Financial Position
- Data Center Project
- Office Lease Renewal
- Long-term Financial Plan

# Finance Committee Update



## Finance Committee meetings

- Four meetings since ARIN 56

## Business items

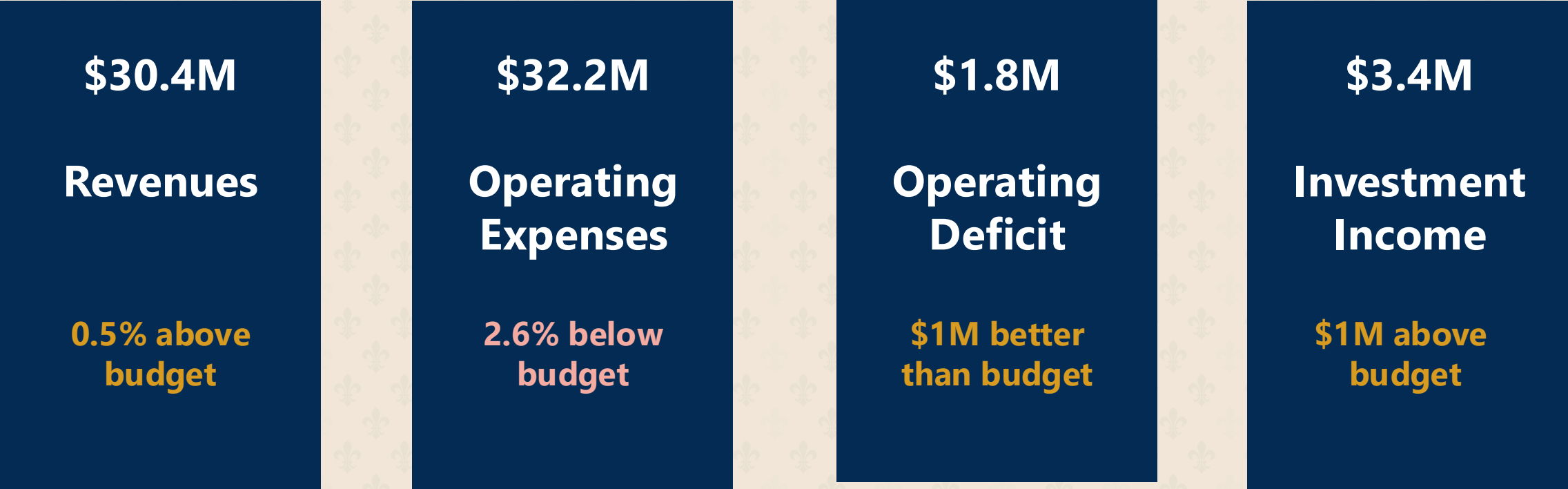
- Reviewed quarterly financial statements
- Reviewed quarterly investment results with investment advisor
- Reviewed Finance Committee Charter and 2025 year-end report to the board
- Reviewed and approved recommended 2026 investment allocations
- Reviewed preliminary estimate of 2027 financial position

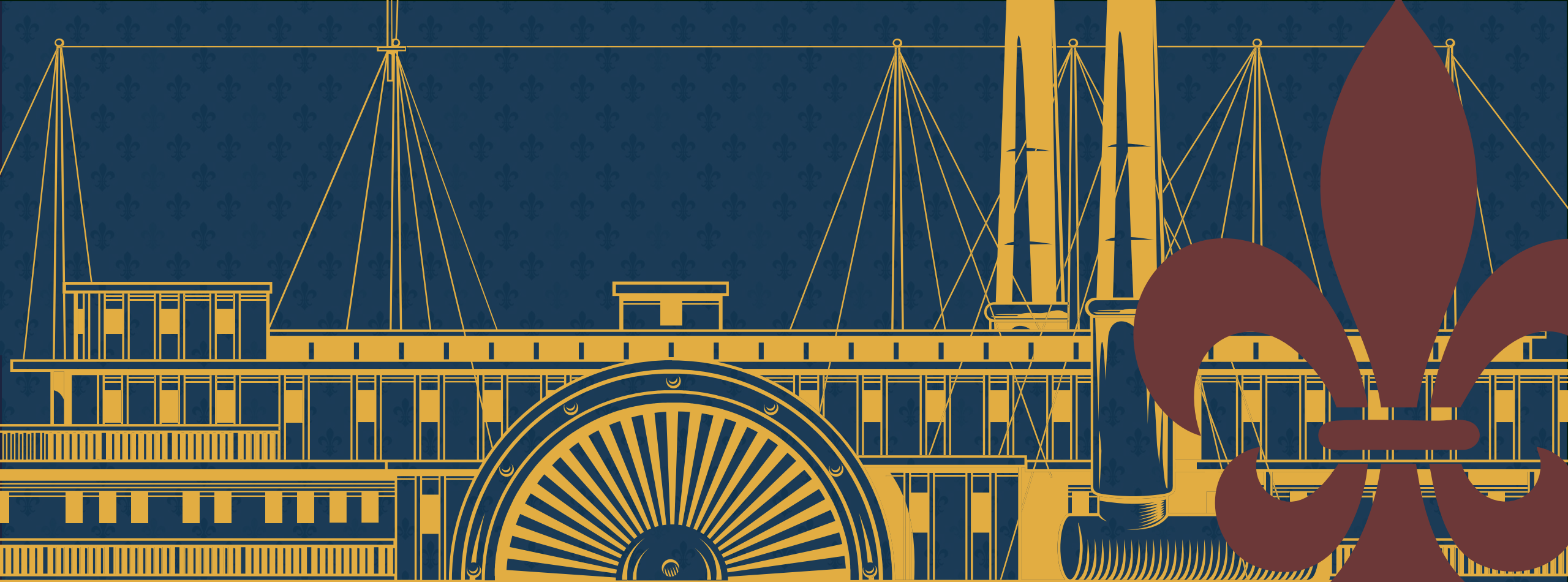


# Financial Performance

# 2025 Financial Performance –At a Glance

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# Revenues

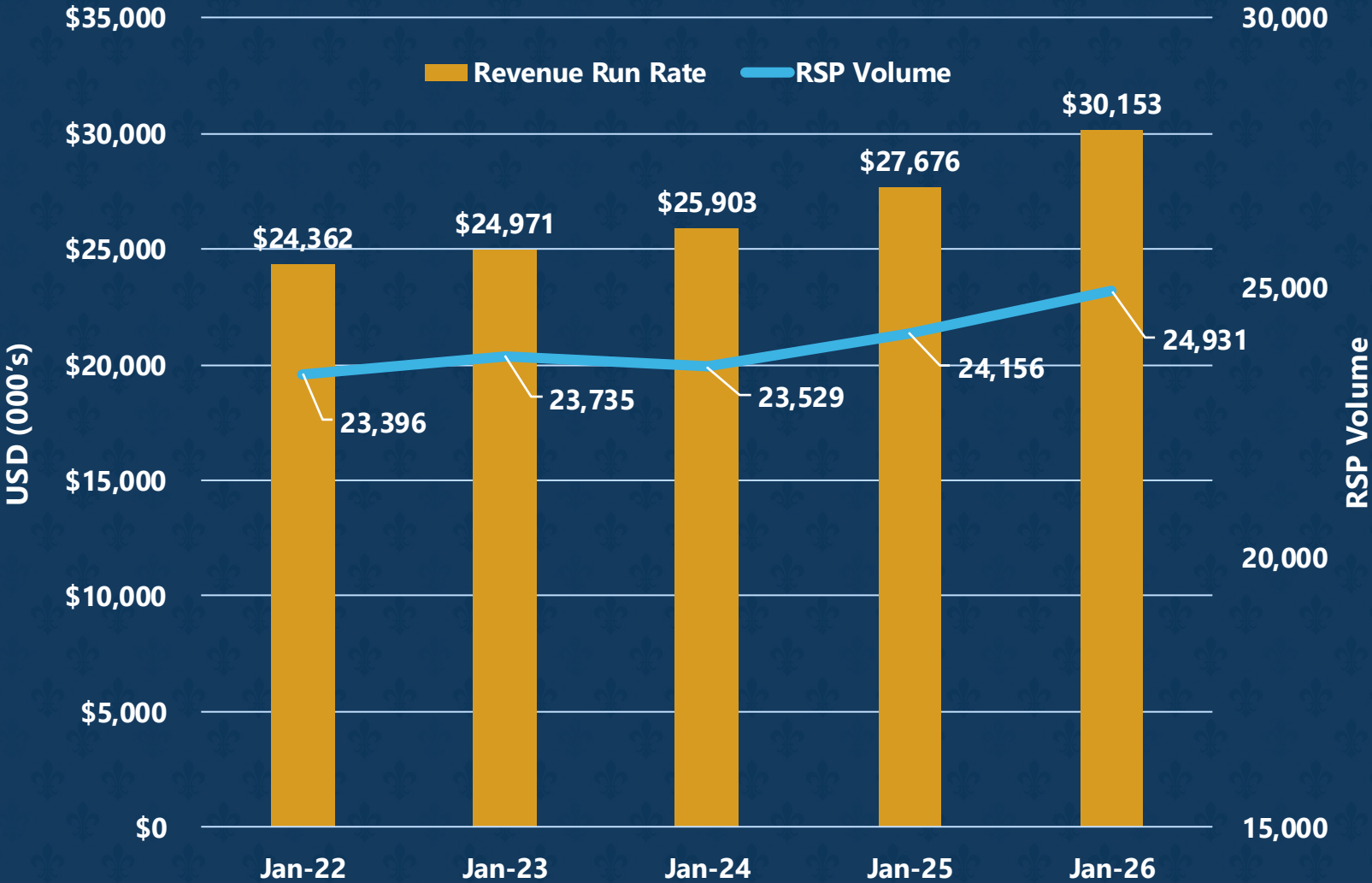


**2025 Revenues  
\$30.4M**

**0.5% Above Budget**

- **Annual renewal resource registration fees:** \$27.4M – on budget (\$25.8M in 2024)
- **Initial resource registration fees:** \$0.5M – 16% over budget (\$0.7M in 2024)
- **Transfer fees:** \$1.7M – 1.5% under budget (\$1.6M in 2024)
- **Other revenues:** \$0.8M – 9% over budget (\$0.7M in 2024)

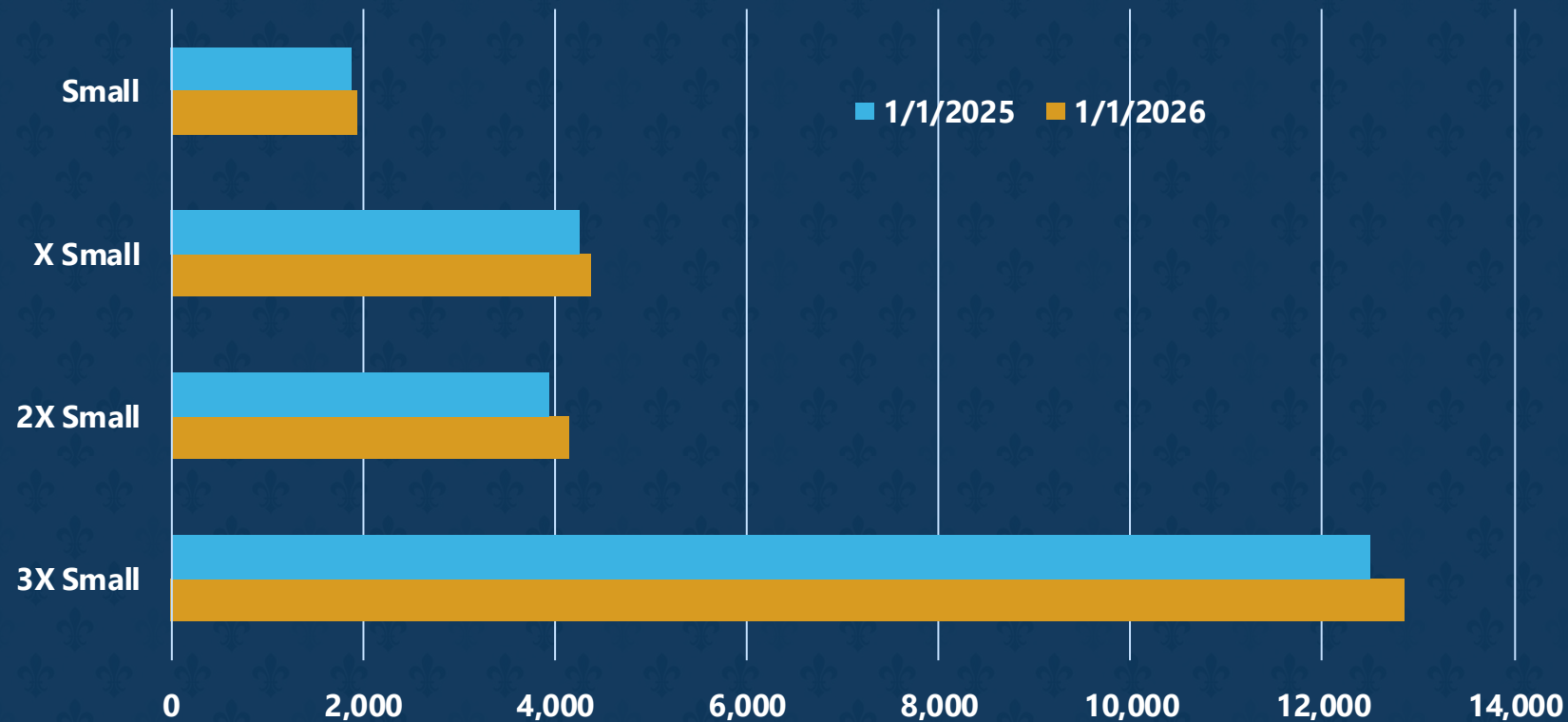
# Registration Services Plan – Annual Run Rate



**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

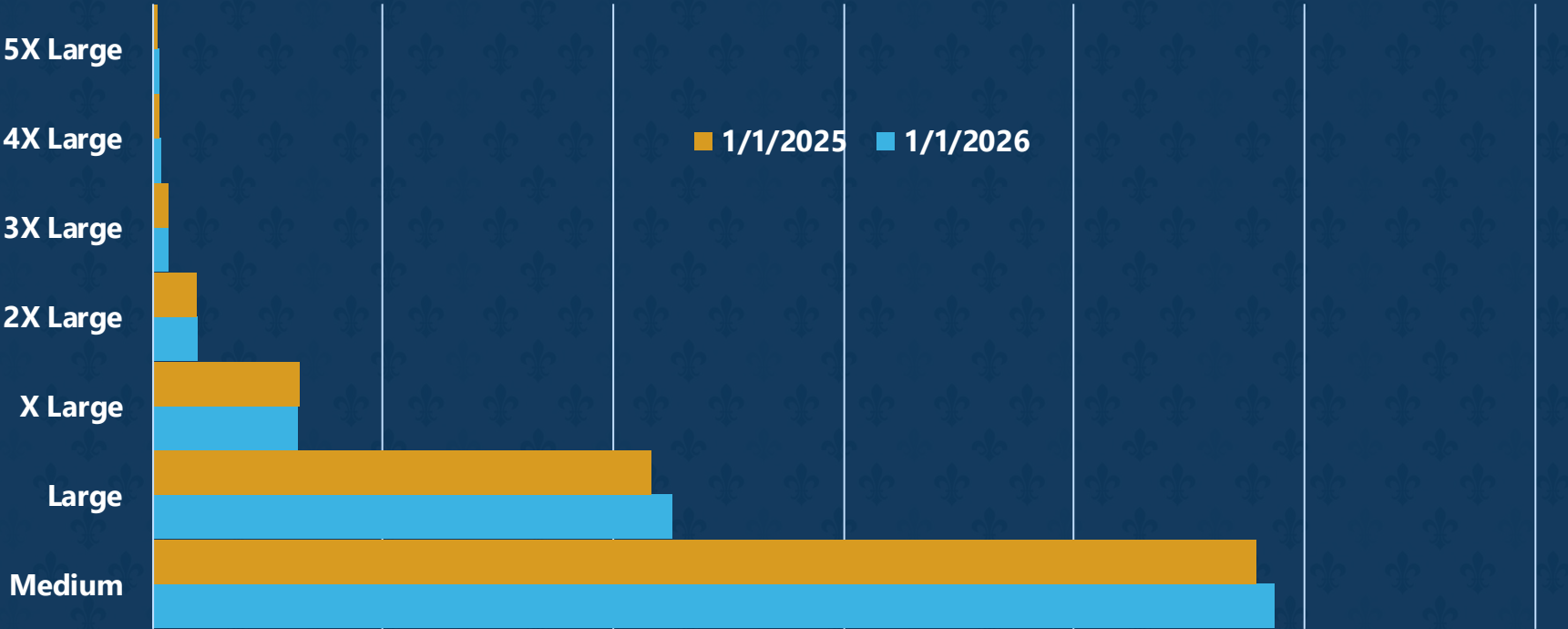


- 23,316 "small" level Registration Services Plan accounts
- Annual revenue run rate of \$14.9M

	3X Small	2X Small	X Small	Small
1/1/2025	12,491	3,936	4,263	1,886
1/1/2026	12,863	4,146	4,367	1,940

# Registration Services Plan – Annual Run Rate

Medium – X5 Large RSP Accounts



	0	200	400	600	800	1000	1200
	Medium	Large	X Large	2X Large	3X Large	4X Large	5X Large
1/1/2025	958	433	127	38	14	6	4
1/1/2026	973	451	126	39	14	7	5

- 1,615 medium/large level Registration Services Plan accounts
- Annual revenue run rate of \$15.3M



# Operating Expenses

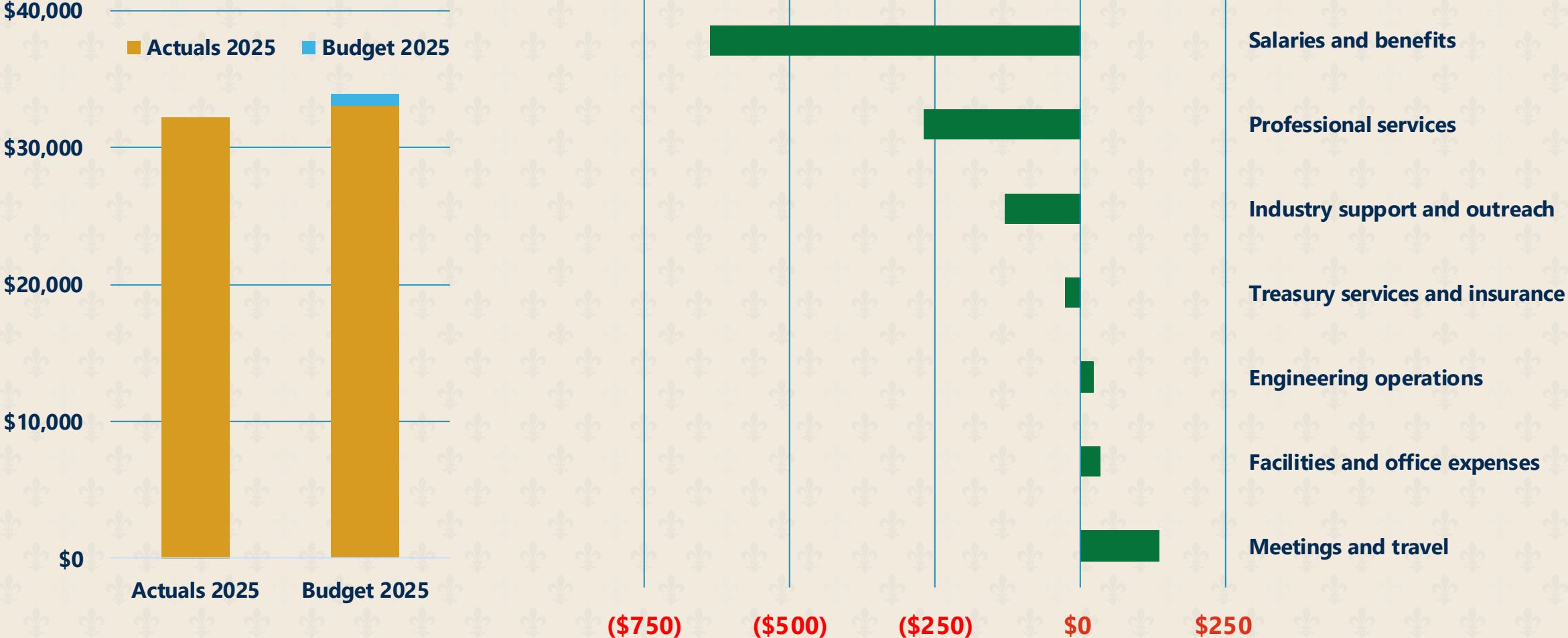
# 2025 Operating Expenses

## \$32.2M - 2.6% Under Budget



- Salaries and benefits: \$21.6M
  - 3% under budget
  - Average number of employees was 102
  - Healthcare coverage expenses were under budget
- Engineering operations: \$4.6M
  - On budget
  - Software and data center service expenses are slightly under budget
  - Depreciation and amortization expenses are slightly above budget
- Other expenses: \$5.9M
  - 4% under budget

# Operating Expense Budget Variance





# Investments

# 2025 Investment Results

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Total investments of \$36.6M

Net increase of \$0.8M

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**Long-term investment  
fund: \$36.0M**

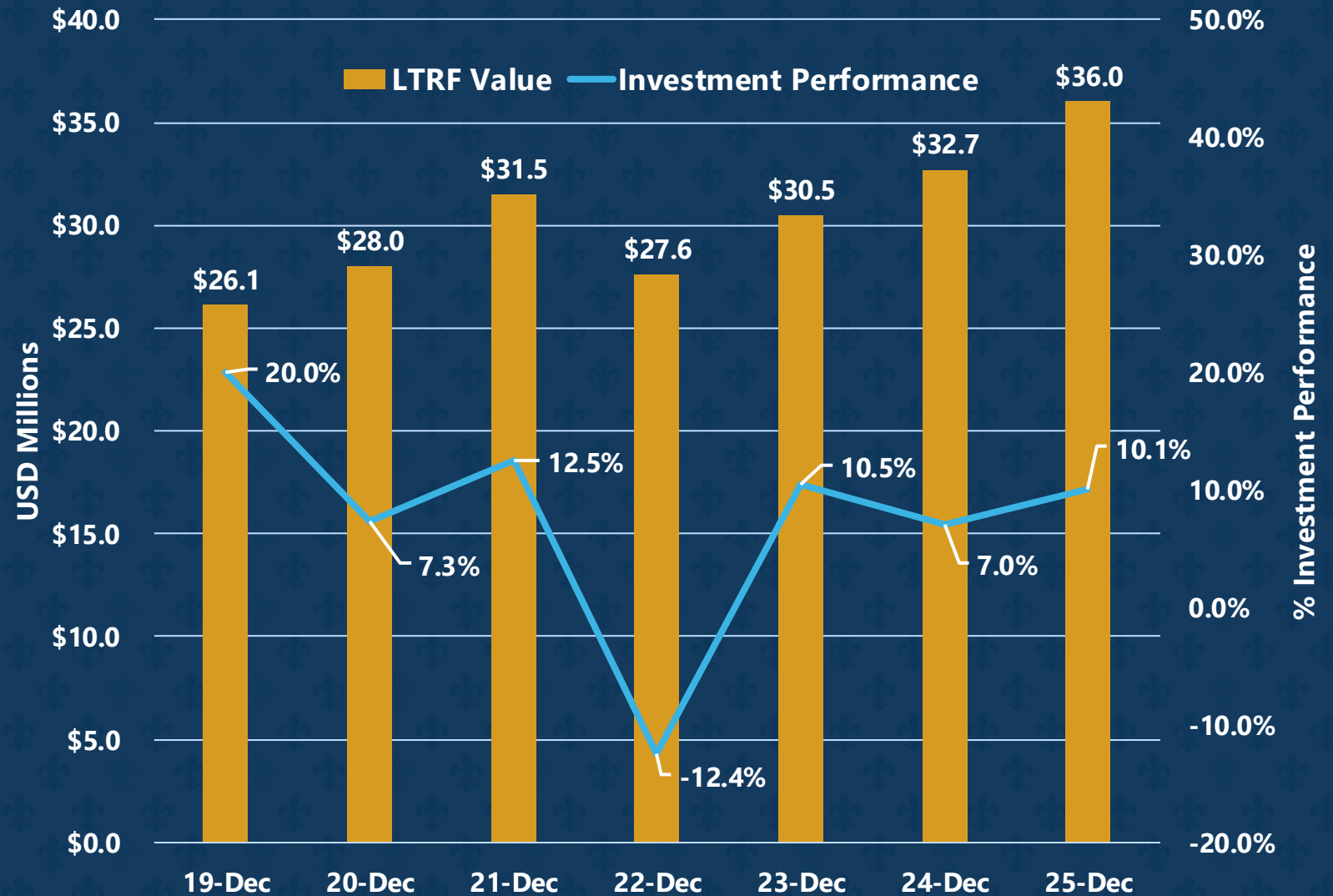
Investment earnings of  
\$3.3M (10.1%)

**Operating investment  
fund: \$0.6M**

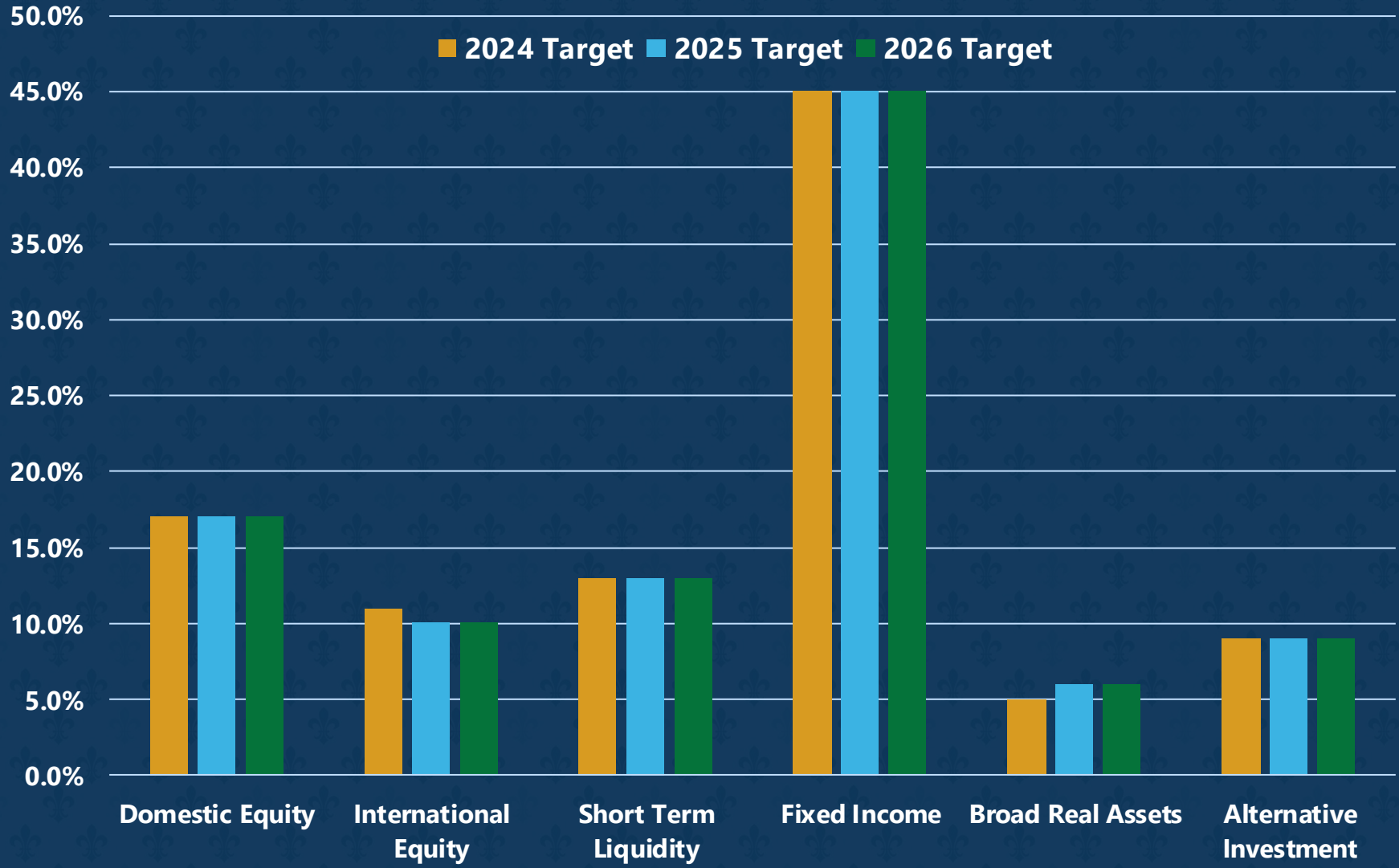
Interest earnings of \$98K (4.2%)

Withdrawals of \$2.6M

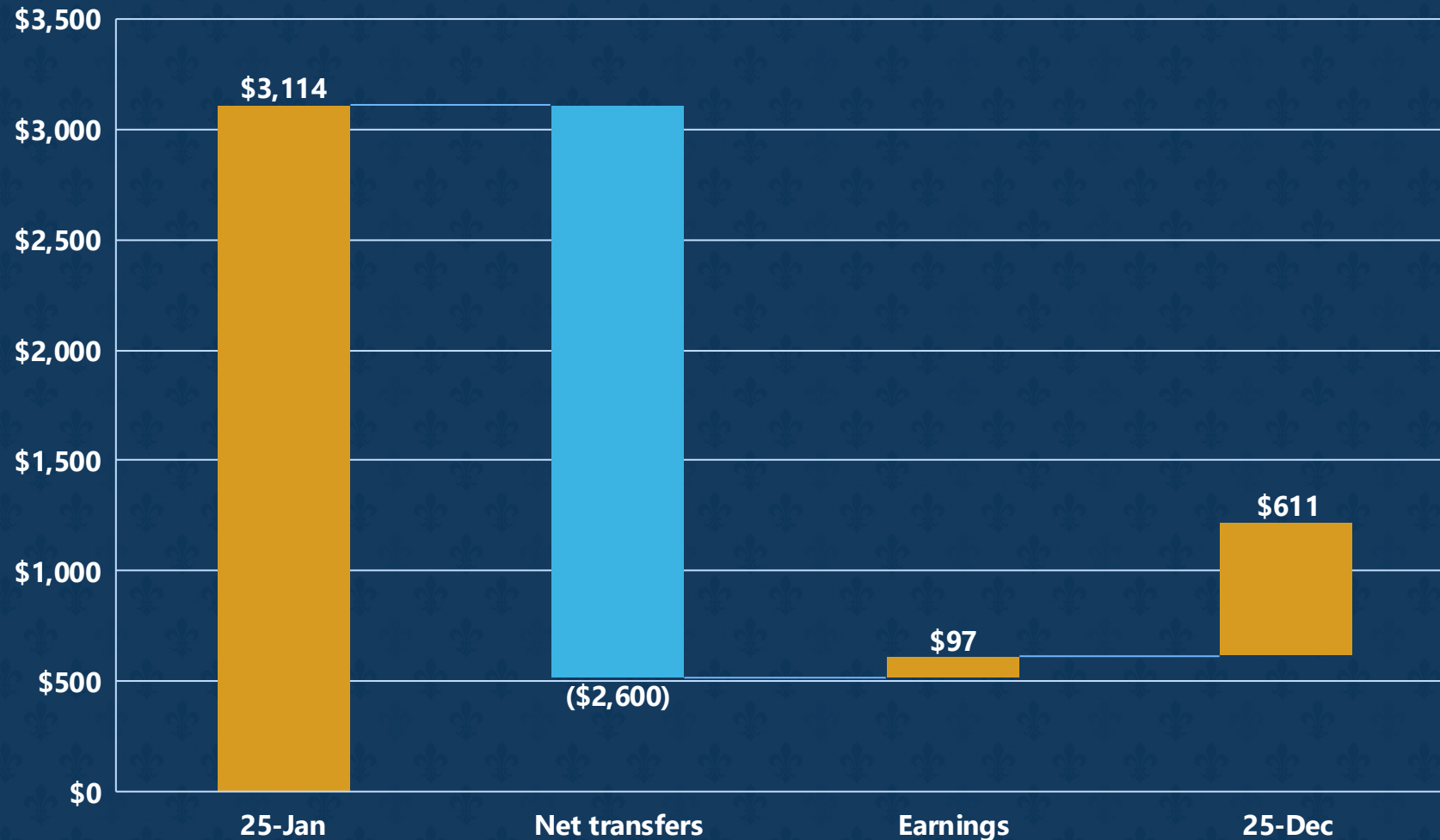
# 2025 earnings of 10.1% on long-term investment fund



# Asset allocation remains conservative



# Net reduction of \$2.5M in the operating investment fund



# 2026 Target Reserve

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

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2026 target operating reserve is \$26.0M

Investment balance is \$11.9M more than the target operating reserve



# Financial Position

# Financial Position



<b>Assets</b>	<b>Dec 2025</b>	<b>Dec 2024</b>
Cash and Accounts Receivable	\$2.7	\$1.7
Investments	\$36.6	\$35.8
Other Assets	\$14.9	\$7.7
<b>Total Assets</b>	<b>\$54.2</b>	<b>\$45.2</b>
<b>Net Assets and Liabilities</b>	<b>Dec 2025</b>	<b>Dec 2024</b>
Net Assets	\$27.9	\$26.3
Total Liabilities	\$26.3	\$18.9
<b>Total Net Assets and Liabilities</b>	<b>\$54.2</b>	<b>\$45.2</b>

**ARIN's financial position continues to be strong**



**Other Business**



## 2025 Data Center Project

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

Actual spend

- Equipment purchases of \$1.8M
- Operating expenses of \$0.3M



# Office Lease Renewal



ARIN headquarters are staying at current property with no changes to the amount of leased space

This decision was made after consideration of many factors including feedback from staff and a search of the local market.

Benefits include:

- less disruptive to our core business services and our employees
- most cost-effective over the life of the lease.

# Long-term Financial Plan

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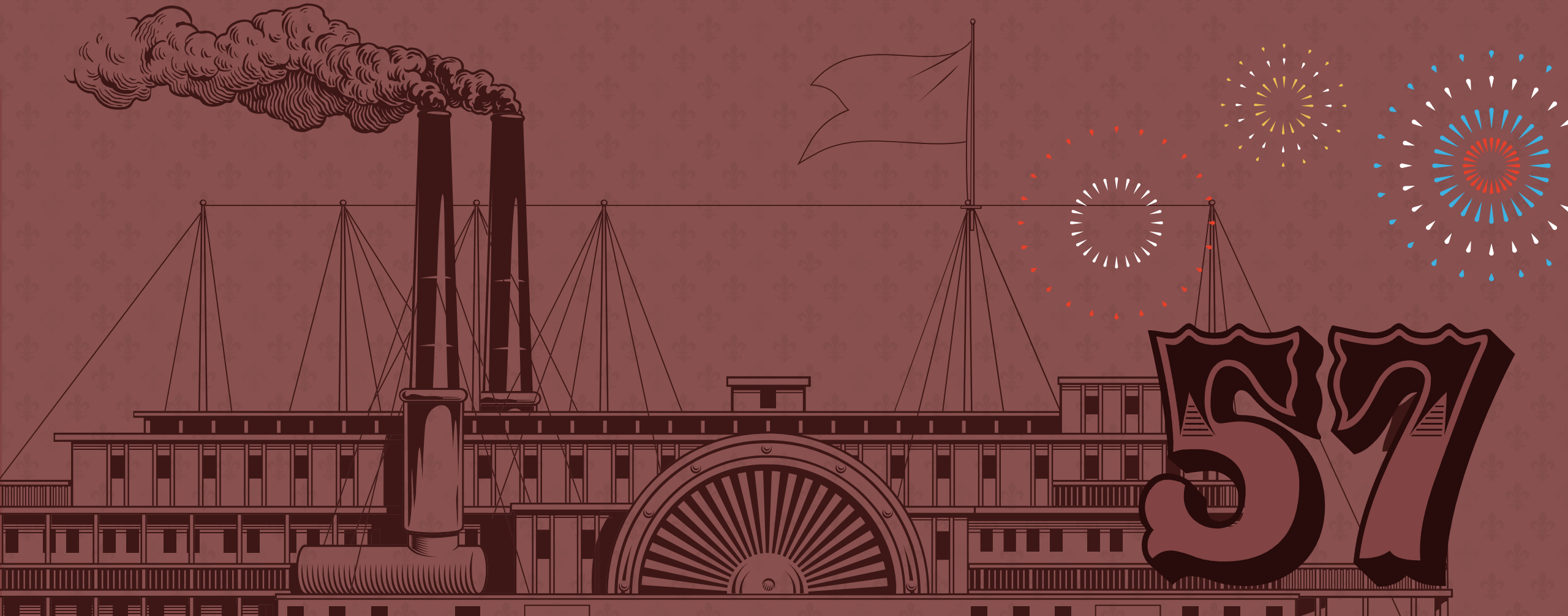
## Achieve a balanced budget by year 2030

- 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?



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