



Financial Report

Hank Kilmer

Treasurer, ARIN Board of Trustees





Agenda

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

Finance Committee Update



Finance Committee meetings

- Four meetings since ARIN 57

Business items

- Reviewed quarterly financial statements
- Reviewed quarterly investment results with investment advisor
- 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 2027 draft budget and send to full Board for approval



Financial Performance

2026 YTD (August) Financial Performance at a Glance

\$21.3M

Revenues

**1% below
budget**

\$21.8M

**Operating
Expenses**

**3.8% below
budget**

\$0.5M

**Operating
Deficit**

**\$0.6M
better than
budget**

\$1.9M

**Investment
Income**

**\$0.6M above
budget**



Revenues



2026 Revenues
\$21.3M

1.0% below Budget

Annual renewal resource registration fees:

\$19.3M – <1% under budget
(\$18.1M in 2025)

Initial resource registration fees:

\$0.3M – 9% under budget
(\$0.3M in 2025)

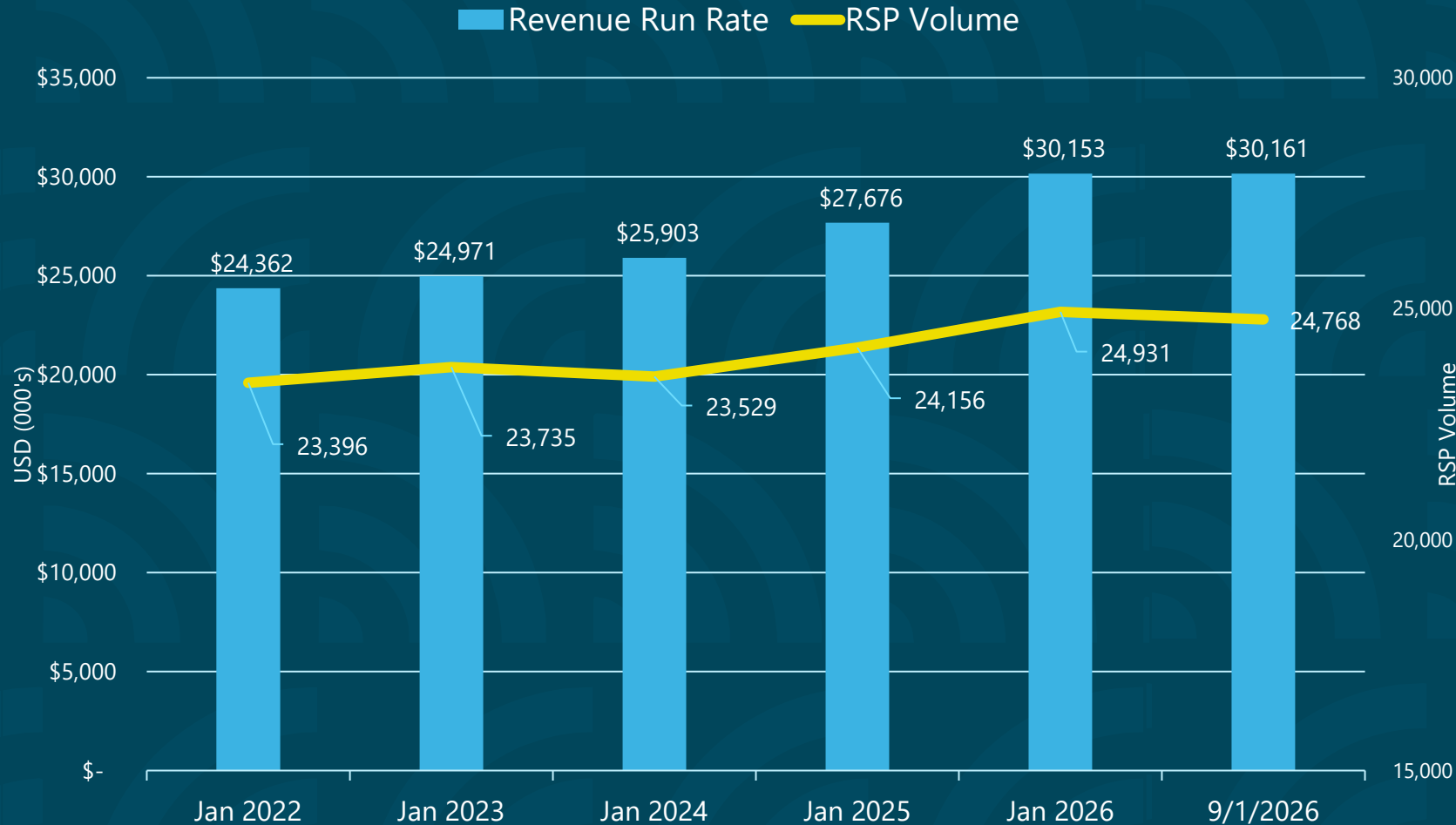
Transfer fees:

\$1.1M – 4% under budget
(\$1.1M in 2025)

Other revenues:

\$0.5M– 3% under budget
(\$0.5M in 2025)

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

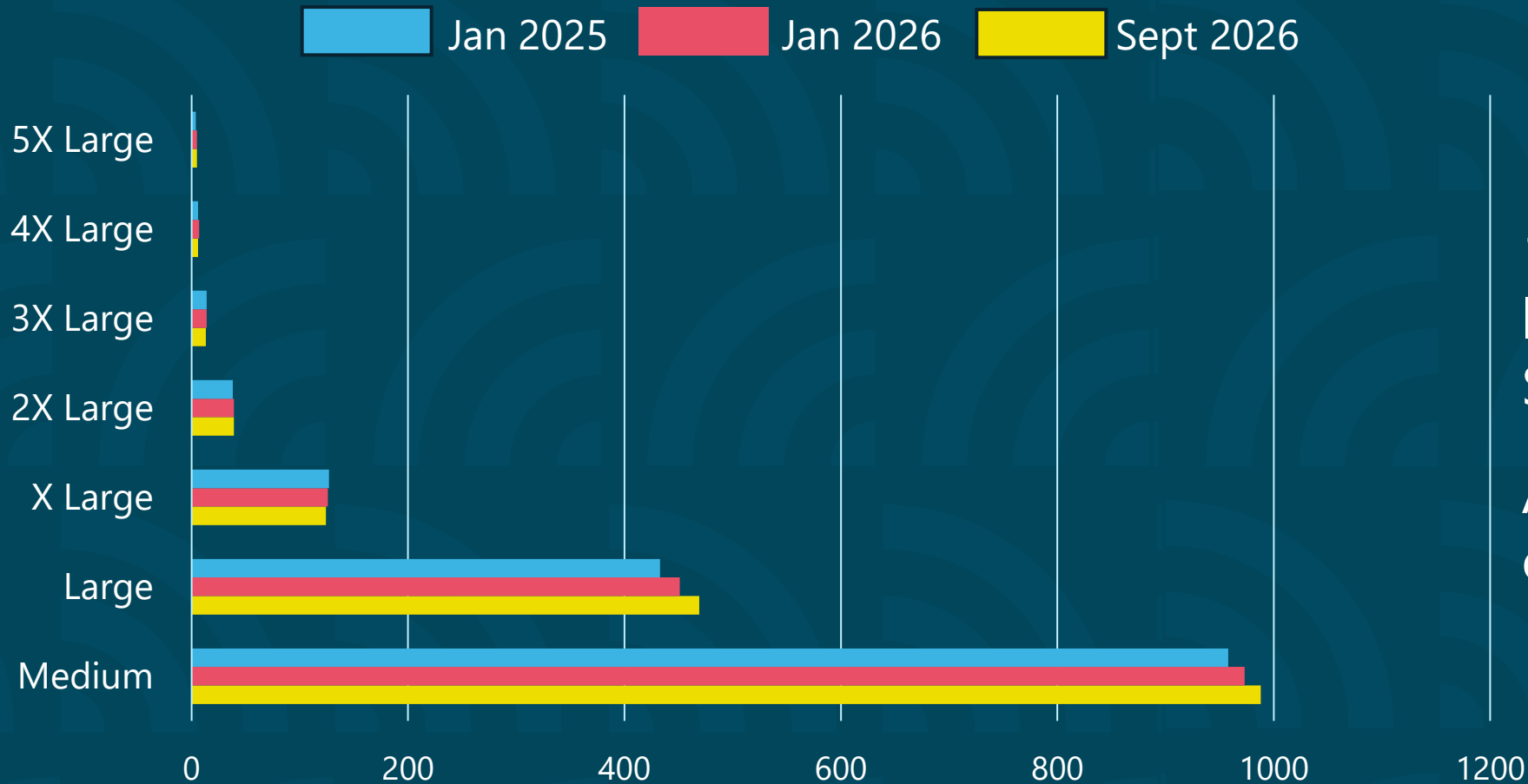
Jan 2025 Jan 2026 Sept 2026



23,124 "small" level
Registration Services
Plan accounts

Annual revenue run
rate of \$14.9M

Registration Services Plan – Annual Run Rate



1,644 medium/large
level Registration
Services Plan accounts

Annual revenue run rate
of \$15.2M

	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
9/1/2026	988	469	124	39	13	6	5



Operating Expenses

2026 Operating Expenses

\$21.8M - 3.8% Under Budget



Salaries and benefits: \$14.2M

- 4% under budget
- Average number of employees is 103
- Healthcare coverage expenses were under budget

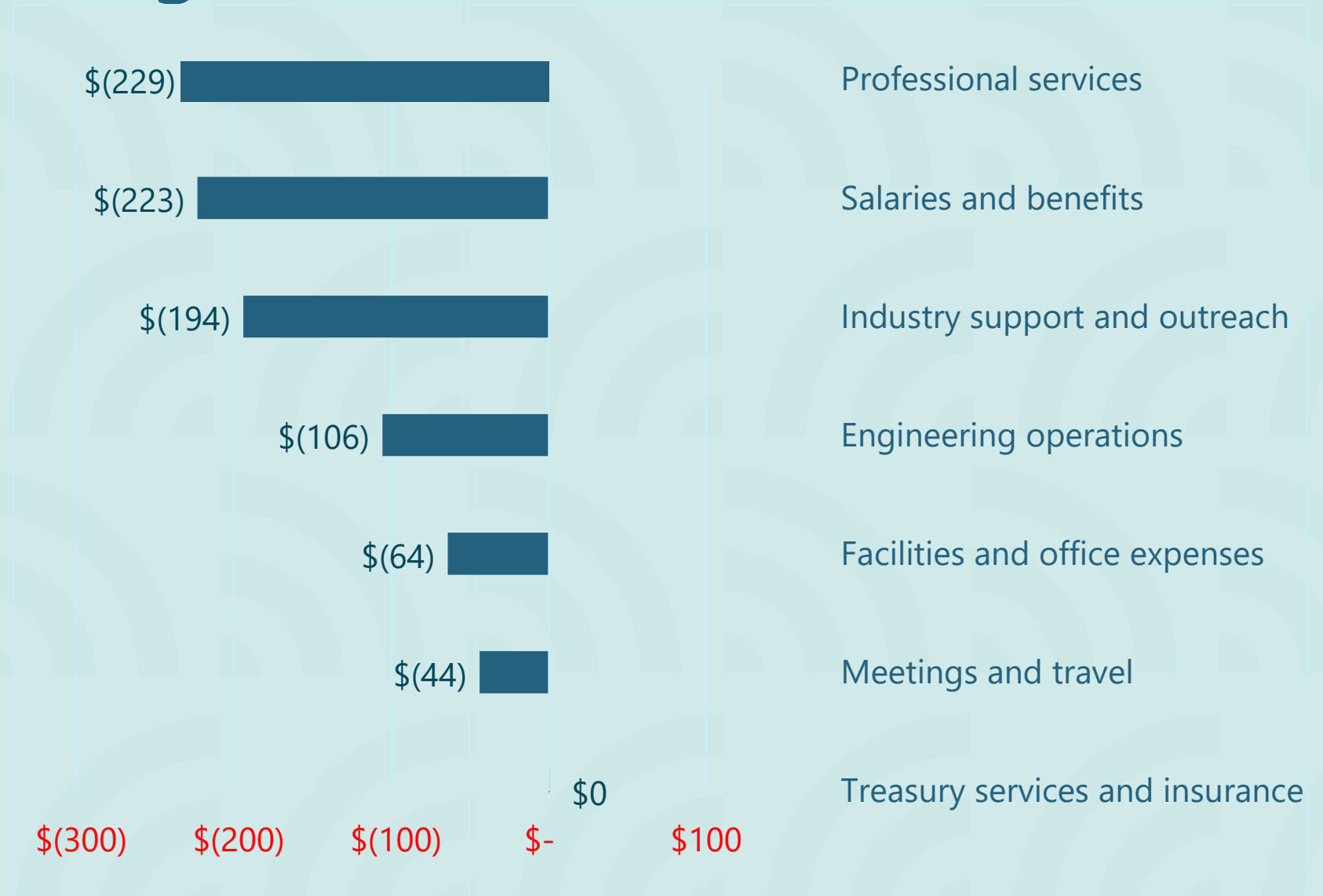
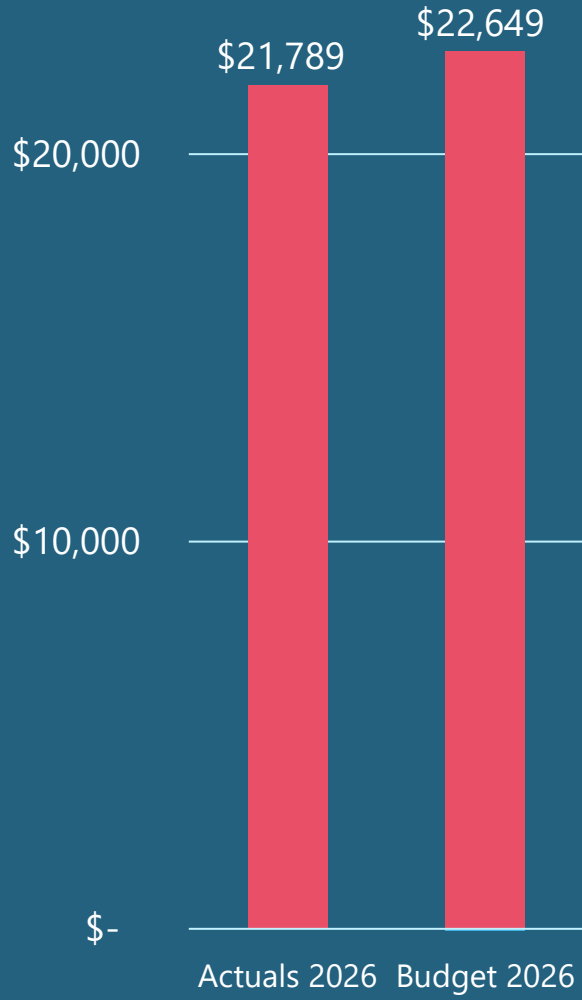
Engineering operations: \$3.4M

- 3% under budget
- Software and data center service expenses are slightly under budget
- Depreciation and amortization expenses are slightly above budget

Other expenses: \$4.2M

- 11% under budget

Operating Expense Budget Variance





Investments

2026 Investment Results

Total investments of \$38.5M

Net increase of \$1.9M

**Long-term investment fund:
\$35.5M**

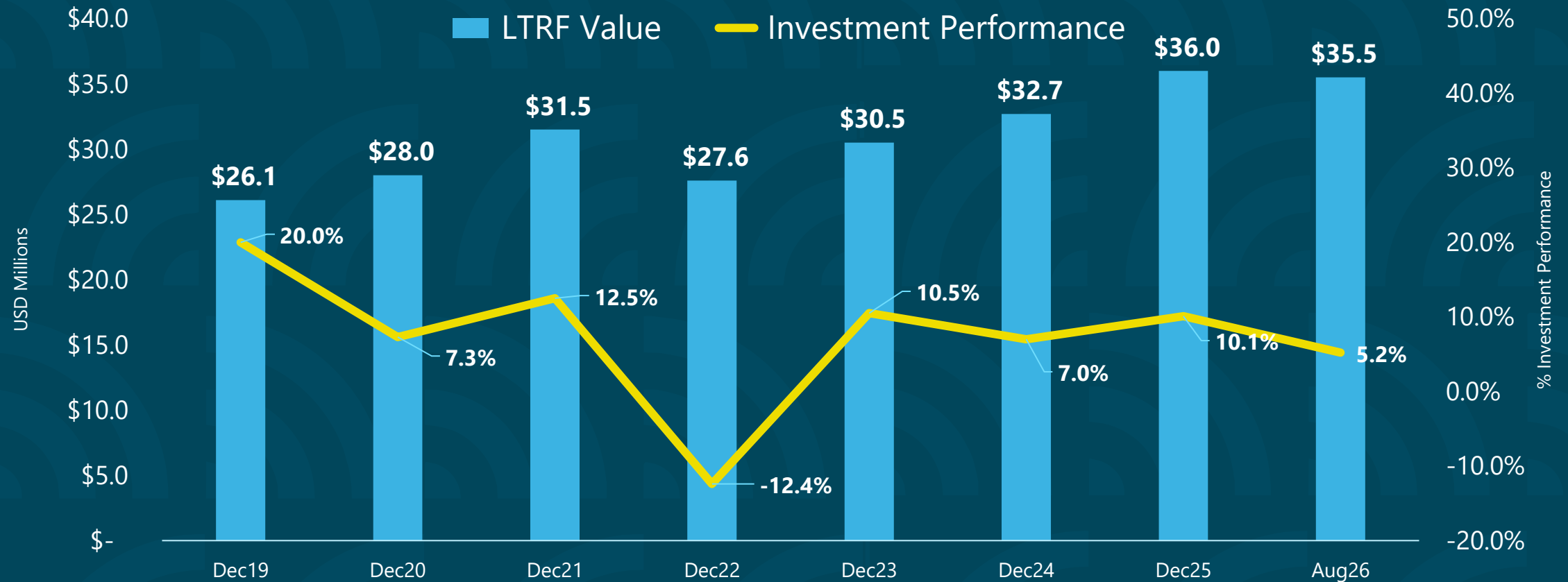
Investment earnings of \$1.9M (5.2%)

**Operating investment fund:
\$3.0M**

Interest earnings of \$14K (2.2%)

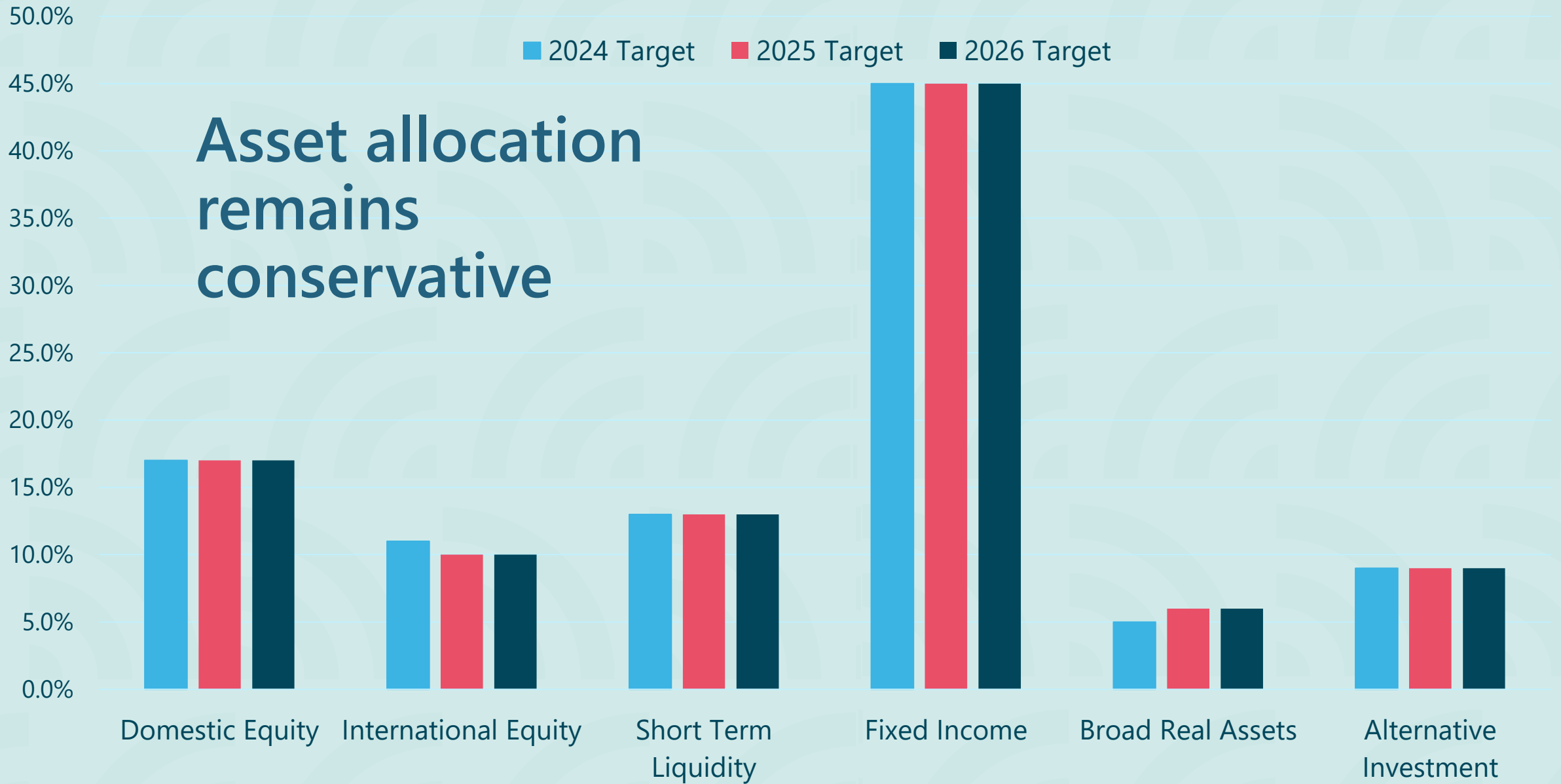
Transfer of \$2.4M from long-term
investments

2026 earnings of 5.2% on long-term investment fund

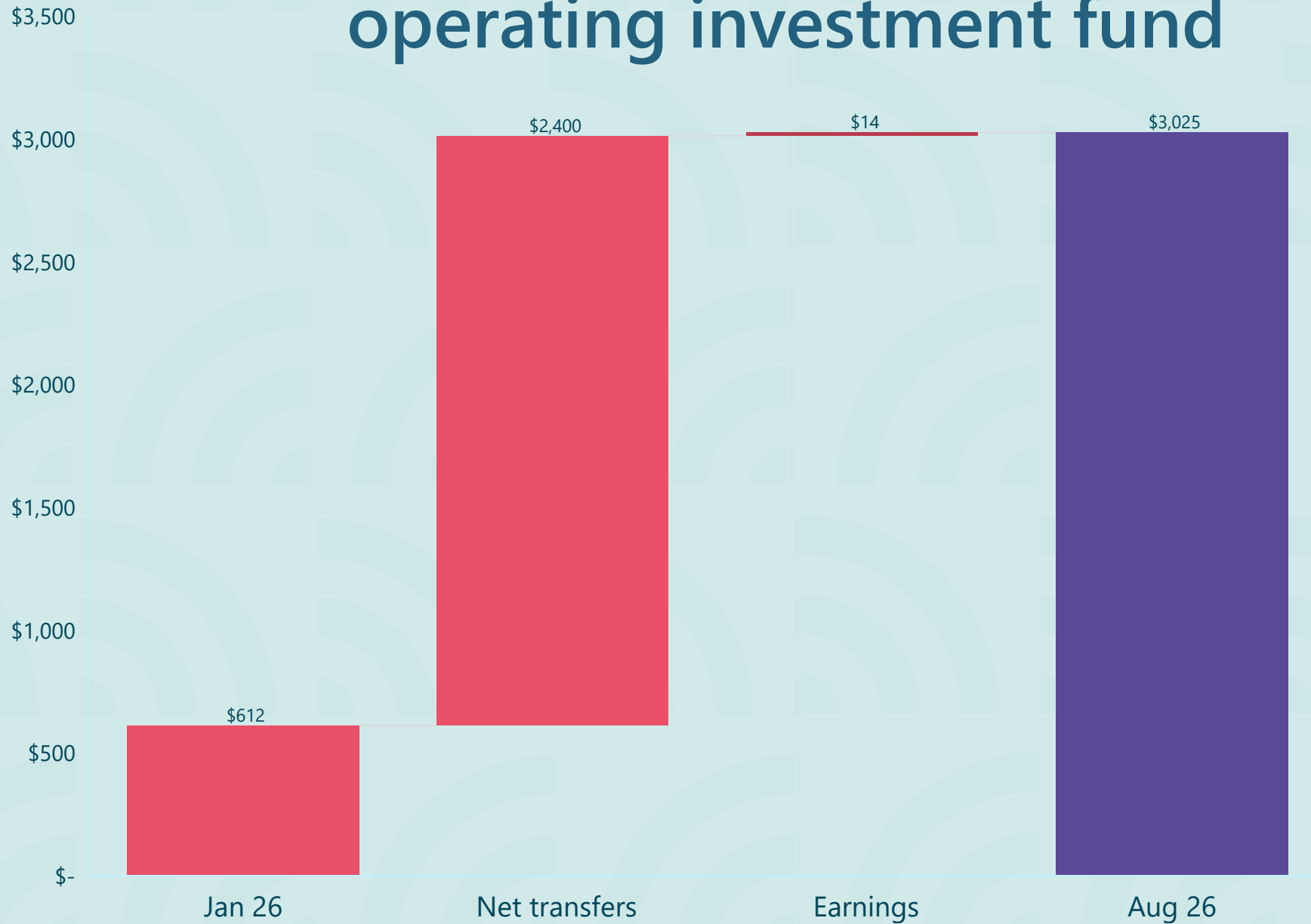


Asset allocation remains conservative

■ 2024 Target ■ 2025 Target ■ 2026 Target



Net increase of \$2.4M in the operating investment fund



2026 Target Reserve

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

2026 target operating reserve is \$26.0M

Investment balance is \$12.5M more than the target operating reserve



Financial Position

Financial Position



Assets	Aug 2026	Dec 2025
Cash and Accounts Receivable	\$3.6	\$2.7
Investments	\$38.5	\$36.6
Other Assets	\$13.9	\$14.9
Total Assets	\$56.0	\$54.2
Net Assets and Liabilities	Aug 2026	Dec 2025
Net Assets	\$29.4	\$27.9
Total Liabilities	\$26.6	\$26.3
Total Net Assets and Liabilities	\$56.0	\$54.2

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



Other Business

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

