

Treasurer's Report

Lee Howard

FINANCE COMMITTEE

- Committee formed December 2001
 - Lee Howard, Chairman
 - Scott Bradner
 - Ray Plzak
- Revised Charter to be presented to Board
- Job Description of Treasurer adopted
- Discussing future IPv6 fee structure
- Recommending change in maintenance fees
- Reinvest Excess Operating Funds

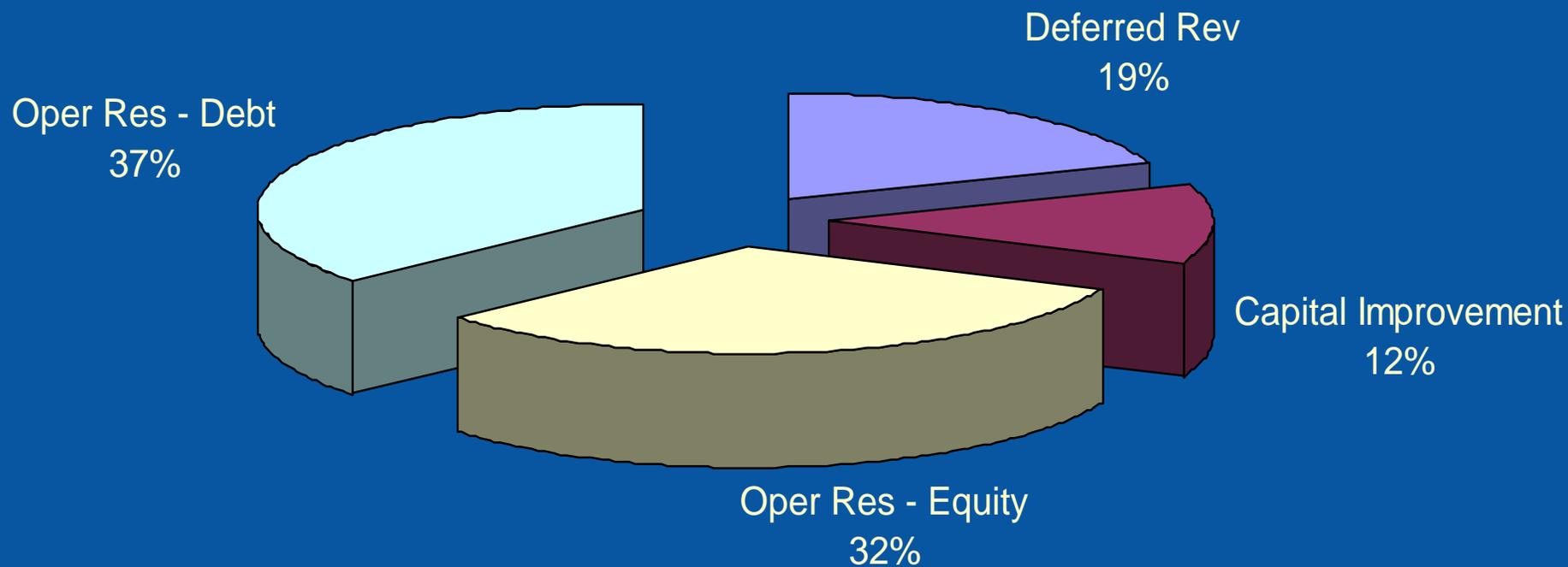
INVESTMENT PLAN

- Begun September 21, 2001
- Based on Auditor's recommendation
- Three Funds
 - Deferred Revenue Fund, Short Term
 - Capital Equipment Fund, Medium Term
 - Operating Reserve Fund, Long Term
- Return
 - 2001 - 4% gain
 - 2002 Return through October 25th - (5%) (loss)

STRUCTURE OF FUNDS

- Deferred Revenue – One year term, CDs and bonds
 - Very Liquid
- Capital Reserve – Three year term, CDs and bonds
 - Liquid
 - To meet capital expenditures over the next budget year
- Operating Reserve – 5 year term, 50% bond and 50% equity mutual funds
 - Designed to return above inflation rate

Fund Breakdown by Investment



T A T E



T R Y O N

*Certified Public
Accountants
and Consultants*

Independent Auditor's Report

To the Board of Trustees
American Registry for Internet Numbers, Ltd.

We have audited the accompanying statement of financial position of the American Registry for Internet Numbers, Ltd. (ARIN) as of December 31, 2001, and the related statement of activities and cash flows for the six months then ended. These financial statements are the responsibility of ARIN's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Registry for Internet Numbers, Ltd. as of December 31, 2001, and the changes in its net assets and its cash flows for the six months then ended in conformity with accounting principles generally accepted in the United States of America.

Tate & Tryon

Washington, DC
March 22, 2002

2011

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TELEPHONE

AMERICAN REGISTRY FOR INTERNET NUMBERS, LTD.
Statement of Cash Flows
Six Months Ended December 31, 2001

AMERICAN REGISTRY FOR INTERNET NUMBERS, LTD.		
Statement of Cash Flows		
<i>Six Months Ended December 31, 2001</i>		
Cash Flows From Operating Activities		
Change in net assets		\$ 1,549,493
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		133,220
Gain on investments, net		(277,222)
Changes in assets and liabilities:		
Accounts receivable		(3,793)
Prepaid expenses		(361,433)
Deposits - ICANN		(2,556)
Accounts payable and accrued expense		(21,575)
Amount due to ICANN		101,756
Amount due to LACNIC		55,622
Deferred revenue		(237,772)
Total adjustments		(613,753)
Net cash provided by operating activities		935,740
Cash Flows From Investing Activities		
Purchases of investment, net		(8,075,930)
Purchases of furniture and equipment		(454,938)
Net cash used in investing activities		(8,530,868)

AMERICAN REGISTRY FOR INTERNET NUMBERS, LTD.
Statement of Activities
Six Months Ended December 31, 2001

Revenue		
Registrations		\$ 3,551,188
Investment income		441,555
Other revenue		106,863
Membership dues		35,000
Total revenue		4,134,606
Expense		
Program		
Engineering		675,969
Registration services group		537,994
Member services		481,033
Total program expense		1,694,996
Administrative		890,117
Total expense		2,585,113
Change in net assets		1,549,493
Net assets, July 1, 2001		6,263,487
Net assets, December 31, 2001		\$ 7,812,980

AMERICAN REGISTRY FOR INTERNET NUMBERS, LTD.
Statement of Financial Position
December 31, 2001

Assets		
Current assets		
Cash and cash equivalents		\$ 1,080,778
Accounts receivable		31,176
Prepaid expenses		378,764
Deposits - ICANN - Note B		320,761
Total current assets		1,811,479
Investments - Note C		8,993,521
Fixed assets		
Furniture and equipment		1,258,663
Leased equipment		186,795
		1,445,458
Less accumulated depreciation and amortization		(719,253)
		\$ 726,205
Total assets		\$ 11,531,205
Liabilities and Net Assets		
Current liabilities		
Accounts payable		\$ 175,234
Due to ICANN - Note B		419,961
Due to LACNIC - Note F		55,622
Deferred revenue		3,067,408
Total liabilities		3,718,225
Commitments and contingencies - Note E		-
Net assets - unrestricted		7,812,980
Total liabilities and net assets		\$ 11,531,205