

American Registry for Internet Numbers, Ltd.

Report to the Audit Committee
April 8, 2015



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Audit Committee
American Registry for Internet Numbers, Ltd.
3635 Concorde Parkway, Suite 200
Chantilly, Virginia 20151

Attention: Audit Committee

We are pleased to present this report related to our audit of the financial statements of American Registry for Internet Numbers, Ltd. (ARIN) for the year ended December 31, 2014. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for ARIN's financial reporting process.

This report is intended solely for the information and use of the Audit Committee and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to ARIN.

McGladrey LLP

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated January 12, 2015. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	Preferability of Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by ARIN. ARIN did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. Management's Judgments and Accounting Estimates Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.
Audit Adjustments	There were no audit adjustments made to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Area	Comments
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed with or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Significant Written Communications Between Management and Our Firm	Copies of significant written communications between our firm and the management of ARIN, including the representation letter provided to us by management, are attached as Exhibit A.

American Registry for Internet Numbers, Ltd.

Summary of Significant Accounting Estimates

Year Ended December 31, 2014

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in ARIN's December 31, 2014, financial statements.

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Depreciation	Depreciation and amortization is recognized on a straight-line basis over the assets' useful lives.	When new assets are acquired, management determines the useful life based upon asset categories. Useful lives are three to five years for furniture and equipment, five years for software, and the term of the lease for leasehold improvements.	We obtained the useful lives assigned to each fixed asset in each asset category and determined they were reasonable in relation to the actual lives of similar assets (based upon disposal trends) and consistent with industry practices.
Allowance for Doubtful Accounts	ARIN records an allowance for doubtful accounts for any receivable whose collectability is uncertain.	Management assigns an increasing percentage of allowance dependent on the aging of receivables. All receivables over 180 days old are fully allowed for.	We compared the allowance for doubtful accounts from the prior year to the amounts written off in the current year. We also reviewed the aging of the receivables at December 31, 2014, and compared to the cash receipts collected in 2015 related to the outstanding receivables.

**Exhibit A—Significant Written Communications
Between Management and Our Firm**

April 8, 2015

McGladrey LLP
1861 International Drive, Suite 400
McLean, Virginia 22102

This representation letter is provided in connection with your audit of the financial statements of American Registry for Internet Numbers, Ltd. (ARIN) which comprise the statements of financial position as of December 31, 2014 and 2013 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of April 8, 2015

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated January 12, 2015, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. There were no events subsequent to the date of the financial statements and for which U.S GAAP requires adjustment or disclosure.
7. There are no known actual or possible litigation or claims that are required to be accounted for and disclosed in accordance with U.S. GAAP.
8. We have no knowledge of any uncorrected misstatements in the financial statements.
9. The following have been properly recorded and or/disclosed in the financial statements:

- a. Investments in debt and equity securities, including their classification.
- b. All leases and material amounts of rental obligations under long-term leases.
- c. All significant estimates and material concentrations known to management that are required to be disclosed in accordance with the Risks and Uncertainties Topic of the FASB Accounting Standards Codification. Significant estimates are estimates at the statement of financial position date that could change materiality within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the year.
- d. Assets measured at fair value in accordance with the Fair Value Measurement Topic of the FASB Accounting Standards Codification.
- e. Tax status. Additionally, we have evaluated the tax positions under the two-step approach for recognition and measurement of uncertain tax positions required by the Income Taxes Topic of the FASB Accounting Standards Codification.
- f. All recordable contributions, by appropriate net asset class.
- g. Allocations of functional expenses based on reasonable basis.
- h. Deferred revenue from exchange transactions.
- i. Concentrations of credit risk.

Information Provided

10. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within ARIN from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
13. We have disclosed to you all information that we are aware of regarding any allegations of fraud or suspected fraud, affecting ARIN's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting ARIN's financial statements received in communications from employees, former employees, regulators, or others.

15. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements. Additionally, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
16. We are not aware of any pending or threatened litigation and claims whose effects were considered when preparing the financial statements.
17. We have disclosed to you the identity of the ARIN's related parties and all the related-party relationships and transactions of which we are aware.
18. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the ARIN's ability to record, process, summarize, and report financial data.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have no plans or intentions that may materially affect the carrying value or classification of assets. In that regard:
 - a. ARIN has no significant amounts of idle property and equipment.
 - b. ARIN has no plans or intentions to discontinue the operations of any significant services or activities.
 - c. There are no assets that have permanently declined in value.
 - d. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable noting none.
21. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
 - a. To reduce receivables to their estimated net collectible amounts.
 - b. For defined contribution pension obligations attributable to employee services rendered through December 31, 2014.
22. There are no:
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Environmental Protection Agency in connection with any environmental contamination.
 - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the FASB Accounting Standards Codification.
 - c. Guarantees, whether written or oral, under which ARIN is contingently liable.
 - d. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.

- e. Lines of credit or similar arrangements.
- f. Agreements to repurchase assets previously sold.
- g. Security agreements in effect Uniform Commercial Code.
- h. Liens or encumbrances on assets and all other pledges or assets.
- i. Contractual obligations for construction and/or purchase of real property, equipment, other assets, and intangibles.
- j. Liabilities that are subordinated to any other actual or possible liabilities of ARIN.
- k. Derivative financial instruments.
- l. Liabilities measured at fair value in accordance with the Fair Value Measurements Topic of the FASB Accounting Standards Codification.
- m. Current or deferred assets or liabilities related to the accounting for income taxes.
- n. Reclassifications between net asset classes.
- o. Assets in amounts needed to comply with donor restrictions.
- p. Refundable advances.
- q. Uninsured losses or loss retentions (deductibles) attributable to events occurring through December 31, 2014 and/or for expected retroactive insurance premium adjustments applicable to periods through December 31, 2014.
- r. Material losses to be sustained in the fulfillment of or from the inability to fulfill any sales commitments, including promises to give.
- s. Environmental clean-up obligations.
- t. Amounts held for others under agency and/or split interest agreements.
- u. Postretirement benefits, other than defined contribution pensions, or deferred compensation agreements attributable to employee services rendered through December 31, 2014.

Supplementary Information

23. With respect to supplementary information presented in relation to the financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
24. We have received a determination from the Internal Revenue Service that we are exempt from federal income taxes as a Section 501(c)(6) not-for-profit corporation, and we has complied with the IRS regulations regarding this exemption.

25. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

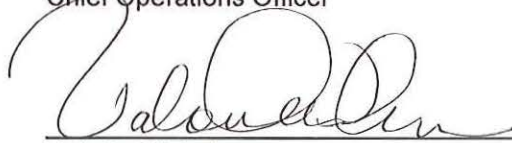
American Registry for Internet Numbers, Ltd.



John Curran
President & Chief Executive Officer



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Chief Operations Officer



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