



Treasurer

Paul Andersen



Financial Results 2014 Audit

- 2014 – Through December 31st
- Registration Revenue \$17,180,220
- 2014 Expenses \$16,329,920
- **Operating Result** **\$ 850,300**
- 2014 Investment Result \$1,182,301
- **Net to Reserves** **\$2,032,601**

Full Report at arin.net

Cost Impacts of the 2015 Engineering Surge



Category	Additional to Base Budget	Description
Salaries and Benefits	\$ 1,732,000	Additional Engineers for SW Development/Testing/OPS Team and one consultant to work with the software development engineers
Travel Expenses	\$ 24,000	Travel to support Engineering efforts
Additional Office Space/Build out	\$ 25,000	Build out for additional office space, as a capitalized expense, would cover switches, firewalls, routers, printer, and wireless access points. Equipment will be capitalized.
Additional Equipment/Furniture	\$ 53,000	Laptops, monitors, furniture and accessories. These expenses will be capitalized.
Additional Office Space Recurring Costs	\$ 3,000	Recurring cost include 50-100Mbps circuit, utilities, supplies
Additional Office Space Move	\$ 2,000	Move furniture and other items, one time expense
Total Budget Items Added to Base Budget	\$ 1,839,000	

2015 Budget Effect on Reserves



- Reserve as of 2014 \$ 33,210,975
- Projected net 2015 \$ -1,269,822
- Projected year end reserves **\$ 31,941,153**

Full 2015 Budget:

https://www.arin.net/about_us/corp_docs/budget.html

arin.net > About Us > Corporate Documents > Budget



Investment Reserves

- The Board of Trustees has designated net assets for the following purposes:
 - **Legal Defense Reserve Fund** – To fund legal challenges as they arise. Balance at 12/31/14 \$2,078,739
 - **Operating Reserve Fund** – To provide short-term financial stability for ARIN. Balance at 12/31/14 \$2,837,447
 - **Long Term Reserve Fund** – To provide long-term financial stability for ARIN. Balance at 12/31/14 \$26,956,173

ARIN Investment Mix by Dollars



The following represents ARIN's assets at fair value at December 31, 2014

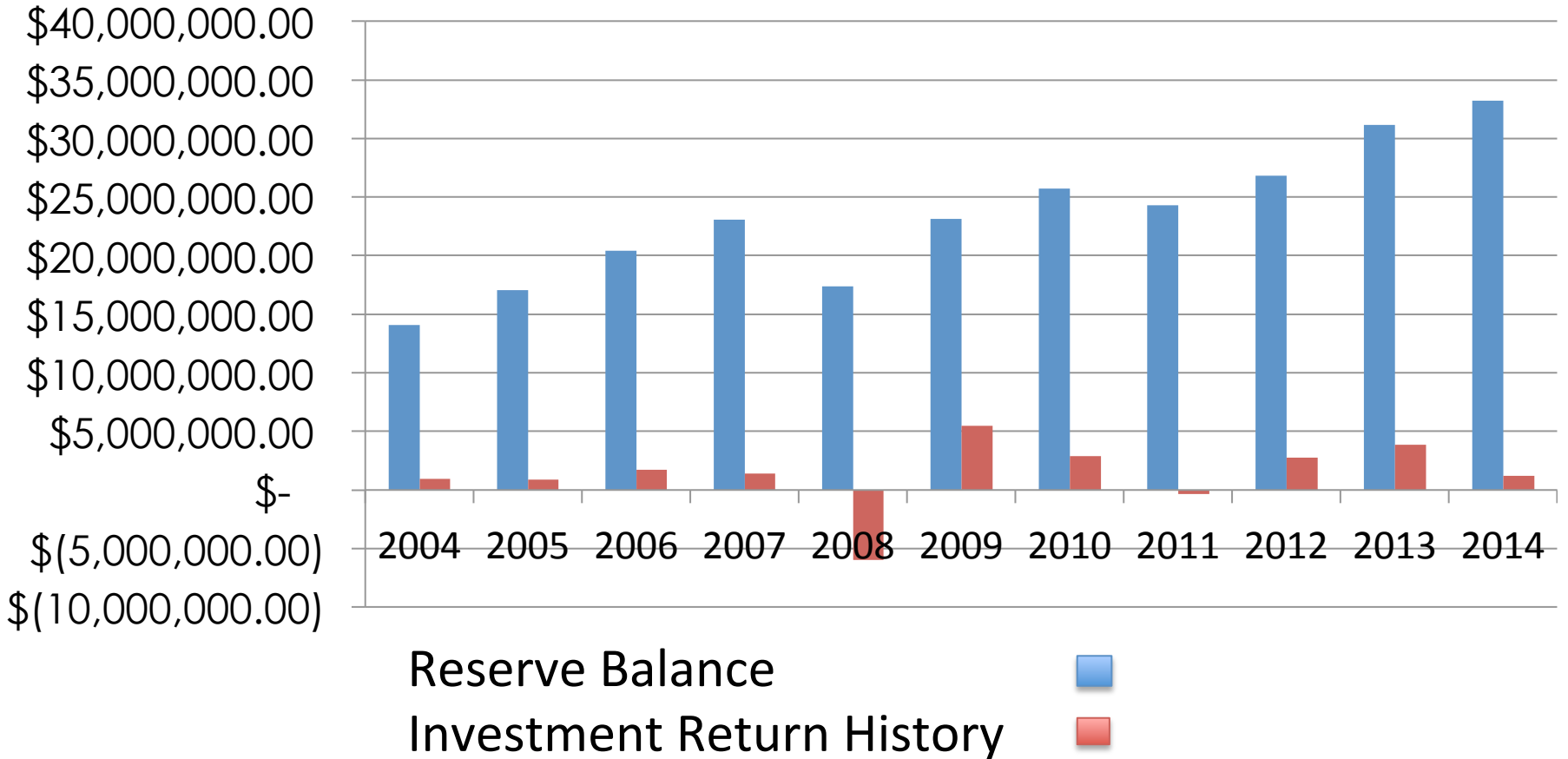
Description	Totals
Mutual funds, balanced funds	
Growth funds	\$ 9,359,594
Bond fund	6,746,893
US blended funds	2,601,439
Foreign blended funds	1,168,057
Bank Loan	1,100,513
Multialternative	994,959
Commodities Funds	591,359
Total	\$22,562,814
Fully exchange traded funds	\$ 4,403,448
Certificates of Deposit	3,474,666
Money market funds	1,431,431
Total	<u>\$31,872,359</u>

ARIN Investment Mix by %



EQUITY	% Actual	% Target by Policy
• Large Cap:	37.3%	33.0%
• Mid Cap	7.4%	7.0%
• Small Cap:	5.1%	5.0%
• International Equity:	15.2%	15.0%
FIXED INCOME	28.7%	35.0%
ALTERNATIVE INVESTMENTS	6.3%	5.0%

Reserve and Investment Return History



A word from our Investing Firm



First quarter portfolio performance for the ARIN Long Term reserves was strong on an absolute and relative basis, appreciating by 2.48%. Performance contributions from active management were generally positive during the quarter. We are pleased with these results, which outperformed the three benchmarks outlined in the ARIN Investment Policy Statement. We continue to believe the valuations remain compelling in equities relative to fixed income and as such, remain overweight relative to policy targets across all equity asset classes and underweight fixed income. We anticipate transitioning a portion of our domestic equity exposure to non-U.S. equities over the course of the year as valuations on domestic equities have become richer relative to their international counterparts.

James K. Meek, Graystone Consulting, a business of Morgan Stanley

