



JAMAICA | 17-20 APRIL 2016

**Treasurer**

Bill Sandiford

# Finance Committee Activities



- Investments
  - Continued to adjust investments consistent with the Investment Policy Statement, i.e. minor changes to investments in small and large capitalization funds
  - As of 31 March 2016, balance was \$31,678,087
- Fee Schedule
- 2016-2017 Budget
- 2015 Financial Results and IRS 990 Form Preparation

# 2015 Financial Results vs Budget



Line Items	Actuals	Budget	Variance
Salaries & Employee Benefits	\$9,101,320	\$10,400,180	\$1,298,860
Communications	\$831,151	\$977,385	\$140,234
Software & Equip Support & Licenses	\$453,350	\$449,940	(\$3,410)
Depreciation	\$2,733,163	\$2,753,241	\$20,078
Professional Fees/Outreach	\$716,266	\$815,400	\$99,134
General Office	\$656,244	\$743,075	\$86,831
Bad Debt Expense	\$129,100	\$37,667	(\$91,433)
Legal Fees	\$675,909	\$450,000	(\$225,909)
Legal Defense Fund	\$83,090	\$0	(\$83,090)

# 2015 Financial Results vs Budget



Line Items	Actuals	Budget	Variance
Members Meetings	\$589,017	\$461,650	(\$127,367)
NANOG Meeting Support	\$50,043	\$50,000	(\$43)
Rent & Occupancy	\$397,594	\$485,832	\$88,238
Travel	\$1,204,438	\$1,658,000	\$453,562
Funds Committed to ICANN in Escrow	\$223,993	\$236,000	\$12,007
Internet Research & Support	\$67,139	\$261,000	\$193,861
NRO Expenses	\$128,156	\$230,000	\$101,844
<b>Total Expenses</b>	<b>\$18,039,973</b>	<b>\$20,009,370</b>	<b>\$1,963,397</b>

# Explanations for Larger Variances



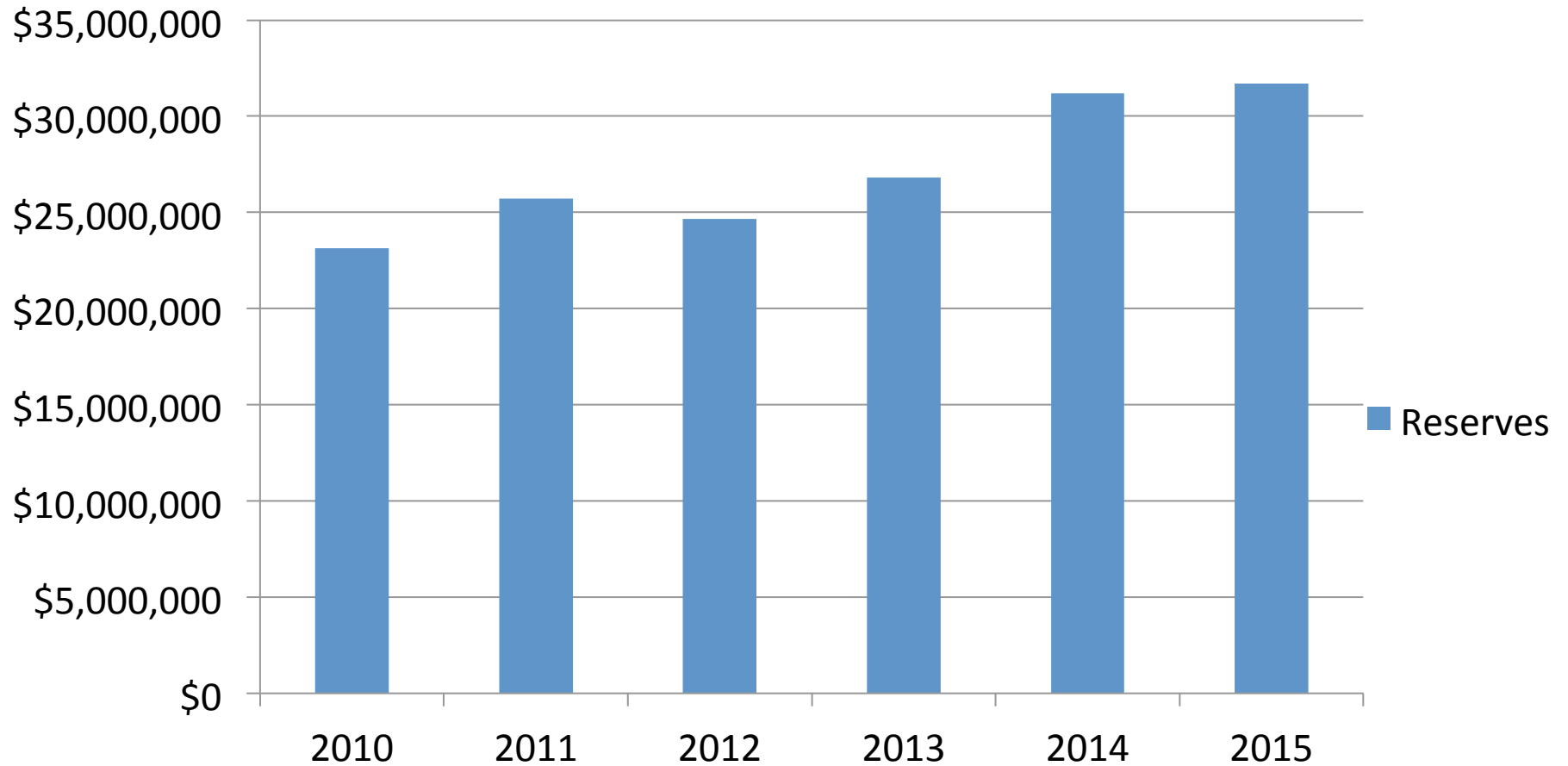
- Many of the variances are due to ARIN budgeting additional staff at the beginning of the year along with additional office space. It took all year to ramp up the staff and the additional office space was reevaluated mid-year with a decision to not rent additional office space but to move to a new facility. This affected variances in Salaries & Employee Benefits, Depreciation, General Office, and Rent & Occupancy.
- Communications came under budget due to a slower ramp up of our transit sites budgeted at the beginning of 2016 and it took most of the year to complete this project.
- The increase in legal expense was driven by review of IANA & ICANN governance changes and lease negotiations for our new facility.

# Financial Reserves Through Year End



- 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 03/31/16  
\$2,102,266
  - **Operating Reserve Fund** – To provide short-term financial stability for ARIN. Balance at 03/31/16  
\$2,745,316
  - **Long Term Reserve Fund** – To provide long-term financial stability for ARIN. Balance at 03/31/16  
\$26,830,505

# ARIN's Financial Reserves



# 2016 Budget vs 2015 Actuals



Line Items	2016 Budget	Actual 2015	Variance
Salaries & Employee Benefits	\$10,714,412	\$9,101,320	\$1,613,092
Communications	\$925,578	\$831,151	\$94,427
Software & Equip Support \$ Licenses	\$507,738	\$453,350	\$54,388
Depreciation	\$3,539,115	\$2,733,163	\$805,952
Professional Fees/Outreach	\$793,675	\$716,266	\$77,409
General Office	\$770,324	\$656,244	\$114,080
Bad Debt Expense	\$100,000	\$129,100	(\$29,100)
Legal Fees	\$625,000	\$675,909	(\$50,909)
Legal Defense Fund	\$0	\$83,090	(\$83,090)



# 2016 Budget vs 2015 Actuals



Line Items	2016 Budget	Actual 2015	Variance
Members Meetings	\$589,000	\$589,017	(\$17)
NANOG Meeting Support	\$50,000	\$50,043	(\$43)
Rent & Occupancy	\$1,098,207	\$397,594	\$700,613
Travel	\$1,348,500	\$1,204,438	\$144,062
Funds Committed to ICANN in Escrow	\$224,679	\$223,993	\$686
Internet Research & Support	\$130,000	\$67,139	\$62,861
NRO Expenses	\$235,000	\$128,156	\$106,844
Total	\$21,651,228	\$18,039,973	\$3,611,256

# Explanations for Larger Variances



- Increases in 2016 Staffing & Benefits line item is the result of staff additions and adding the position of Client Services Coordinator as well as increases in employee benefits (insurance for example). It also includes potential increase in CEO compensation as set by the ARIN Compensation Committee.
- Rent and occupancy variance is partly due to the possible buyout of our current lease. ARIN will pursue subletting the current space to fulfill the current lease.
- NRO expenses are higher in 2016 due to the change of only the chair having their travel expenses shared with the RIRs.

# Questions?