

The logo features the text "ARIN46" in a bold, sans-serif font. "ARIN" is in dark grey, and "46" is in a vibrant teal color. To the right of the "46" is a sunburst graphic consisting of approximately 15 thin black lines radiating outwards from a central point.

ARIN46

14 - 15 OCTOBER,
23 OCTOBER 2020

Financial Report

Nancy Carter

Financial Report

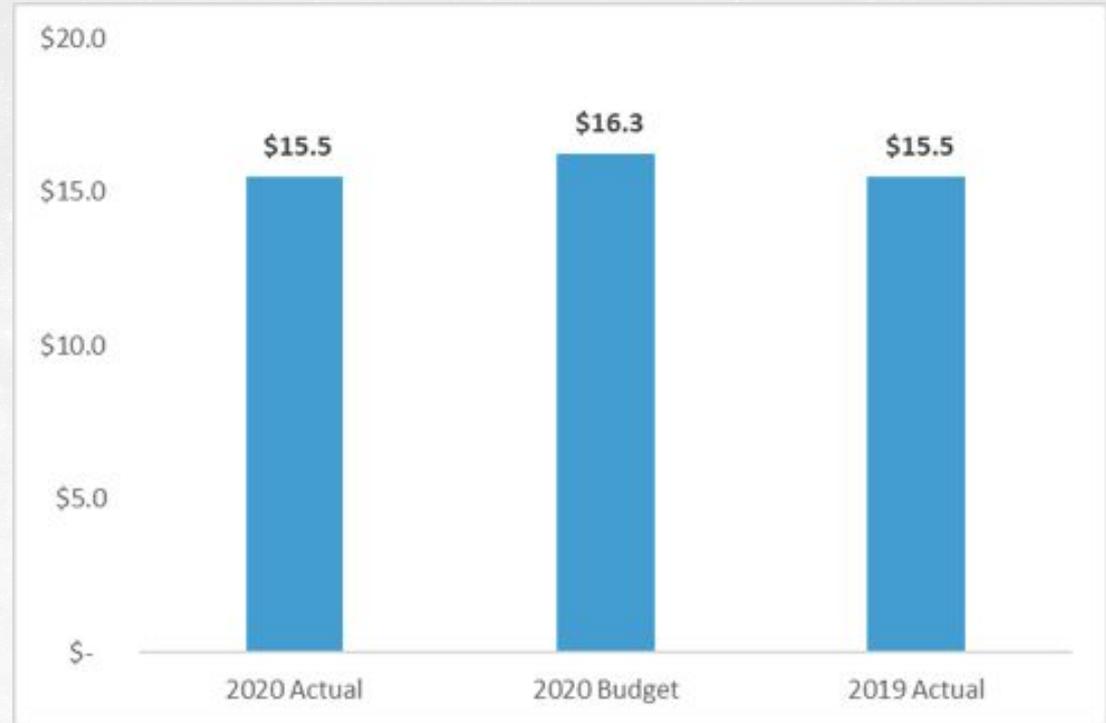
- Finance Committee Update
- 2020 Revenues
- 2020 Operating Expenses
- Investments
- Net Assets and Operating Expense Coverage
- Statement of Financial Position

Finance Committee Update

- Finance committee meetings
 - 5 committee meetings held through September 30
- Business conducted
 - Review and approval of 2019 Audited Financial Statements
 - Review of ARIN Risk Assessment Report from RSM
 - Review of cash flow forecast in the context of the coronavirus pandemic
 - Discussion of proposed Investment Policy Statement changes
 - Discussion of Investment Fund(s) purpose and desired risk/return position for ARIN
 - Review and approval of 2019 Form 990
 - Pending review of RFPs results for
 - Investment Consulting services
 - Audit and tax services
 - Pending review of 2021 proposed budget

Total revenues

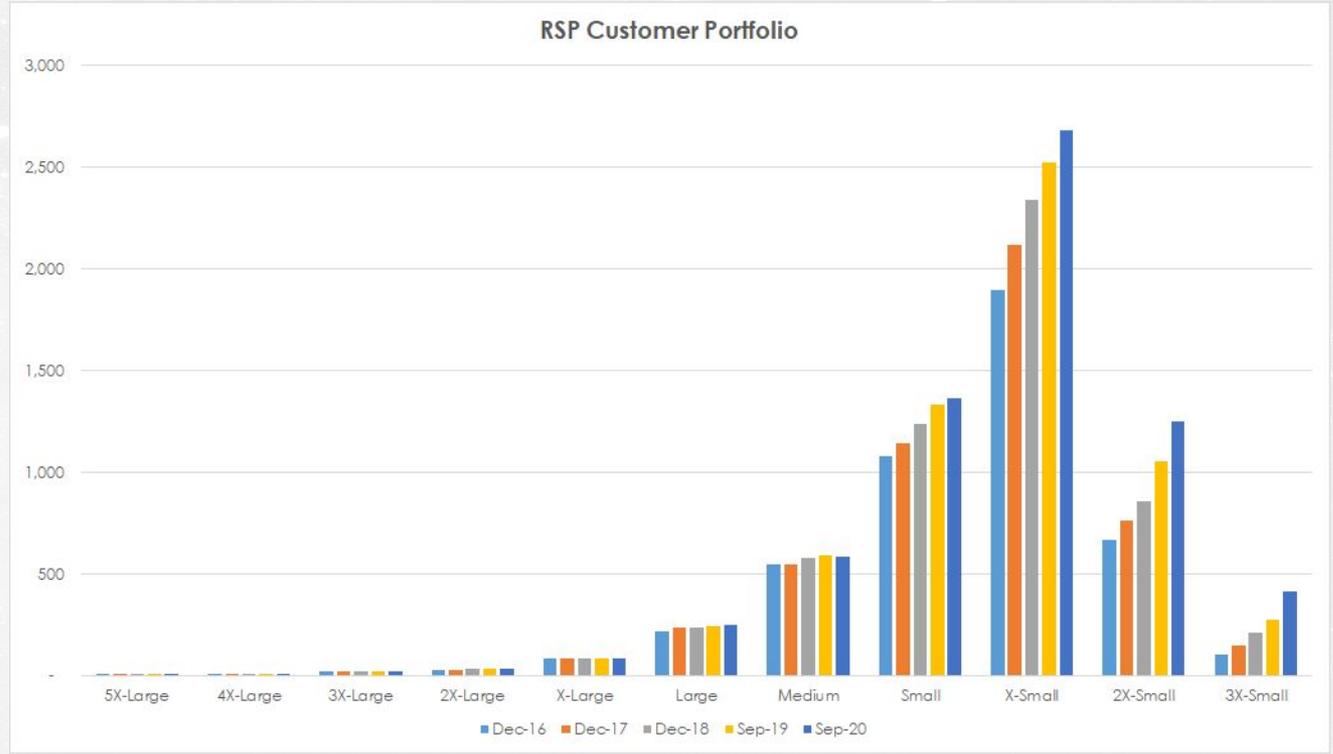
- Total revenues of \$15.5M through September of 2020
- 2020 revenues are below budget by 5%
- 2020 revenues are equal to 2019 revenue



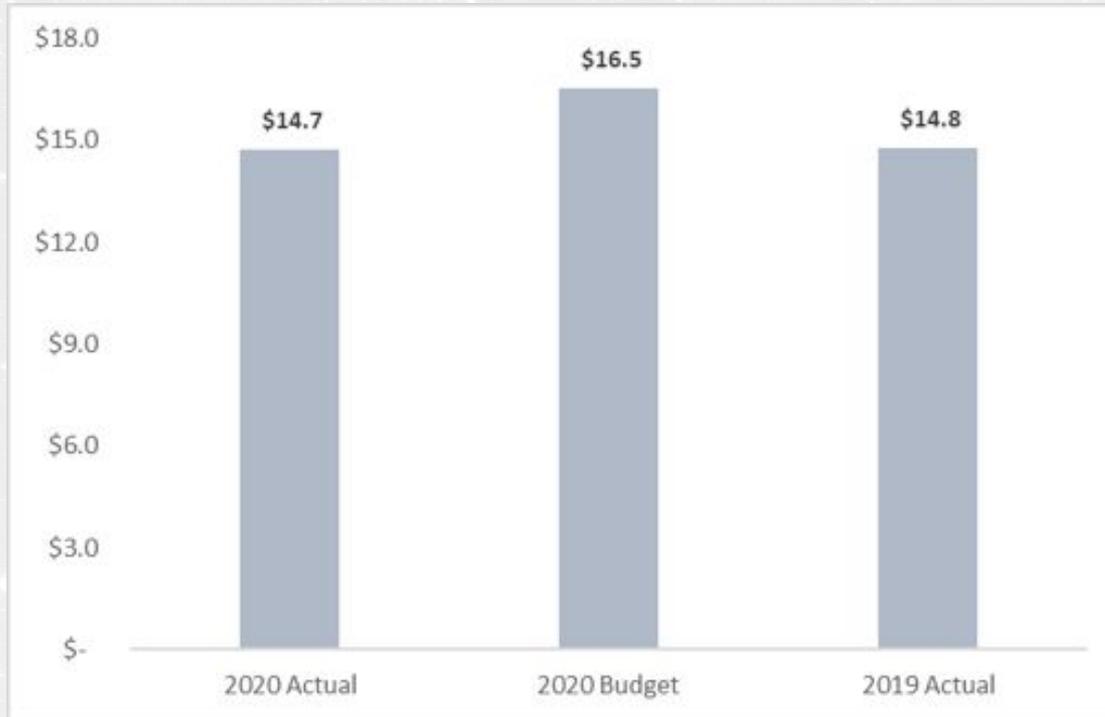
USD in millions

Customer counts

- 6,677 total RSP customers
- 16,354 End User customers



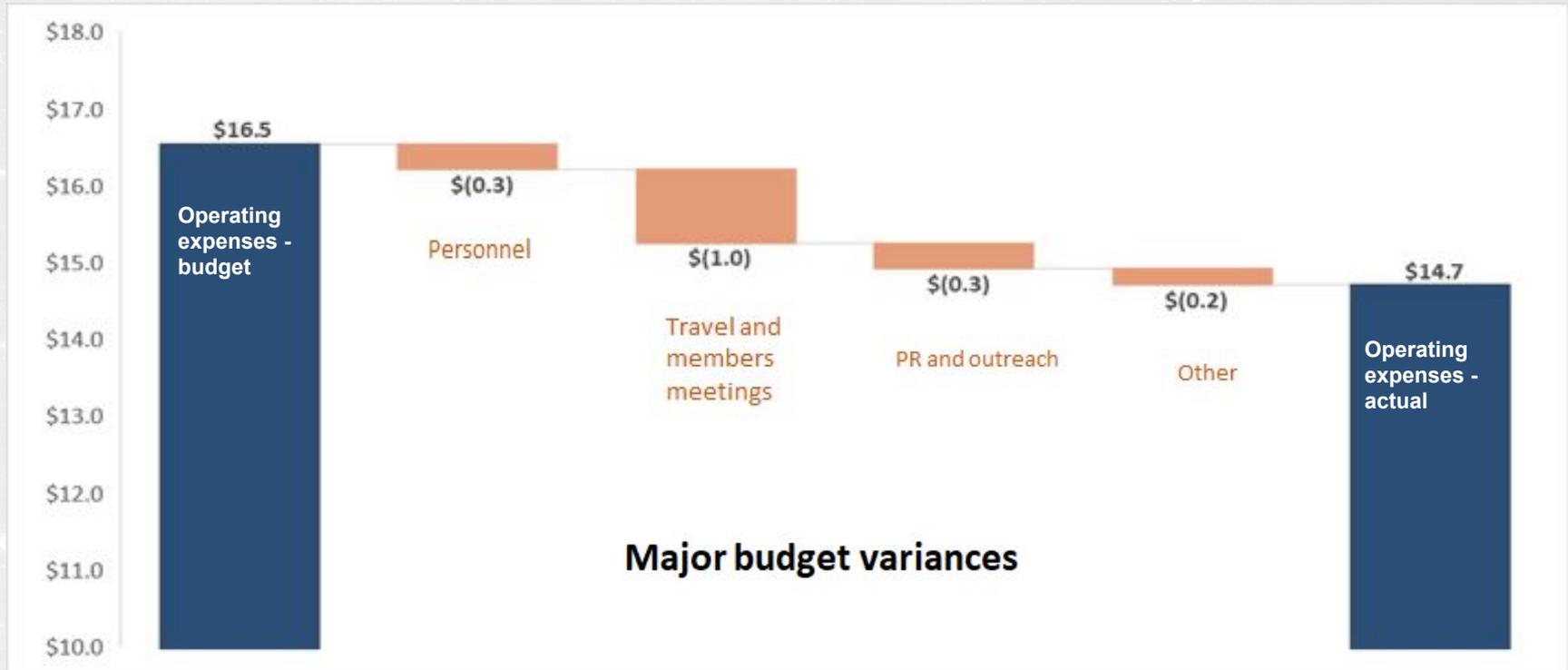
Operating expenses



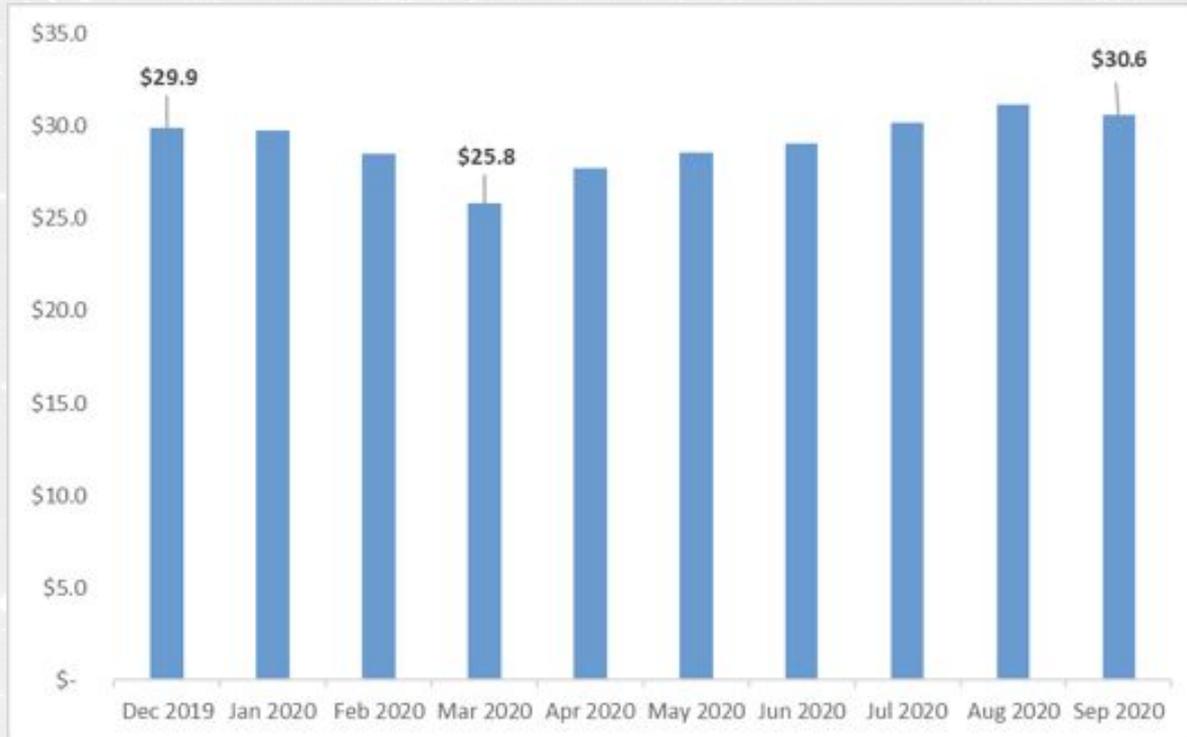
USD in millions

- 2020 operating expenses are \$14.7M through September
- 2020 operating expenses are below budget by 11%
- Slight decrease from 2019 operating expenses

2020 Operating Expenses – Budget Variances



Investments



USD in millions

- Investments recovered well from the sharp drop in February and March
- Value has increased by \$0.7M in 2020
 - No contributions and no withdrawals

Net Assets

Change in net assets:	2020 Actual	2020 Budget
Net assets, January 1	\$ 28.8	\$ 28.8
Revenues	\$ 15.5	\$ 16.3
Operating expense	\$ (14.7)	\$ (16.5)
Excess of revenues over (under) operating expenses	\$ 0.8	\$ (0.2)
Investment income (loss)	\$ 0.7	\$ 1.0
Net assets, September 30	\$ 30.3	\$ 29.6

USD in millions

- Net assets have grown by \$1.5M
- Two drivers of increase
 - Excess of revenues over operating expense
 - Investment income

Operating Expenses Coverage

	Est 2020	2019	2018	2017
Change in net assets:	December 31	December 31	December 31	December 31
Operating expenses (USD in millions)	\$21.3	\$21.5	\$22.2	\$21.4
Net assets (USD in millions)	\$30.0	\$28.8	\$27.4	\$31.3
Operating expense coverage percentage	141%	134%	123%	146%
Number of months covered by net assets	16.9	16.1	14.8	17.6

Statement of Financial Position

	September 2020	December 2019
Assets		
Cash and cash equivalents	\$ 2.9	\$ 1.6
Investments	\$ 30.6	\$ 29.9
Property and equipment - net	\$ 9.2	\$ 9.6
Other assets	\$ 1.1	\$ 0.9
	\$ 43.8	\$ 42.0
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 1.7	\$ 2.0
Deferred revenue	\$ 10.0	\$ 9.3
Deferred rent	\$ 1.8	\$ 1.9
Total liabilities	\$ 13.5	\$ 13.2
Net assets	\$ 30.3	\$ 28.8
	\$ 43.8	\$ 42.0

USD in millions

- Balance sheet continues to be in good shape
- Strong cash position will be carried into 2021

Thanks!

Any

Questions?

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