

TREASURER'S REPORT

Lee Howard, Treasurer



OVERVIEW

- * **Finance Committee Activities**
- * **Audited Financial Statements for 2002**
- * **Highlights of ARIN Budgeting**
- * **Update on Revenue**

FINANCE COMMITTEE UPDATE

* Members of the Finance Committee of the Board of Trustees

- ▶ Lee Howard, Chair
- ▶ Scott Bradner
- ▶ David Conrad

FINANCE COMMITTEE UPDATE

- * **Adopted new structure for committee based on SEC guidelines for for-profit**
 - ▶ Has responsibility to hire/fire auditors
 - ▶ Can request second opinion on audit and/or books and cost borne by ARIN
 - ▶ No member of the committee may be compensated by ARIN

FINANCE COMMITTEE

- * Reviewed draft 2004 budget**
- * Reviewed ARIN Insurance**
- * Working on Updating Registration Services Agreement**
- * Monitoring ARIN Investments**
- * Monitoring ARIN Financial Position**

AMERICAN REGISTRY FOR INTERNET NUMBERS, LTD.

Statement of Activities

Year Ended December 31, 2002

Revenue	
Registrations	\$ 6,977,747
IP end user	287,530
Maintenance	122,550
Other revenue	120,054
Membership dues	19,500
Total revenue	<u>7,527,381</u>
Expense	
Program	
Engineering	2,098,032
Registration services group	1,437,865
Member services	937,163
Total program expense	<u>4,473,060</u>
Administrative	<u>1,647,149</u>
Total expense	<u>6,120,209</u>
Change in net assets before investment activity	1,407,172
Loss on investment activity - Note C	<u>(190,420)</u>
Change in net assets	1,216,752
Net assets, January 1, 2002	<u>7,812,980</u>
Net assets, December 31, 2002	<u><u>\$ 9,029,732</u></u>

AMERICAN REGISTRY FOR INTERNET NUMBERS, LTD.

Statement of Financial Position

December 31, 2002

Assets	
Current assets	
Cash and cash equivalents	\$ 1,362,983
Accounts receivable	35,633
Prepaid expenses	68,587
Deposits - ICANN - Note B	345,490
Total current assets	<u>1,812,693</u>
Investments - Note C	9,390,090
Fixed assets	
Furniture and equipment	2,017,684
Leased equipment	186,795
Building improvements	612,785
	<u>2,817,264</u>
Less accumulated depreciation and amortization	<u>(1,276,669)</u>
	<u>1,540,595</u>
 Total assets	 <u><u>\$ 12,743,378</u></u>
 Liabilities and Net Assets	
Current liabilities	
Accounts payable	\$ 240,807
Deferred rent expense	51,039
Due to ICANN - Note B	343,292
Due to LACNIC	2,000
Deferred revenue	3,076,508
Total liabilities	<u>3,713,646</u>
Commitments - Note E	-
Net assets - unrestricted	<u>9,029,732</u>
Total liabilities and net assets	<u><u>\$ 12,743,378</u></u>

AMERICAN REGISTRY FOR INTERNET NUMBERS, LTD.

Statement of Cash Flows

Year Ended December 31, 2002

Cash Flows From Operating Activities	
Change in net assets	\$ 1,216,752
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	557,416
Loss on investments, net	286,341
Changes in assets and liabilities:	
Accounts receivable	(4,457)
Prepaid expenses	310,177
Deposits - ICANN	(24,729)
Accounts payable and accrued expense	65,573
Deferred rent expense	51,039
Amount due to ICANN	(76,669)
Amount due to LACNIC	(53,622)
Deferred revenue	9,100
Total adjustments	<u>1,120,169</u>
Net cash provided by operating activities	<u>2,336,921</u>
Cash Flows From Investing Activities	
Purchases of investment, net	(682,910)
Purchases of furniture and equipment	<u>(1,371,806)</u>
Net cash used in investing activities	<u>(2,054,716)</u>
Net increase in cash and cash equivalents	282,205
Cash and cash equivalents, January 1, 2002	<u>1,080,778</u>
Cash and cash equivalents, December 31, 2002	<u><u>\$ 1,362,983</u></u>

PERSONNEL

*** Salaries – 37 employees**

*** Employee Benefits**

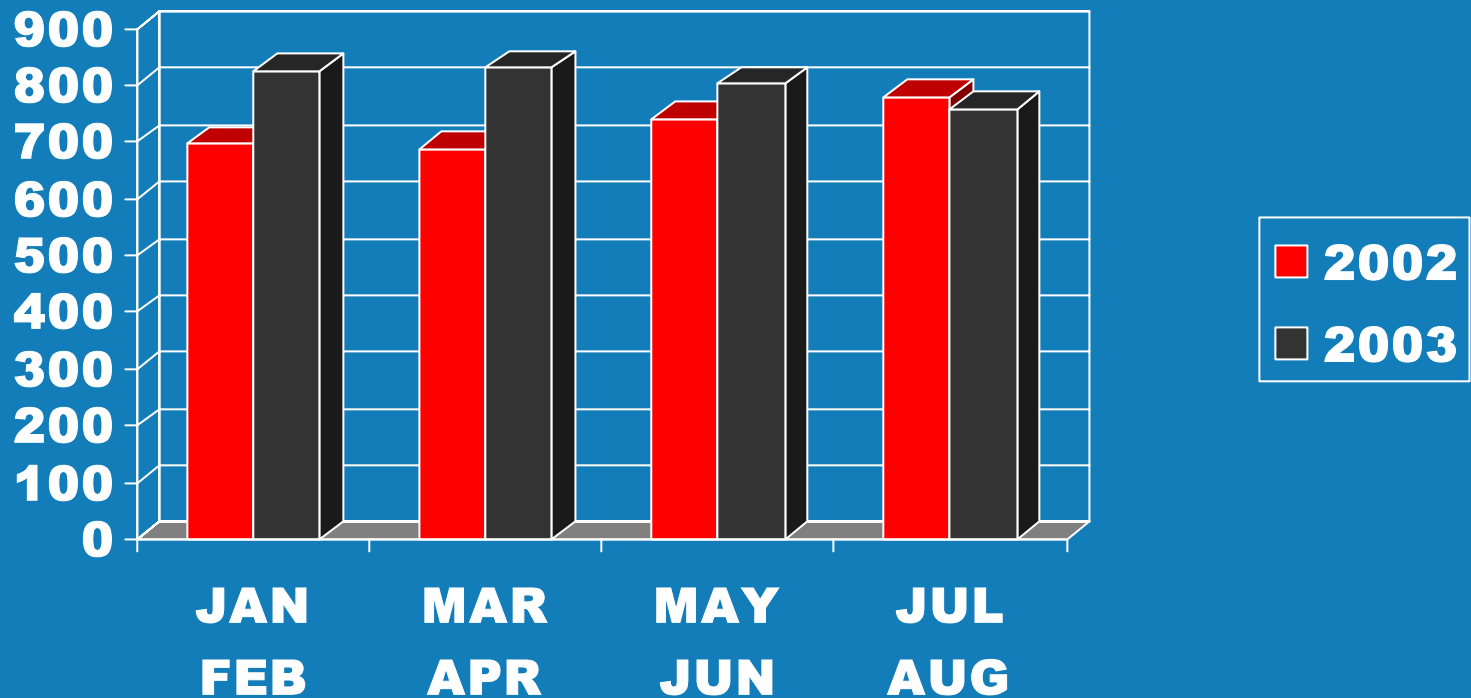
- ▶ Comprehensive and Holiday Leave
- ▶ Health Insurance
- ▶ 401k Plan
- ▶ Payroll Taxes
- ▶ Training and Education
- ▶ Dental, Employee Functions, Vision, Life Ins.

ARIN MEETING TRAVEL

- * Staff attends IETF, RIPE, APNIC, LACNIC, NANOG, ITU, AFRINIC, ICANN, WSIS, ISOC, GSM, IPv6 Forums, Industry Canada
- * Board, AC, and Legal travel to ARIN meetings and ARIN related business
- * ARIN Members of the ASO/AC to ARIN and some ASO Meetings

2003 RENEWAL REVENUE TO DATE COMPARISON

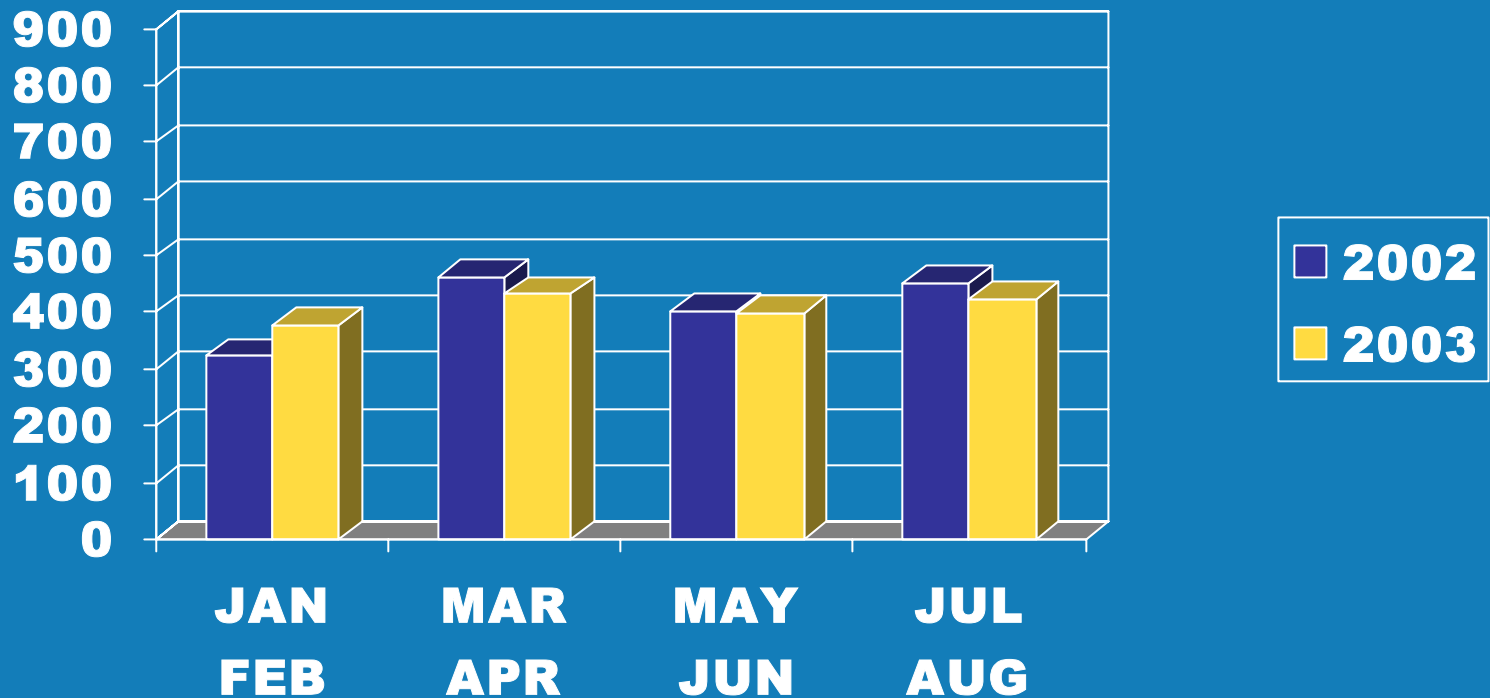
Thousands



ALL OTHER REVENUE

excluding investment

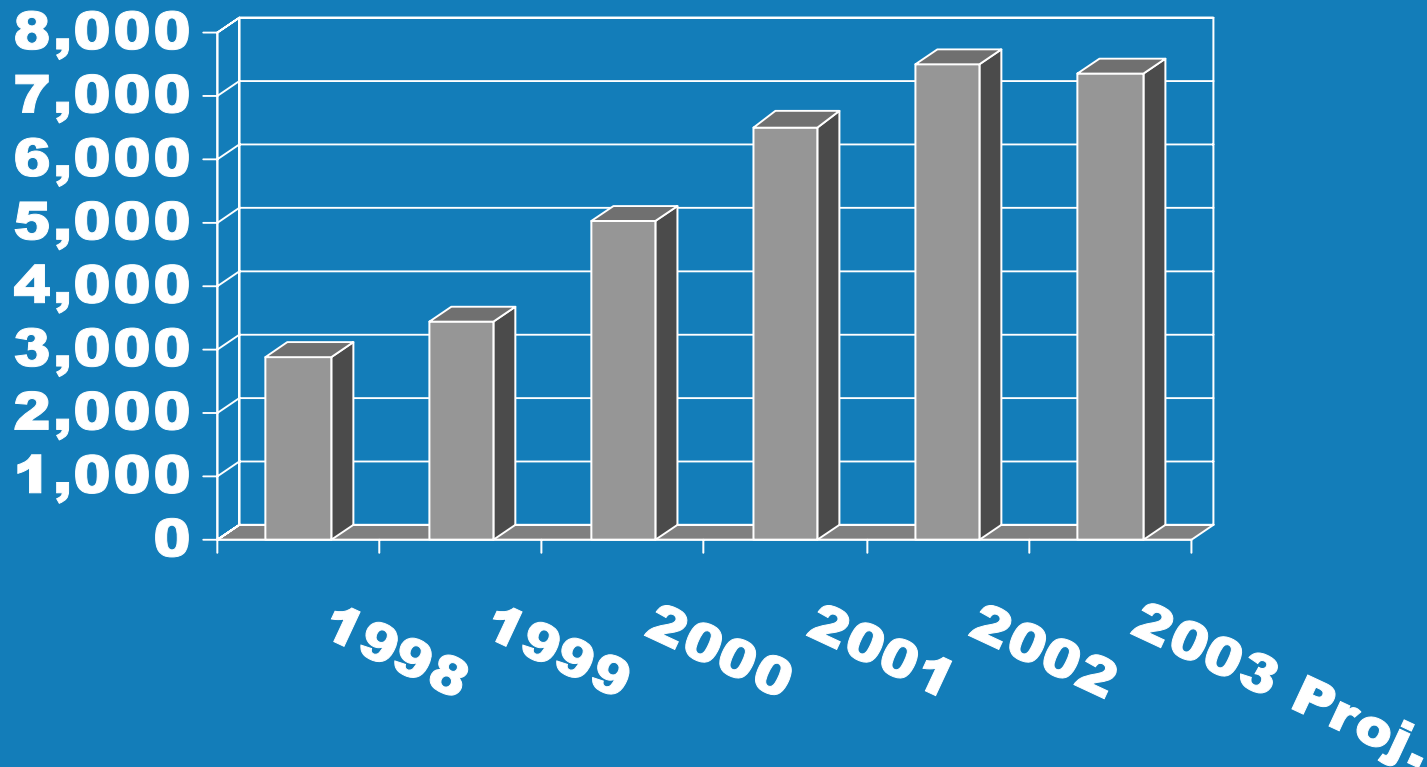
Thousands



YEAR TO YEAR TOTAL REVENUE

excluding investment

Thousands



THANK YOU