

# TREASURER'S REPORT

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TREASURER



# OVERVIEW

- \* Sarbanes Oxley

- \* Finance Committee

- \* Draft Audited 2004 Financial Statements

# AUDIT

## \* **Sarbanes Oxley audit – Oct 2004**

- ▶ **Reviewed Staff's implementation of changes based on recommendations from auditor's**
- ▶ **Will perform another Sarbanes Oxley audit in 2006**
- ▶ **ARIN is not required to perform this but board feels that it is prudent to “stay ahead of the curve”**

## \* **New auditor for 2004 financial audit**

# FINANCE COMMITTEE ACTIVITIES

- ★ Reviewed ARIN's 2004 results
- ★ Monitored ARIN's Financial Position
  - ▶ Reviewed Insurance Coverage
  - ▶ Accepted Investment Advisor's Recommendation to diversify funds

# DRAFT 2004 AUDITED STATEMENTS of ACTIVITIES

| Year Ended Dec 31    |                    | 2004               | 2003               |
|----------------------|--------------------|--------------------|--------------------|
| REVENUE AND          | SUPPORT            |                    |                    |
| Registrations        |                    | \$7,258,541        | \$7,019,515        |
| IP end-user Reg      |                    | 442,750            | 347,500            |
| Maintenance          |                    | 475,508            | 231,007            |
| Contributions        |                    | 33,747             | 30,000             |
| Other Revenue        |                    | 14,146             | 16,436             |
| Membership Dues      |                    | 10,000             | 17,935             |
| <b>TOTAL REVENUE</b> | <b>AND SUPPORT</b> | <b>\$8,234,692</b> | <b>\$7,662,393</b> |

# DRAFT 2004 AUDITED STATEMENTS of ACTIVITIES

| EXPENSE                       |  | 2004             | 2003             |
|-------------------------------|--|------------------|------------------|
| Program                       |  |                  |                  |
| Engineering                   |  | 2,434,796        | 2,226,532        |
| Registration<br>Services Dept |  | 1,630,978        | 1,458,466        |
| Member Services               |  | 1,289,080        | 1,042,655        |
| Total Program<br>Expense      |  | <b>5,354,854</b> | <b>4,727,653</b> |
| General and<br>Administrative |  | 1,528,404        | 1,629,645        |
| <b>TOTAL<br/>EXPENSES</b>     |  | <b>6,883,258</b> | <b>6,357,298</b> |

# DRAFT 2004 AUDITED STATEMENTS of ACTIVITIES

|                                |                            | 2004              | 2003              |
|--------------------------------|----------------------------|-------------------|-------------------|
| Change in Net Assets           | Before Investment Activity | \$1,351,434       | \$1,305,095       |
| Investment Gains               |                            |                   |                   |
| Interest and Dividends         |                            | \$ 229,301        | 88,973            |
| Capital gain distributions     |                            | 171,831           | —                 |
| Unrealized gain on investments |                            | 575,861           | 1,335,343         |
| <b>CHANGE IN NET ASSETS</b>    |                            | <b>2,328,427</b>  | <b>2,729,411</b>  |
| Net Assets – beginning of year |                            | 11,759,143        | 9,029,732         |
| Net Assets – end of year       |                            | <b>14,087,570</b> | <b>11,759,143</b> |

# DRAFT STATEMENT OF FINANCIAL POSITION - Assets

| December 31,                 |  | 2004              | 2003              |
|------------------------------|--|-------------------|-------------------|
| Current Assets               |  |                   |                   |
| Cash and Cash Equivalents    |  | \$ 813,427        | \$ 2,301,696      |
| Investments                  |  | 15,371,039        | 11,603,952        |
| Nontrade receivables         |  | 147,387           | 15,738            |
| Prepaid expenses             |  | 202,969           | 12,932            |
| Total Current Assets         |  | <b>16,534,822</b> | <b>13,934,318</b> |
| Property and Equipment – net |  | 1,131,902         | 1,172,033         |
| Escrow – deposit             |  | 351,338           | 551,727           |
| Net                          |  | <b>18,018,062</b> | <b>15,658,078</b> |



# DRAFT STATEMENT OF FINANCIAL POSITION - Liabilities

| Current Liabilities                 | 2004              | 2003              |
|-------------------------------------|-------------------|-------------------|
| Accounts payable & accrued expenses | \$ 602,672        | \$286,859         |
| Due to ICANN                        | 455,447           | 546,842           |
| Deferred Rent                       | 82,043            | 75,712            |
| Deferred revenue                    | 2,790,330         | 2,989,522         |
| <b>Total Current Liabilities</b>    | <b>3,930,492</b>  | <b>3,898,935</b>  |
| Net Assets unrestricted             | 14,087,570        | 11,759,143        |
| <b>Net</b>                          | <b>18,018,062</b> | <b>15,658,078</b> |

*THANK YOU*