

## **SUMMONS TO LACNIC'S ORDINARY ASSEMBLY**

LACNIC members are hereby summoned to the Ordinary Assembly of the Latin American and Caribbean Internet Address Registry (LACNIC) to be held on May 28, 2009, first summons at 3:30 pm, second summons at 4:00 pm, at the Hotel El Panamá, located in the city of Panama, Panama.

The Assembly is summoned in order to discuss the following agenda:

- 1) Designation of President and Secretary for the Assembly;
- 2) Consideration and approval of the annual report, general balance sheet, inventory, expense and income account, External Auditors' report and Fiscal Commission's report as at December 31, 2008.
- 3) Renewal of members of the Fiscal and Electoral Commissions
- 4) Establishment of Membership Fees (IPv6 fee).
- 5) Designation of two members for signing the minutes.

On LACNIC's website, members will find a model of a Power of Attorney which can be used to authorize members' representatives to attend and vote in their name at the Ordinary General Assembly in relation to the Annual Report, General Balance Sheet, Inventory, Expense and Income Account, Fiscal Commission's Report and Board of Directors' project regarding IPv6 fees.

Sincerely,

\_\_\_\_\_  
Oscar Robles  
Secretary

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Oscar Messano  
President

## **INDEPENDENT AUDITORS' REPORT**

**To  
Directors and Members of the General Meeting of  
Registro Regional de Direcciones IP para América  
Latina y el Caribe (LACNIC)  
Montevideo - Uruguay**

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### *Report on the Financial Statements*

1. We have audited the enclosed Statements of Assets and Liabilities of **Registro Regional de Direcciones IP para América Latina y el Caribe (LACNIC)** as of 31<sup>st</sup> December 2008, and the related Statement of Profit and Loss, Changes in Shareholders' Equity and Cash Flows, stated in United States Dollars for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### *Management's Responsibility for the Financial Statements.*

2. Management of **Regional de Direcciones IP para América Latina y el Caribe (LACNIC)** is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining an internal control relevant to the preparation and fair presentation of the financial statements that should be free from material misstatement, either due to fraud or to error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, either due to fraud or to error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

6. In our opinion, the financial statements present fairly, in all material aspects, the financial position of **Registro Regional de Direcciones IP para América Latina y el Caribe (LACNIC)** as of December 31<sup>st</sup>, 2008 and the results of its operations, the changes in its shareholders' equity and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

### *Limitation of Use*

7. This report is only for information and use of the Management of **Registro Regional de Direcciones IP para América Latina y el Caribe (LACNIC)** and it must not be used for any other purpose.

Montevideo, 2<sup>nd</sup> March 2009.

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**Cr. Jorge Gutfraind**  
**mri – Contadores Públicos**  
**C.P. 32.922**

Professional stamp  
in original copy

**Registro Regional de Direcciones IP para America Latina y Caribe (LACNIC)**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS OF DECEMBER 31, 2008**  
**(In U.S. Dollars)**

	December 31, 2008	December 31, 2007
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
CASH AND BANKS (Note 2.6)		
Cash	571	305
Banks	167.960	117.568
	168.531	117.873
SHORT TERM INVESTMENTS (Note 2.9 y 4)		
Investments	313.795	2.685
	313.795	2.685
ACCOUNTS RECEIVABLE (Note 2.7)		
Trade Debtors	713.039	633.728
Less:		
Deferred Income	(180.077)	(242.395)
Allowance for Doubtful Accounts (Note 2.8)	(18.279)	(26.554)
	514.683	364.779
OTHER RECEIVABLES		
Guaranty Deposits (Note 9)	12.044	432.626
Payments in Advance	-	5.779
Insurance to Fall Due	3.165	2.293
Other receivables	18.092	30.806
	33.301	471.504
<b>TOTAL CURRENT ASSETS</b>	<b>1.030.310</b>	<b>956.841</b>
<b>NON CURRENT ASSETS</b>		
ACCOUNTS RECEIVABLE (Note 2.7)		
Trade Debtors	-	3.400
Deferred Income	-	(3.400)
	-	-
FIXED ASSETS (Note 2.10 and Appendix I)		
Property, Plant and Equipment	1.896.054	1.073.797
Less: Accumulated Depreciation	(114.468)	(82.086)
	1.781.586	991.711
INTANGIBLES (Note 2.10 and Appendix I)		
Intangibles	20.415	18.357
Less: Accumulated Depreciation	(18.886)	(15.684)
	1.529	2.673
<b>TOTAL NON CURRENT ASSETS</b>	<b>1.783.115</b>	<b>994.384</b>
<b>TOTAL ASSETS</b>	<b>2.813.425</b>	<b>1.951.225</b>

The accompanying notes and appendixes are an integral part of the financial statements

**Registro Regional de Direcciones IP para America Latina y Caribe (LACNIC)**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS OF DECEMBER 31, 2008**  
**(In U.S. Dollars)**

	<u>December 31, 2008</u>	<u>December 31, 2007</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES (Note 2.11)		
COMMERCIAL DEBTS		
Accounts Payable	42.413	28.817
	<u>42.413</u>	<u>28.817</u>
FINANCIAL DEBTS		
Bank Loans (Note 6)	153.393	118.527
	<u>153.393</u>	<u>118.527</u>
OTHER DEBTS		
Provisions for Employee Benefits	48.800	46.274
Benefits for Staff Retirement	5.407	30.572
Advanced Collections	82.123	21.941
Payroll	-	8.675
Other Debts	26.960	118.396
	<u>163.290</u>	<u>225.858</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>359.096</b>	<b>373.202</b>
NON-CURRENT LIABILITIES		
FINANCIAL DEBTS		
Bank Loans (Note 6)	639.943	188.888
	<u>639.943</u>	<u>188.888</u>
OTHER DEBTS		
Advanced Collections	-	8.300
	<u>-</u>	<u>8.300</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>639.943</b>	<b>197.188</b>
<b>TOTAL LIABILITIES</b>	<b>999.039</b>	<b>570.390</b>
<b>EQUITY ( Appendix II)</b>		
RETAINED EARNINGS		
Accumulated Surplus	1.380.835	965.032
Net Income of the Year	433.551	415.803
	<u>1.814.386</u>	<u>1.380.835</u>
<b>TOTAL EQUITY</b>	<b>1.814.386</b>	<b>1.380.835</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2.813.425</b>	<b>1.951.225</b>

The accompanying notes and appendixes are an integral part of the financial statements

**Registro Regional de Direcciones IP para America Latina y Caribe (LACNIC)**  
**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(In U.S. Dollars)

	Year ended 2008	Year ended December 31, 2007
<b>OPERATING REVENUES</b>		
Net Operating Revenues	2,040,649	1,709,539
	2,040,649	1,709,539
 <b>SELLING AND ADMINISTRATIVE EXPENSES</b>		
Salaries and Contributions for Retirement	(650,833)	(481,148)
Travel and Training	(370,687)	(307,308)
Hired Services	(150,171)	(189,529)
Cooperation, Contributions and Memberships	(178,162)	(145,274)
Correspondence and Communications	(70,116)	(52,328)
Fixed Assets Depreciation	(52,918)	(34,646)
Dissemination Expenses	(64,567)	(30,964)
Stationery and Other Office Supplies	(33,849)	(13,901)
Electric Power and Water	(11,670)	(11,039)
Insurance	(4,408)	(5,601)
Loss for Bad Debts	(11,000)	(2,572)
Other Expenses	(17,928)	(10,849)
	(1,616,309)	(1,285,159)
 <b>OTHER RESULTS</b>		
Other Results	63,661	14,461
	63,661	14,461
 <b>FINANCIAL RESULTS</b>		
Interest Paid	(39,685)	(44,210)
Interest Income	12,500	17,482
Differences of Investment Valuation	(32,829)	11,636
Exchange Differences	5,564	(7,946)
	(54,450)	(23,038)
 <b>NET INCOME OF THE YEAR</b>		
	<b>433,551</b>	<b>415,803</b>

The accompanying notes and appendixes are an integral part of the financial statements

**Registro Regional de Direcciones IP para America Latina y Caribe (LACNIC)**  
**STATEMENT OF CHANGES IN CASH FLOW**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(In U.S. Dollars)

	Year ended December 31, 2008	Year ended December 31, 2007
<b>1 - Cash Flow for Operating Activities</b>		
Net Income of the Year	433.551	415.803
Adjustments:		
Fixed Assets Depreciation	52.917	34.646
Fixed Assets Adjustment	6.052	(5.514)
Retained Earnings Adjustments		(37.998)
Movements of Non Funds		(9.064)
Changes in Assets and Liabilities		
Increase of Commercial Debts and Other Debts	(132.283)	194.433
Increase of Accounts Receivable and Other Current Assets	(57.272)	103.672
Net Cash Provided by Operating Activities	<u>302.965</u>	<u>695.978</u>
<b>2 - Cash Flow from Investment Activities</b>		
Decrease of Investments	(311.110)	2.632
Decrease of Guaranty Deposits	420.582	(394.774)
Increase in Fixed Assets	<u>(847.700)</u>	<u>(173.880)</u>
Net Cash In Investment Activities	<u>(738.228)</u>	<u>(566.022)</u>
<b>3 - Cash Flow from Financial Activities</b>		
Bank Loans Obtained	600.000	-
Bank Loans Paid	<u>(114.079)</u>	<u>(114.807)</u>
Net Cash Used in Financial Activities	485.921	(114.807)
<b>4 - Cash Increase</b>	<b>50.658</b>	<b>15.149</b>
<b>5 - Cash and Cash Equivalents at the Beginning of the Year</b>	<b>117.873</b>	<b>102.724</b>
<b>6 - Cash and Cash Equivalents at the End of the Year</b>	<b><u>168.531</u></b>	<b><u>117.873</u></b>

The accompanying notes and appendixes are an integral part of the financial statements

**Registro Regional de Direcciones IP para America Latina y Caribe (LACNIC)**  
**STATEMENT OF PROPERTY, PLANT AND EQUIPMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(In U.S. Dollars)

	HISTORICAL AND REVALUED VALUES			DEPRECIATIONS				NET			
	Values at the beginning of the year	Increases	Decreases	Values at the end of the year	Values at the beginning of the year	Decreases	Rate (%)	Depreciation of the year	Accumulated at the end of the year	NET VALUES 31.12.2008	NET VALUES 31.12.07
<b>FIXED ASSETS</b>											
Office Equipment	41,455	10,497		51,952	10,657		10,00	4,229	14,886	37,066	30,798
Communication Equipment	11,305	150		11,455	7,298		20,00	1,431	8,729	2,726	4,007
Computers	88,194	58,117	(17,160)	129,151	60,015	(17,160)	33,33	23,984	66,839	62,312	28,179
Other Equipment	9,957	20,901		30,858	-		33,33	3,465	3,465	27,393	9,957
Vehicles	-	15,000		15,000	-		10,00	1,150	1,150	13,850	-
Real Estate (Plot of Land)	368,679	503,774		872,453	-		-	-	-	872,453	368,679
Real Estate (Building)	548,243	236,942		785,185	4,116		2,00	15,283	19,399	765,786	544,127
Works in Progress	5,964		(5,964)	-						-	5,964
<b>Total Fixed Assets</b>	<b>1,073,797</b>	<b>845,381</b>	<b>(23,124)</b>	<b>1,896,054</b>	<b>82,086</b>	<b>(17,160)</b>		<b>49,542</b>	<b>114,468</b>	<b>1,781,586</b>	<b>991,711</b>
<b>INTANGIBLES</b>											
Software	18,357	2,319	(261)	20,415	15,684	(173)	33,33	3,375	18,886	1,529	2,673
<b>Total</b>	<b>1,092,154</b>	<b>847,700</b>	<b>(23,385)</b>	<b>1,916,469</b>	<b>97,770</b>	<b>(17,333)</b>		<b>52,917</b>	<b>133,354</b>	<b>1,783,115</b>	<b>994,384</b>



**Registro Regional de Direcciones IP para America Latina y Caribe (LACNIC)**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(In U.S. Dollars)**

	Capital	Reserves	Retained Earnings	Total Equity
1 - OPENING BALANCES - 01.01.2007				
Retained Earnings			1.380.835	1.380.835
SUBTOTAL	-	-	1.380.835	1.380.835
2 - MOVEMENTS OF OPENING BALANCE (Note 10)				-
3 - BALANCE OF ADJUSTED BEGINNING (1+2)	-	-	1.380.835	1.380.835
4 - MOVEMENTS DURING THE YEAR				
5 - NET PROFIT OF THE YEAR			433.551	433.551
SUBTOTAL ( 4+5 )	-	-	433.551	433.551
6 - FINAL BALANCES				
Retained Earnings	-	-	1.814.386	1.814.386
<b>Final Balances at 31.12.2008</b>	-	-	<b>1.814.386</b>	<b>1.814.386</b>
<b>Final Balances at 31.12.2007</b>			<b>1.380.835</b>	<b>1.380.835</b>

## **FISCAL COMMISSION'S REPORT**

(Free translation of the original document in Spanish)

According to the provisions of Article 27, Item (c), of the approved and valid Bylaws of the **LATIN AMERICAN AND CARIBBEAN INTERNET ADDRESS REGISTRY (LACNIC)**, a meeting of the Control Organ is held, with the presence of Cassio Vecchiatti, Gabriel Adonaylo and Adriana Ibarra Vázquez.

In view of the above, a report is issued in reference to the Financial Statements corresponding to the term ended December 31, 2008, and the Independent Auditor's Report.

**ONE** – The results of the audit carried out by MRI Contadores Públicos, Auditoría e Impuestos, in their capacity as independent auditors, in relation to the Financial Statements corresponding to the term ended on December 31, 2008, were reviewed. The result of said audit has been favorable and the referenced financial statements reasonably represent, in all significant aspects, LACNIC's financial situation as at December 31st, 2008.

**TWO** - Based on the analysis of the external audit report prepared by the Control Organ and the documentation submitted by or requested from LACNIC, it is our conclusion that the information we have been presented truthfully reflects LACNIC's financial situation as at December 31, 2008, and therefore we advise its approval by the General Assembly under the provisions of LACNIC's Bylaws.

April 3rd, 2008

Cassio Vecchiatti

Gabriel Adonaylo

Adriana Ibarra Vázquez

## ESTABLISHMENT OF MEMBERSHIP FEES

1) LACNIC Active A members shall pay the annual membership fees corresponding to the highest category to which they belong according to the number of IPv4 or IPv6 addresses they have been assigned as set forth in the following table:

Category	Prefix equivalent	
	IPv4	IPv6
<b>small/micro</b>	smaller than a /20	from a /48 to a /39
<b>small</b>	from a /20 to a /19	larger than a /39 to a /35
<b>medium</b>	larger than a /19 up to a /16	larger than a /35 up to a /32
<b>large</b>	larger than a /16 up to a /14	larger than a /32 up to a /30
<b>x-large</b>	larger than a /14 up to a /11	larger than a /30 up to a /27
<b>major</b>	larger than a /11	larger than a /27

2) In order to promote the adoption of this protocol, the exemption of fees corresponding to IPv6 resources shall be maintained until July 1<sup>st</sup>, 2012. For this reason, until that date the number of IPv6 addresses shall not be considered when determining the appropriate category.

3) Members having only IPv6 addresses will continue to be exempt from paying membership fees until the date stated in item 2) above, while maintaining all the rights awarded to LACNIC members.

4) Non government, non-profit organizations that in the opinion of LACNIC are considered to be End Users and that only utilize the IP addresses they receive for not-for-profit services shall have a 50% exemption of the membership fees corresponding to the End User category, both for their initial payment as well as for their yearly membership renewal fees.