

Public Technical Identifiers (PTI) FY18 Financial Report

Twelve Months Ending June 30, 2018

FINANCIAL HIGHLIGHTS – PTI OPERATIONS (UNAUDITED)

June 2018 Year to Date (12 months) Actuals vs. Budget

FY18 PTI Operations in Millions, USD	YTD 12 Months Through June 2018		Variance vs Budget		FY18 - 12 Months	FY17 - 12 Months
	YTD Actual	YTD Budget	Total	%	Budget	Actuals
FUNDING	\$7.8	\$9.6	(\$1.8)	-19%	\$9.6	\$7.1
Personnel	\$4.9	\$5.8	\$0.9	15%	\$5.8	\$4.4
Travel & Meetings	\$0.5	\$0.6	\$0.1	25%	\$0.6	\$0.5
Professional Services	\$1.1	\$1.1	(\$0.0)	-1%	\$1.1	\$0.7
Administration	\$1.1	\$1.2	\$0.1	9%	\$1.2	\$1.0
Contingency	\$0.0	\$0.5	\$0.5	100%	\$0.5	\$0.0
Capital	\$0.0	\$0.1	\$0.0	56%	\$0.1	\$0.1
Depreciation (a)	\$0.2	\$0.4	\$0.2	43%	\$0.4	\$0.4
TOTAL CASH EXPENSES	\$7.8	\$9.6	\$1.8	19%	\$9.6	\$7.1
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0%	\$0.0	\$0.0
End of Period Headcount	19.0	22.6	(3.5)	-16%	22.6	17.5

(a) Depreciation is treated as a cash expense for PTI since it will be reimbursed to ICANN

PTI Operations has Funding and Cash Expenses lower than budget by \$1.8M.

Funding of PTI is from the Subcontracting agreement with ICANN where PTI performs the IANA services on a cash expense basis with no mark up or profit charged under the agreement. Since Expenses are lower than budget, the Funding from ICANN is also lower by the same amount.

Expenses are lower than budget by \$1.8M primarily due to the favorable variance in personnel expense (\$0.9M) and contingency (\$0.5M).

Personnel expense is lower than budget due to lower average Headcount of -3.5 FTE. This variance is primarily due to the delayed hiring of four positions that were budgeted for PTI in FY18 (IANA Specialist, Director of Technical Services, Technical Product Manager, and Security Services Manager). In addition, during FY18 the Director of Technical Services and Director of Security positions were combined, reducing the open positions to three as of 30 June 2018.

Travel and Meetings is lower than budget \$0.1M due to fewer community travelers attending Key Signing Ceremonies than planned.

Professional expenses are flat to budget.

Administration expenses are lower than budget \$0.1M due to lower costs from shared services support projects.

Capital expenses are flat to budget.

Contingency represents an amount allocated for unforeseen expenses not allocated to specific activities. The budget contingency of \$465K was not utilized in FY18.

FINANCIAL HIGHLIGHTS – IANA Services OPERATIONS (UNAUDITED)

June Year to Date (12 months) Actuals vs. Budget

FY18 IANA Services in Millions, USD	YTD 12 Months Through June 2018		Variance vs Budget		FY18 - 12 Months	FY17 - 12 Months
	YTD Actual	YTD Budget	Fav/(Unfav)	%	Budget	Actuals
PTI Operations	\$7.8	\$9.6	\$1.8	19%	\$9.6	\$7.1
IANA Department - ICANN Funded (a)	\$0.3	\$0.4	\$0.1	27%	\$0.4	\$0.3
TOTAL	\$8.1	\$10.0	\$1.9	19%	\$10.0	\$7.4

(a) IANA Department Expense consists of the RZMA = Root Zone Maintainer Agreement and capital expense, both funded directly by ICANN Operations

Total IANA Services expense of \$8.1M is lower than budget of \$10.0 by \$1.9M. This favorability is attributed to a favorable variance for PTI Operations noted above and the ICANN Funded IANA costs representing the RZMA costs at budget.

APPENDIX

FY18 PTI Operations by Services – Year to Date Jun 2018 (12 months)

FY18 PTI YTD Actuals Through June 2018 In Millions, USD	YTD Actuals			
	Names	Numbers	Protocol Parameters	FY 18 Actuals
Direct costs / Dedicated resources	1.9	0.5	0.8	3.3
Direct costs / Shared resources	1.3	0.3	0.5	2.2
Support Services Allocations	1.4	0.4	0.6	2.4
Total	\$4.7	\$1.2	\$2.0	\$7.8

FY18 PTI YTD Budget Through June 2018 In Millions, USD	YTD Budget			
	Names	Numbers	Protocol Parameters	FY 18 Budget
Direct costs / Dedicated resources	2.7	0.7	1.2	4.6
Direct costs / Shared resources	1.4	0.3	0.5	2.2
Support Services Allocations	1.7	0.4	0.7	2.8
Total	\$5.7	\$1.4	\$2.4	\$9.6

Variance FY18A vs FY18B In Millions, USD	Variance vs Budget			
	Names	Numbers	Protocol Parameters	Variance
Direct costs / Dedicated resources	(0.8)	(0.2)	(0.3)	(1.3)
Direct costs / Shared resources	(0.0)	(0.0)	(0.0)	(0.0)
Support Services Allocations	(0.3)	(0.1)	(0.1)	(0.5)
Total	(\$1.1)	(\$0.3)	(\$0.5)	(\$1.8)

FY18 Budget PTI by Service In Millions, USD	FY18 Full Year Budget			
	Names	Numbers	Protocol Parameters	FY Budget
Total	\$5.7	\$1.4	\$2.4	\$9.6

FY19 PTI Budget

FY19 PTI Budget in Millions, USD	PTI Services FY19 Budget	PTI Services FY18 Budget	Increase/(Decrease)	
			Total	%
FUNDING	\$10.0	\$9.6	\$0.4	4.2%
Personnel	\$6.0	\$5.8	\$0.2	3.5%
Travel & Meetings	\$0.7	\$0.6	\$0.1	8.6%
Professional Services	\$1.1	\$1.1	\$0.0	1.7%
Administration	\$1.3	\$1.2	\$0.1	5.2%
Contingency	\$0.5	\$0.5	(\$0.0)	-0.9%
Capital	\$0.2	\$0.1	\$0.1	157.6%
Depreciation (a)	\$0.3	\$0.4	(\$0.1)	-17.7%
TOTAL CASH EXPENSES	\$10.0	\$9.6	\$0.4	4.2%
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%
Average Headcount (FTE) (b)	22.8	22.6	0.2	0.8%

(a) Depreciation is treated as a cash expense for PTI since it will be reimbursed to ICANN

(b) FTE: Full-time staff equivalent