

Public Technical Identifiers (PTI) FY18 Financial Report

3 Months Ending September 30, 2017

FINANCIAL HIGHLIGHTS – PTI OPERATIONS (UNAUDITED)

September 2017 Year to Date (3 months) Actuals vs. Budget

FY18 PTI Operations in Millions, USD	YTD 3 Months Through Sep 2017		Variance vs Budget		FY18 - 12 Months	FY17 - YTD 3 Months
	YTD Actual	YTD Budget	Total	%	Budget	Actuals
FUNDING	\$1.6	\$2.2	(\$0.6)	-26.4%	\$9.6	\$1.7
Personnel	\$1.1	\$1.4	\$0.3	22.2%	\$5.8	\$1.0
Travel & Meetings	\$0.1	\$0.1	\$0.0	28.8%	\$0.6	\$0.1
Professional Services	\$0.1	\$0.2	\$0.1	47.9%	\$1.1	\$0.2
Administration	\$0.2	\$0.3	\$0.1	30.7%	\$1.6	\$0.1
Contingency	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5	\$0.0
Capital	\$0.0	\$0.0	\$0.0	100.0%	\$0.1	\$0.0
Depreciation (a)	\$0.1	\$0.1	\$0.0	0.0%	\$0.0	\$0.1
TOTAL CASH EXPENSES	\$1.6	\$2.2	\$0.6	26.4%	\$9.6	\$1.7
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0
AVERAGE HEADCOUNT (FTE) (b)	18.8	22.6	(3.7)	-16.5%	22.6	17.3

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

(b) FTE: Full-time staff equivalent

PTI Operations has Funding and Cash Expenses lower than budget by \$0.6M.

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 \$0.6 primarily due to the favorable variance in personnel expense (\$0.3M).

Personnel expense is lower than budget due to lower average Headcount of -3.7. This variance is primarily due to the delayed hiring of 3 new positions that were budgeted for PTI for the period (Technical Product Manager, Software Developer, and a Cryptographic Key Manager).

Travel and Meetings is lower than budget \$40K due to delay of travel from when planned in the budget.

Professional Expenses are lower than budget by \$100K due lower outside legal services for \$76K and timing of financial audit costs of \$25K.

Administration expenses are lower than budget \$90K due the timing of various shared services support projects.

Capital expense is flat to budget.

FINANCIAL HIGHLIGHTS – IANA Services OPERATIONS (UNAUDITED)

September Year to Date (3 months) Actuals vs. Budget

FY18 IANA Services in Millions, USD	YTD 3 Months Through Sep 2017		Variance vs Budget		FY18 - 12 Months Budget	FY17 - YTD 3 Months Actuals
	YTD Actual	YTD Budget	Fav/(Unfav)	%		
PTI Operations	\$1.6	\$2.2	\$0.6	26.4%	\$9.6	\$1.7
IANA Department - ICANN Funded (a)	\$0.1	\$0.1	\$0.0	0.0%	\$0.4	\$0.0
TOTAL	\$1.7	\$2.3	\$0.6	25.6%	\$10.0	\$1.7

(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 \$1.7M is lower than budget of \$2.3M by \$0.6M. 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 September 2017 (3 months)

FY18 PTI YTD Actuals Through September 2017 In Millions, USD	YTD Actuals			
	Names	Numbers	Protocol Parameters	FY 18 Actuals
Direct costs / Dedicated resources	0.5	0.1	0.2	0.9
Direct costs / Shared resources	0.2	0.1	0.1	0.4
Support Services Allocations	0.2	0.1	0.1	0.4
Total	\$1.0	\$0.2	\$0.4	\$1.6

FY18 PTI YTD Budget Through September 2017 In Millions, USD	YTD Budget			
	Names	Numbers	Protocol Parameters	FY 18 Budget
Direct costs / Dedicated resources	0.6	0.1	0.2	1.0
Direct costs / Shared resources	0.3	0.1	0.1	0.6
Support Services Allocations	0.4	0.1	0.2	0.7
Total	\$1.3	\$0.3	\$0.6	\$2.2

Variance FY18A vs FY18B In Millions, USD	Variance vs Budget			
	Names	Numbers	Protocol Parameters	Variance
Direct costs / Dedicated resources	(0.1)	(0.0)	(0.0)	(0.1)
Direct costs / Shared resources	(0.1)	(0.0)	(0.0)	(0.2)
Support Services Allocations	(0.2)	(0.0)	(0.1)	(0.3)
Total	(\$0.3)	(\$0.1)	(\$0.2)	(\$0.6)

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