

Public Technical Identifiers (PTI) FY18 Financial Report

Nine Months Ending March 31, 2018

FINANCIAL HIGHLIGHTS – PTI OPERATIONS (UNAUDITED)

March 2018 Year to Date (9 months) Actuals vs. Budget

FY18 PTI Operations in Millions, USD	YTD 9 Months Through Mar 2018		Variance vs Budget		FY18 - 12 Months	FY17 - YTD 9 Months
	YTD Actual	YTD Budget	Total	%	Budget	Actuals
FUNDING	\$5.3	\$7.1	(\$1.9)	-26.4%	\$9.2	\$5.4
Personnel	\$3.7	\$4.3	\$0.7	15.2%	\$5.8	\$3.0
Travel & Meetings	\$0.2	\$0.4	\$0.2	47.2%	\$0.6	\$0.3
Professional Services	\$0.4	\$0.9	\$0.5	50.9%	\$0.7	\$0.5
Administration	\$0.7	\$0.9	\$0.2	19.0%	\$1.6	\$1.0
Contingency	\$0.0	\$0.2	\$0.2	\$0.0	\$0.5	\$0.0
Capital	\$0.0	\$0.1	\$0.1	89.9%	\$0.1	\$0.1
Depreciation (a)	\$0.2	\$0.3	\$0.1	36.6%	\$0.0	\$0.4
TOTAL CASH EXPENSES	\$5.3	\$7.1	\$1.9	26.4%	\$9.2	\$5.4
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0
End of Period Headcount	19.1	22.6	(3.5)	-15.3%	22.6	17.1

(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 \$1.9M.

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 \$1.9M primarily due to the favorable variance in personnel expense (\$0.7M) and professional services (\$0.5M) for timing of legal support and financial audit.

Personnel expense is lower than budget due to lower average Headcount of -3.5. This variance is primarily due to the delayed hiring of 3 new positions that were budgeted for PTI for the period (IANA Specialist, Director of Technical and Security Management, Cryptographic Key Manager).

Travel and Meetings is lower than budget \$0.2M due to delay of travel from when planned in the budget.

Professional Expenses are lower than budget \$0.5M due to (i) lower outside legal services for \$185K, (ii) timing of financial audit costs of \$60K, and (iii) Key Signing Ceremonies \$60K.

Administration expenses are lower than budget \$0.2M due the timing of various shared services support projects.

Capital expense is lower than budget \$60K due to timing on KMF facility maintenance and system development.

Budget Contingency of \$232K is not being utilized.

FINANCIAL HIGHLIGHTS – IANA Services OPERATIONS (UNAUDITED)

March Year to Date (9 months) Actuals vs. Budget

FY18 IANA Services in Millions, USD	YTD 9 Months Through Mar 2018		Variance vs Budget		FY18 - 12 Months Budget	FY17 - YTD 9 Months Actuals
	YTD Actual	YTD Budget	Fav/(Unfav)	%		
PTI Operations	\$5.3	\$7.1	\$1.9	26.4%	\$9.2	\$5.4
IANA Department - ICANN Funded (a)	\$0.2	\$0.2	\$0.0	0.0%	\$0.4	\$0.2
TOTAL	\$5.5	\$7.4	\$1.9	25.6%	\$9.6	\$5.5

(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 \$5.5 M is lower than budget of \$7.4M 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 March 2018 (9 months)

FY18 PTI YTD Actuals Through March 2018 In Millions, USD	YTD Actuals			
	Names	Numbers	Protocol Parameters	FY 18 Actuals
Direct costs / Dedicated resources	1.5	0.4	0.6	2.5
Direct costs / Shared resources	0.8	0.2	0.3	1.3
Support Services Allocations	0.9	0.2	0.4	1.5
Total	\$3.2	\$0.8	\$1.3	\$5.3

FY18 PTI YTD Budget Through March 2018 In Millions, USD	YTD Budget			
	Names	Numbers	Protocol Parameters	FY 18 Budget
Direct costs / Dedicated resources	2.0	0.5	0.9	3.4
Direct costs / Shared resources	1.0	0.2	0.4	1.6
Support Services Allocations	1.3	0.3	0.5	2.1
Total	\$4.3	\$1.1	\$1.8	\$7.1

Variance FY18A vs FY18B In Millions, USD	Variance vs Budget			
	Names	Numbers	Protocol Parameters	Variance
Direct costs / Dedicated resources	(0.6)	(0.1)	(0.2)	(0.9)
Direct costs / Shared resources	(0.2)	(0.0)	(0.1)	(0.3)
Support Services Allocations	(0.4)	(0.1)	(0.2)	(0.7)
Total	(\$1.1)	(\$0.3)	(\$0.5)	(\$1.9)

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