

Public Technical Identifiers (PTI) FY19 Financial Report

Six Months Ending December 31, 2018

FINANCIAL HIGHLIGHTS – PTI OPERATIONS (UNAUDITED)

December 2018 Year to Date (6 months) Actuals vs. Budget

FY19 PTI Operations in Millions, USD	YTD 6 Months Through December 2018		Variance vs Budget		FY19 - 12 Months Budget	FY18 - YTD 6 Months Actuals
	YTD Actual	YTD Budget	Total	%		
FUNDING	\$3.6	\$4.5	(\$1.0)	-22%	\$10.0	\$3.8
Personnel	\$2.2	\$3.0	\$0.7	25%	\$6.0	\$2.4
Travel & Meetings	\$0.2	\$0.3	\$0.1	38%	\$0.7	\$0.2
Professional Services	\$0.6	\$0.4	(\$0.3)	-67%	\$1.1	\$0.2
Administration	\$0.3	\$0.6	\$0.3	52%	\$1.3	\$0.8
Contingency	\$0.0	\$0.0	\$0.0	0%	\$0.5	\$0.0
Capital	\$0.1	\$0.1	(\$0.0)	-39%	\$0.2	\$0.0
Depreciation (a)	\$0.1	\$0.2	\$0.1	66%	\$0.3	\$0.1
TOTAL CASH EXPENSES	\$3.6	\$4.5	\$1.0	22%	\$10.0	\$3.8
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0%	\$0.0	\$0.0
End of Period Headcount	19.6	22.8	(3.2)	-14%	22.8	19.2

(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 \$1.0M.

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 \$1.0M primarily due to the favorable variance in personnel expense (\$0.7M) and Administration (\$0.3M).

Personnel expense is lower than budget by \$0.7M due to lower average Headcount of -3.2 FTE. This variance is primarily due to the delayed hiring of one position that was budgeted for PTI in FY19 and the timing to backfill open positions.

Travel and Meetings is lower than budget \$0.1M due to timing across various projects.

Professional expenses are over budget (\$0.3M) due to timing of legal expenses.

Administration expenses are lower than budget \$0.3M due timing across various projects.

Capital expenses are relatively flat to budget.

FINANCIAL HIGHLIGHTS – IANA Services OPERATIONS (UNAUDITED)

December Year to Date (6 months) Actuals vs. Budget

FY19 IANA Services in Millions, USD	YTD 6 Months Through December 2018		Variance vs Budget		FY19 - 12 Months Budget	FY18 - YTD 6 Months Actuals
	YTD Actual	YTD Budget	Fav/(Unfav)	%		
PTI Operations	\$3.6	\$4.5	\$1.0	22%	\$10.0	\$3.8
IANA Department - ICANN Funded (a)	\$0.2	\$0.2	\$0.0	11%	\$0.5	\$0.2
TOTAL	\$3.8	\$4.8	\$1.0	21%	\$10.5	\$3.9

(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 \$3.8M is lower than budget of \$4.8M by \$1.0M. 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 as well as support from the policy department.

APPENDIX

FY19 PTI Operations by Cost Group – Year to Date December 2018 (6 months)

Direct Dedicated

FY20 PTI Budget in Millions, USD	PTI Services FY20 Budget Direct Dedicated	PTI Services FY19 Budget Direct Dedicated	Increase/(Decrease)	
			Direct Dedicated	
			Total	%
FUNDING	\$1.5	\$1.9	(\$0.4)	-19.0%
Personnel	\$1.3	\$1.5	(\$0.2)	-12.2%
Travel & Meetings	\$0.1	\$0.2	(\$0.1)	-62.7%
Professional Services	\$0.1	\$0.1	(\$0.0)	-39.8%
Administration	(\$0.0)	\$0.1	(\$0.1)	-129.7%
Contingency	\$0.0	\$0.0	\$0.0	0.0%
Capital	\$0.1	\$0.1	\$0.0	39.0%
Depreciation (a)	\$0.0	\$0.0	\$0.0	0.0%
TOTAL CASH EXPENSES	\$1.5	\$1.9	(\$0.4)	-19.0%
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%
Average Headcount	15.0	17.0	(2.0)	-11.8%

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

Direct Shared

FY20 PTI Budget in Millions, USD	PTI Services FY20 Budget Direct Shared	PTI Services FY19 Budget Direct Shared	Increase/(Decrease)	
			Direct Shared	
			Total	%
FUNDING	\$1.2	\$1.2	\$0.0	3.5%
Personnel	\$0.5	\$0.6	(\$0.2)	-29.9%
Travel & Meetings	\$0.1	\$0.1	(\$0.0)	0.0%
Professional Services	\$0.4	\$0.1	\$0.3	188.6%
Administration	\$0.2	\$0.1	\$0.1	48.3%
Contingency	\$0.0	\$0.0	\$0.0	0.0%
Capital	\$0.0	\$0.0	\$0.0	0.0%
Depreciation (a)	\$0.1	\$0.2	(\$0.1)	-66.1%
TOTAL CASH EXPENSES	\$1.2	\$1.2	\$0.0	3.5%
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%
Average Headcount	22.8	17.0	5.8	33.8%

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

Shared Services

FY20 PTI Budget in Millions, USD	PTI Services FY20 Budget Shared Services	PTI Services FY19 Budget Shared Services	Increase/(Decrease)	
			Direct Shared	
			Total	%
FUNDING	\$0.8	\$1.5	(\$0.7)	-45.8%
Personnel	\$0.5	\$0.8	(\$0.4)	-42.1%
Travel & Meetings	\$0.0	\$0.0	(\$0.0)	-16.5%
Professional Services	\$0.2	\$0.1	\$0.0	14.4%
Administration	\$0.1	\$0.4	(\$0.3)	-76.2%
Contingency	\$0.0	\$0.0	\$0.0	0.0%
Capital	\$0.0	\$0.0	\$0.0	0.0%
Depreciation (a)	\$0.0	\$0.0	\$0.0	0.0%
TOTAL CASH EXPENSES	\$0.8	\$1.5	(\$0.7)	-45.8%
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%
Average Headcount	22.8	0.0	22.8	0.0%

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

FY19 PTI Operations by Services – Year to Date December 2018 (6 months)

FY19 PTI YTD Actuals Through December 2018	YTD Actuals			
	In Millions, USD	Names	Numbers	Protocol Parameters
Direct costs / Dedicated resources	0.9	0.2	0.4	1.5
Direct costs / Shared resources	0.7	0.2	0.3	1.2
Support Services Allocations	0.5	0.1	0.2	0.8
Total	\$2.1	\$0.5	\$0.9	\$3.6

FY19 PTI YTD Budget Through December 2018	YTD Budget			
	In Millions, USD	Names	Numbers	Protocol Parameters
Direct costs / Dedicated resources	1.1	0.3	0.5	1.9
Direct costs / Shared resources	0.7	0.2	0.3	1.2
Support Services Allocations	0.9	0.2	0.4	1.5
Total	\$2.7	\$0.7	\$1.2	\$4.5

Variance FY19A vs FY19B	Variance vs Budget			
	In Millions, USD	Names	Numbers	Protocol Parameters
Direct costs / Dedicated resources	(0.2)	(0.1)	(0.1)	(0.4)
Direct costs / Shared resources	0.0	0.0	0.0	0.0
Support Services Allocations	(0.4)	(0.1)	(0.2)	(0.7)
Total	(\$0.6)	(\$0.1)	(\$0.3)	(\$1.0)

FY19 PTI Budget – Full Year

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