

Public Technical Identifiers (PTI) FY19 Financial Report

Nine Months Ending March 31, 2019

FINANCIAL HIGHLIGHTS – PTI OPERATIONS (UNAUDITED)

March 2019 Year to Date (9 months) Actuals vs. Budget

| FY19 PTI Operations in Millions, USD | YTD 9 Months Through March 2019 | | Under/(Over) Budget | | FY19 - 12 Months Budget | FY18 - YTD 9 Months Actuals |
|-----------------------------------------|------------------------------------|--------------|---------------------|------------|-------------------------------|-----------------------------------|
| | YTD Actual | YTD Budget | Total | % | | |
| FUNDING | \$5.6 | \$7.2 | \$1.6 | 23% | \$10.0 | \$5.3 |
| Personnel | \$3.6 | \$4.5 | \$0.9 | 20% | \$6.0 | \$3.7 |
| Travel & Meetings | \$0.3 | \$0.5 | \$0.2 | 39% | \$0.7 | \$0.2 |
| Professional Services | \$0.8 | \$0.7 | (\$0.1) | -13% | \$1.1 | \$0.4 |
| Administration | \$0.7 | \$1.0 | \$0.3 | 30% | \$1.3 | \$0.7 |
| Contingency | \$0.0 | \$0.2 | \$0.2 | 100% | \$0.5 | \$0.0 |
| Capital | \$0.2 | \$0.2 | (\$0.0) | -25% | \$0.2 | \$0.0 |
| Depreciation (a) | \$0.1 | \$0.2 | \$0.2 | 77% | \$0.3 | \$0.2 |
| TOTAL CASH EXPENSES | \$5.6 | \$7.2 | \$1.6 | 23% | \$10.0 | \$5.3 |
| EXCESS/(DEFICIT) | \$0.0 | \$0.0 | \$0.0 | 0% | \$0.0 | \$0.0 |
| Average Headcount | 20.5 | 22.8 | 2.3 | 10% | 22.8 | 19.1 |

(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 \$1.6M.

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 \$1.6M primarily due to the favorable variance in Personnel expense of \$0.9M and Administration of \$0.3M.

Personnel expense is lower than budget by \$0.9M due to lower average Headcount of 2.3 FTE in IANA and Direct Shared (\$0.4M) and lower personnel expense in the Shared Services allocation (\$0.5M). This variance is primarily due to the timing of hiring open positions.

Travel and Meetings is lower than budget \$0.2M due to timing across various projects.

Professional Services expenses are over budget (\$0.1M) due to timing of legal expenses.

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

Capital expenses is at budget.

FINANCIAL HIGHLIGHTS – IANA Services OPERATIONS (UNAUDITED)

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

| FY19 IANA Services in Millions, USD | YTD 9 Months Through March 2019 | | Under/(Over) Budget | | FY19 - 12 Months Budget | FY18 - YTD 9 Months Actuals |
|----------------------------------------|------------------------------------|--------------|---------------------|------------|-------------------------------|-----------------------------------|
| | YTD Actual | YTD Budget | Total | % | | |
| PTI Operations | \$5.6 | \$7.2 | \$1.6 | 23% | \$10.0 | \$5.3 |
| IANA Department - ICANN Funded (a) | \$0.3 | \$0.4 | \$0.0 | 11% | \$0.5 | \$0.2 |
| TOTAL | \$5.9 | \$7.6 | \$1.7 | 22% | \$10.5 | \$5.4 |

(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 \$5.9M is lower than budget of \$7.6M by \$1.7M. This favorability is attributed to a favorable variance for PTI Operations noted above. The ICANN-funded IANA expenses representing costs for RZMA and allocation from the Policy department are at budget.

APPENDIX

FY19 PTI Operations by Cost Group – Year to Date March 2019 (9 months)

Direct Dedicated

| FY19 PTI Operations in Millions, USD | YTD Actual Direct Dedicated | YTD Budget Direct Dedicated | Under/(Over) Budget | |
|-----------------------------------------|--------------------------------|--------------------------------|---------------------|--------------|
| | | | Direct Dedicated | |
| | | | Total | % |
| FUNDING | \$2.5 | \$3.3 | \$0.8 | 24.6% |
| Personnel | \$2.0 | \$2.2 | \$0.2 | 9.0% |
| Travel & Meetings | \$0.1 | \$0.3 | \$0.2 | 65.6% |
| Professional Services | \$0.1 | \$0.3 | \$0.1 | 51.0% |
| Administration | (\$0.0) | \$0.1 | \$0.1 | 106.6% |
| Contingency | \$0.0 | \$0.2 | \$0.2 | 100.0% |
| Capital | \$0.2 | \$0.2 | (\$0.0) | -25.1% |
| Depreciation (a) | \$0.0 | \$0.0 | \$0.0 | 0.0% |
| TOTAL CASH EXPENSES | \$2.5 | \$3.3 | \$0.8 | 24.6% |
| EXCESS/(DEFICIT) | \$0.0 | \$0.0 | \$0.0 | 0.0% |
| Average Headcount | 15.6 | 17.0 | 1.4 | 8.5% |

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

Direct Shared

| FY19 PTI Operations in Millions, USD | YTD Actual Direct Shared | YTD Budget Direct Shared | Under/(Over) Budget | |
|-----------------------------------------|-----------------------------|-----------------------------|---------------------|--------------|
| | | | Direct Shared | |
| | | | Total | % |
| FUNDING | \$1.8 | \$1.8 | (\$0.0) | -1.4% |
| Personnel | \$0.8 | \$1.0 | \$0.2 | 21.6% |
| Travel & Meetings | \$0.1 | \$0.1 | (\$0.0) | -12.7% |
| Professional Services | \$0.5 | \$0.2 | (\$0.3) | -133.0% |
| Administration | \$0.4 | \$0.2 | (\$0.1) | -58.5% |
| Contingency | \$0.0 | \$0.0 | \$0.0 | 0.0% |
| Capital | \$0.0 | \$0.0 | \$0.0 | 0.0% |
| Depreciation (a) | \$0.1 | \$0.2 | \$0.2 | 77.4% |
| TOTAL CASH EXPENSES | \$1.8 | \$1.8 | (\$0.0) | -1.4% |
| EXCESS/(DEFICIT) | \$0.0 | \$0.0 | \$0.0 | 0.0% |
| Average Headcount | 4.9 | 5.8 | 0.8 | 14.1% |

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

Shared Services

| FY19 PTI Operations in Millions, USD | YTD Actual Shared Services | YTD Budget Shared Services | Under/(Over) Budget | |
|-----------------------------------------|-------------------------------|-------------------------------|---------------------|--------------|
| | | | Direct Shared | |
| | | | Total | % |
| FUNDING | \$1.3 | \$2.2 | \$0.9 | 39.5% |
| Personnel | \$0.8 | \$1.3 | \$0.5 | 37.3% |
| Travel & Meetings | \$0.0 | \$0.1 | \$0.0 | 21.6% |
| Professional Services | \$0.2 | \$0.2 | \$0.0 | 20.3% |
| Administration | \$0.3 | \$0.6 | \$0.3 | 51.7% |
| 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 | \$1.3 | \$2.2 | \$0.9 | 39.5% |
| EXCESS/(DEFICIT) | \$0.0 | \$0.0 | \$0.0 | 0.0% |
| Average Headcount | 0.0 | 0.0 | 0.0 | 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 March 2019 (9 months)

| FY19 PTI Operations In Millions, USD | YTD Actuals | | | |
|-----------------------------------------|--------------|--------------|---------------------|--------------|
| | Names | Numbers | Protocol Parameters | FY19 Actuals |
| Direct costs / Dedicated resources | 1.5 | 0.4 | 0.6 | 2.5 |
| Direct costs / Shared resources | 1.1 | 0.3 | 0.5 | 1.8 |
| Support Services Allocations | 0.8 | 0.2 | 0.3 | 1.3 |
| Total | \$3.3 | \$0.8 | \$1.4 | \$5.6 |

| FY19 PTI Operations In Millions, USD | YTD Budget | | | |
|-----------------------------------------|--------------|--------------|---------------------|--------------|
| | Names | Numbers | Protocol Parameters | FY19 Budget |
| Direct costs / Dedicated resources | 1.9 | 0.5 | 0.8 | 3.3 |
| Direct costs / Shared resources | 1.0 | 0.3 | 0.5 | 1.8 |
| Support Services Allocations | 1.3 | 0.3 | 0.6 | 2.2 |
| Total | \$4.3 | \$1.1 | \$1.9 | \$7.2 |

| FY19 PTI Operations In Millions, USD | Under/(Over) Budget | | | |
|-----------------------------------------|---------------------|--------------|---------------------|----------------|
| | Names | Numbers | Protocol Parameters | Total |
| Direct costs / Dedicated resources | 0.5 | 0.1 | 0.2 | (0.8) |
| Direct costs / Shared resources | (0.0) | (0.0) | (0.0) | 0.0 |
| Support Services Allocations | 0.5 | 0.1 | 0.2 | (0.9) |
| Total | \$1.0 | \$0.2 | \$0.4 | (\$1.6) |

| FY19 PTI Operations In Millions, USD | FY19 Full Year Budget | | | |
|-----------------------------------------|-----------------------|--------------|---------------------|---------------|
| | Names | Numbers | Protocol Parameters | Total |
| 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 | \$5.8 | \$1.6 | \$2.7 | \$10.0 |

FY19 PTI Budget – Full Year

| FY19 PTI Budget in Millions, USD | PTI Services FY19 Budget | PTI Services FY18 Budget | Under/(Over) FY18 Budget | |
|-------------------------------------|-----------------------------|-----------------------------|--------------------------|--------------|
| | | | Total | % |
| FUNDING | \$10.1 | \$9.6 | (\$0.5) | -4.8% |
| Personnel | \$6.0 | \$5.8 | (\$0.3) | -4.5% |
| 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 | \$10.1 | \$9.6 | (\$0.5) | -4.8% |
| 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