Public Technical Identifiers (PTI) FY24 Q3 Management Financials (Unaudited)

Nine Months Ending 31 March 2024

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TABLE OF CONTENTS

1 FINANCIAL HIGHLIGHTS

1.1 FY24 PTI Operations

March 2024 Year to Date (9 Months) Actuals vs. Budget

Public Technical Identifiers (PTI) is a nonprofit organization and affiliate of ICANN that was created in 2016. ICANN org has delegated the performance of the Internet Assigned Numbers Authority (IANA) functions to PTI pursuant to contracts and sub-contracts with PTI. The IANA functions include maintenance of Internet number resources, management of the DNS root zone, and other operational aspects of coordinating the Internet's unique identifiers. Below is a summary of year-to-date unaudited financials for PTI Operations.

FY24 PTI Operations	9 Months Through March 2024		Under/(Over) Budget	
in Millions, USD	FY24 Actual	FY24 Budget	Total	%
FUNDING	**$7.5**	**$7.8**	**$0.3**	**3%**
Personnel	$5.7	$5.0	($0.6)	-12%
Travel & Meetings	$0.4	$0.3	($0.1)	-20%
Professional Services	$0.8	$1.4	$0.6	44%
Administration	$0.7	$0.7	$0.1	7%
Contingency	$0.0	$0.2	$0.2	100%
Capital	$0.1	$0.1	$0.0	39%
TOTAL CASH EXPENSES	**$7.5**	**$7.8**	**$0.3**	**3%**
EXCESS/(DEFICIT)	**$0.0**	**$0.0**	**$0.0**	**0%**
Average Full-Time Equivalents	**24.4**	**22.6**	**(1.8)**	**-8%**

FY24 PTI Operations	9 Months Through March 2024		Under/(Over) Budget	
in Millions, USD	FY24 Actual	FY24 Budget	Total	%
Direct Dedicated	$3.5	$3.8	$0.4	9%
Direct Shared	$2.1	$2.0	($0.1)	-4%
Shared Services	$2.0	$2.0	($0.0)	0%
TOTAL CASH EXPENSES	**$7.5**	**$7.8**	**$0.3**	**3%**

Due to rounding, numbers presented may not add up precisely to the totals indicated.

Please see Appendix for definitions of cost category terms above

PTI Operations has funding and cash expenses flat to budget. Since PTI is funded by ICANN, when expenses are higher or lower than budget, the funding from ICANN is also higher or lower by the same amount.

Expenses are $0.3M lower than budget, driven by Professional Services $0.6M due to the timing of the SOC2/SOC3 Audit and delays in upgrades to the RDNS service, and $0.2M unrequired Contingency usage. This is partially offset by Personnel costs $0.6M higher than planned, driven by FTEs who were not yet hired at the time of budgeting.

Direct Dedicated expenses are $0.4M lower than budget due to the same reasons above.

Direct Shared expenses and Shared Services are relatively flat to budget.

1.2   FY24 IANA Functions Operations

March 2024 Year to Date (9 Months) Actuals vs. Budget

IANA Functions includes PTI Operations (see section above) and IANA Support Activities which include the Root Zone Maintainer function, Customer Standing Committee, and IANA Naming Function reviews. IANA Support Activities are incurred by ICANN to oversee PTI's performance of IANA services, plus costs solely incurred to enable IANA functions.

FY24 IANA Functions in Millions, USD	9 Months Through March 2024		Under/(Over) Budget	
	FY24 Actual	FY24 Budget	Total	%
PTI Operations	$7.5	$7.8	$0.3	3%
IANA Support Activities (a)	$0.4	$0.4	($0.0)	-4%
TOTAL	**$7.9**	**$8.2**	**$0.2**	**3%**
Average Full-Time Equivalents	24.4	22.6	(1.8)	-8%

(a) IANA Support Activities expenses consist of the RZMA = Root Zone Maintainer Agreement and staff support, both funded directly by ICANN Operations

Due to rounding, numbers presented may not add up precisely to the totals indicated.

Total IANA expenses of $7.9M is $0.2M lower than budget. This favorability is attributed to a favorable variance for PTI Operations noted above. The IANA Support Activities remained relatively flat to budget.

APPENDIX

1.3   FY24 PTI Operations by Cost Category

March 2024 Year to Date (9 Months) Actuals vs. Budget

Because PTI is an affiliate of ICANN and it relies on support from ICANN, there are three categories to help define its cost structure. Below is an explanation and financial summary of each cost category's year-to-date expenses.

Direct Dedicated

Direct Dedicated costs are resources fully committed to delivering the IANA functions. Examples of Direct Dedicated costs are Personnel costs for PTI employees, Professional Service costs for technical audits, and Capital costs for Key Management Facility (KMF) replacements.

FY24 PTI Operations in Millions, USD	FY24 Actual Direct Dedicated	FY24 Budget Direct Dedicated	Under/(Over) Budget Direct Dedicated	
			Total	%
FUNDING	**$3.5**	**$3.8**	**$0.4**	**9.2%**
Personnel	$2.9	$2.6	($0.3)	-11.2%
Travel & Meetings	$0.2	$0.2	$0.0	0.2%
Professional Services	$0.3	$0.7	$0.4	59.2%
Administration	$0.1	$0.1	($0.0)	-10.4%
Contingency	$0.0	$0.2	$0.2	100.0%
Capital	$0.1	$0.1	$0.0	39.3%
TOTAL CASH EXPENSES	**$3.5**	**$3.8**	**$0.4**	**9.2%**
EXCESS/(DEFICIT)	**$0.0**	**$0.0**	**$0.0**	**0.0%**
Average Full-Time Equivalents	18.8	17.0	(1.8)	-10.8%

Due to rounding, numbers presented may not add up precisely to the totals indicated.

Direct Shared

Direct Shared costs comprise of staff within the ICANN org who provide material support to PTI as a dedicated component of their key responsibilities, as well as external costs directly related to PTI but incurred under another function. Examples of Direct Shared costs are Personnel costs for the time select Legal staff spend supporting PTI, Professional Service costs for algorithm support which is facilitated by the Office of the CTO function, and Administrative costs for the KMFs overseen by the Engineering & IT function.

FY24 PTI Operations in Millions, USD	FY24 Actual Direct Shared	FY24 Budget Direct Shared	Under/(Over) Budget Direct Shared	
			Total	%
FUNDING	**$2.1**	**$2.0**	**($0.1)**	**-4.3%**
Personnel	$1.2	$1.1	($0.1)	-7.8%
Travel & Meetings	$0.1	$0.1	($0.1)	-97.2%
Professional Services	$0.3	$0.4	$0.1	25.2%
Administration	$0.5	$0.5	($0.0)	-5.9%
Contingency	$0.0	$0.0	$0.0	0.0%
Capital	$0.0	$0.0	$0.0	0.0%
TOTAL CASH EXPENSES	**$2.1**	**$2.0**	**($0.1)**	**-4.3%**
EXCESS/(DEFICIT)	**$0.0**	**$0.0**	**$0.0**	**0.0%**
Average Full-Time Equivalents	5.6	5.6	0.0	0.0%

Due to rounding, numbers presented may not add up precisely to the totals indicated.

Shared Services

Shared Services are support functions providing a baseline set of services in common with the rest of ICANN org, which help the PTI team members deliver on all aspects of their work. Shared Services are determined for all of ICANN org and a portion of this is allocated to PTI.

FY24 PTI Operations in Millions, USD	FY24 Actual Shared Services	FY24 Budget Shared Services	Under/(Over) Budget Shared Services	
			Total	%
FUNDING	**$2.0**	**$2.0**	**($0.0)**	**-0.4%**
Personnel	$1.5	$1.3	($0.2)	-18.7%
Travel & Meetings	$0.1	$0.1	($0.0)	-0.3%
Professional Services	$0.3	$0.4	$0.1	36.9%
Administration	$0.1	$0.2	$0.1	41.4%
Contingency	$0.0	$0.0	$0.0	0.0%
Capital	$0.0	$0.0	$0.0	0.0%
TOTAL CASH EXPENSES	**$2.0**	**$2.0**	**($0.0)**	**-0.4%**
EXCESS/(DEFICIT)	**$0.0**	**$0.0**	**$0.0**	**0.0%**
Average Full-Time Equivalents	0.0	0.0	0.0	0.0%

Due to rounding, numbers presented may not add up precisely to the totals indicated.

1.4   FY24 PTI Operations by Service

March 224 Year to Date (9 Months) Actuals vs. Budget

PTI's provision of the IANA services is typically divided into three categories: domain names, number resources, and protocol parameters. Below is an explanation of each category and a financial summary of expenses by category.

Names
Management of the DNS Root, the .int and.arpa domains, and an IDN practices resource.

Numbers
Coordination of the global pool of IP and AS numbers, primarily providing them to Regional Internet Registries (RIRs).

Protocol Parameters
Internet protocols' numbering systems are managed in conjunction with standards bodies.

FY24 PTI Operations In Millions, USD	FY24 Actuals			
	Names	Numbers	Protocol Parameters	FY24 Actuals
Direct Dedicated	2.1	0.5	0.9	3.5
Direct Shared	1.2	0.3	0.5	2.1
Shared Services	1.2	0.3	0.5	2.0
Total	**$4.4**	**$1.1**	**$1.9**	**$7.5**

FY24 PTI Operations In Millions, USD	FY24 Budget			
	Names	Numbers	Protocol Parameters	FY24 Budget
Direct Dedicated	2.3	0.6	1.0	3.8
Direct Shared	1.2	0.3	0.5	2.0
Shared Services	1.2	0.3	0.5	2.0
Total	**$4.6**	**$1.2**	**$2.0**	**$7.8**

FY24 PTI Operations In Millions, USD	Under/(Over) Budget			
	Names	Numbers	Protocol Parameters	Total
Direct Dedicated	0.2	0.1	0.1	0.4
Direct Shared	(0.0)	(0.0)	(0.0)	(0.1)
Shared Services	(0.0)	(0.0)	(0.0)	(0.0)
Total	**$0.2**	**$0.0**	**$0.1**	**$0.3**

Due to rounding, numbers presented may not add up precisely to the totals indicated.

1.5　　　　Glossary of Terms

The following section explains the terms used to describe the fundamental elements of this document. For additional references, please visit the Acronyms and Terms feature on ICANN.org.

Budget
The Budget is a financial estimate for activities throughout the fiscal year, which begins 1 July and ends 30 June of the following calendar year.

Public Technical Identifiers
Public Technical Identifiers (PTI) is a nonprofit organization and affiliate of ICANN that was created in 2016. ICANN org has delegated the performance of the Internet Assigned Numbers Authority (IANA) functions to PTI pursuant to contracts and sub-contracts with PTI. The IANA functions include maintenance of Internet number resources, management of the DNS root zone, and other operational aspects of coordinating the Internet's unique identifiers.

Personnel
Personnel expenses represent the expenses for all personnel inclusive of standard of living increases, promotions, and health and benefits costs.

Travel and Meetings
Travel and meeting costs reflect travel of personnel to support customer and community engagement for the IANA functions. Regular forms of such travel include participation in ICANN public meetings, IETF conferences, and regional Internet forums.

Professional Services
Examples of professional services include technical audits, outsourced software development, and security testing.

Administration
This cost category includes general and administrative expenses such as rent for the KMFs, software licenses, employee activities, and facility supplies.

Capital
Capital expenses cover purchases for net assets, usually for hardware expenses such as servers and computer equipment.

Contingency
Contingency is a placeholder in a Budget or Forecast for unforeseen costs that may occur throughout the fiscal year.

Depreciation
A reduction in the value of an asset with the passage of time, due in particular to wear and tear.

Net Excess/(Deficit)
Net Excess/(Deficit) represents the difference between funding and operating expenses. Net Excess, a positive number, indicates that funding was greater than operating expenses. Net

Deficit, a negative number usually shown with parentheses, indicates that expenses were greater than funding.

Full-Time Equivalents
Full-Time Equivalents (FTEs) is a unit that indicates the level of employee resources towards an organizational segment or project. Reporting using FTEs allows organizations to compare levels of resources. For example, a segment with 1.0 FTEs is equivalent to one full-time employee dedicated to that area, while a segment with 0.5 FTEs signals half of a full workload.