President’s Overview (10 min) - Fadi Chehadé

Policy Update (10 min) – David Olive & Adiel Akplogan

Management Update (15 min) – Ashwin Rangan

Financial Update (10 min) – Xavier Calvez

Q&A (30 min) - All
President’s Overview
Fadi Chehadé, President and CEO
Overview

- FY16 Q1 for period ending 30 September 2015

Topics:

- Beta KPI Dashboard
- Operational performance and excellence
- Contractual Compliance
- IANA Stewardship Transition
- Enhancing ICANN’s Accountability
- Community support
- Internet Governance
Beta KPI Dashboard

Objectives & Overall Status

1. Evolve and further globalize ICANN
2. Support a healthy, stable and resilient unique identifier ecosystem
3. Advance organizational, technological and operational excellence
4. Promote ICANN’s role and multistakeholder approach
5. Develop and implement a global public interest framework bounded by ICANN’s mission

How to read and understand the charts:

- **0 - 49** Tracking significantly short of target
  Immediate corrective action needed
- **50 - 84** Tracking short of target
  Corrective actions as needed
- **85 - 100** Tracking to target
  Stay the course, no corrective action needed

Beta KPI Dashboard:
https://www.icann.org/progress
Commenced FY17 Operating Plan and Budget process

FY16 Q1 financial position: trending favorably versus plan, with estimated revenue approximately at budget and timing differences leading expenses to be below budget

Globalization: Global Support Center in place, offering 24x5 coverage and voice support in 8 languages

Waived Registrar Insurance Requirement in all Registrar Accreditation Agreement (RAA) effective immediately

Conducted organization-wide FY15 EFQM internal assessment; launched FY16 EFQM plan for continued improvements and second internal assessment
The March 2015 Registry audit round is now complete. The Audit Report will be published in October.

A new round of Registrar audit started in September.

Contracted Parties Outreach efforts held in August with the Korean Contracted Parties and in September, during the GDD Summit.

Ongoing outreach efforts with various stakeholders regarding the submission and handling of reports of abuse and illegal activity under Section 3.18 of the 2013 RAA.
In September 2015, the ICG met in Los Angeles to review and discuss the 159 comments received during public comment process:

- Majority of comments expressed support for proposal
- Clarifications will be requested of each operational community on:
  - Cooperation in case of operator change (all)
  - Intention to participate in Names-proposed mechanisms (CRISP Team)
  - Remit, composition, and other details about proposed mechanisms (CWG-Stewardship)

Public comment period ended: 8 September
<table>
<thead>
<tr>
<th>Elements to enhance ICANN accountability for a successful IANA Stewardship Transition</th>
<th>Broad community agreement on elements replacing USG backstop role in IANA Contract</th>
<th>Broad community agreement on additional elements</th>
<th>Broad community agreement on requirements but not on implementation approach</th>
<th>No broad community agreement on requirement or implementation approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Oversight of IANA operations by operational communities</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Assurance of IANA service levels</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Guarantee of continued IANA funding</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Community right to remove Board Directors</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Community power to appeal IANA decisions</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Establish higher thresholds to modify Bylaws deemed ‘Fundamental’</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Reaffirm in Bylaws current requirement of Board/GAC consultation on consensus advice.</td>
<td>✓*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Include AOC reviews into Fundamental Bylaws</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Strengthen, make binding, and improve timeliness and effectiveness of IRP</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Broaden scope and improve effectiveness of Reconsideration process</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Promote diversity within ICANN’s community and activities</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Adhere to Mission and Core Values and new Commitments (all within remit)</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Community consent to change all Bylaws</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Continue accountability improvements post IANA Stewardship Transition</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Empower community role in developing and objecting to Strategic and Operating Plans and Budget</td>
<td></td>
<td>?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Empower community with new legal enforcement (statutory rights under California law or binding arbitration)</td>
<td></td>
<td>?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. New structure with legal authority to change any and all Bylaws?</td>
<td></td>
<td>?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. New structure with legal authority to freeze annual Budget?</td>
<td></td>
<td>?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. New structure with legal authority to directly appoint and remove Directors without cause</td>
<td></td>
<td>?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Elements addressing all CWG-Stewardship dependencies on the CCWG-Accountability

* GAC has not taken a position
Community

**WHY IT’S IMPORTANT**

ICANN operates in a bottom-up, multistakeholder model. ICANN is committed to offering the tools, resources and programs to help this community do its important work.

- NextGen@ICANN- 59 applicants for ICANN54, 13 accepted
  - “NextGen Ambassador” selected from ICANN53 to attend and offer key insight to NextGen group at ICANN54

- Fellowship Program – 446 applications; 47 accepted for ICANN54

- [ICANN Learn](#) - unveiling improved platform at ICANN54
  - New courses added
  - Maintaining 1,200 active users per month
Internet Governance

 WHY IT’S IMPORTANT

ICANN is one participant of many in the Internet governance ecosystem, and participates because it is committed to maintaining a single stable open and interoperable Internet.

- Participation in the preparations for World Summit on the Information Society (WSIS +10) Review process

- Preparations for Internet Governance Forum (IGF) in Brazil
  - Ongoing support for the IGF and participation from ICANN

- NETMundial Initiative
  - Launched the beta version of the NetMundial Collaboration Platform 1 October 2015:
    • [https://platform.netmundial.org/](https://platform.netmundial.org/)
Policy Update

David Olive, VP Policy Development
Support & Adiel Akplogan, VP
Technical Engagement
FY16 Q1 HIGHLIGHTS

- 4 motions adopted
- 13 Policy Development processes underway
- Over 40 GNSO sessions being planned for ICANN54

MORE INFORMATION
https://www.icann.org/policy
http://gnso.icann.org/en/

New areas of work in FY16 Q1
- New gTLD Subsequent Procedures Preliminary Issue Report
- Next Generation gTLD Registration Directory Service (RDS) to replace Whois Preliminary Issue Report
- New gTLD Auction Proceeds Discussion Paper

Completed work in FY16 Q1
- Translation & Transliteration of Contact Information (adopted by ICANN Board)
- GNSO Policy & Implementation (adopted by ICANN Board)
- GNSO Review of GAC Communiqué
Focus on IANA Stewardship Transition and ICANN Accountability: ccNSO Council supports submission CWG-Stewardship Final Transition Proposal to ICG

Advisory team to assist in implementation of Framework of Interpretation of Policy Documentation (RFC 1591) for delegation, revocation and transfer (re-delegation) of ccTLDs

Launch of oversight and guidance committee for security incident response email list, focus on inclusion of additional ccTLDs, innovation and operational guidance.

Launch WG to provide guidance on second similarity review. Will seek participation from GAC and SSAC

MORE INFORMATION
https://www.icann.org/policy
http://ccnso.icann.org/
Number Resource Org. (NRO) & Address Supporting Org. (ASO)

- Second draft of the RIR-ICANN Service Level Agreement
  - [https://nro.net/sla](https://nro.net/sla)

- All SLA processes and discussions documented at:
  - [https://www.nro.net/iana-oversight](https://www.nro.net/iana-oversight)

- Independent Review of RIR Accountability currently in process

- NRO comments to CCWG-Accountability and ICG proposals:
Number Resource Org. (NRO) & Address Supporting Org. (ASO)

- From 30 September, ASO AC started the election process for ICANN Board Seat 10 (Kuo-Wei Wu position). This seat starts its term in October 2016

- Hartmut Glaser appointed to NomCom 2016

- Tomohiro Fujisaki, Aftab Siddiqui (APNIC Region) reappointed to ASO AC/NRO NC

- ARIN IPv4 free pool reached depletion on 24 September 2015

- RIR mailing list and policy development participation:
  - https://www.nro.net/policies

**Next RIR Meetings:**

- AFRINIC 23- Pointe-Noire, Congo - 28 Nov – 4 Dec 2015
- APNIC40- Auckland, New Zealand 15-26 February 2016
- ARIN 36 - Montreal, Canada 8-9 October 2015
- LACNIC 25- Havana, Cuba 2-6 May 2016
- RIPE 71 - Bucharest, Romania 16-20 November 2015
Security and privacy of Internet traffic continues to be a big topic for IETF

- Use of encrypted HTTPS traffic continues to grow in the Internet
- IETF recently turned RFC 1984 from an Informational document to a Best Current Practice document, recommending the use of strong cryptography in the Internet
- Recent GSMA-IAB workshop focused on the question of how to manage encrypted traffic in networks

IETF-related IANA transition activities are ready to move forward, but while there is no IETF dependency on ICANN accountability work, other parts of the Transition wait for this
Management Update
Ashwin Rangan, Chief Innovation and Information Officer
Executive Summary

- Information Technology & Internet Technology update
- Global Domains Division (GDD) update
- Contractual Compliance metrics
- Globalization and stakeholder engagement metrics
Information Technology Update

1. Salesforce Reboot - Report out
2. IT Best Practices - Review
3. Digital Services - “Find it, Fix it” status
Maintaining the security, stability and resiliency of the Internet is a core part of ICANN’s mission, and fundamental to the Internet and ICANN’s work.

**WHY IT’S IMPORTANT**

- Ongoing Technical and Security Engagement
  - Collaboration with the Operational Security community

- DNSSEC Root Key Rollover Recommendations
  - Public comment closed on 5 October

- Research Projects underway
  - Implications of IPv4 free pool exhaustion, “Internet Health Indicators,” investigation of “middlebox” DNS implementation

- Preparations for Dublin meeting
  - Technical Experts Group, “How it Works” tutorials
## Contractual Compliance – FY16 Q1 Metrics

<table>
<thead>
<tr>
<th></th>
<th>Jul-15</th>
<th>Aug-15</th>
<th>Sep-15</th>
<th>Q1 Total</th>
<th>Q4 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Volume</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total New</td>
<td>4,005</td>
<td>4,154</td>
<td>4,541</td>
<td>12,700</td>
<td>13,921</td>
</tr>
<tr>
<td>Total Closed</td>
<td>5,135</td>
<td>3,621</td>
<td>4,762</td>
<td>13,518</td>
<td>12,603</td>
</tr>
</tbody>
</table>

|                  |        |        |        |           |           |
| **Closure Rates**|        |        |        |           |           |
| New Tickets      | 65%    | 55%    | 62%    | 60.67%    | 50%       |
| All Tickets [Target >= 55%] | 78%    | 65%    | 73%    | 72%       | 63%       |

|                  |        |        |        |           |           |
| **Turnaround Time (days)** |        |        |        |           |           |
| Received-to-Closed | 12.7   | 10.1   | 11.3   | 11.4      | 11.7      |

Published Monthly Dashboard at: [https://features.icann.org/compliance](https://features.icann.org/compliance)
GDD: New gTLD Program

WHY IT’S IMPORTANT

The New gTLD Program is driving the largest expansion of the Domain Name System, ever. Hundreds of new top-level domain names are being introduced into the Internet on a rolling basis.

The New gTLD Program is meant to enhance competition, innovation and choice.

New gTLD Program Reviews Updates*

- Program Implementation review published
- Revised Rights Protection Mechanisms report published
- Economic study published
- Domain registrant survey published
- Competition, Trust & Choice metrics hub launched

MORE INFORMATION: http://newgtlds.icann.org/reviews

*as of 30 September 2015
IDNs at the top-level enable Internet users to access domain names in their respective languages and scripts.

IDN ccTLDs allow countries and territories to represent their respective names scripts other than US-ASCII characters.

WHY IT’S IMPORTANT

IDN Top-level Domain (TLD) Program

- Arabic and Armenian communities first to submit Label Generation Rules proposals
- Laos script Generation Panel formed
- Rules for 18 of 28 scripts currently in various stages of development

MORE INFORMATION: https://www.icann.org/InternationalizedDomainNames
Universal Acceptance means that users globally can access any name in any top-level domain (TLD) from any web browser, email client, or other Internet application through a computer or other electronic device.

Learn more at ICANN54 in Dublin:
- Universal Acceptance of TLDs – Monday, 19 October

First UA-related study published in September 2015:
- “An Analysis of New gTLD Universal Acceptance”

MORE INFORMATION:  
https://www.icann.org/universalacceptance  
https://community.icann.org/pages/viewpage.action?pageId=47255444
## GDD: IANA Department Tickets

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domain related requests</td>
<td>396</td>
</tr>
<tr>
<td>Protocol related requests</td>
<td>634*</td>
</tr>
<tr>
<td>Number related event</td>
<td>1</td>
</tr>
<tr>
<td>Key signing ceremony</td>
<td>1</td>
</tr>
<tr>
<td>General inquiries</td>
<td>371</td>
</tr>
</tbody>
</table>

*The total number of protocol related requests represents July and August 2015 only. All other statistics have been calculated based on the period between 1 July – 30 September 2015.
GDD: Global Support Center Tickets

Case Volume Trending
Cases Created & Resolved

Case Backlog
Quarter End Volume Trending

Status Frequency
Communication & Updates

Resolution Time Target
Case Aging
Stakeholder Engagement and Outreach

FY16 Q1 (July-Sept) Events by Stakeholder Group

157 events total
15,000+ people reached

MORE INFORMATION: https://community.icann.org/category/gse
Financial Update
Xavier Calvez, CFO
Total ICANN Overview

ICANN OPERATIONS

REVENUES

BASELINE EXPENSES
(Operating & Capital)

INITIATIVES

EXPENSES

New gTLD PROGRAM

REVENUES

TOTAL ICANN

FUNDS UNDER MANAGEMENT

In millions, USD, unaudited
FY16 Q1 Revenues Estimate

**ICANN OPERATIONS**

**Driven By Domain Name Registrations**
- **Transaction-based fees**
  - FROM REGISTRIES: $11 (41%)

**Driven By # of Contracted Parties**
- **Per-TLD fixed fees**
  - FROM REGISTRIES: $5 (19%)

**FROM REGISTRARS**
- **Transaction-based fees**
  - $6 (25%)
- **Application fees**
- **Accreditation fees**
- **Per-Registrar variable fees**
  - $3 (11%)

Other Income: $1 (4%)  Total Revenues: $26

*In millions, USD, unaudited*
FY16 Q1 Revenues Estimate vs Budget and Last Year

Revenues on target.

Estimate: $26
Budget: $26
Last Year: $23

In millions, USD, unaudited
FY16 Q1 Baseline Operating and Capital Expenses Estimates

Personnel
$12
59%

Professional Services
$2
11%

Admin.*
$3
16%

Capital
$2
8%

Travel & Meetings
$1
6%

ICANN OPERATIONS

Includes travel and venue costs for outreach and meetings.

Includes contractor services, legal fees and language services.

Includes rent and other facilities costs and telecommunications.

Includes IT infrastructure and security improvements.

Reflects an average Q1 headcount of 317.

Total Q1 Operating Expenses & Capital Estimate: $ 21

*Excludes bad debt and depreciation

In millions, USD, unaudited
FY16 Q1 Baseline Operating Expenses and Capital Estimates vs Budget and Last Year

**PERSONNEL**

- **Estimate:** $12
- **Budget:** $13
- **Last Year:** $11

**TRAVEL & MEETINGS**

- **Estimate:** $1
- **Budget:** $2
- **Last Year:** $2

**PROFESSIONAL SERVICES**

- **Estimate:** $2
- **Budget:** $4
- **Last Year:** $3

**ADMINISTRATION**

- **Estimate:** $3
- **Budget:** $3
- **Last Year:** $3

**CAPITAL**

- **Estimate:** $2
- **Budget:** $2
- **Last Year:** $2

*Excludes bad debt and depreciation

In millions, USD, unaudited

Timing differences of projects vs. plan and slower hiring than budgeted.

**Estimate:** $21
**Budget:** $25
**Last Year:** $20
<table>
<thead>
<tr>
<th>Initiative</th>
<th>Q1 Estimate</th>
<th>Q1 Budget</th>
<th>FY16 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>USG Stewardship Transition</td>
<td>$2.8</td>
<td>$1.8</td>
<td>$7.0</td>
</tr>
<tr>
<td>Public Responsibility</td>
<td>0.3</td>
<td>1.1</td>
<td>2.5</td>
</tr>
<tr>
<td>Hardening Critical IT Infrastructure</td>
<td>0.4</td>
<td>0.5</td>
<td>2.5</td>
</tr>
<tr>
<td>New gTLD - Next Round Assessments &amp; Preparation</td>
<td>0.1</td>
<td>0.1</td>
<td>0.5</td>
</tr>
<tr>
<td>Implementation of Reviews Recommendations</td>
<td>0.0</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total Initiatives</strong></td>
<td><strong>$3.6</strong></td>
<td><strong>$3.6</strong></td>
<td><strong>$12.8</strong></td>
</tr>
</tbody>
</table>

In millions, USD, unaudited
FY16 Q1 USG Stewardship Transition Cost Estimates

ICANN OPERATIONS

In millions, USD, unaudited

Total Q1 USG Stewardship Transition Cost Estimate: $ 2.8

- Personnel: $0.6 (22%)
- Travel & Meetings: $0.3 (10%)
- Other Professional Services: $0.3 (11%)
- Independent Legal Advice: $1.5 (56%)
- Administration: $0.1 (1%)
**FY16 Q1 Resource Utilization Estimate**

**Net excess for Q1, mainly due to timing differences.**

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>Budget</th>
<th>Var</th>
<th>% Var</th>
<th>LY</th>
<th>Var</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 26</td>
<td>$ 26</td>
<td>$ 0</td>
<td>0%</td>
<td>$ 23</td>
<td>$ 3</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Baseline Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Operating*/Capital)</td>
<td>-21</td>
<td>-25</td>
<td>4</td>
<td>15%</td>
<td>-20</td>
<td>-1</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Initiatives Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-4</td>
<td>-4</td>
<td>0</td>
<td>1%</td>
<td>-1</td>
<td>-3</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>$ 1</td>
<td>-$ 3</td>
<td>$ 4</td>
<td>n/a</td>
<td>$ 2</td>
<td>-$ 1</td>
<td>n/a</td>
</tr>
</tbody>
</table>

*Excludes bad debt and depreciation*
### New gTLD Program – Multi-year Forecast

#### Application fees collected

- **FULL PROGRAM FORECAST**: $274
- **FY12-14 ACTUAL**: $135
- **FY15 ACTUAL**: $32
- **FY16 FORECAST**: $50
- **FY17 FORECAST**: $43

#### Refunds

- **FULL PROGRAM FORECAST**: $56
- **FY12-14 ACTUAL**: $21
- **FY15 ACTUAL**: $18
- **FY16 FORECAST**: $9
- **FY17 FORECAST**: $8

#### Costs

- **FULL PROGRAM FORECAST**: $218
- **FY12-14 ACTUAL**: $135
- **FY15 ACTUAL**: $32
- **FY16 FORECAST**: $34
- **FY17 FORECAST**: $17

**In millions, USD, unaudited**
FY16 Q1 New gTLD Program Cost Estimates

**New gTLD PROGRAM**

**REFUNDS OF WITHDRAWN APPLICATIONS**
- **Est:** $2
- **Bud:** $3
- **LY:** $3

**APPLICATION PROCESSING**
- **Est:** $6
- **Bud:** $7
- **LY:** $6

**REPAYMENT OF HISTORICAL DEV. COSTS**
- **Est:** $0.4
- **Bud:** $1
- **LY:** $1

*In millions, USD, unaudited*
### Funds Under Management Estimates

**Total Funds:** $318
- Program-related: $216
- ICANN Operations: $102

#### New gTLD Program

<table>
<thead>
<tr>
<th></th>
<th>30 Jun 2015</th>
<th>30 Sep 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>New gTLD Funds</td>
<td>$162</td>
<td>$157</td>
</tr>
<tr>
<td>Auction Proceeds</td>
<td>$59</td>
<td>$59</td>
</tr>
</tbody>
</table>

#### ICANN Operations

<table>
<thead>
<tr>
<th></th>
<th>30 Jun 2015</th>
<th>30 Sep 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Fund</td>
<td>$19</td>
<td>$18</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td>$86</td>
<td>$84</td>
</tr>
</tbody>
</table>

*In millions, USD, unaudited*
Thank You and Questions

SAVE THE DATE: FY16 Q2 Stakeholder Call
28 January 1500 UTC

Email: engagement@icann.org
Website: https://www.icann.org/resources/pages/quarterly-reports-2014-11-13-en

twitter.com/icann
gplus.to/icann
facebook.com/icannorg
weibo.com/ICANNorg
linkedin.com/company/icann
flickr.com/photos/icann
youtube.com/user/icannnews
slideshare.net/icannpresentations
## ICANN Ops
### FY16 Resource Utilization Overview
#### Q1 Estimate vs. Budget & Last Year

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>Budget</th>
<th>Variance</th>
<th>LY</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support &amp; Revenue</strong></td>
<td>$25.7</td>
<td>$25.7</td>
<td>$0.0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>12.4</td>
<td>13.3</td>
<td>0.9</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Travel &amp; Meetings</td>
<td>1.3</td>
<td>2.1</td>
<td>0.8</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>Professional Services</td>
<td>2.2</td>
<td>4.0</td>
<td>1.8</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>Admin</td>
<td>5.0</td>
<td>5.0</td>
<td>0.0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td><strong>Baseline Operating Expenses</strong></td>
<td>$20.9</td>
<td>$24.4</td>
<td>$3.5</td>
<td>14%</td>
<td>$20.2</td>
</tr>
<tr>
<td>Less: Bad debt and depreciation</td>
<td>-1.6</td>
<td>-1.7</td>
<td>-0.1</td>
<td>6%</td>
<td>-1.5</td>
</tr>
<tr>
<td>Add: Capital</td>
<td>1.6</td>
<td>1.8</td>
<td>0.2</td>
<td>12%</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Cash from change in Net Assets</strong></td>
<td>$4.8</td>
<td>$1.2</td>
<td>$3.6</td>
<td>305%</td>
<td>$3.1</td>
</tr>
<tr>
<td>Initiatives</td>
<td>3.6</td>
<td>3.6</td>
<td>0.0</td>
<td>1%</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Contribution to Reserve Fund</strong></td>
<td>$1.2</td>
<td>-$2.4</td>
<td>$3.7</td>
<td>-152%</td>
<td>$2.2</td>
</tr>
</tbody>
</table>

*In millions, USD, unaudited*