FY12 Operating Plan and Budget

ICANN

Singapore 41
19-24 June
2011

Agenda

FY11 –FY12

FY12 Process Timeline

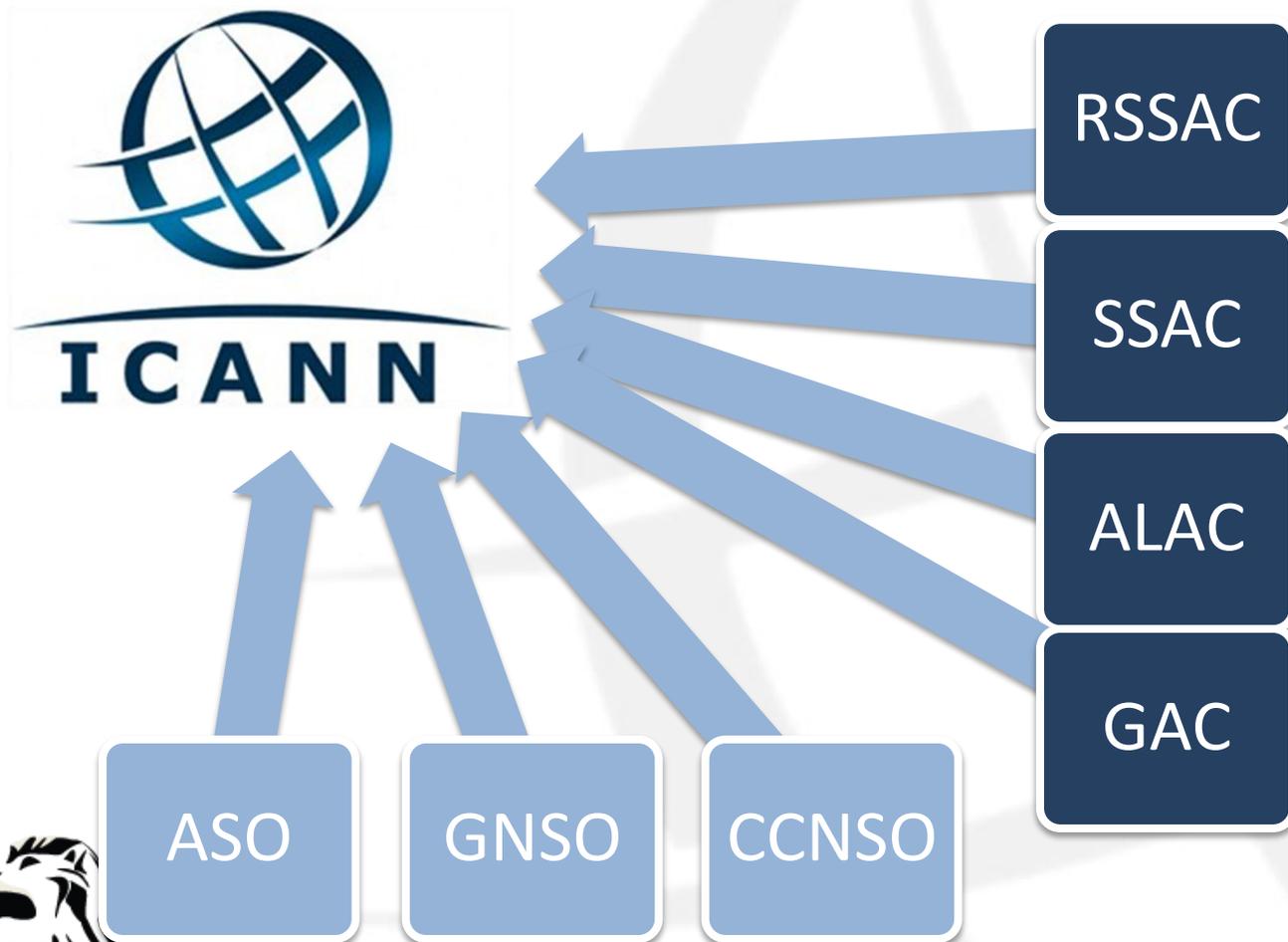*Looking Ahead*

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FY11 transition to FY12

- ❑ advancement of internal programs
- ❑ new gTLD advances
- ❑ company growth in increased number of initiatives
- ❑ unexpected costs due to review or working groups
- ❑ change in methodology

Enhanced Approach to Budget Process

Timeline

Nov - Dec 2010 – SO/AC/SG input

17 Feb 2011 - Framework for FY12 Budget posted

- Community calls/meetings; Synthesized feedback

17 May 2011 - draft FY12 Ops Plan and Budget posted

- Synthesized feedback

18 June 2011 - BFC recommends Board adopt FY12 Budget

FY12 Draft Operating Plan & Budget

(in US dollars)	FY12 DRAFT BUDGET	FY11 FORECAST	FY11 BUDGET
Revenue	$69,758,000	$67,061,000	$65,509,000
Operating Expenses	$69,649,000	$61,164,000	$59,287,000
Non-Cash Expense	$2,700,000	$2,189,000	$2,600,000
Operating Income/ (Loss)	($2,591,000)	$3,708,000	$3,622,000
Investment Income/ (Loss)	$2,600,000	$5,000,000	$1,000,000
Change in Net Assets before Contingency	$2,658,000	$8,708,000	$4,622,000
Contingency	$2,500,000	$0	$1,500,000
Change in Net assets	$158,000	$8,708,000	$3,122,000

Major initiatives for FY12

- ATRT Implementation - $3.6 million
- IDN Variant Studies - $1.3 million
- Whois studies - $1.0 million

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FY12 Draft Operating Plan & Budget

Organizational Activities	FY12 Draft Budget	FY11 Forecast	FY11 Budget	FY12 Budget less FY11 Budget	
1-New gTLD pre-Launch	6,185	7,568	6,683	(498)	-7.5%
2-IDN Programs	1,650	1,480	1,365	285	20.9%
3-IANA and Technology Operations Improvements	6,540	5,649	5,804	736	12.7%
4-Security, Stability and Resiliency Operations(SSR)	7,836	6,909	7,087	749	10.6%
5-Contractual Compliance	4,250	3,163	3,399	851	25.0%
6-Core Meeting Logistics	5,822	5,525	5,255	567	10.8%
7-Community Support	8,947	8,273	8,068	879	10.9%
8-Policy Development Support	6,825	6,246	6,421	404	6.3%
9-Global Engagement and Increasing International Participation	8,006	6,072	6,792	1,214	17.9%
10 - Organization Effectiveness and Excellence	455	189	-	455	n/a
11-Ombudsman	562	597	562	-	0.0%
12-Board Support	3,462	3,189	2,647	815	30.8%
13-Nominating Committee (NomCom) Support	844	785	820	24	2.9%
14-DNS Operations	2,645	3,131	2,185	460	21.1%
15-Organizational reviews	2,971	2,388	2,199	772	35.1%
Total Operating Expenses	**67,000**	**61,164**	**59,287**	**7,713**	**13.0%**

(in US dollars)	No gTLD Launch FY12 Draft Budget No gTLD Launch	With gTLD Launch Core Operations & Projects	New gTLD	FY12 Draft Budget With gTLD Launch
Traditional Revenue	69,758,000	69,758,000	-	69,758,000
New gTLD Application Fees	-		92,500,000	92,500,000
Application Refund	-		(8,260,000)	(8,260,000)
Revenue	**$ 69,758,000**	**$ 69,758,000**	**$ 84,240,000**	**$ 153,998,000**
1-New gTLD pre-Launch	6,185,000	3,932,000	-	3,932,000
2-15 ICANN Organizational Activities	60,815,000	60,815,000	-	60,815,000
Development finalization	-	1,880,000	-	1,880,000
ICANN Operations Readiness	-	3,973,000	-	3,973,000
Program Administration	-	-	1,528,000	1,528,000
Initial Evaluation	-	-	10,089,000	10,089,000
Quality Control	-	-	603,000	603,000
Fixed Costs	-	-	1,900,000	1,900,000
Operating Expenses	**$ 67,000,000**	**$ 70,600,000**	**$ 14,120,000**	**$ 84,720,000**
Bad debt expense	900,000	900,000	-	900,000
Depreciation	1,800,000	1,800,000	-	1,800,000
FY13 Processing Expenses Provision	-	-	27,620,000	27,620,000
Historical development recovery	-	(12,500,000)	12,500,000	-
New gTLD Risk	-	-	30,000,000	30,000,000
Operating Income/ (Loss)	**$ 58,000**	**$ 8,958,000**	**$ -**	**$ 8,958,000**
Investment Income/ (Loss)	2,600,000	2,600,000	-	2,600,000
Change in Net Assets before Contingency	**$ 2,658,000**	**$ 11,558,000**	**$ -**	**$ 11,558,000**
Contingency	2,500,000	2,500,000		2,500,000
Change in Net Assets	**$ 158,000**	**$ 9,058,000**	**$ -**	**$ 9,058,000**

Launch

new gTLD

Looking Ahead

What we learned with this year's process:

- Framework to have more detail where possible
- Further refinement of SO/AC request process
- Draft to have more detailed sub-schedules
- More expansive cost accounting visibility
- Begin development of 3 year budget plan

Thank You

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Questions