



**ICANN**

# **ICANN Board Finance Committee Report**

**Presented During the ICANN Public Forum**

**Marrakech**

**28 June 2006**

## Members of the ICANN Board Finance Committee

- **Raimundo Beca**
- **Mouhamet Diop (until mid June 2006)**
- **Hagen Hultzsch (Chair)**
- **Joichi Ito**

## Finance Committee Activities

- Telephone conference on 3 May  
Reviewed finance issues related to audit, updated operating plan, and fiscal year 2005-06 budget preparation
- Telephone conference on 16 May  
Reviewed steps involved in budgeting process and documents describing the fiscal year 2006-07 budget, and recommended that the Proposed Budget as presented be posted on 17 May 2006
- Meeting in Marrakech on 25 June  
Reviewed cash projections for fiscal year ending 30 June 2006, current and prior year financial statements and variances to budget, and feedback to the fiscal year 2006-07 Budget & Operating Plan

## Operating Plan and Budget Timeline

- Draft Operating Plan Posted for Public Comment
- Revised Operating Plan Posted
- Proposed Budget Posted for Public Comment
- Revised Budget Posted
- Planned Board approval
- 21 Mar 06
- 4 May 06
- 17 May 06
- 22 Jun 06
- 30 Jun 06

## Cash-Basis Projection to full FY '06 Revenues

- **Cash revenues are expected to over-run plan by 7% (\$25,752K vs. \$24,056K)**
- **Operating expenses are expected to under-run budget by 18% (\$18,353K vs. \$22,396K)**

Revenue levels were uncertain during the first half of the fiscal year as negotiations occurred, therefore spending levels were governed at the start of the year to track revenue

- **As a result, cash reserves at year-end are projected to be approximately \$9.0MM**



# Proposed Budget Expenditures and Revenue

- In order to accomplish the objectives set out in the Operating Plan, ICANN's Board Finance Committee proposes the following expenditures and revenues. The expenditures and revenue sources are described in detail in the Proposed budget (<http://www.icann.org/announcements/proposed-budget-2006-07-cln.pdf>.)
- Total Expenditures **\$30,977K**
- Total Revenue **\$34,179K**
- Contribution to reserves **\$3,202K**



# Committee Conclusions

- **Pursue appropriate courses of action to ensure a consistent revenue stream and financial health of the organization, including the provision of adequate cash reserves of approximately one full year's expenditures**
- **Continue efforts to promote accountability and transparency in budgeting and spending**
- **Develop mid and long-term revenue and expenditure levels based on strategic and operational plans**