

# ICANN Unaudited Quarterly Financials – Fiscal Year 2021

December 2020



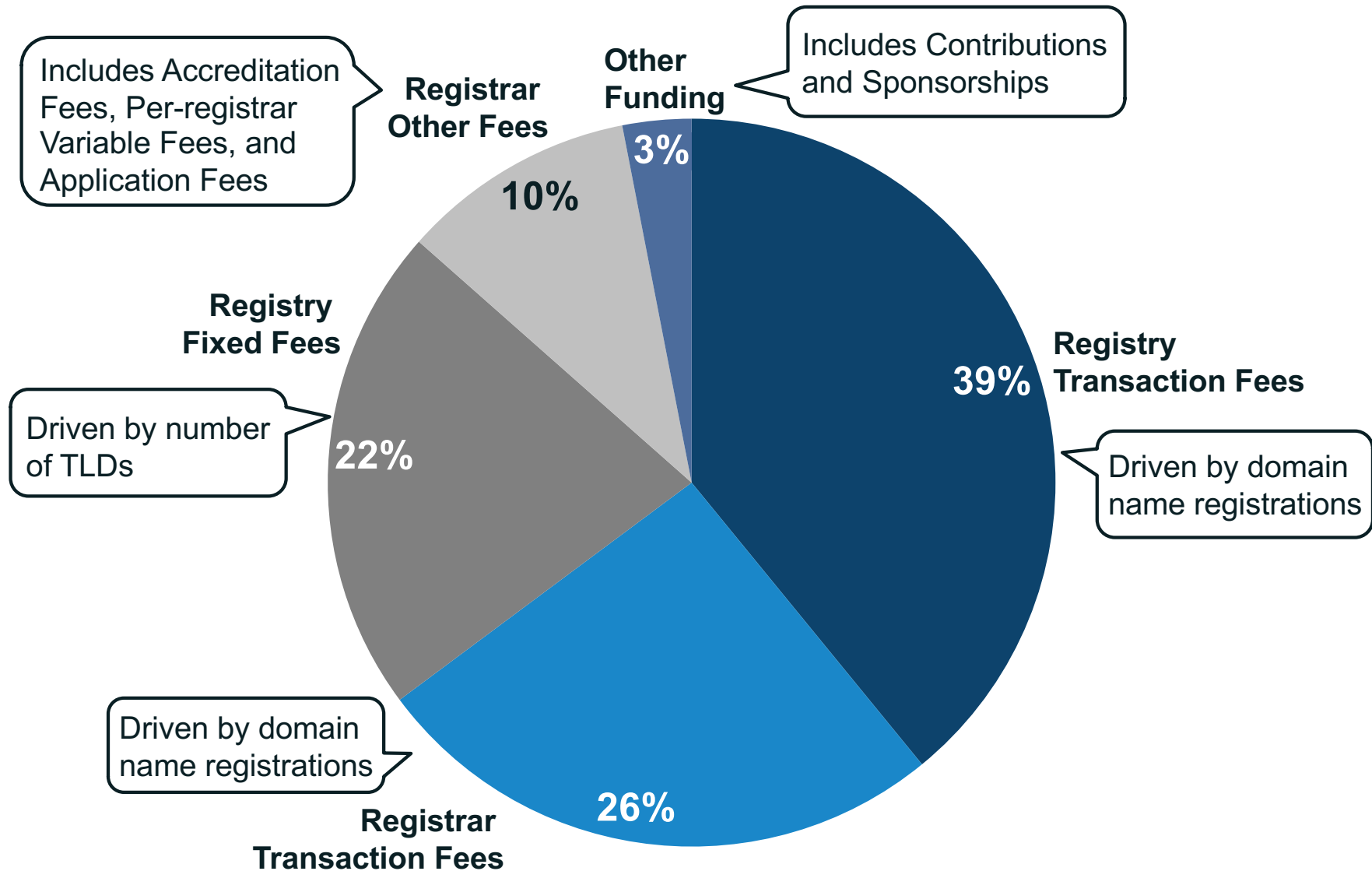
# ICANN Operations

# FY21 (Jul 20 – Dec 20) Financial Overview

| ICANN Operations                          | FY21<br>YTD<br>Actual | FY21<br>YTD<br>Budget | Var         | % Var       | FY20<br>YTD<br>Actual | Var        | %<br>Var   |
|---|-----------------------|-----------------------|-------------|-------------|-----------------------|------------|------------|
| <b>Funding</b>                            | \$69                  | \$63                  | \$6         | 10%         | \$69                  | (\$0)      | 0%         |
| <b>Expenses</b>                           | \$55                  | \$60                  | \$5         | 8%          | \$62                  | \$6        | 10%        |
| <b>Net Operating<br/>Excess/(Deficit)</b> | <b>\$14</b>           | <b>\$3</b>            | <b>\$11</b> | <b>408%</b> | <b>\$8</b>            | <b>\$6</b> | <b>82%</b> |
| <b>Average<br/>Headcount</b>              | <b>391</b>            | <b>392</b>            | <b>1</b>    | <b>0%</b>   | <b>389</b>            | <b>-2</b>  | <b>0%</b>  |

# FY21 (Jul 20 – Dec 20) Funding by Category

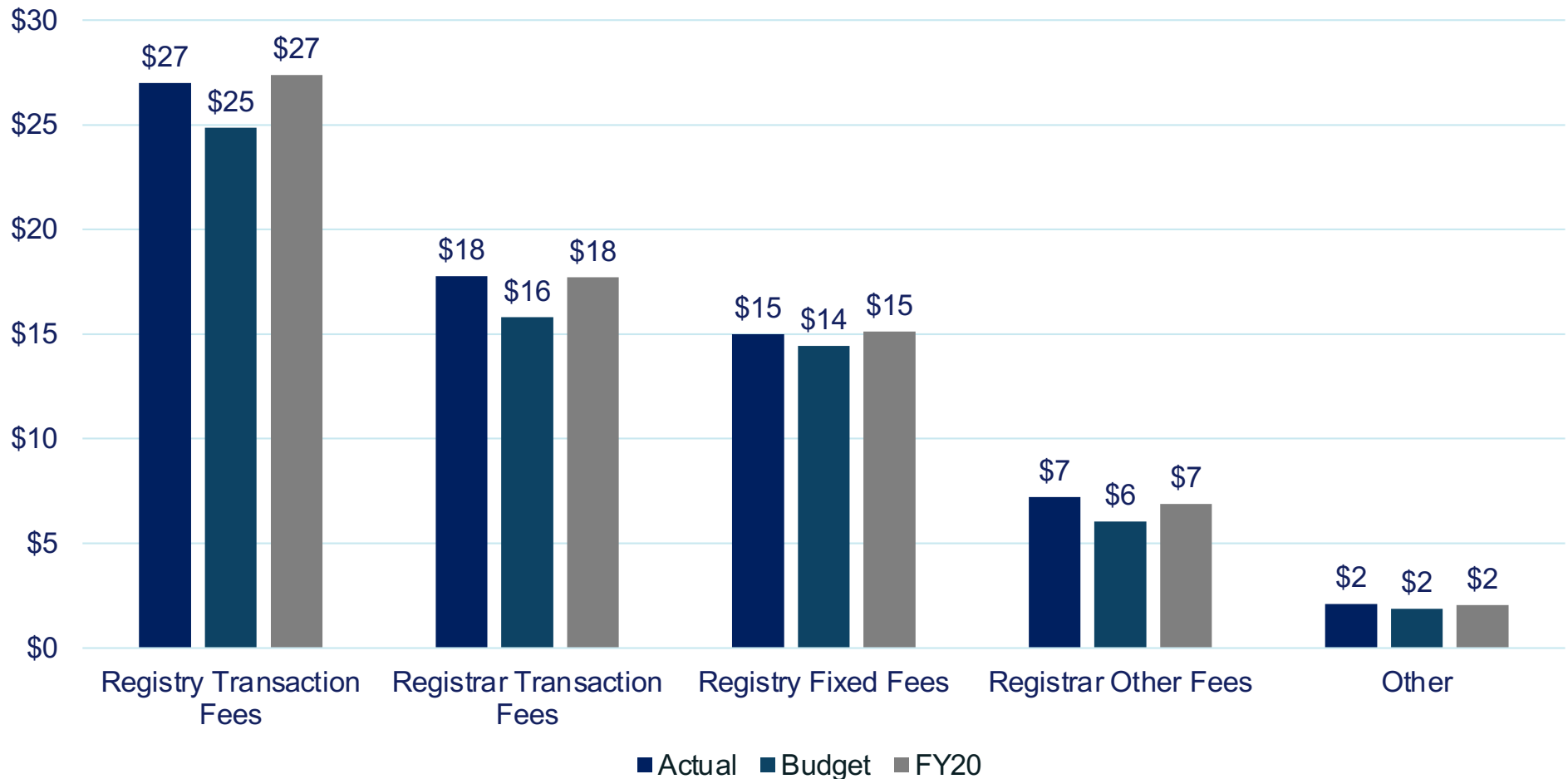
## YTD FY21 Funding- \$69M



# FY21 (Jul 20 – Dec 20) Funding vs Budget & FY20

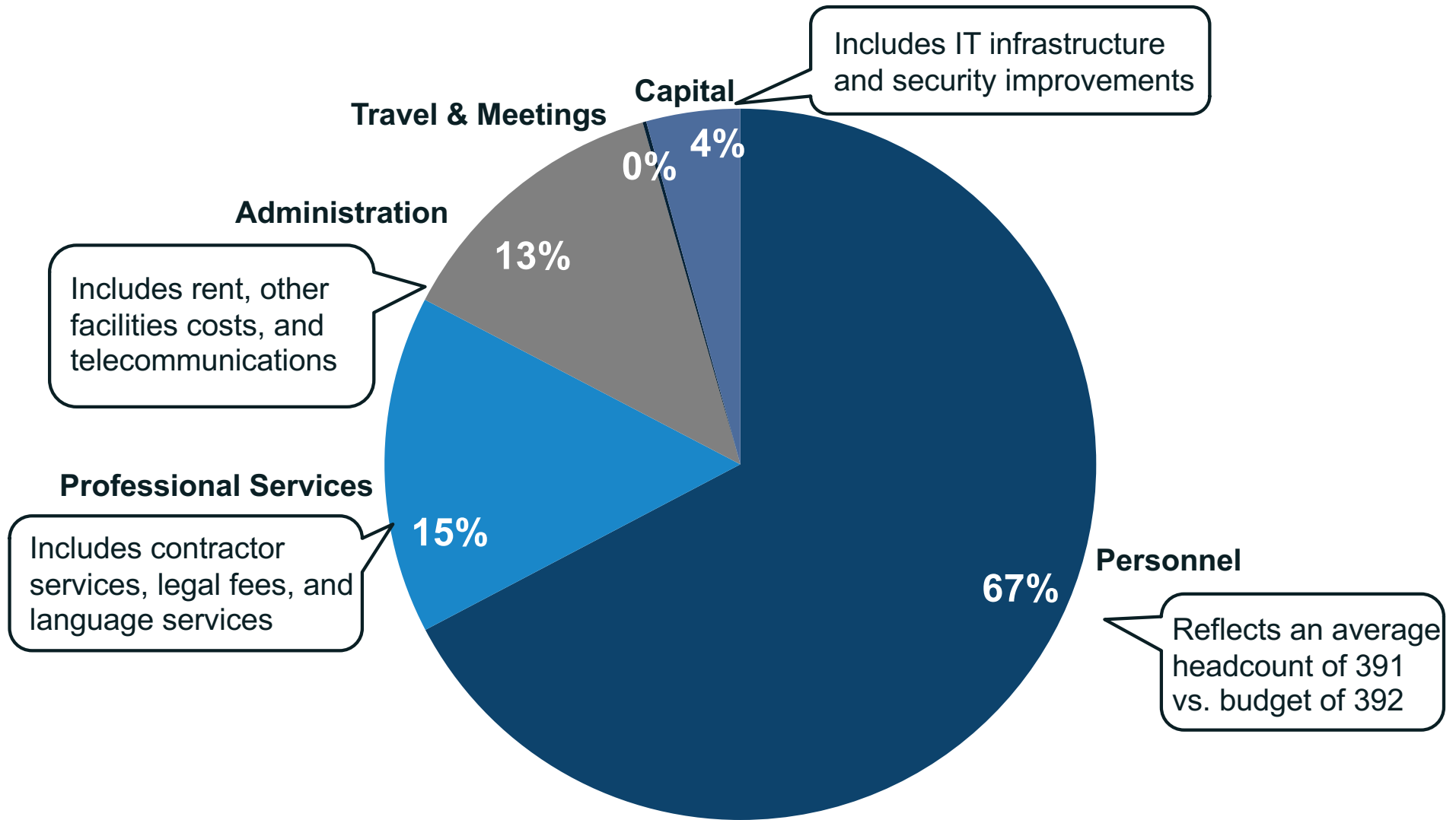
- Funding higher than Budget driven by higher than planned transaction fees

**Actual:** \$ 69M  
**Budget:** \$ 63M  
**FY20:** \$ 69M



# FY21 (Jul 20 – Dec 20) Expenses by Cost Category

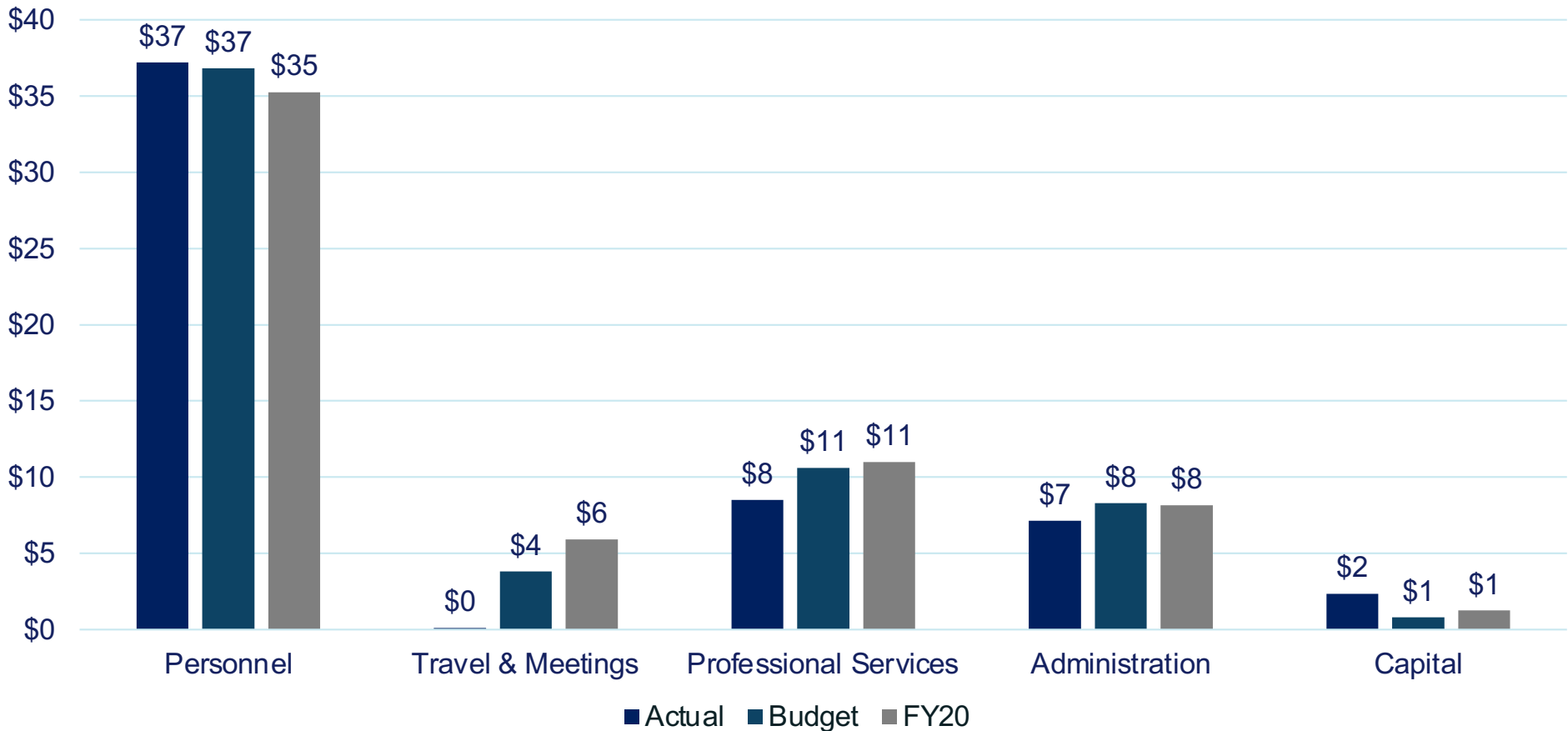
## FY21 YTD Expenses- \$55M



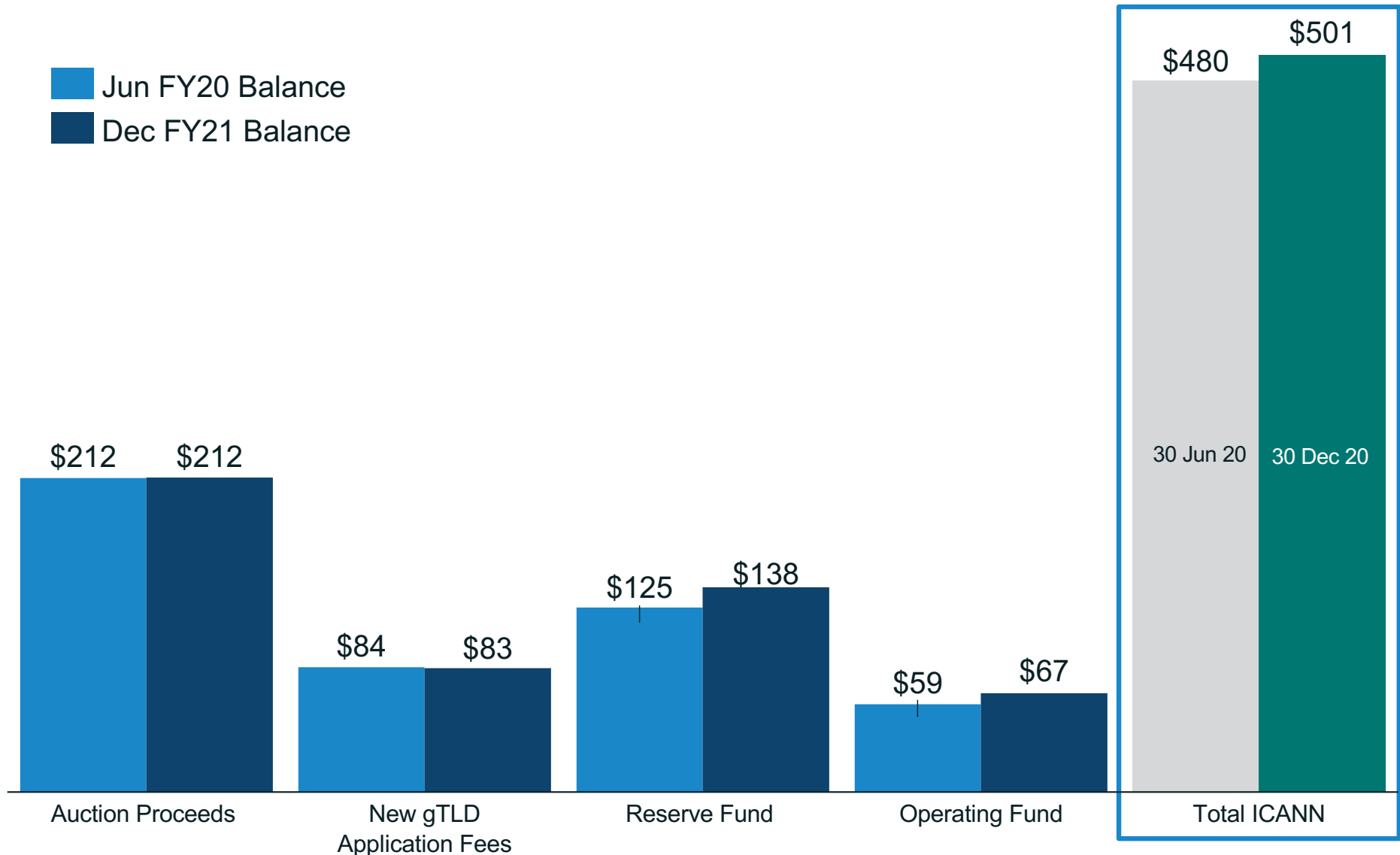
# FY21 (Jul 20 – Dec 20) Operating & Capital Expense

- Lower Travel & Meetings due to travel restrictions from the COVID-19 pandemic

|                |               |
|----------------|---------------|
| <b>Actual:</b> | <b>\$ 55M</b> |
| <b>Budget:</b> | <b>\$ 60M</b> |
| <b>FY20:</b>   | <b>\$ 62M</b> |



# FY21 Funds Under Management



*Total ICANN represents sum of month-end balances for all accounts*





# New gTLD Program

# New gTLD Program – Multiyear Forecast (as of Dec 2020)

Application Fees Collected: \$361M

- Projected Refunds: \$53M

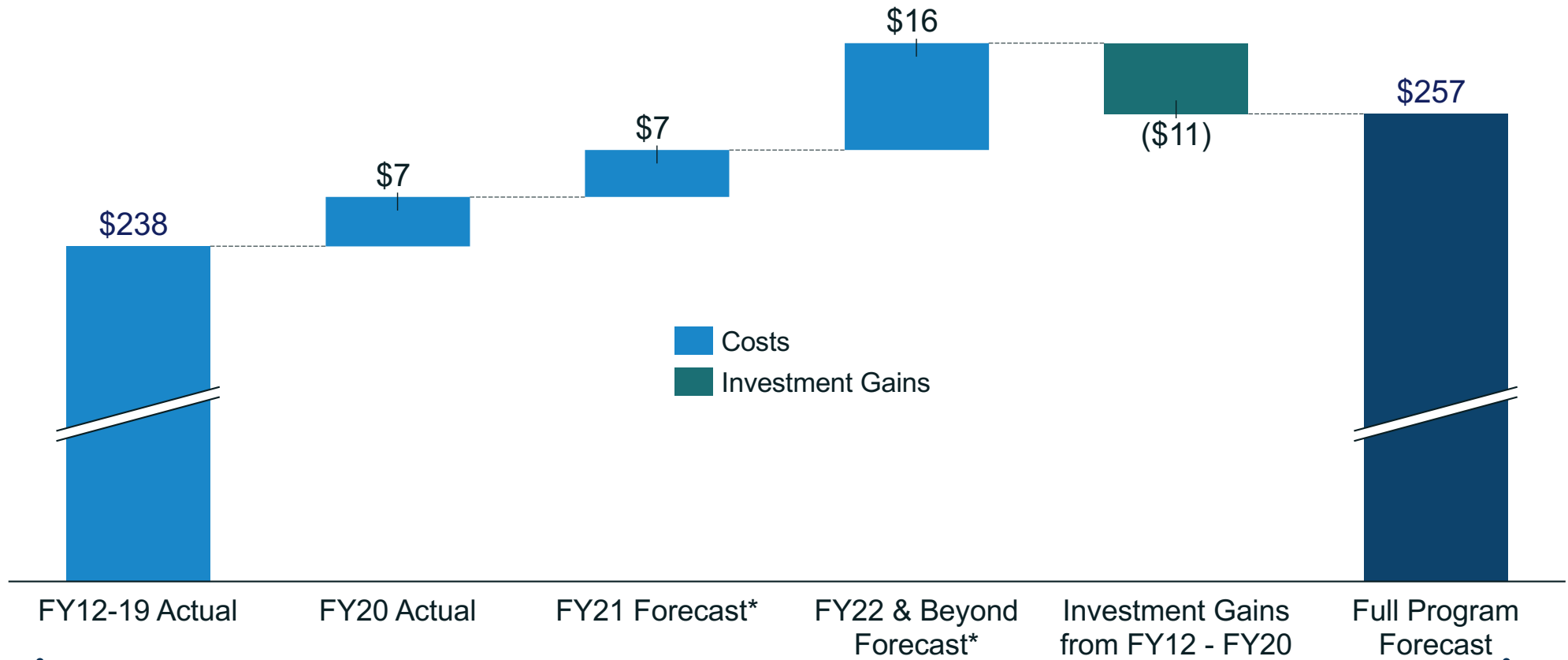
**Applicant Fees Net of Refunds: \$308M**

- Projected Program Costs: \$268M

+ Investment Gains from FY12 - FY20: \$11M

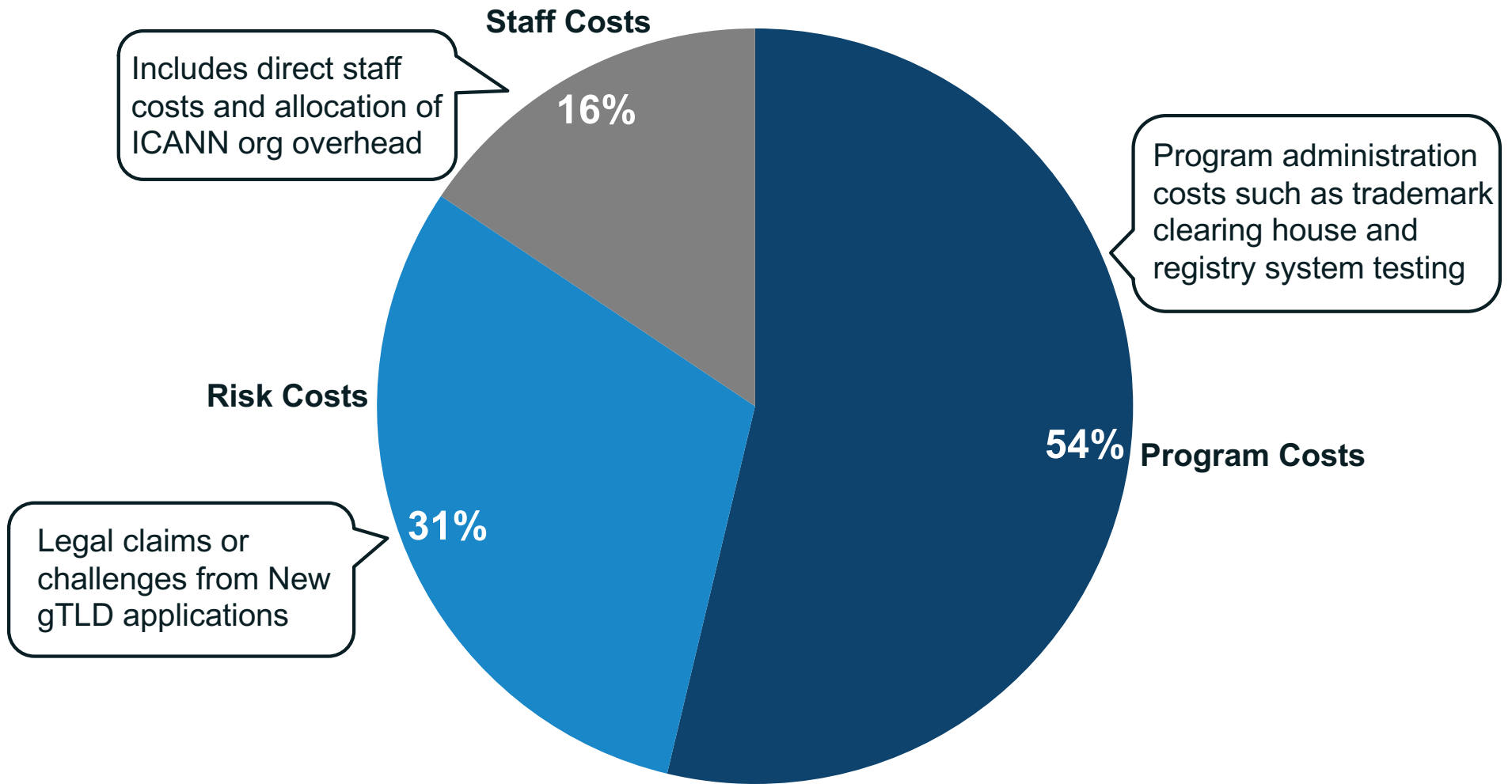
**Projected Remaining Funds: \$51M (for unexpected expenses including Risk Costs)**

\*Risk Costs and Investment Gains are not estimated for future years



# FY21 Forecast (Full Year) New gTLD Expenses

## FY21 New gTLD Expenses- \$7M



# Appendix

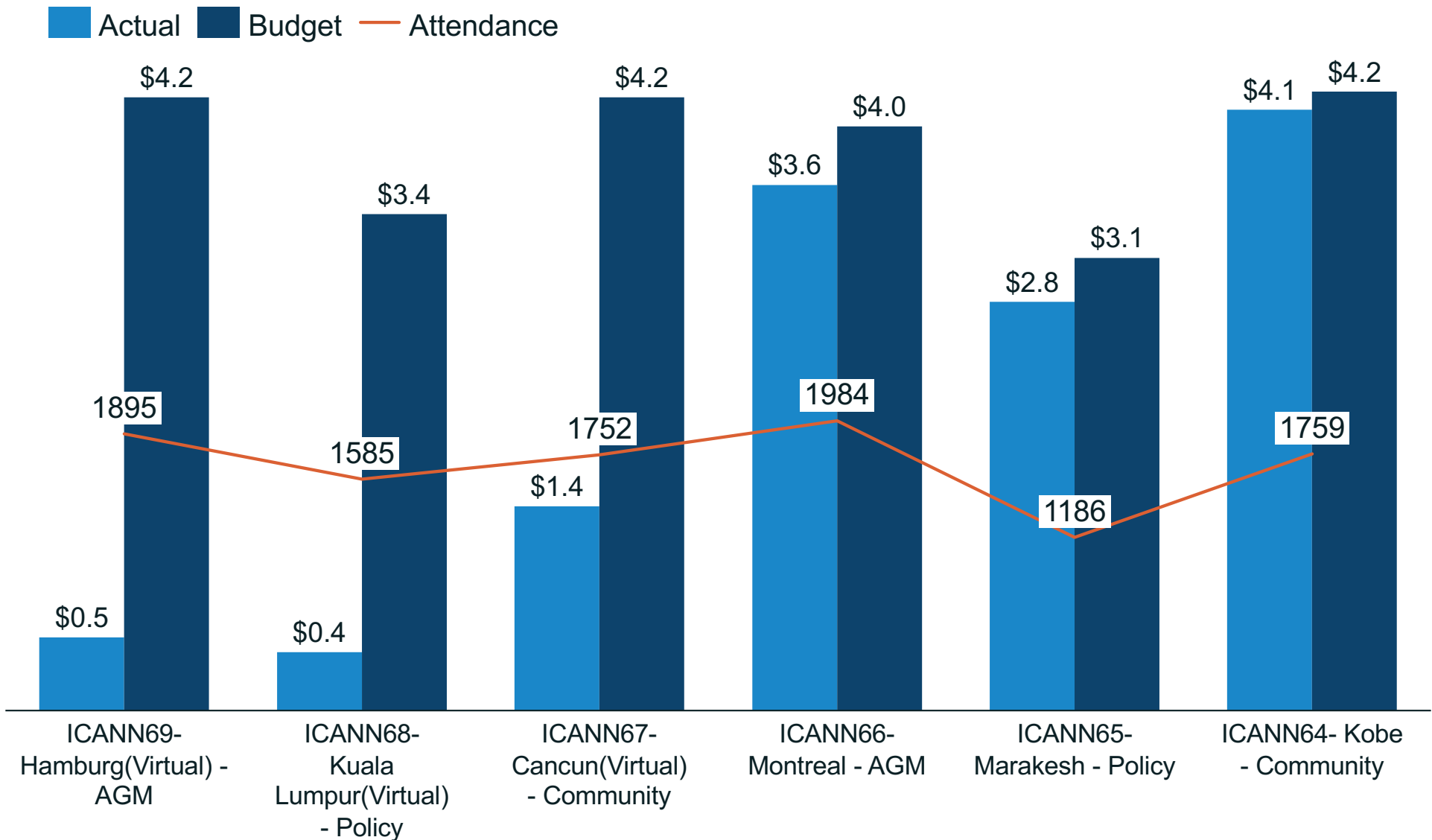
## Supplemental Financials

# ICANN69- Expense by Category

| ICANN69 - Hamburg (Virtual)<br>October 2020 | Total<br>Actual | Total<br>Budget | (Higher)/<br>Lower |
|---|-----------------|-----------------|--------------------|
| Attendee Travel                             | 0.0             | 2.2             | 2.2                |
| Audio/Visual                                | 0.1             | 0.8             | 0.8                |
| Catering                                    | 0.0             | 0.4             | 0.4                |
| Language Services                           | 0.4             | 0.5             | 0.1                |
| Meeting Space                               | 0.0             | 0.4             | 0.4                |
| Other                                       | 0.0             | 0.1             | 0.1                |
| <b>Total Expenses</b>                       | <b>0.5</b>      | <b>4.2</b>      | <b>3.7</b>         |
| Staff & Board Attendees                     | 0               | 229             | 229                |
| Contractor Attendees                        | 0               | 68              | 68                 |
| Constituent Attendees                       | 0               | 225             | 225                |
| <b>Total ICANN Funded Attendees</b>         | <b>0</b>        | <b>522</b>      | <b>522</b>         |

- Majority of expenses for virtual meetings are the language services costs for transcription and translation

# ICANN Meeting Trends



ICANN 67-Cancun (Virtual) expenses are higher than other virtual meetings due to one-time technical investments, good faith payments, and cancellation fees incurred due to timing of face to face meeting cancellation



# FY21 Statement of Position as of 31 December 2020

| Unaudited                                 | December 31, 2020 |              |              | June 30, 2020 |              |              | Increase/ (Decrease) |              |              |
|---|-------------------|--------------|--------------|---------------|--------------|--------------|----------------------|--------------|--------------|
|   | ICANN Ops         | New gTLD     | Total        | ICANN Ops     | New gTLD     | Total        | ICANN Ops            | New gTLD     | Total        |
| <b>ASSETS</b>                             |                   |              |              |               |              |              |                      |              |              |
| Funds Under Management                    | 204.8             | 295.7        | 500.5        | 182.4         | 297.8        | 480.1        | 22.5                 | (2.0)        | 20.4         |
| Receivables                               | 33.4              | 0.0          | 33.4         | 33.7          | 0.0          | 33.7         | (0.3)                | 0.0          | (0.3)        |
| Prepaid Expenses                          | 3.3               | 0.0          | 3.3          | 3.1           | 0.0          | 3.1          | 0.2                  | 0.0          | 0.2          |
| Plant, Property & Equipment - Net         | 15.2              | 0.0          | 15.2         | 14.5          | 0.0          | 14.5         | 0.7                  | 0.0          | 0.7          |
| Other Assets                              | 6.1               | (4.1)        | 2.1          | 2.4           | (0.9)        | 1.4          | 3.8                  | (3.1)        | 0.6          |
| <b>TOTAL ASSETS</b>                       | <b>262.9</b>      | <b>291.6</b> | <b>554.5</b> | <b>236.1</b>  | <b>296.8</b> | <b>532.9</b> | <b>26.8</b>          | <b>(5.2)</b> | <b>21.6</b>  |
| <b>LIABILITIES AND NET ASSETS</b>         |                   |              |              |               |              |              |                      |              |              |
| Accounts Payable & Accrued Liabilities    | 9.5               | 0.9          | 10.4         | 12.5          | 1.8          | 14.3         | (3.0)                | (0.9)        | (3.8)        |
| Deferred Funding                          | 1.1               | 32.0         | 33.2         | 1.1           | 34.5         | 35.6         | 0.0                  | (2.5)        | (2.5)        |
| Other Liabilities                         | 0.0               | 0.0          | 0.0          | 0.0           | 0.0          | 0.0          | 0.0                  | 0.0          | 0.0          |
| <b>TOTAL LIABILITIES</b>                  | <b>10.6</b>       | <b>32.9</b>  | <b>43.6</b>  | <b>13.6</b>   | <b>36.3</b>  | <b>49.9</b>  | <b>(3.0)</b>         | <b>(3.4)</b> | <b>(6.3)</b> |
| <b>UNRESTRICTED/RESTRICTED ASSETS</b>     | <b>222.5</b>      | <b>260.5</b> | <b>483.0</b> | <b>199.6</b>  | <b>270.1</b> | <b>469.8</b> | <b>22.8</b>          | <b>(9.6)</b> | <b>13.2</b>  |
| <b>CURRENT YEAR CHANGE IN NET ASSETS</b>  | <b>29.8</b>       | <b>(1.8)</b> | <b>28.0</b>  | <b>22.8</b>   | <b>(9.6)</b> | <b>13.2</b>  | <b>6.9</b>           | <b>7.8</b>   | <b>14.8</b>  |
| <b>TOTAL NET ASSETS</b>                   | <b>252.2</b>      | <b>258.7</b> | <b>510.9</b> | <b>222.5</b>  | <b>260.5</b> | <b>483.0</b> | <b>29.8</b>          | <b>(1.8)</b> | <b>28.0</b>  |
| <b>TOTAL LIABILITIES &amp; NET ASSETS</b> | <b>262.9</b>      | <b>291.6</b> | <b>554.5</b> | <b>236.1</b>  | <b>296.8</b> | <b>532.9</b> | <b>26.8</b>          | <b>(5.2)</b> | <b>21.6</b>  |

# FY21 Cash Flow Synopsis as of 31 December 2020

| Unaudited   | FY21           |                |                |
|---|----------------|----------------|----------------|
|   | Total ICANN    | NewgTLD        | Total          |
| <b>Funds Under Management Beginning of Period</b>                                     | <b>\$182.4</b> | <b>\$297.8</b> | <b>\$480.1</b> |
| Collected/ (refunded) from contributors/parties                                       | 69.4           | (0.0)          | 69.4           |
| Paid to Employees   | (37.1)         | (0.3)          | (37.4)         |
| Paid to Vendors   | (19.4)         | (5.4)          | (24.8)         |
| Paid to vendors and employees on behalf of New gTLD                                   | (7.4)          | 7.4            | (0.0)          |
| Reimbursement of payments to vendors and employees above, from New gTLD to ICANN Ops: |                |                |                |
| Payments to vendors   | 4.0            | (4.0)          | 0.0            |
| NgTLD team costs (Paid to employees)  | 0.3            | (0.3)          | 0.0            |
| Historical Development Costs  | 0.0            | 0.0            | 0.0            |
| Change in investment market value (excludes transfers to/ from operating account)     | 15.1           | 0.5            | 15.6           |
| Capital Expenditures  | (2.4)          | 0.0            | (2.4)          |
| <b>Funds Under Management End of Period</b>   | <b>\$204.8</b> | <b>\$295.7</b> | <b>\$500.5</b> |



# New gTLD Multiyear Cost Details

| New gTLD Program                        | Statement of Activities by Fiscal Year |                |               |               |                        | Statement of Activities for Full Program (Dec 2020) Current |
|---|--|----------------|---------------|---------------|------------------------|---|
|   | FY12 - FY19 Actual                     | FY20 Actual    | FY21 Forecast | FY22 Budget   | FY23 & Beyond Forecast |   |
| New gTLD Applicant Fees                 | 335                                    | (8)            | 9             | 8             | 17                     | 361   |
| Refunds                                 | (50)                                   | (0)            | (1)           | (0)           | (1)                    | (52)  |
| <b>Applicant Fees (Net of Refunds)</b>  | <b>\$ 285</b>                          | <b>\$ (9)</b>  | <b>\$ 8</b>   | <b>\$ 8</b>   | <b>\$ 16</b>           | <b>\$ 308</b>   |
| Initial and Extended Evaluation         | (68)                                   | -              | -             | -             | -                      | (68)  |
| Quality Control and Objection Processes | (11)                                   | -              | -             | -             | -                      | (11)  |
| Pre-delegation                          | (12)                                   | -              | -             | -             | -                      | (12)  |
| Program Costs                           | (35)                                   | (2)            | (4)           | (4)           | (9)                    | (55)  |
| Staff Costs                             | (55)                                   | (1)            | (1)           | (1)           | (2)                    | (61)  |
| <b>Operating Expenses</b>               | <b>\$ (181)</b>                        | <b>\$ (4)</b>  | <b>\$ (5)</b> | <b>\$ (5)</b> | <b>\$ (11)</b>         | <b>\$ (206)</b>   |
| Historical Development Costs            | (32)                                   | -              | -             | -             | -                      | (32)  |
| Risk Costs                              | (22)                                   | (4)            | (2)           | -             | -                      | (28)  |
| <b>Non Operating Expenses</b>           | <b>\$ (54)</b>                         | <b>\$ (4)</b>  | <b>\$ (2)</b> | <b>\$ -</b>   | <b>\$ -</b>            | <b>\$ (60)</b>  |
| <b>Other Income/(Expense)</b>           | <b>\$ (2)</b>                          | <b>\$ 0</b>    | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ -</b>            | <b>\$ (2)</b>   |
| <b>Investment Income/(Expense)</b>      | <b>\$ 9</b>                            | <b>\$ 2</b>    | <b>\$ 0</b>   | <b>\$ -</b>   | <b>\$ -</b>            | <b>\$ 11</b>  |
| <b>Total Expenses</b>                   | <b>\$ (229)</b>                        | <b>\$ (5)</b>  | <b>\$ (7)</b> | <b>\$ (5)</b> | <b>\$ (11)</b>         | <b>\$ (257)</b>   |
| <b>Net Remaining New gTLD Funds</b>     | <b>\$ 56</b>                           | <b>\$ (14)</b> | <b>\$ 1</b>   | <b>\$ 3</b>   | <b>\$ 5</b>            | <b>\$ 51</b>  |