



**ICANN**

## June 2017 Financial Results

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Unaudited financial results for the twelve months ending  
30 June 2017

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Note - All financial information is unaudited.

**ICANN**  
**Executive Summary of Unaudited Financial Results**  
**For the Twelve Months Ending 30 June 2017**

**Overview - ICANN Operations and New gTLD Program**

The total ICANN change in net assets is \$130M higher than budget for the period mainly due to: (i) unbudgeted Auction Proceeds (\$135.0M); (ii) underspend in planned operations for ICANN Ops (\$7.4M) primarily due to slower FY17 hiring than planned and delayed activities across the organization; (iii) higher than budgeted funding for ICANN Operations (\$2.2); and (iv) total ICANN investment gains of (\$6.7M); partially offset by (v) lower revenue recognized for the New gTLD Program (-\$16.1M), (vi) higher expenses due to auctions fees; offset by lower evaluation costs due to extension of the New gTLD Program (\$0.2M); and (vii) unbudgeted risk costs for the New gTLD Program (-\$5.4M). See below.

The Funds Under Management by ICANN increased by \$118.7M during the period to a total of \$459.6M, mainly as a result of (i) auction proceeds collected (\$135.0M); (ii) net funds collected from contributors and contracted parties (\$134.4M); and (iii) Reserve Fund gains (\$6.7M) partially offset by (iv) general operating expenses for ICANN Ops (-\$151M); and (v) the payment of refunds and evaluation expenses and general operating expenses for the New gTLD Program (-\$6.5M).

**Financial Position**

The Funds Under Management increased by \$118.7M during the period as a result of the following:

- An decrease of the ICANN Operations funds by (\$0.2M) due to:

- (i) funds collected from contributors/ parties of \$134.4M
- (ii) the reimbursement to ICANN Ops from the New gTLD Program for direct/allocated costs for \$10.6M and Historical Development Costs for \$1.3M, and
- (iii) the appreciation of investments for \$4.4M, partially offset by
- (iv) payments to vendors/ employees of \$151M, \$21.1M of which were on behalf of the New gTLD Program.

- A increase of the New gTLD funds by \$118.9M due to:

- (i) Auction proceeds received of \$135M and
- (ii) the appreciation of investments for \$2.4M, partially offset by
- (iii) the reimbursement to ICANN Ops from the New gTLD Program for direct/allocated costs for \$10.6M and Historical Development Costs for \$1.3M,
- (iv) payments to vendors of \$5.8M, and
- (v) net refunds to New gTLD applicants of \$0.7M.

**Funding**

Funding for ICANN Operations was \$2.2M favorable to budget primarily due to: (i) higher than budget new Registrar application and accreditation fees (+\$5.6M); the budget assumes a conservative number of new accreditations taking place in FY2017, (ii) partially offset by lower than budget Transaction Fees (-\$3.4M) due to lower transactions volumes than budgeted. The Other funding fees are lower than budget (-\$0.1M) due to timing for the contributions from cctlds.

Funding for New gTLD program was \$118.9M favorable to budget primarily due to (i) net auction proceeds of \$135.0M, partially offset by (ii) lower funding recognized of -\$16.1M as a result of the extension of the evaluation period for the New gTLD program.

**Operating Expenses**

Personnel expenses for ICANN Operations were \$4.6M favorable to budget primarily due to: (i) slower FY17 hiring than budgeted (average headcount of 364.3 vs 375.7 budgeted) for \$2.9M and (ii) lower than budget average compensation for merit increases, new hire base compensation and fringe rates for \$2.0M.

'Personnel expenses for the New gTLD Program were \$0.8M favorable to budget due to: (i) lower average compensation (including fringe) than planned and (ii) lower average headcount (9.1 vs 11) due to slower hiring and attrition.

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**For the Twelve Months Ending 30 June 2017**

Professional Services expenses were lower than budget by \$2.6M primarily due to: (i) timing differences across various activities and projects including Language Services, Specific Reviews, Public Responsibility, IPv6, Security and Technical Services projects (+\$3.3M); and (ii) ICANN meeting costs that were planned as professional services but used for administration costs such as equipment rental and meetings space costs (+\$1.0M), partially offset by (iii) temporary help for ERP and open positions in Finance for (-\$0.7M), (iv) and higher legal fees (-\$1.0M). IANA Transition professional fees were lower than budget (+\$1.5M) primarily due to lower legal fees.

Professional Services costs for the New gTLD Program were \$0.7M higher than budget due to unbudgeted auction fees and legal costs of \$0.3M.

Administration expenses were higher than budget by \$2.2M primarily due to: (i) new Security Operations activities (-\$1.0 M) which were partially funded by the budgeted contingency and (ii) Infrastructure licenses and network and telecommunication expenses (-\$1.1M).

Administrative costs for the New gTLD Program were flat to budget.

Bad debt: On the basis of the historical trend of uncollectible receivables, the level of bad debt on reserve at the end of the period was sufficient and therefore no additional bad debt expenses were budgeted or reserved during the period.

Depreciation costs were \$1.7M unfavorable to budget primarily due to underestimated depreciation in the the period budget.

**Other Income /Expense**

Other income/ expense for ICANN Operations was \$4.2M favorable to budget due to realized gains of \$4.1M and unrealized gain of \$0.3M on investment accounts, partially offset by unbudgeted foreign currency loss of \$0.2M primarily related to the fluctuation in the exchange rate for the Indian rupee for ICANN 57 vendors.

Other income/ expense for New gTLD was \$2.3M favorable to budget due to realized gains of \$2.8M and unrealized losses of \$0.4M on investment accounts



**Statement of Activities**  
**FY17 Adopted Budget by Quarter**  
**US dollars, in millions**

Unaudited	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Total Year		
	ICANN Ops	NgTLD	Total	ICANN Ops	NgTLD	Total	ICANN Ops	NgTLD	Total	ICANN Ops	NgTLD	Total	ICANN Ops	NgTLD	Total
<b>Funding</b>															
Registry	20.1	0.0	20.1	20.7	0.0	20.7	21.9	0.0	21.9	21.5	0.0	21.5	84.2	0.0	84.2
Registrar	10.7	0.0	10.7	10.9	0.0	10.9	11.6	0.0	11.6	11.4	0.0	11.4	44.5	0.0	44.5
Auction Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contributions & Other Income <sup>(1)</sup>	0.7	0.0	0.7	1.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0	3.7	0.0	3.7
New gTLD Application Fees	0.0	9.9	9.9	0.0	9.3	9.3	0.0	8.4	8.4	0.0	9.2	9.2	0.0	36.9	36.9
<b>Total Funding</b>	<b>\$31.6</b>	<b>\$9.9</b>	<b>\$41.5</b>	<b>\$32.5</b>	<b>\$9.3</b>	<b>\$41.8</b>	<b>\$34.5</b>	<b>\$8.4</b>	<b>\$42.9</b>	<b>\$33.8</b>	<b>\$9.2</b>	<b>\$43.0</b>	<b>\$132.4</b>	<b>\$36.9</b>	<b>\$169.3</b>
<b>Expenses</b>															
Personnel	16.4	1.2	17.6	16.4	1.2	17.6	16.6	1.2	17.8	16.7	1.2	17.9	66.1	4.9	71.0
Travel & Meetings <sup>(2)</sup>	2.5	0.2	2.7	5.2	0.2	5.4	5.5	0.2	5.8	5.3	0.3	5.6	18.5	1.0	19.5
Professional Services	6.2	2.7	8.9	7.2	2.4	9.5	6.9	1.9	8.8	8.9	2.3	11.2	29.2	9.2	38.4
Administration	4.2	0.3	4.5	4.7	0.3	4.9	4.2	0.3	4.5	4.0	0.3	4.3	17.1	1.1	18.2
Bad Debt Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Depreciation Expenses	1.7	0.0	1.7	1.7	0.0	1.7	1.7	0.0	1.7	1.7	0.0	1.7	7.0	0.0	7.0
<b>Total Expenses</b>	<b>31.0</b>	<b>4.4</b>	<b>35.5</b>	<b>35.2</b>	<b>4.1</b>	<b>39.3</b>	<b>35.1</b>	<b>3.6</b>	<b>38.7</b>	<b>36.7</b>	<b>4.1</b>	<b>40.8</b>	<b>138.0</b>	<b>16.2</b>	<b>154.2</b>
Contingency <sup>(3)</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	4.0	4.0	0.0	4.0
Interest - General	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment (Income)/ Loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Other (Income)/Expense</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.0</b>	<b>0.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>	<b>4.0</b>
<b>Change in Net Assets Before Historical Costs and Reserves</b>	<b>0.5</b>	<b>5.5</b>	<b>6.0</b>	<b>(2.7)</b>	<b>5.2</b>	<b>2.5</b>	<b>(0.6)</b>	<b>4.8</b>	<b>4.3</b>	<b>(6.8)</b>	<b>5.1</b>	<b>(1.7)</b>	<b>(9.6)</b>	<b>20.7</b>	<b>11.1</b>
Hist. Development Costs/ (Reimbursement)	(0.8)	0.8	0.0	(0.7)	0.7	0.0	(0.6)	0.6	0.0	(0.7)	0.7	0.0	(2.9)	2.9	0.0
Risk Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Change In Net Assets</b>	<b>\$1.3</b>	<b>\$4.7</b>	<b>\$6.0</b>	<b>(\$2.0)</b>	<b>\$4.5</b>	<b>\$2.5</b>	<b>\$0.1</b>	<b>\$4.2</b>	<b>\$4.3</b>	<b>(\$6.1)</b>	<b>\$4.4</b>	<b>(\$1.7)</b>	<b>(\$6.7)</b>	<b>\$17.8</b>	<b>\$11.1</b>

<sup>(1)</sup> Includes R.I.R, ccTLD, ccTLD IDN.

<sup>(2)</sup> Includes Community Support Requests

<sup>(3)</sup> Contingency items have been reported in the expense categories above based on the nature of the expense.



**Statement of Activities**  
**FY17 Actuals by Quarter**  
**For the Twelve Months Ending 30 June 2017**  
**in millions USD**

Unaudited	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Year-to-Date		
	ICANN Ops	NgTLD	Total	ICANN Ops	NgTLD	Total	ICANN Ops	NgTLD	Total	ICANN Ops	NgTLD	Total	ICANN Ops	NgTLD	Total
<b>Funding</b>															
Registry	20.8	0.0	20.8	18.3	0.0	18.3	24.3	0.0	24.3	20.8	0.0	20.8	84.1	0.0	84.1
Registrar	13.0	0.0	13.0	10.5	0.0	10.5	15.2	0.0	15.2	7.8	0.0	7.8	46.6	0.0	46.6
Auction Proceeds	0.0	135.0	135.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	135.0	135.0
Contributions & Other Income <sup>(1)</sup>	1.0	(0.0)	1.0	0.9	(0.0)	0.9	0.5	0.0	0.5	1.2	0.0	1.2	3.6	(0.0)	3.6
New gTLD Application Fees	0.2	5.7	5.9	0.0	7.0	7.0	0.0	4.2	4.2	0.0	3.9	4.0	0.3	20.8	21.1
<b>Total Funding</b>	<b>\$35.0</b>	<b>\$140.7</b>	<b>\$175.7</b>	<b>\$29.8</b>	<b>\$7.0</b>	<b>\$36.8</b>	<b>\$40.1</b>	<b>4.2</b>	<b>\$44.2</b>	<b>\$29.8</b>	<b>\$3.9</b>	<b>\$33.7</b>	<b>\$134.6</b>	<b>\$155.8</b>	<b>\$290.4</b>
<b>Expenses</b>															
Personnel	14.3	1.0	15.3	14.4	1.0	15.4	16.1	0.9	17.0	16.7	1.2	18.0	61.6	4.1	65.6
Travel & Meetings <sup>(2)</sup>	2.0	0.2	2.2	5.6	0.3	5.8	4.7	0.2	4.8	6.0	0.3	6.2	18.2	0.9	19.1
Professional Services	5.7	4.5	10.2	5.9	2.1	8.0	6.1	3.6	9.7	9.0	(0.2)	8.7	26.6	9.9	36.6
Administration	3.9	0.2	4.1	4.9	0.2	5.2	4.3	0.1	4.5	6.1	0.5	6.7	19.3	1.1	20.4
Bad Debt Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation Expenses	2.1	0.0	2.1	2.5	0.0	2.5	2.1	0.0	2.1	2.0	0.0	2.0	8.7	0.0	8.7
<b>Total Expenses</b>	<b>28.0</b>	<b>5.8</b>	<b>33.9</b>	<b>33.3</b>	<b>3.5</b>	<b>36.8</b>	<b>33.4</b>	<b>4.8</b>	<b>38.1</b>	<b>39.8</b>	<b>1.8</b>	<b>41.6</b>	<b>134.4</b>	<b>16.0</b>	<b>150.4</b>
Contingency <sup>(3)</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest - General	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment (Income)/ Loss	(2.3)	(0.5)	(2.8)	1.9	(0.0)	1.9	(1.9)	(0.7)	(2.7)	(2.1)	(1.1)	(3.2)	(4.4)	(2.4)	(6.7)
Other (Income)/Expense	0.1	0.0	0.1	0.1	(0.0)	0.1	(0.0)	0.0	0.0	(0.1)	0.0	(0.1)	0.2	0.0	0.2
<b>Total Other (Income)/Expense</b>	<b>(2.2)</b>	<b>(0.5)</b>	<b>(2.7)</b>	<b>2.1</b>	<b>(0.0)</b>	<b>2.1</b>	<b>(2.0)</b>	<b>(0.7)</b>	<b>(2.6)</b>	<b>(2.2)</b>	<b>(1.1)</b>	<b>(3.3)</b>	<b>(4.2)</b>	<b>(2.3)</b>	<b>(6.5)</b>
<b>Change in Net Assets Before Historical Costs and Reserves</b>	<b>9.1</b>	<b>135.4</b>	<b>144.5</b>	<b>(5.5)</b>	<b>3.4</b>	<b>(2.1)</b>	<b>8.7</b>	<b>0.1</b>	<b>8.7</b>	<b>(7.8)</b>	<b>3.2</b>	<b>(4.6)</b>	<b>4.4</b>	<b>142.1</b>	<b>146.5</b>
Hist. Development Costs/ (Reimbursement)	(0.6)	0.60	0.0	(0.6)	0.6	0.0	(0.5)	0.5	0.0	(0.4)	0.4	0.0	(2.2)	2.2	0.0
Risk Costs	0.0	1.0	1.0	0.0	2.8	2.8	0.0	0.0	0.0	0.0	1.6	1.6	0.0	5.4	5.4
<b>Change In Net Assets</b>	<b>\$9.7</b>	<b>\$133.8</b>	<b>\$143.5</b>	<b>(\$4.9)</b>	<b>\$0.0</b>	<b>(\$4.9)</b>	<b>\$9.2</b>	<b>(\$0.5)</b>	<b>\$8.7</b>	<b>(\$7.4)</b>	<b>\$1.2</b>	<b>(\$6.2)</b>	<b>\$6.6</b>	<b>\$134.5</b>	<b>\$141.1</b>

<sup>(1)</sup> Includes R.I.R, ccTLD, ccTLD IDN.

<sup>(2)</sup> Includes Community Support Requests

<sup>(3)</sup> Contingency items have been reported in the expense categories above based on the nature of the expense.



**Statement of Activities**  
**Actual vs. Adopted Budget**  
**For the Twelve Months Ending 30 June 2017**  
**in millions USD**

Unaudited	FY17 YTD Actual			FY17 YTD Adopted Budget			Variance vs. Budget					
	ICANN Ops	New gTLD	Total ICANN	ICANN Ops	New gTLD	Total ICANN	ICANN Ops		New gTLD		Total ICANN	
<b>Funding</b>												
Registry	84.1	0.0	84.1	84.2	0.0	84.2	(0.1)	(0.1%)	0.0	0.0%	(0.1)	(0.1%)
Registrar	46.9	0.0	46.9	44.5	0.0	44.5	2.4	5.4%	0.0	0.0%	2.4	5.4%
Auction Proceeds	0.0	135.0	135.0	0.0	0.0	0.0	0.0	0.0%	135.0	0.0%	135.0	0.0%
Contributions & Other Income <sup>(1)</sup>	3.6	(0.0)	3.6	3.7	0.0	3.7	(0.1)	(2.7%)	(0.0)	0.0%	(0.1)	(2.7%)
New gTLD Application Fees	0.0	20.8	20.8	0.0	36.9	36.9	0.0	0.0%	(16.1)	(43.6%)	(16.1)	(43.6%)
<b>Total Funding</b>	<b>134.6</b>	<b>155.8</b>	<b>290.4</b>	<b>132.4</b>	<b>36.9</b>	<b>169.3</b>	<b>2.2</b>	<b>1.7%</b>	<b>118.9</b>	<b>322.7%</b>	<b>121.1</b>	<b>71.5%</b>
<b>Expenses</b>												
Personnel	61.6	4.1	65.6	66.1	4.9	71.0	4.6	6.9%	0.8	16.1%	5.3	7.5%
Travel & Meetings <sup>(2)</sup>	18.2	0.9	19.1	18.5	1.0	19.5	0.3	1.4%	0.1	13.9%	0.4	2.0%
Professional Services	26.6	9.9	36.6	29.2	9.2	38.4	2.6	8.8%	(0.7)	(7.9%)	1.8	4.8%
Administration	19.3	1.1	20.4	17.1	1.1	18.2	(2.2)	(12.8%)	(0.0)	(0.6%)	(2.2)	(12.1%)
Bad Debt Expenses	0.0	0.0	0.0	0.1	0.0	0.1	0.1	100.0%	0.0	0.0%	0.1	100.0%
Depreciation Expenses	8.7	0.0	8.7	7.0	0.0	7.0	(1.7)	(24.3%)	0.0	0.0%	(1.7)	(24.3%)
<b>Total Expenses</b>	<b>134.5</b>	<b>16.0</b>	<b>150.4</b>	<b>138.0</b>	<b>16.2</b>	<b>154.2</b>	<b>3.6</b>	<b>2.6%</b>	<b>0.2</b>	<b>1.2%</b>	<b>3.8</b>	<b>2.5%</b>
Contingency <sup>(3)</sup>	0.0	0.0	0.0	4.0	0.0	4.0	4.0	100.0%	0.0	0.0%	4.0	100.0%
Interest - General	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.0	0.0%
Investment (Income)/ Loss	(4.4)	(2.4)	(6.7)	0.0	0.0	0.0	4.4	0.0%	2.4	0.0%	6.7	0.0%
Other (Income)/Expense	0.2	0.0	0.2	0.0	0.0	0.0	(0.2)	0.0%	(0.0)	0.0%	(0.2)	0.0%
<b>Total Other (Income)/Expense</b>	<b>(4.2)</b>	<b>(2.3)</b>	<b>(6.5)</b>	<b>4.0</b>	<b>0.0</b>	<b>4.0</b>	<b>8.2</b>	<b>206.5%</b>	<b>2.3</b>	<b>0.0%</b>	<b>10.5</b>	<b>265.3%</b>
<b>Change in Net Assets</b> <i>(before Historical Costs and Reserves)</i>	<b>4.4</b>	<b>142.1</b>	<b>146.5</b>	<b>(9.6)</b>	<b>20.7</b>	<b>11.1</b>	<b>14.0</b>	<b>(146.2%)</b>	<b>121.4</b>	<b>587.4%</b>	<b>135.4</b>	<b>1218.5%</b>
Hist. Development Costs/ (Reimbursement)	(2.2)	2.2	0.0	(2.9)	2.9	0.0	(0.7)	24.9%	0.7	24.9%	0.0	0.0%
Risk Costs	0.0	5.4	5.4	0.0	0.0	0.0	0.0	0.0%	(5.4)	0.0%	(5.4)	0.0%
<b>Change In Net Assets</b>	<b>\$6.6</b>	<b>\$134.5</b>	<b>\$141.1</b>	<b>-\$6.7</b>	<b>\$17.8</b>	<b>\$11.1</b>	<b>\$13.3</b>	<b>(199.0%)</b>	<b>\$116.7</b>	<b>656.8%</b>	<b>\$130.0</b>	<b>1169.7%</b>
<b>Average Headcount</b>	<b>364</b>	<b>9</b>	<b>373</b>	<b>376</b>	<b>11</b>	<b>387</b>	<b>12</b>	<b>3.2%</b>	<b>2</b>	<b>19.2%</b>	<b>14</b>	<b>3.6%</b>

<sup>(1)</sup> Includes R.I.R, ccTLD, ccTLD IDN.

<sup>(2)</sup> Includes Community Support Requests

<sup>(3)</sup> Contingency items have been reported in the expense categories above based on the nature of the expense.



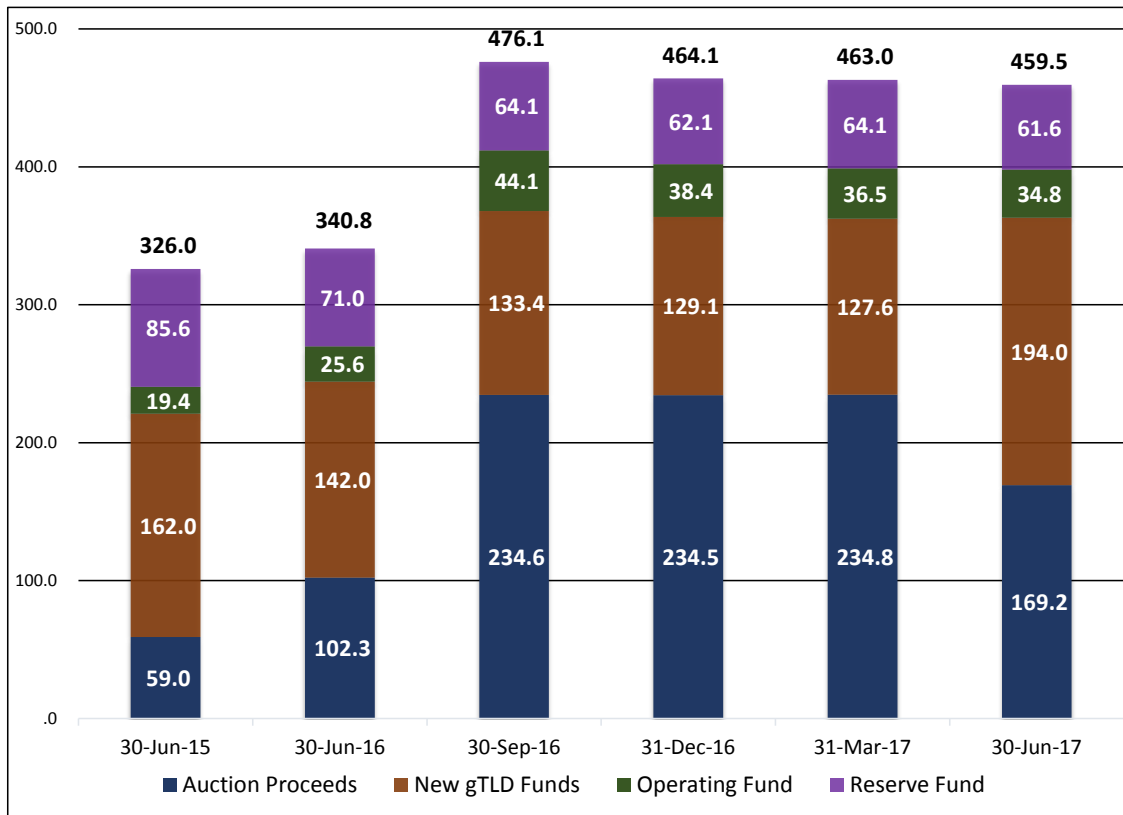
**Statement of Position**  
**As of 30 June 2017**  
**US dollars, in thousands**

<b>USD in millions</b> <b>Unaudited</b>	<b>30 June 2017</b>			<b>30 June 2016</b>			<b>Increase/ (Decrease)</b>		
	<b>ICANN Ops</b>	<b>New gTLD</b>	<b>Total</b>	<b>ICANN Ops</b>	<b>New gTLD</b>	<b>Total</b>	<b>ICANN Ops</b>	<b>New gTLD</b>	<b>Total</b>
<b>ASSETS</b>									
Total Cash & Cash Equivalents	34.8	72.8	107.5	25.6	11.8	37.4	9.2	60.9	70.1
Investments	61.6	290.4	352.0	71.0	232.4	303.4	-9.4	58.0	48.6
Funds Under Management	<b>96.4</b>	<b>363.2</b>	<b>459.5</b>	<b>96.6</b>	<b>244.2</b>	<b>340.8</b>	<b>-0.2</b>	<b>118.9</b>	<b>118.7</b>
Receivables	39.7	0.1	39.9	36.9	0.3	37.2	2.9	-0.2	2.6
Prepaid Expenses	2.0	0.0	2.0	2.8	0.0	2.8	-0.8	0.0	-0.8
Plant, Property & Equipment - Net	17.5	0.0	17.5	18.2	0.0	18.2	-0.7	0.0	-0.7
Other Assets	10.8	-9.8	0.9	5.4	-4.7	0.6	5.4	-5.1	0.3
<b>TOTAL ASSETS</b>	<b>166.3</b>	<b>353.5</b>	<b>519.8</b>	<b>159.8</b>	<b>239.8</b>	<b>399.6</b>	<b>6.5</b>	<b>113.6</b>	<b>120.2</b>
<b>LIABILITIES AND NET ASSETS</b>									
Accounts Payable & Accrued Liabilities	16.8	2.2	19.1	17.3	1.4	18.7	-0.5	0.8	0.3
Deferred Funding	1.4	24.6	26.0	0.9	46.3	47.3	0.5	-21.7	-21.2
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>18.2</b>	<b>26.9</b>	<b>45.1</b>	<b>18.3</b>	<b>47.8</b>	<b>66.0</b>	<b>-0.1</b>	<b>-20.9</b>	<b>-20.9</b>
<b>UNRESTRICTED/RESTRICTED ASSETS</b>	<b>141.5</b>	<b>192.1</b>	<b>333.6</b>	<b>141.5</b>	<b>192.1</b>	<b>333.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CURRENT YEAR CHANGE IN NET ASSETS</b>	<b>6.6</b>	<b>134.5</b>	<b>141.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.6</b>	<b>134.5</b>	<b>141.1</b>
<b>TOTAL NET ASSETS</b>	<b>148.1</b>	<b>326.6</b>	<b>474.7</b>	<b>141.5</b>	<b>192.1</b>	<b>333.6</b>	<b>6.6</b>	<b>134.5</b>	<b>141.1</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>166.3</b>	<b>353.5</b>	<b>519.8</b>	<b>159.8</b>	<b>239.8</b>	<b>399.6</b>	<b>6.5</b>	<b>113.6</b>	<b>120.2</b>





**Funds Under Management**  
**As of 30 June 2017**  
**US dollars, in millions**



The variances from 30 June 2016 to 30 June 2017 are as follows:

**New gTLD Auction Proceeds** increased by \$132.6M due to: (i) the receipt of funds for the auctions held during the period (\$135.0M); and (ii) gains on the investment of funds (+\$0.5M), partially offset by auction fees (-\$2.9M).

**New gTLD funds** decreased by \$14.4M mainly due to: i) the repayment to ICANN Ops for Historical Development costs and accumulated direct allocated costs incurred on behalf of the program (-\$11.9M); and ii) net refunds to applicants and disbursements to vendors of (-\$3.2M), partially offset by the appreciation in the market value of investments (+\$0.7M).

The **ICANN Operations Operating Fund** increased by \$10.9M as a result of: i) the net impact of cash received from contracted parties of (+99.8M); ii) a transfer from the Reserve Fund for FY16 Q3-4 IANA Stewardship Project costs (+\$9.2M); and iii) the cash received from the New gTLD Program for repayment of Historical Development costs and accumulated direct allocated costs incurred on behalf of the program (+\$11.9M), partially offset by iv) payments to employees and vendors of (-\$110.1M), \$14.7M of which was on behalf of the New gTLD Program.

The **ICANN Operations Reserve Fund** decreased \$6.9M as a result of the transfer to the Operating account for the reimbursement of IANA Transition Project expenses of (-\$9.2M), partially offset by the appreciation in the market value of investments of (+2.3M).



**Cash Flows Synopsis**  
**For the Twelve Months Ending 30 June 2017**  
**US dollars, in millions**

Unaudited	FY17		
	ICANN Ops	NgTLD	Total
<b>Funds Under Management at Beginning of Period</b>	<b>\$96.6</b>	<b>\$244.2</b>	<b>\$340.8</b>
Collected/ (refunded) from contributors/parties	134.4	(0.7)	133.7
Auction Proceeds	0.0	135.0	135.0
Paid to vendors	(65.0)	(18.7)	(83.7)
Paid to employees	(56.9)	(4.1)	(61.0)
Paid to vendors and employees on behalf of New gTLD	(21.1)	17.0	(4.1)
Reimbursement of payments to vendors and employees above, from New gTLD to ICANN Ops:			
Payments to vendors	3.4	(3.4)	0.0
NgTLD team costs (Paid to employees)	1.7	(1.7)	0.0
Overhead Allocations (Paid to vendors and employees)	5.4	(5.4)	0.0
Historical Development Costs	1.3	(1.3)	0.0
Capital expenditures	(8.0)	0.0	(8.0)
Change in investment market value (excludes transfers to/ from operating account)	4.4	2.4	6.7
<b>Funds Under Management at End of Period</b>	<b>\$96.4</b>	<b>\$363.2</b>	<b>\$459.6</b>



**Reserve Fund Activity**  
**As of 30 June 2017**  
**US dollars, in millions**

<b>Reserve Fund Activity (unaudited)</b>	
<b>Total Contributions</b>	<b>70.5</b>
<b>Total Withdrawals</b>	<b>(31.0)</b>
<b>Balance at Beginning of Fiscal Year (01-Jul-2016)</b>	<b>71.0</b>
<b>Prior Fiscal Quarter Balance (31-Mar -2017)</b>	<b>64.1</b>
<b>Balance at End of Fiscal Period (30-Jun-2017)</b>	<b>61.6</b>

**Notes:**

**Historical default = 12 months of operating expenses.**



**New gTLD Financial Summary**  
**As of 30 June 2017**  
**US dollars, in millions**

Unaudited	Program to date	Full Program		Program Balance		
	Actual (June 2017)	Current Estimate (Feb 2017)	Prior Estimate (Feb 2016)	Actual vs Current Estimate (Over)/Under	Actual vs Prior Estimate (Over)/Under	
<b>Fees</b>						
Application Fees	(361.0)	(1)	(361.0)	(361.0)	0.0	0.0
Other Fees	(1.7)	(2)	(1.3)	(1.1)	(0.4)	(0.6)
<b>Total Fees</b>	<b>(362.7)</b>		<b>(362.2)</b>	<b>(362.2)</b>	<b>(0.4)</b>	<b>(0.6)</b>
<b>Refunds</b>						
Withdrawal (Pre-reveal/Overpayment)	1.2		5.6	5.6	4.4	4.4
Withdrawal (@ 80%)	0.4		0.4	0.4	0.0	0.0
Withdrawal (@ 70%)	13.4		13.4	13.4	(0.0)	(0.0)
Withdrawal (@ 35%)	23.0		27.9	27.9	4.9	3.4
Withdrawal (@ 20%)	<u>4.3</u>		<u>5.4</u>	<u>5.4</u>	<u>1.1</u>	<u>0.7</u>
<b>Total Refunds</b>	<b>42.3</b>		<b>52.7</b>	<b>52.7</b>	<b>10.4</b>	<b>8.5</b>
<b>Funds Net of Refunds</b>	<b>(318.7)</b>		<b>(309.5)</b>	<b>(309.5)</b>		
<b>Revenue</b>						
Recognized Revenue	(290.5)		(309.5)	(309.5)		
Deferred Revenue	<u>(28.2)</u>		<u>0.0</u>	<u>0.0</u>		
<b>Total Revenue</b>	<b>(318.7)</b>		<b>(309.5)</b>	<b>(309.5)</b>	<b>(9.1)</b>	<b>(7.4)</b>
<b>Expenses</b>						
Evaluation Processing Costs	110.9		129.8	135.8	18.9	26.6
Overhead	54.4		60.3	60.4	5.8	6.0
NgTLD Team	13.6		13.4	15.4	(0.2)	1.8
ICANN Staff Allocation	35.8		41.4	39.1	5.6	3.3
Other Overhead	<u>5.0</u>		<u>5.4</u>	<u>5.9</u>	<u>0.4</u>	<u>0.9</u>
<b>Total Operating Expenses</b>	<b>165.3</b>		<b>190.0</b>	<b>196.2</b>	<b>24.7</b>	<b>32.7</b>
Historical Development Costs	30.5		32.5	32.5	2.0	2.0
<b>Total Expenses</b>	<b>195.8</b>		<b>222.5</b>	<b>228.7</b>	<b>26.7</b>	<b>34.7</b>
<b>Net Remaining Funds</b>	<b>(122.9)</b>		<b>(87.1)</b>	<b>(80.8)</b>	<b>(35.8)</b>	<b>(42.0)</b>
<b>Remaining Funds</b>	<b>(122.9)</b>		<b>(87.1)</b>	<b>(80.8)</b>	<b>(35.8)</b>	<b>(42.0)</b>
Actual Risk Costs	14.1	(3)	9.7	8.8	4.4	(7.1)
<b>Net Remaining Funds</b>	<b>(108.8)</b>		<b>(77.5)</b>	<b>(72.0)</b>	<b>(31.3)</b>	<b>(49.1)</b>

(1) Includes overpayments.

(2) Proceeds from Prioritization Draw and Fees for Change Request.

(3) Currently includes actual risk costs incurred. Future costs cannot be estimate. Further review of risk costs identification in progress.



**New gTLD Historical Development Costs**  
**As of 30 June 2017**  
**US dollars, in millions**

	Accrued	Transferred/Paid
<b>FY13 Actual</b>	<b>\$15.4</b>	<b>\$0.0</b>
Q1 FY14 Actual	3.7	16.8
Q2 FY14 Actual	1.9	0.0
Q3 FY14 Actual	1.3	2.7
Q4 FY14 Actual	(2.4)	0.0
FY14 Total	4.6	19.4
<b>FY14 (Program to date)</b>	<b>20.0</b>	<b>19.4</b>
Q1 FY15 Actual	0.9	0.4
Q2 FY15 Actual	1.5	1.0
Q3 FY15 Actual	2.3	1.1
Q4 FY15 Actual	1.3	2.3
FY15 Total	6.0	4.8
<b>FY15 (Program to date)</b>	<b>26.0</b>	<b>24.3</b>
Q1 FY16 Actual	0.9	1.0
Q2 FY16 Actual	0.5	0.0
Q3 FY16 Actual	1.2	0.0
Q4 FY16 Actual	(0.3)	1.8
FY16 Total	2.3	2.9
<b>FY16 (Program to date)</b>	<b>28.3</b>	<b>27.2</b>
Q1 FY17 Actual	0.6	0.0
Q2 FY17 Actual	0.1	0.6
Q3 FY17 Forecast	0.7	0.2
Q4 FY17 Forecast	0.8	0.0
FY17 Total	2.1	0.8
<b>FY17 (Program to date)</b>	<b>\$30.4</b>	<b>\$27.9</b>
Q1 FY18 Forecast	0.5	0.0
Q2 FY18 Forecast	0.5	0.0
Q3 FY18 Forecast	0.5	0.0
Q4 FY18 Forecast	0.5	0.0
FY18 Total	2.0	0.0
<b>FY18 (Program to date)</b>	<b>\$32.5</b>	<b>\$27.9</b>

*NOTE:*

Forecast referenced above, as of Feb 2017



New gTLD Auction Proceeds and Fees  
As of 30 June 2017  
Program To Date  
In Thousands

Description	Proceeds	Costs	Net Proceeds
<b>Auction Development Costs</b>			
Direct Contention		\$230,000	
Indirect Contention		\$120,000	
Wilmington Trust Annual Fee		\$1,750	
<b>Subtotal: Auction Development Costs</b>	<b>\$ -</b>	<b>\$351,750</b>	<b>(\$351,750)</b>
<b>4 June 2014 Auction</b>			
Completed Auctions	\$600,000	\$24,000	
Escrow Fees		\$500	
<b>Subtotal: 4 June 2014 Auction</b>	<b>\$600,000</b>	<b>\$24,500</b>	<b>\$575,500</b>
<b>9 July 2014 Auction</b>			
Scheduled and Cancelled		\$10,000	
Escrow Fees		\$500	
<b>Subtotal: 9 July 2014 Auction</b>	<b>\$ -</b>	<b>\$10,500</b>	<b>(\$10,500)</b>
<b>6 August 2014 Auction</b>			
Scheduled and Cancelled		\$20,000	
Escrow Fees		\$500	
<b>Subtotal: 6 August 2014 Auction</b>	<b>\$ -</b>	<b>\$20,500</b>	<b>(\$20,500)</b>
<b>17 September 2014 Auction</b>			
Completed Auctions	\$14,349,776	\$573,991	
Scheduled and Cancelled		\$60,000	
Escrow Fees		\$3,750	
<b>Subtotal: 17 September 2014 Auction</b>	<b>\$14,349,776</b>	<b>\$637,741</b>	<b>\$13,712,035</b>
<b>22 October 2014 Auction</b>			
Completed Auctions	\$12,889,463	\$515,579	
Scheduled and Cancelled		\$100,000	
Escrow Fees		\$5,750	
<b>Subtotal: 22 October 2014 Auction</b>	<b>\$12,889,463</b>	<b>\$621,329</b>	<b>\$12,268,134</b>
<b>19 November 2014 Auction</b>			
Completed Auctions	\$700,000	\$28,000	
Scheduled and Cancelled		\$150,000	
Escrow Fees		\$4,250	
<b>Subtotal: 19 November 2014 Auction</b>	<b>\$700,000</b>	<b>\$182,250</b>	<b>\$517,750</b>
<b>17 December 2014 Auction</b>			
Completed Auctions	\$6,447,888	\$257,916	
Scheduled and Cancelled		\$90,000	
Escrow Fees		\$3,500	
<b>Subtotal: 17 December 2014 Auction</b>	<b>\$6,447,888</b>	<b>\$351,416</b>	<b>\$6,096,472</b>
<b>21 January 2015 Auction</b>			
Completed Auctions	\$0	\$0	
Scheduled and Cancelled		\$30,000	
Escrow Fees		\$750	
<b>Subtotal: 21 January 2015 Auction</b>	<b>\$0</b>	<b>\$30,750</b>	<b>(\$30,750)</b>
<b>25 February 2015 Auction</b>			
Completed Auctions	\$25,001,000	\$700,020	
Scheduled and Cancelled		\$40,000	
Escrow Fees		\$1,750	
<b>Subtotal: 25 February 2015 Auction</b>	<b>\$25,001,000</b>	<b>\$741,770</b>	<b>\$24,259,230</b>
<b>25 March 2015 Auction</b>			
Completed Auctions	\$1,901,000	\$76,040	
Scheduled and Cancelled		\$20,000	
Escrow Fees		\$750	
<b>Subtotal: 25 March 2015 Auction</b>	<b>\$1,901,000</b>	<b>\$96,790</b>	<b>\$1,804,210</b>
<b>29 April 2015 Auction</b>			
Scheduled and Cancelled		\$10,000	
<b>Subtotal: 29 April 2015 Auction</b>	<b>\$0</b>	<b>\$10,000</b>	<b>(\$10,000)</b>
<b>20 May 2015 Auction</b>			
Scheduled and Cancelled		\$10,000	
Escrow Fees		\$500	
<b>Subtotal: 20 May 2015 Auction</b>	<b>\$0</b>	<b>\$10,500</b>	<b>(\$10,500)</b>
<b>29 July 2015 Auction</b>			
Scheduled and Cancelled		\$10,000	
Escrow Fees		\$1,000	
<b>Subtotal: 29 July 2015 Auction</b>	<b>\$0</b>	<b>\$11,000</b>	<b>(\$11,000)</b>
<b>14 October 2015 Auction</b>			
Scheduled and Cancelled		\$10,000	
Escrow Fees		\$500	
<b>Subtotal: 14 October 2015 Auction</b>	<b>\$ -</b>	<b>\$10,500</b>	<b>(\$10,500)</b>
<b>18 November 2015 Auction</b>			
Completed Auctions	\$2,200,000	\$88,000	
Escrow Fees		\$500	
<b>Subtotal: 18 November 2015 Auction</b>	<b>\$2,200,000</b>	<b>\$88,500</b>	<b>\$2,111,500</b>
<b>27 January 2016 Auction</b>			
Completed Auctions	\$41,501,000	\$1,030,020	
Escrow Fees		\$750	
<b>Subtotal: 27 January 2016 Auction</b>	<b>\$41,501,000</b>	<b>\$1,030,770</b>	<b>\$40,470,230</b>
<b>27 July 2016 Auction</b>			
Completed Auctions	\$135,000,001	\$2,900,000	
Escrow Fees		\$500	
<b>Subtotal: 27 July 2016 Auction</b>	<b>\$135,000,001</b>	<b>\$2,900,500</b>	<b>\$132,099,501</b>
<b>Current Total</b>	<b>\$240,590,128</b>	<b>\$134,565</b>	<b>\$233,455,563</b>



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