

# ICANN FY24 Quarterly Management Financials – Nine Months Ending March 2024 (Unaudited)



Published May 2024

# Background

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- This report is published quarterly.
- The following information reflects ICANN's unaudited quarterly financials through the third quarter of fiscal year 2024 (FY24), corresponding to nine months beginning 1 July 2023 and ending 31 March 2024.
- To provide useful information regarding ICANN's financial results in addition to what is determined by generally accepted accounting principles (GAAP), ICANN supplements its audited GAAP financial reporting by including non-GAAP information in these quarterly publications.
- Although GAAP reporting aligns to accounting rules and standards, this can make it challenging to properly understand operations and performance.
- ICANN reports non-GAAP information because it provides useful supplemental information and removes non-operational expenses. This improves clarity and transparency by providing a more accurate measure of ICANN's operational funding and expenses and enables comparability of financial results period-over-period.

## Total ICANN

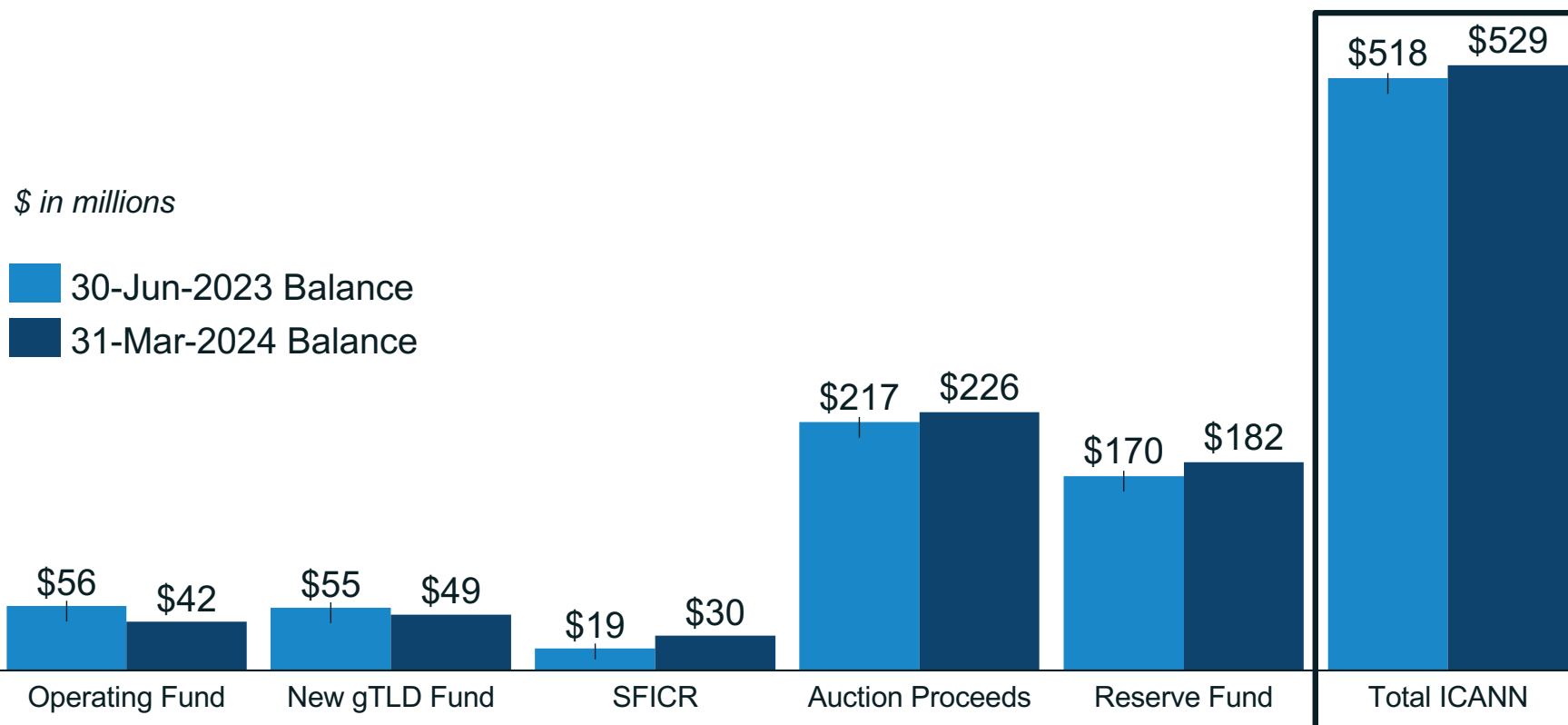
Consists of ICANN Operations (including IANA), the New gTLD Program 2012 Round and Next Round, Review Prioritization Implementation, Registration Data Request Service, and the Grant Program, as well as ICANN's funds under management

# Total ICANN – Financial Overview (Jul 23 – Mar 24)

USD in millions Unaudited	FY24 YTD Actual				
	ICANN Operations	New gTLD Program	SFICR Projects	Grant Program	Total ICANN
<b>Funding</b>	\$112.7	(\$0.2)	-	-	\$112.5
<b>Expenses</b>	\$112.5	\$14.4	\$2.8	\$0.9	\$130.6
<b>Average FTEs</b>	412	29	11	4	456
<b>End of Period FTEs</b>	426	38	8	4	475

- The table above is a financial summary of the segments of Total ICANN, each with its own source of funds.
- This information reflects year-to-date (YTD) financials, corresponding to nine months beginning 1 July 2023 and ending 31 March 2024.
- New gTLD Program includes 2012 Round and Next Round.
- SFICR Projects include Prioritized Review Recommendations and Registration Data Request Service.
- Each segment of Total ICANN (ICANN Operations, New gTLD Program, SFICR Projects, and Grant Program) have detailed sections below.

# Total ICANN – Funds Under Management (as of Mar 2024)



Funds under management increased \$11 million since the beginning of the fiscal year due to investment gains, partially offset by expenses in segments other than ICANN Operations.

- Operating Fund decreased due to \$20M transfer to SFICR partially offset by investment gains.
- New gTLD Fund decreased due to expenses for 2012 Round and Next Round implementation costs.
- SFICR increased due to transfer from Operating Fund and investment gains, partially offset by expenses in SFICR projects and funding of New gTLD Next Round expenses.
- Auction proceeds increased due to investment gains partially offset by Grant Program expenses.
- Reserve Fund increased due to market gains on investments.

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

# ICANN Operations

Consists of ongoing activities such as the technical coordination of the Domain Name System (DNS) and coordination of the development and implementation of policies concerning top-level domains

# ICANN Operations – Financial Overview (Jul 23 – Mar 24)

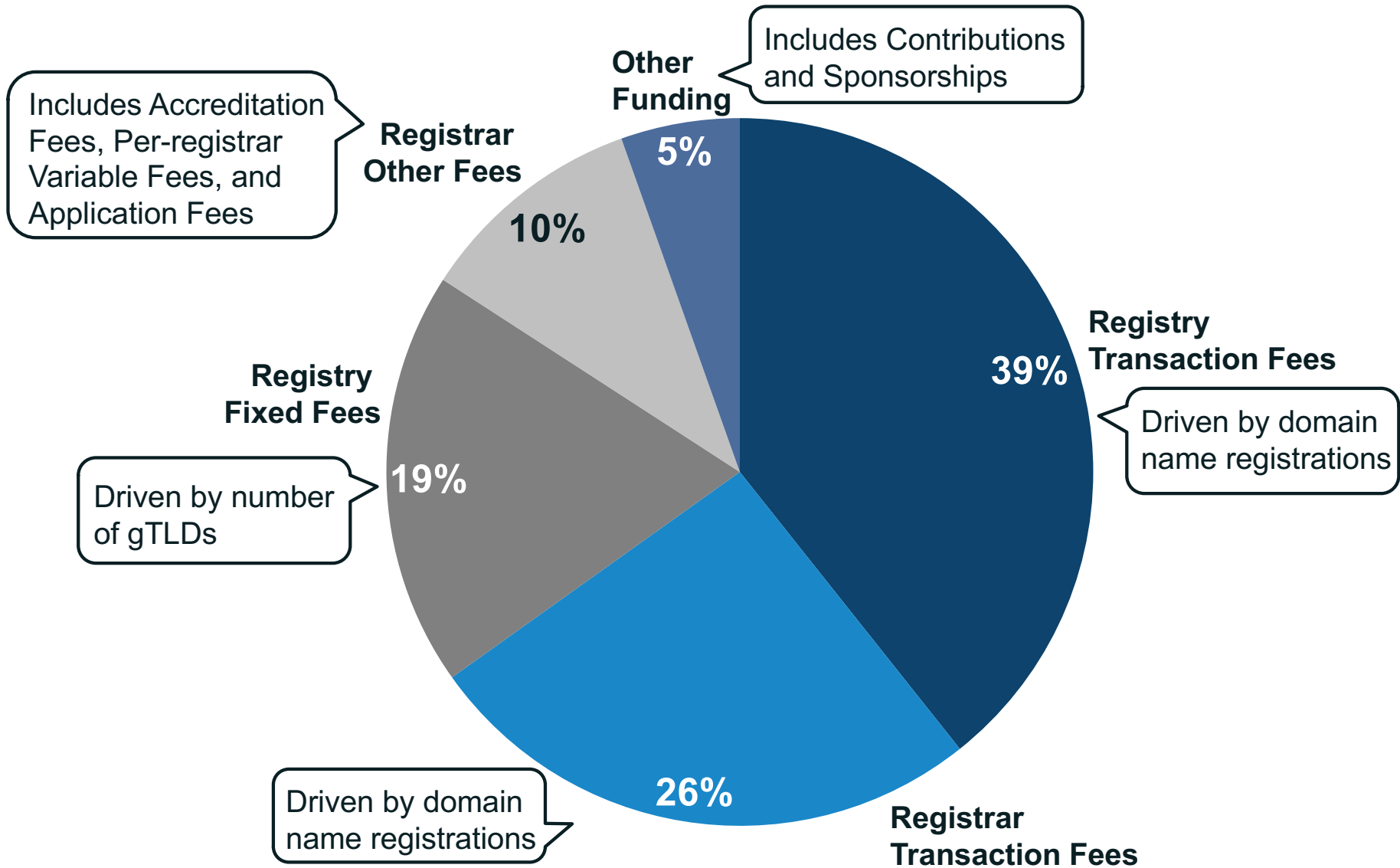
The statement of activity below provides a summary of ICANN Operations' YTD financials, corresponding to nine months beginning 1 July 2023 and ending 31 Mar 2024.

Where relevant, comparative information pertaining to the prior year (FY23) is provided, corresponding to nine months beginning 1 July 2022 and ending 31 Mar 2023.

ICANN Operations	FY24 YTD Actual	FY24 YTD Budget	Var	FY23 YTD Actual	Var
<b>Funding</b>	\$113	\$110	\$3	\$113	(\$1)
<b>Expenses</b>	\$112	\$106	(\$6)	\$105	(\$8)
<b>Net Operating Excess/(Deficit)</b>	\$0	\$3	(\$3)	\$9	(\$8)
<b>Average Full-Time Equivalents</b>	412	403	(9)	399	(13)

# ICANN Operations – Funding by Category (Jul 23 – Mar 24)

## FY24 YTD Funding- \$113M

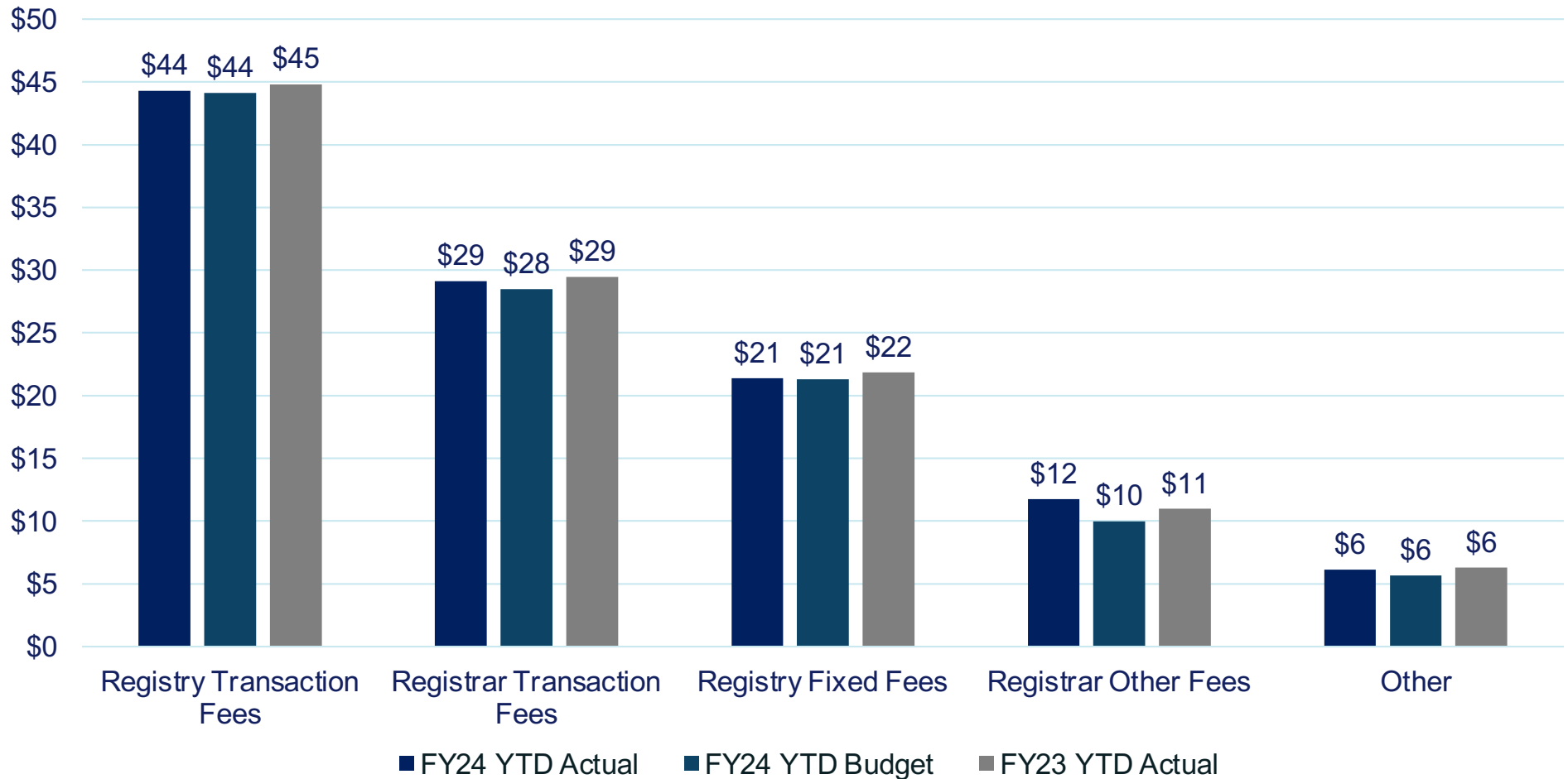




# ICANN Operations – Funding vs Budget and Prior Year

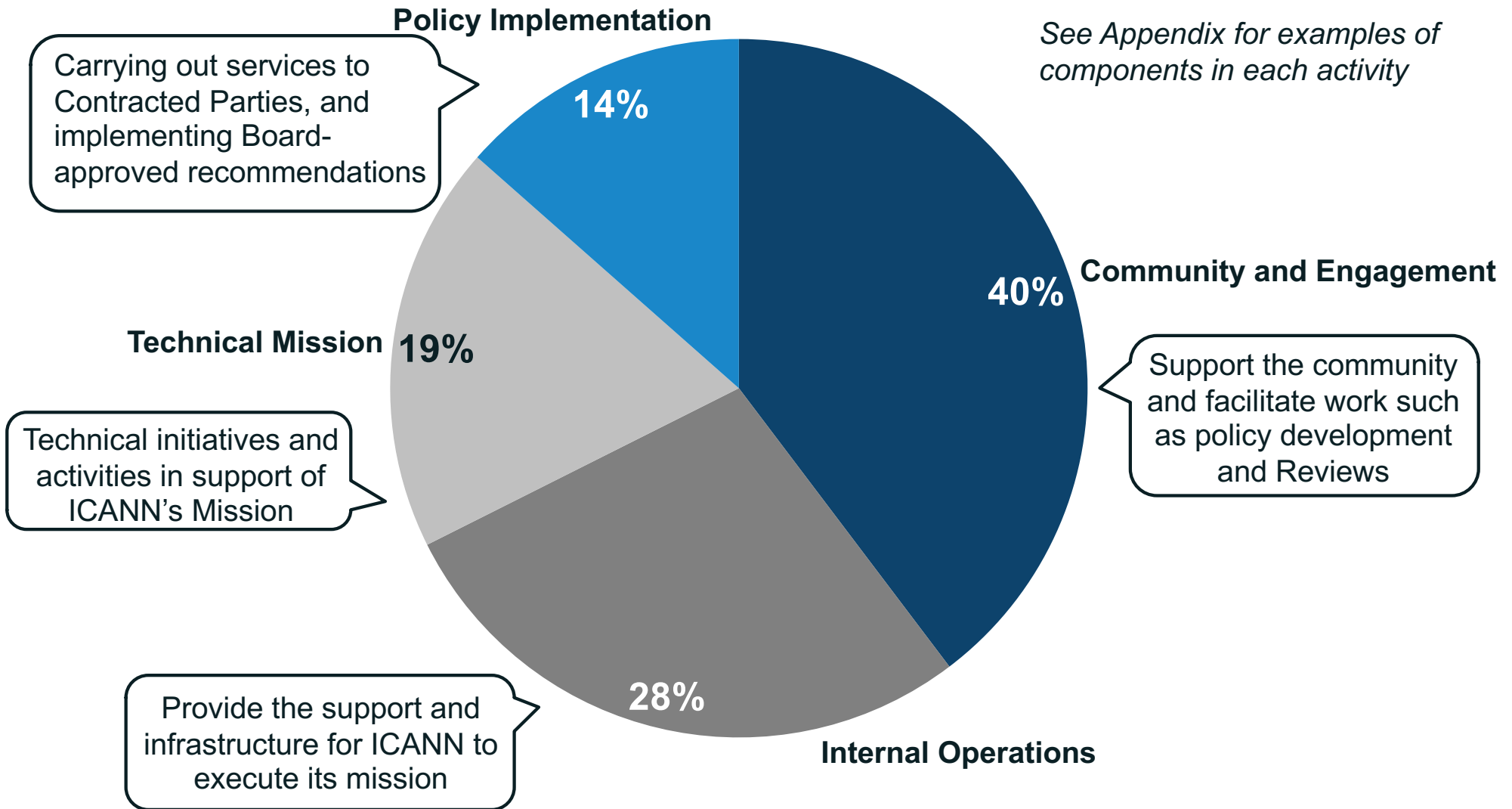
- Through 31 Mar 2024, funding is higher than budget and flat to the prior year through the same period.

**FY24 YTD Actual: \$113M**  
**FY24 YTD Budget: \$110M**  
**FY23 YTD Actual: \$ 113M**



# ICANN Operations – Activity Based Reporting (Jul 23 – Mar 24)

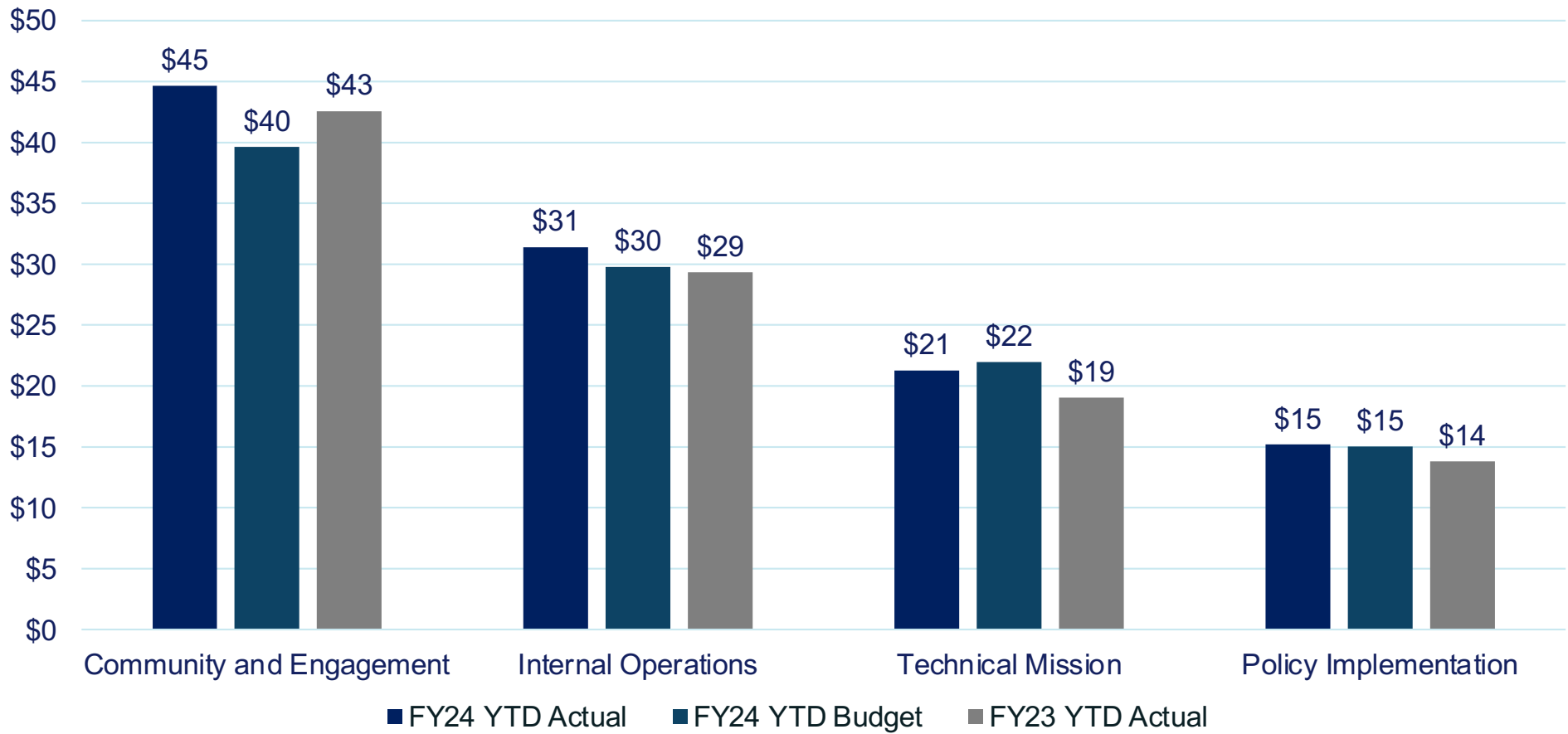
## FY24 YTD Expenses- \$112M



# ICANN Operations – Activity Based Expenses vs Budget and Prior Year

- Through 31 Mar 2024, expenses are higher than budget due to Community and Engagement, driven by higher than planned costs for ICANN78, ICANN 79, community programs, and support of meetings other than ICANN Public meetings.
- This is primarily due to inflationary increases to travel and venue costs.

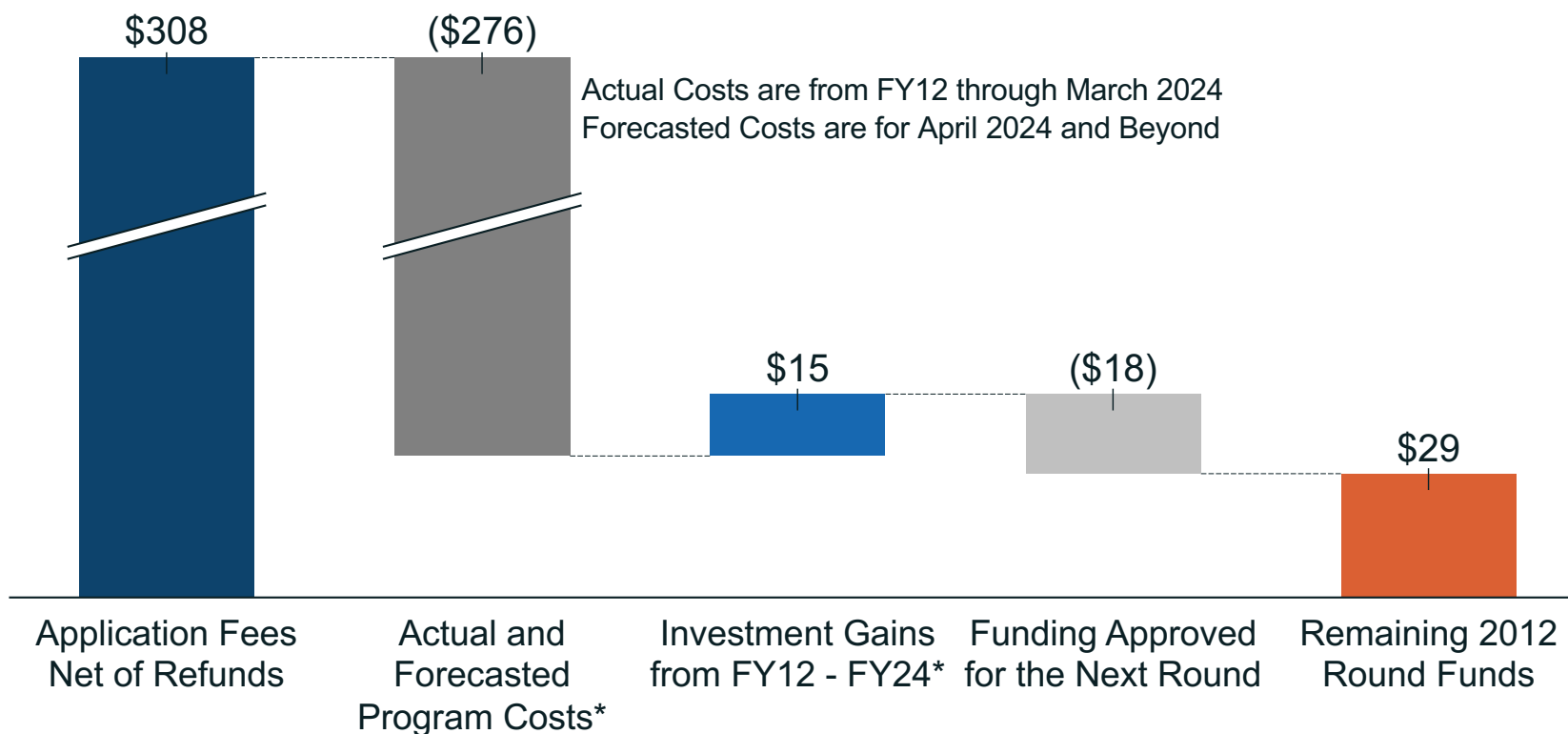
**FY24 YTD Actual: \$112M**  
**FY24 YTD Budget: \$106M**  
**FY23 YTD Actual: \$105M**



## New gTLD Program 2012 Round

Implemented by ICANN to enable the expansion of the DNS with the goal of enhancing innovation, competition, and consumer choice

# New gTLD 2012 Round Program – Multiyear Forecast (as of 31 Mar 2024)



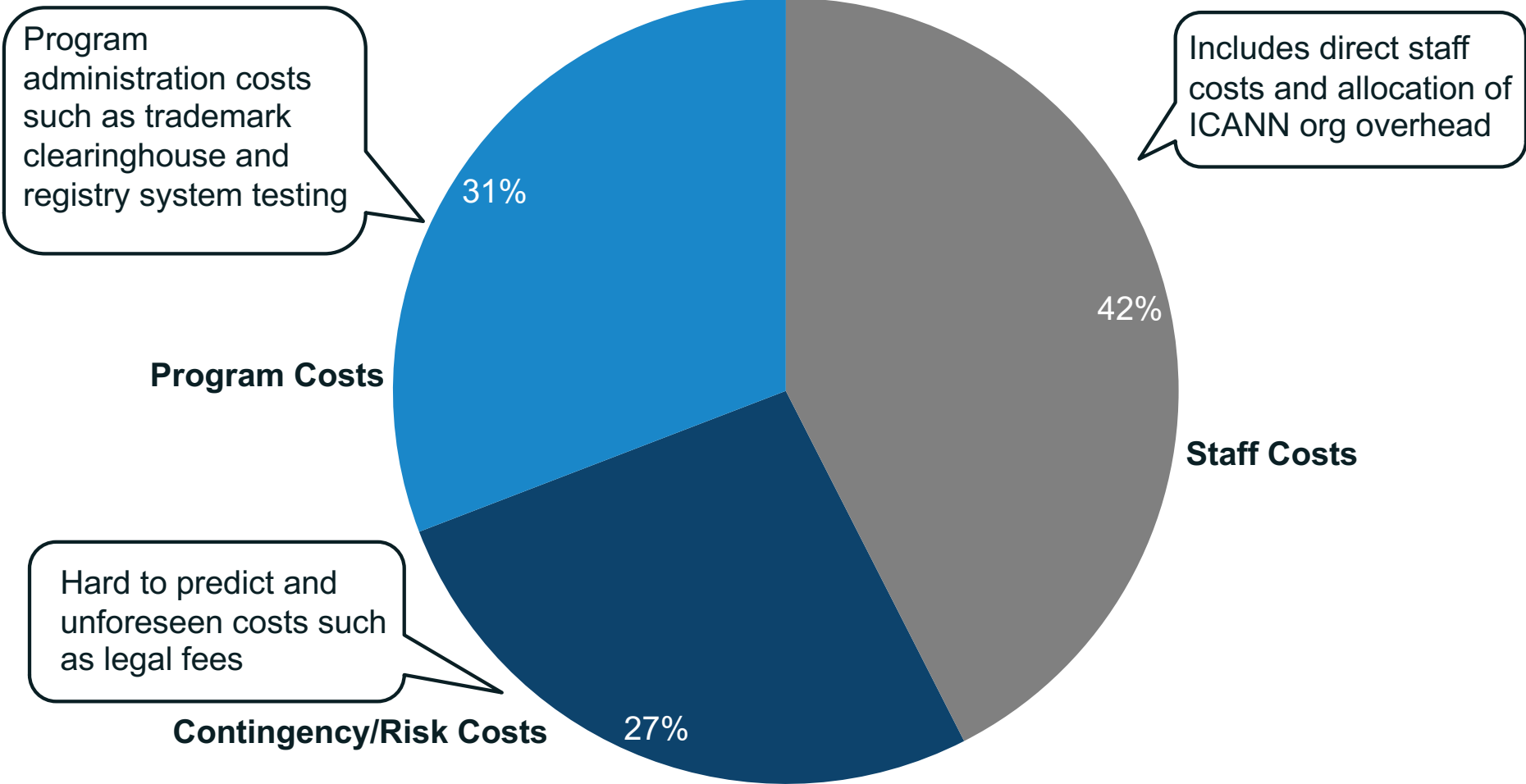
The ICANN Board has approved the use of funds from the New gTLD Program: 2012 Round for the Operational Design Phase (ODP) and continued implementation costs of the New gTLD Program: Next Round

- In September 2021, the ICANN Board approved a [resolution](#) for \$9M in funding for the ODP
- In March 2023, the ICANN Board approved a [resolution](#) for an additional \$9M in funding for expenses from April through October 2023

\*Contingency Costs and Investment Gains are not estimated for future years. For details of the total program costs, please see the last page of the appendix.

# New gTLD Program 2012 Round – FY24 Expenses (Jul 23 – Mar 24)

## FY24 Year to Date Expenses- \$2.7M



# New gTLD Program Next Round: Implementation

Next Round of the New gTLD Program to enable the expansion of the DNS with the goal of enhancing universal acceptance and outreach as well as innovation and consumer choice

# New gTLD Program Next Round Financials

- ⦿ In August 2023, ICANN org delivered a comprehensive implementation plan to the Board
- ⦿ Program to date, the ICANN Board has approved two tranches of funding for implementation costs:
  - \$9 million in March 2023 to cover implementation costs through 31 October 2023
  - \$13 million in October 2023 to cover implementation costs through 30 June 2024
- ⦿ The funding to pay for New gTLD Program Next Round development costs before program launch will come from the New gTLD Program 2012 Round remaining application fees and available funds from the Supplemental Fund for Implementation of Community Recommendations (SFICR)

New gTLD Program: Next Round (USD in millions)	Actual Implementation Costs (April 2023 through October 2023)	Approved Implementation Funding (November 2023 through June 2024)	Total Projected Spend (April 2023 through June 2024)
Personnel	\$4.8	\$6.1	\$11.0
Travel	\$0.4	\$0.5	\$0.9
Prof Svcs	\$2.7	\$5.5	\$8.2
Admin	\$0.4	\$0.4	\$0.8
<b>Total</b>	<b>\$8.4</b>	<b>\$12.5</b>	<b>\$20.9</b>
<b>Contingency</b>	<b>\$0.0</b>	<b>\$1.1</b>	<b>\$1.1</b>
<b>Total Expenses</b>	<b>\$8.4</b>	<b>\$13.6</b>	<b>\$22.0</b>
FTE Equivalent	25.8	41.3	32.0



# Next Round – Expenses (Apr 23 – Mar 24)

- Expenses consisted primarily of personnel expenses for staff time efforts, external vendor support, and shared services for ICANN support allocations

New gTLD Program: Next Round - Implementation	Actuals Apr - Oct 2023 Implementation Tranche #1		Actuals Nov'23 - Mar'24 Implementation Tranche #2	
	Program Area USD in Thousands	Staff FTE (avg)	Total Expenses	Staff FTE (avg)
Policy Implementation	5.7	\$894	6.0	\$650
Program Design	3.2	\$652	0.7	\$314
Infrastructure Development	4.2	\$1,261	4.9	\$1,410
Operationalization	0.8	\$444	0.4	\$243
RSP Program	1.4	\$177	2.7	\$427
Applicant Support Program (ASP)	0.0	-	1.0	\$225
Fee Structure	0.0	-	0.0	\$5
gTLD Application Processing (GAP)	0.0	-	1.0	\$216
Contracting	0.0	-	0.0	\$31
Communications, Outreach & Website	0.0	\$222	0.0	\$568
Registry Systems Testing (RST)	0.0	-	1.4	\$249
Shared Services Across Program	0.0	-	0.5	\$47
Overarching	10.5	\$2,370	9.6	\$1,372
Shared Services and Support*	0.0	\$2,352	0.0	\$1,209
<b>Total</b>	<b>25.8</b>	<b>\$8,371</b>	<b>28.1</b>	<b>\$6,964</b>

\* Shared Services and Support represents allocated costs from ICANN org for general and administrative costs

Any arithmetic inconsistencies are due to rounding

For further information on the New gTLD Program: Next Round, please visit the New gTLD [website](#)

# Supplemental Fund for Implementation of Community Recommendations (SFICR) Projects

The SFICR was created in FY21 to establish segregated resources to increase the capacity of the organization to address projects that are multi-year and focus on Board-approved community recommendations but do not fit within the annual Budget. These projects are essential to ICANN and included within ICANN's strategic and operating plans.

# Prioritized Review Recommendations (Project to Date)

- In February 2022, ICANN org’s Planning team developed a planning prioritization framework to help the ICANN ecosystem prioritize its work within the planning cycle in a manner that is transparent, inclusive, and efficient.
- ICANN org has identified 45 Board-approved recommendations that can be implemented with incremental funding outside of the annual plan and operating budget.
- In November 2022, the ICANN Board resolved to use \$5.8 million from the SFICR to fund one-time implementation efforts for Board-approved prioritized review implementations.
- After implementation, all ongoing expenses of the identified recommendations will be part of the ICANN Operations budget.

Specific Reviews Recommendations(July 2022 - March 2024)	% Complete	Personnel \$	Shared Services Support	Total \$
Accountability and Transparency Review 3 (ATRT3)	42%	\$536	\$237	\$773
Competition, Consumer Trust, and Consumer Choice Review (CCT)	61%	\$878	\$344	\$1,222
Security, Stability and Resiliency Review (SSR2)	76%	\$209	\$99	\$308
Registration Directory Service review (RDS-WHOIS2)	89%	\$106	\$48	\$154
<b>Grand Totals</b>	<b>55%</b>	<b>\$1,729</b>	<b>\$728</b>	<b>\$2,457</b>

# Registration Data Request Service (Project to Date)

- ⦿ In February 2023, the ICANN Board approved the development of the Registration Data Request Service (RDRS) as a proof-of-concept based on the recommendation of the Generic Names Supporting Organization (GNSO) Council and ICANN Org’s Operational Design Assessment of the system.
- ⦿ At the same time, the Board approved use of the SFICR for the development of the RDRS and two years of operation.
- ⦿ Development of the RDRS began in December 2022 and concluded with the successful launch in November 2023.
  - ⦿ During this phase, project costs were \$1.6 million consisting primarily of engineering and operational staff time.
- ⦿ The second phase of the project for operation and maintenance of the RDRS began in December 2023.

Registration Data Request Service (December 2022 - March 2024)	Personnel	External Vendors	Total
Development	\$1,630	\$17	\$1,647
Operation	\$316	\$20	\$336
<b>Grand Total</b>	<b>\$1,947</b>	<b>\$37</b>	<b>\$1,983</b>

# Grant Program

The ICANN Grant Program is based on the recommendations from the Cross-Community Working Group on New gTLD Auction Proceeds. The community's recommendations were adopted by the ICANN Board in 12 June 2022 resolutions. ICANN org presented the Preliminary Design and Implementation Plan to the Board in October 2022 and the Grant Program application window opened in March 2024.

The Grant Program will distribute the proceeds from auctions of last resort in the New gTLD Program 2012 Round. The program will be open to applications that are supportive of ICANN's mission.

# Grant Program (Program to Date)

- Applications will be accepted and processed in cycles.
- One-time implementation costs include creating the Grant Program department, applicant helpdesk, program literature and documentation.
- The recurring program operational costs include ICANN staff, awareness and outreach communication campaigns, and outsourced services for an independent evaluation panel.
- The program implementation costs have primarily been from July 2022 through March 2024. Moving forward, all costs to support the grant program will be ongoing operational activities.

- For more information on the Grant Program please visit the [website](#).

Grant Program	Program To Date - 21 Months (July'22 - March'24)		
USD in Thousands	Total Actuals	Total Budget	Variance to Budget (Over)/Under
Personnel	\$827	\$823	(\$4)
T&M	\$53	\$40	(\$14)
Prof Svcs	\$153	\$171	\$18
Admin	\$9	\$0	(\$9)
Shared Services Support*	\$347	\$337	(\$10)
<b>Total</b>	<b>\$1,389</b>	<b>\$1,371</b>	<b>(\$18)</b>

\* Shared Services Support represents allocated costs from ICANN org for administrative costs.

Any arithmetic inconsistencies are due to rounding

# Appendix

## Supplemental Financials

# ICANN79 – Expense by Category

ICANN79 Puerto Rico	Actual	Budget	(Higher)/ Lower
Airfare	0.8	0.6	(0.2)
Hotel	1.3	1.2	(0.1)
Audio/Visual	0.9	0.8	(0.1)
Catering	0.4	0.4	0.0
Language Services	0.8	0.7	(0.1)
Meeting Space	0.2	0.1	(0.0)
Other	0.5	0.5	(0.1)
<b>Total Expenses</b>	<b>4.8</b>	<b>4.1</b>	<b>(0.6)</b>

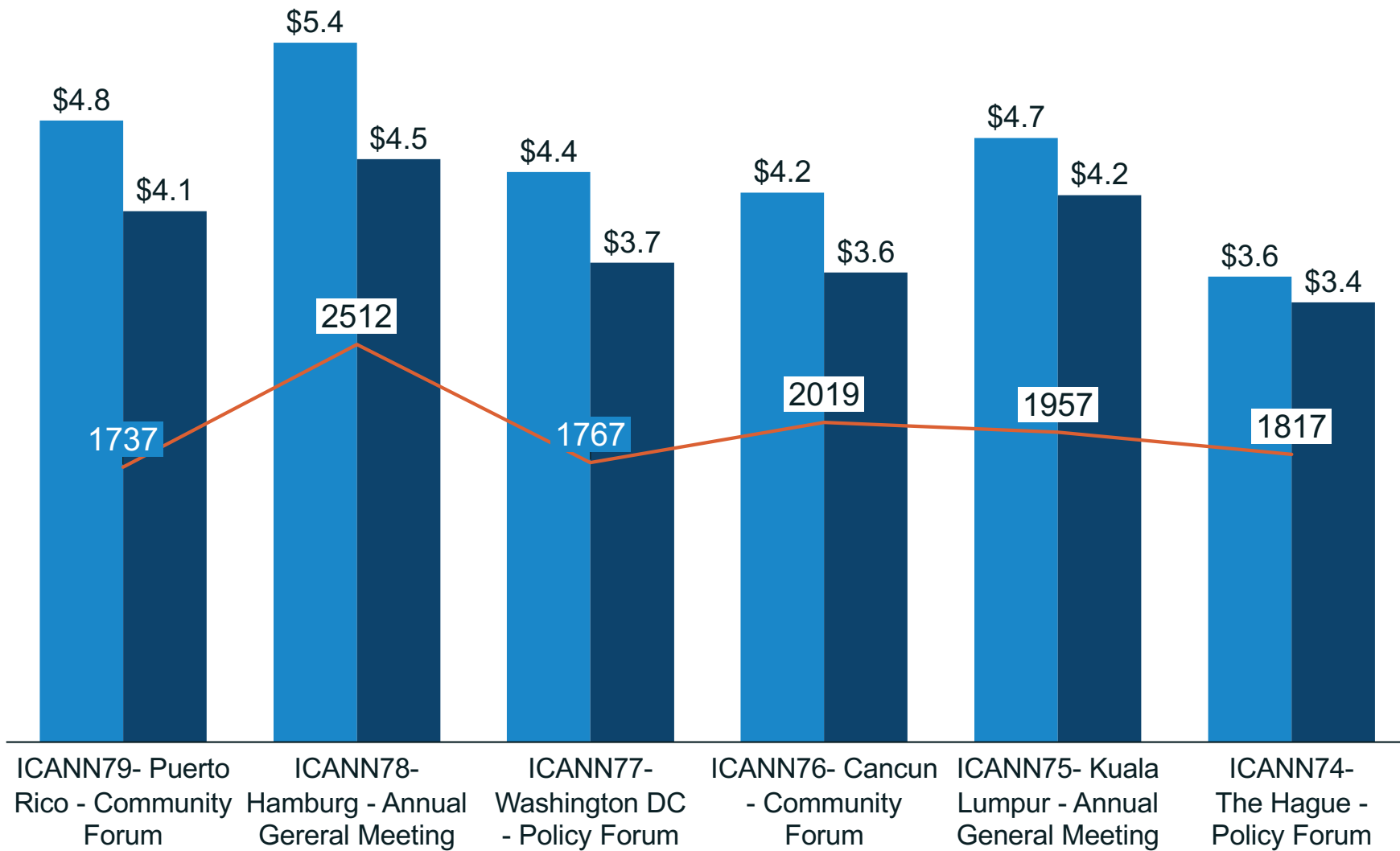
ICANN79 took place in San Juan, Puerto Rico in March 2024

- Airfare is (\$0.2M) higher due to higher rates than budget (\$262K), partially offset by \$37K due to 35 fewer travelers than planned.
- Hotel is (\$0.1M) higher than planned due to a higher than planned nightly rates (\$247K), partially offset by \$78K due to 35 fewer travelers.
- Audio/Visual is (\$0.1M) higher than planned due to additional sessions.
- Language Service is (\$0.1M) higher than planned due to higher than planned number of sessions held and services required.



# ICANN Meeting Trends

Actual Budget Attendance (In-Person & Virtual)



# Activity Based Reporting Components

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## Community and Engagement

*Support the community and facilitate work such as policy development and reviews*

- ICANN Public Meetings
- Community Programs and Meetings Support (incl. NomCom)
- Engagement and Board support
- Staff support for Supporting Organizations and Advisory Committees

## Internal Operations

*Provide the support and infrastructure for ICANN to execute its mission*

- Engineering & IT
- Finance / Procurement
- Risk Management
- Global Human Resources
- Communications
- Legal

## Technical Mission

*Technical initiatives and activities in support of ICANN's mission*

- IANA Functions
- Ensuring SSR of Internet Identifiers
- Root Zone Management
- Facilitating DNS Ecosystem Improvements

## Policy Implementation

*Carrying out services to Contracted Parties, and implementing Board-approved recommendations*

- Contracted Parties Management and Services
- Contractual Compliance
- Global Customer Support
- Implementation Operations

# FY24 YTD Statement of Position (as of 31 Mar 2023)

USD in millions Unaudited	31 Mar 2024 Total	30 Jun 2023 Total	Increase/ (Decrease) Total
<b>ASSETS</b>			
Total Cash & Cash Equivalents	73.2	76.1	(2.9)
Investments	456.1	441.8	14.3
<b>Funds Under Management</b>	<b>529.3</b>	<b>517.8</b>	<b>11.4</b>
<b>Receivables</b>	<b>36.7</b>	<b>35.0</b>	<b>1.7</b>
<b>Prepaid Expenses</b>	<b>5.2</b>	<b>4.4</b>	<b>0.8</b>
<b>Plant, Property &amp; Equipment - Net</b>	<b>7.3</b>	<b>9.8</b>	<b>(2.5)</b>
<b>Operating Lease ROU Asset</b>	<b>33.8</b>	<b>36.5</b>	<b>(2.7)</b>
<b>Other Assets</b>	<b>3.0</b>	<b>2.2</b>	<b>0.8</b>
<b>TOTAL ASSETS</b>	<b>615.2</b>	<b>605.6</b>	<b>9.6</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Accounts Payable &amp; Accrued Liabilities</b>	<b>20.3</b>	<b>15.2</b>	<b>5.1</b>
<b>Operating Lease Liability</b>	<b>39.3</b>	<b>40.3</b>	<b>(1.0)</b>
<b>Deferred Funding</b>	<b>5.0</b>	<b>4.0</b>	<b>1.0</b>
<b>Other Liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL LIABILITIES</b>	<b>64.6</b>	<b>59.6</b>	<b>5.1</b>
<b>UNRESTRICTED/RESTRICTED ASSETS</b>	<b>546.0</b>	<b>539.9</b>	<b>6.2</b>
<b>CURRENT YEAR CHANGE IN NET ASSETS</b>	<b>4.6</b>	<b>6.2</b>	<b>(1.6)</b>
<b>TOTAL NET ASSETS</b>	<b>550.6</b>	<b>546.0</b>	<b>4.6</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>615.2</b>	<b>605.6</b>	<b>9.6</b>

# New gTLD 2012 Round – Multiyear Details (as of 31 Mar 2024)

New gTLD Program 2012 Round	Statement of Activities by Fiscal Year					Statement of Activities for Full Program (March 2024) Current Estimate
	FY12 - FY21 Actual	FY22 Actuals	FY23 Actuals	FY24 Forecast	FY25 & Beyond Estimate	
New gTLD Applicant Fees	360	(0)	-	0	1	361
Refunds	(52)	0	0	(0)	(0)	(53)
<b>Applicant Fees (Net of Refunds)</b>	<b>\$ 308</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ 1</b>	<b>\$ 308</b>
Initial and Extended Evaluation	(68)	-	-	-	-	(68)
Quality Control and Objection Processes	(11)	-	-	-	-	(11)
Pre-delegation	(12)	-	-	-	-	(12)
Program Costs	(40)	(1)	(1)	(1)	(6)	(50)
Staff Costs	(58)	(2)	(2)	(1)	(3)	(65)
<b>Operating Expenses</b>	<b>\$ (188)</b>	<b>\$ (3)</b>	<b>\$ (3)</b>	<b>\$ (3)</b>	<b>\$ (9)</b>	<b>\$ (206)</b>
Historical Development Costs	(32)	-	-	-	-	(32)
Contingency Costs	(30)	(3)	(2)	(1)	-	(35)
<b>Non Operating Expenses</b>	<b>\$ (62)</b>	<b>\$ (3)</b>	<b>\$ (2)</b>	<b>\$ (1)</b>	<b>\$ -</b>	<b>\$ (68)</b>
<b>Other Income/(Expense)</b>	<b>\$ (2)</b>	<b>\$ -</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ (2)</b>
<b>Investment Income/(Expense)</b>	<b>\$ 11</b>	<b>\$ (0)</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ 15</b>
<b>Total Expenses</b>	<b>\$ (241)</b>	<b>\$ (6)</b>	<b>\$ (3)</b>	<b>\$ (1)</b>	<b>\$ (9)</b>	<b>\$ (261)</b>
<b>Funding for the Next Round</b>	<b>\$ -</b>	<b>\$ (9)</b>	<b>\$ (9)</b>			<b>\$ (18)</b>
<b>Net Remaining New gTLD Funds</b>	<b>\$ 67</b>	<b>\$ 52</b>	<b>\$ 39</b>	<b>\$ 38</b>	<b>\$ 29</b>	<b>\$ 29</b>