



Article #: 030045	Date: 15 November 2011
Article Name: Evaluation question #45: Financial Statements	AGB Reference: Sections 1.2.2, 2.2.2.2, 2.2.2.3, 2.3.2, 2.4.1, attachment to Module 2 – Evaluation Questions and Criteria
Version #: v01	Category: Supplemental Notes

[Supplemental Notes](#)

[Question Text](#)

[Best Practice Suggestions](#)

1. SUPPLEMENTAL NOTES

15 November 2011

1.1 If providing audited financial statements, applicants must provide the entire financial statement package, including income statement, balance sheet, cash flow statement, statement of stockholders' equity or equivalent, and notes to the financial statement. This applies to both interim (where applicable) and annual financial statements.

Notes to financial statements provide further detail on the material items and/or impacts to the financial statements. Notes to financial statements generally (where applicable) describe, but would not be limited to, the following:

- accounting methodologies
- significant accounts (e.g., revenues, accounts receivables, taxes)
- information on substantial debt and debt-like items (e.g., lines of credit, pension plans, etc.)
- off-balance sheet liabilities that could have a material impact on the financial statements
- other commitments and contingent items (e.g., lawsuits, regulatory actions, etc.)

Additionally, notes would be expected to discuss subsequent events that may have occurred after the completion date of the statements.

1.2 If providing unaudited financial statements, applicants should provide supporting notes to the financial statements that describe the accounting methodology and any other relevant disclosures. See supplemental note 3.1 above for more information on notes to financial statements.

1.3 If accounting standards other than GAAP and IFRS are used, applicants must describe the accounting standards utilized in detail and reference the national agency or jurisdiction that governs such reporting.

1.4 If the financial statements reflect a going concern, unfunded liabilities, and/or equity deficiencies, applicants should disclose such items and provide an explanation of how these balances may impact the organization.



1.5 If the financial statements provided do not contain income statement, balance sheet, cash flow statement, statement of stockholders' equity, applicants must provide a detailed explanation of the absence of such documents. The explanation must be signed by the highest officer responsible for the proposed registry, and contain the equivalent of notes to financial statements. See supplemental note 1.1 above for more information on notes to financial statements.

1.6 The interim period of financial statements is defined by the applicant. ICANN requests that the applicant provides the most recent quarterly or monthly financial statements, and clearly describe the period(s) to which they relate.

1.7 The annual period of financial statements should be the applicant's annual reporting period. This may be a calendar or fiscal year.

2. QUESTION TEXT:

Provide:

- audited or independently certified financial statements for the most recently completed fiscal year for the applicant, and
- audited or unaudited financial statements for the most recently ended interim financial period for the applicant for which this information may be released.

For newly-formed applicants, or where financial statements are not audited, provide:

- the latest available unaudited financial statements; and
- an explanation as to why audited or independently certified financial statements are not available.

At a minimum, the financial statements should be provided for the legal entity listed as the applicant.

Financial statements are used in the analysis of projections and costs.

A complete answer should include:

- balance sheet;
- income statement;
- statement of shareholders equity/partner capital;
- cash flow statement, and
- letter of auditor or independent certification, if applicable.

3. BEST PRACTICE SUGGESTIONS:

15 November 2011



NewgTLDs

3.1 Applicants should read each evaluation question in its entirety, including the notes, criteria, and scoring text. The answer should address all criteria specified, and include detailed rationale demonstrating a thorough understanding of the criteria (i.e., show your work).

3.2 If acronyms are used, applicants should spell out the first instance, even if the acronyms represent a common term/product/service.

DISCLAIMER: This material is for information only and does not represent of all requirements and criteria that the applicant must satisfy. ICANN is not providing legal, financial, business or any other kind of advice. This material does not represent a modification to the Applicant Guidebook, or the terms and conditions to the new gTLD program. This material also does not represent a waiver of any ICANN policy, procedure or agreement. In the event that any information provided in this material appears to be inconsistent with any information published elsewhere by ICANN, please do not rely on this email without confirmation or clarification from ICANN.