

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2014**

**Assets**

Cash Balance in bank account	\$	3,867,232
Receivable from US Carriers		443,912
Receivable from Canada		8,581
Receivable from Caribbean countries		20,398
Receivables forwarded to Treasury for collection		185,815
Allowance for uncollectible accounts		(266,500)
		392,206
<b>Total assets</b>		<b>4,259,438</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b>(523,738)</b>
<b>Fund balance</b>		<b><u>\$ 3,735,700</u></b>

**Makeup of Accrued Liabilities** (see following page for additional details)

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	313,478	
NEUSTAR NANP Administration	177,091	
Data Collection Agent - USAC	4,833	
	523,738	<b>\$</b>

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**NANPA FUND**  
**FORECASTED STATEMENT OF CHANGES IN FUND BALANCE**  
**JULY 2014 TO JUNE 2015**

	Actual		Budget										Total	Budget	Variance between forecasted results and budget at June 30/14		
	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15					
<b>Revenue</b>																	
International Contributions																	
Canada (1)	17,162	8,581	8,581	8,581	8,581	8,581	8,581	8,580	8,580	8,580	8,580	-	102,968	102,968	-		
Caribbean countries (1)	21,432	-	-	-	-	-	-	-	-	-	-	-	21,432	21,432	-		
<b>Total International Contributions</b>	<b>38,594</b>	<b>8,581</b>	<b>8,581</b>	<b>8,581</b>	<b>8,581</b>	<b>8,581</b>	<b>8,581</b>	<b>8,580</b>	<b>8,580</b>	<b>8,580</b>	<b>8,580</b>	<b>-</b>	<b>124,400</b>	<b>124,400</b>	<b>-</b>		
Domestic Contributions - US carriers (1)	4,170,366	259,113	263,293	263,293	263,293	263,293	263,293	263,293	263,293	263,293	263,293		6,799,116	6,721,854	77,262		
Late filing fees for Form 499A (2) (	500)	( 600)										90,000	88,900	90,000	( 1,100)		
Interest income (3)	232	551	584	584	583	583	583	583	583	583	583	583	6,615	7,000	( 385)		
<b>Total revenue</b>	<b>4,208,692</b>	<b>267,645</b>	<b>272,458</b>	<b>272,458</b>	<b>272,457</b>	<b>272,457</b>	<b>272,457</b>	<b>272,456</b>	<b>272,456</b>	<b>272,456</b>	<b>272,456</b>	<b>90,583</b>	<b>7,019,031</b>	<b>6,943,254</b>	<b>75,777</b>		
<b>Expenses</b>																	
NANPA Administration (4)	176,680	177,091	177,879	177,879	177,879	177,879	177,879	177,879	177,879	177,879	177,879	177,879	2,132,561	2,134,548	( 1,987)		
1K Block Pooling (5)	225,254	238,478	238,505	238,505	238,505	238,505	238,505	238,506	238,506	238,506	238,506	238,506	2,848,787	2,862,065	( 13,278)		
Automated systems development (CLIN1) (6)	75,000	75,000	75,000	75,000	75,000	62,281	-	-	-	-	-	-	437,281	437,281			
Billing and Collection																	
Welch LLP (7)	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	340,032	340,032	-		
Data Collection Agent (8)	3,724	4,572	4,833	4,833	4,833	4,833	4,833	4,834	4,834	4,834	4,834	4,834	56,630	58,000	( 1,370)		
Annual Operations Audit (9)	-	-	44,000	-	-	-	-	-	-	-	-	-	44,000	44,000			
Bank Charges (10)	2,706	5,828	3,917	3,917	3,917	3,917	3,917	3,916	3,916	3,916	3,916	3,916	47,700	47,000	700		
Carrier Audits (11)	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000	300,000			
Bad debt expense (12) (	3,000)	( 22,500)	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	7,832	40,000	( 32,168)		
<b>Total expenses</b>	<b>508,700</b>	<b>506,805</b>	<b>575,804</b>	<b>531,804</b>	<b>531,803</b>	<b>519,084</b>	<b>456,803</b>	<b>756,804</b>	<b>456,804</b>	<b>456,804</b>	<b>456,804</b>	<b>456,804</b>	<b>6,214,823</b>	<b>6,262,926</b>	<b>(48,103)</b>		
<b>Net revenue (expenses)</b>	<b>3,699,992</b>	<b>( 239,160)</b>	<b>( 303,346)</b>	<b>( 259,346)</b>	<b>( 259,346)</b>	<b>( 246,627)</b>	<b>( 184,346)</b>	<b>( 484,348)</b>	<b>( 184,348)</b>	<b>( 184,348)</b>	<b>( 184,348)</b>	<b>( 366,221)</b>	<b>804,208</b>	<b>680,328</b>	<b>123,880</b>		
<b>Opening fund balance</b>	<b>274,868</b>	<b>3,974,860</b>	<b>3,735,700</b>	<b>3,432,354</b>	<b>3,173,008</b>	<b>2,913,662</b>	<b>2,667,035</b>	<b>2,482,689</b>	<b>1,998,341</b>	<b>1,813,993</b>	<b>1,629,645</b>	<b>1,445,297</b>	<b>274,868</b>	<b>319,672</b>	<b>( 44,804)</b>		
<b>Closing fund balance</b>	<b>3,974,860</b>	<b>3,735,700</b>	<b>3,432,354</b>	<b>3,173,008</b>	<b>2,913,662</b>	<b>2,667,035</b>	<b>2,482,689</b>	<b>1,998,341</b>	<b>1,813,993</b>	<b>1,629,645</b>	<b>1,445,297</b>	<b>1,079,076</b>	<b>1,079,076</b>	<b>1,000,000</b>	<b>79,076</b>		
<b>Fund balance makeup:</b>																	
Contingency	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000		
Surplus	2,974,860	2,735,700	2,432,354	2,173,008	1,913,662	1,667,035	1,482,689	998,341	813,993	629,645	445,297	79,076	79,076	-	-		
	3,974,860	3,735,700	3,432,354	3,173,008	2,913,662	2,667,035	2,482,689	1,998,341	1,813,993	1,629,645	1,445,297	1,079,076	1,079,076	1,000,000			

**Assumptions:**

- (1) The US carrier contributions for the period from July 2014 to June 2015 and the International contributions are based upon actual billings.
- (2) These fees represent the \$100 late filing fee charged to those companies that do not file the Form 499A by the due date.
- (3) Interest income projections are estimates
- (4) The cost for NANP Administration is based on the contract awarded in 2013. The contract expires in July 2017.
- (5) The cost for 1K Block Pooling Administration is based on a four-year contract expiring July 14, 2017 with a six-month transition period to January 14, 2018.
- (6) The cost for Pooling Administration Automated Systems Development is \$1,337,281. The cost was spread out over the period from July 2013 to December 2014.
- (7) The cost of B&C Agent is based on the interim contract with Welch LLP in force until December 2014.
- (8) The expense for the Data Collection Agent is based on an estimate of costs by USAC for the 2014 calendar year.
- (9) The estimate for the annual operations audit performed by Ernst & Young LLP is based on the cost of the prior year's audit.
- (10) Bank fees are an expense to the Fund.
- (11) The budget allowed \$300,000 for carrier audits.
- (10) The allowance covers all accounts considered potentially uncollectible at August 31, 2014.

**Reconciliation of forecast at June 30, 2015 to budget**

<b>Budgeted fund balance at June 30/15 - contingency</b>	<b>1,000,000</b>
Decrease in fund balance between budget period (December 2013) and June 2014	(44,804)
Additional billings over estimate from budget	77,262
Late filing fees (reversal) for Form 499A	(1,100)
Underestimate of interest earned to date compared to budget	(385)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	1,987
NANP Admin - change orders issued	
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	1,370
Bad debts - Adjustment to actual from budget	32,168
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	13,278
Pooling change orders	
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	-
Bank fees - Adjustment to actual from budget	(700)
<b>Forecasted fund balance at June 30/15</b>	<b>1,079,076</b>

**CURRENT AND FORECASTED LIABILITIES**

	<b>Current</b>						
	<b>Aug-14</b>	<b>Sep-14</b>	<b>Oct-14</b>	<b>Nov-14</b>	<b>Dec-14</b>	<b>Jan-15</b>	<b>Feb-15</b>
<b>NEUSTAR - NANPA Administration contract</b>	177,091	177,879	177,879	177,879	177,879	177,879	177,879
- Payment authorized by the FCC in August July 2014	176,680						
- Authorization by the FCC has not been received for payment August 2014	<u>\$ 177,091</u>						
<b>NEUSTAR - Block Pooling and CLIN</b>	313,478	313,505	313,505	313,505	300,786	238,505	238,506
- Payment authorized by the FCC in August July 2014	300,254						
- Authorization by the FCC has not been received for payment August 2014	<u>\$ 313,478</u>						
<b>Welch LLP - Billing &amp; Collection Agent</b>	28,336	28,336	28,336	28,336	28,336	28,336	28,336
- Payment authorized by the FCC in August July 2014	\$ 28,336						
- Authorization by the FCC has not been received for payment August 2014	<u>\$ 28,336</u>						
<b>USAC - Data Collection Agent</b>	4,833	4,833	4,833	4,833	4,833	4,833	4,833
- Payment authorized by the FCC in August July 2014	\$ 4,572						
- Authorization by the FCC has not been received for payment August 2014	<u>\$ 4,833</u>						
<b>Carrier audits</b>	-	-	-	-	-	-	300,000
<b>Ernst &amp; Young LLP- Annual operations audit</b>	-	44,000					
<b>Bank Fees</b>		3,917	3,917	3,917	3,917	3,917	3,917
<b>Total</b>	<u>523,738</u>	<u>572,470</u>	<u>528,470</u>	<u>528,470</u>	<u>515,751</u>	<u>453,470</u>	<u>753,471</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were emailed on August 12.

## **Processing Payments**

Payment information from the lockbox service at Mellon Bank is downloaded on a daily basis. The deposit information is recorded daily.

## **Late/Absent Payments**

We are continuing with collections for carriers with outstanding balances. Statements were mailed August 18th to carriers with balances of \$25 or greater.

## **FCC Red Light Notices**

At a minimum, an updated red light report is posted to the FCC server for processing once a week. When required, additional updates are posted.

## **Helpdesk Queries**

All queries are directed to a helpdesk voicemail inbox or email inbox. The information is transferred to an Access database. The date, nature of query, name of filer, Filer ID, who responded and on what date and the resolution is tracked. Queries are returned usually within 3 business days. Two hundred and sixty-two calls were received in August. Most calls are questions about the how to pay, requests for copies of invoices, and why are they red lighted.

## **Staffing Changes**

Nothing new to report.

## **Contract Renewal**

The contract expired October 1, 2009. Welch LLP is on the USGSA list. Welch LLP received an extension contract that covers the period from August 1, 2014 to December 31, 2014.

## **Accounts Receivable**

Balances still outstanding after 90 days from the due date are transferred to Treasury for collections. In August \$211.43 was received from Treasury for debts collected. Starting immediately, Treasury has requested that unpaid balances still outstanding at 120 days are to be sent to Treasury for collections. This is change from the previous requirement of 180 days.