

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

Assets

Cash Balance in bank account	\$	2,955,492
Receivable from US Carriers		279,749
Receivable from Canada		8,581
Receivable from Caribbean countries		20,110
Receivables forwarded to Treasury for collection		247,814
Allowance for uncollectible accounts		(278,000)
		278,254
Total assets		3,233,746
Less: Accrued liabilities (see below for makeup)		(591,577)
Fund balance		<u>\$ 2,642,169</u>

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

Welch LLP	56,672
EY Audit	44,300
NEUSTAR Pooling 1K Block	304,131
NEUSTAR NANP Administration	176,968
Data Collection Agent - USAC	9,506
	\$ 591,577

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				
Revenue																
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	-	
Total International Contributions	38,594	8,581	8,581	8,581	8,581	8,581	8,581	8,580	8,580	8,580	8,580	-	124,400	124,400	-	
Domestic Contributions - US carriers (1)	4,170,366	259,113	252,273	259,374	259,259	264,487	263,293	263,293	263,293	263,293	263,293	-	6,781,337	6,721,854	59,483	
Late filing fees for Form 499A (2)	(500)	(600)	(2,500)	(4,100)	(11,700)	1,800	-	-	-	-	-	90,000	72,400	90,000	(17,600)	
Interest income (3)	232	551	717	424	352	385	583	583	583	583	583	583	6,159	7,000	(841)	
Total revenue	4,208,692	267,645	259,071	264,279	256,492	275,253	272,457	272,456	272,456	272,456	272,456	90,583	6,984,296	6,943,254	41,042	
Expenses																
NANPA Administration (4)	176,680	177,091	176,079	175,492	175,492	176,968	177,879	177,879	177,879	177,879	177,879	177,879	2,125,076	2,134,548	(9,472)	
1K Block Pooling (5)	225,254	238,478	241,228	235,192	236,272	241,850	238,505	238,506	238,506	238,506	238,506	238,506	2,849,309	2,862,065	(12,756)	
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	4,595	4,650	4,723	4,673	4,833	4,833	4,834	4,834	4,834	4,834	55,939	58,000	(2,061)	
Annual Operations Audit (9)	-	-	44,300	-	-	-	-	-	-	-	-	-	44,300	44,000	300	
Bank Charges (10)	2,706	5,828	4,961	4,095	2,948	2,767	3,917	3,917	3,916	3,916	3,916	3,916	46,803	47,000	(197)	
Carrier Audits (11)	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000	300,000	-	
Bad debt expense (12)	(3,000)	(22,500)	7,500	30,021	(23,500)	(2,305)	3,333	3,333	3,333	3,333	3,333	3,333	6,214	40,000	(33,786)	
Total expenses	508,700	506,805	581,999	552,786	499,271	514,570	456,803	756,804	456,804	456,804	456,804	456,804	6,204,954	6,262,928	(57,972)	
Net revenue (expenses)	3,699,992	(239,160)	(322,928)	(288,507)	(242,779)	(239,317)	(184,346)	(484,348)	(184,348)	(184,348)	(184,348)	(366,221)	779,342	680,328	99,014	
Opening fund balance	274,868	3,974,860	3,735,700	3,412,772	3,124,265	2,881,486	2,642,169	2,457,823	1,973,475	1,789,127	1,604,779	1,420,431	274,868	319,672	(44,804)	
Closing fund balance	3,974,860	3,735,700	3,412,772	3,124,265	2,881,486	2,642,169	2,457,823	1,973,475	1,789,127	1,604,779	1,420,431	1,054,210	1,054,210	1,000,000	54,210	
Fund balance makeup:																
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	-	
Surplus	2,974,860	2,735,700	2,412,772	2,124,265	1,881,486	1,642,169	1,457,823	973,475	789,127	604,779	420,431	54,210	54,210	-	-	
	3,974,860	3,735,700	3,412,772	3,124,265	2,881,486	2,642,169	2,457,823	1,973,475	1,789,127	1,604,779	1,420,431	1,054,210	1,054,210	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 December 31, 2014.

Reconciliation of forecast at June 30, 2015 to budget

Budgeted fund balance at June 30/15 - contingency	1,000,000
Decrease in fund balance between budget period (December 2013) and June 2014	(44,804)
Additional billings over estimate from budget	59,483
Late filing fees (reversal) for Form 499A	(17,600)
Underestimate of interest earned to date compared to budget	(841)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	9,472
NANP Admin - change orders issued	-
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	2,061
Bad debts - Adjustment to actual from budget	33,786
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	12,756
Pooling change orders	-
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	(300)
Bank fees - Adjustment to actual from budget	197
Forecasted fund balance at June 30/15	1,054,210

CURRENT AND FORECASTED LIABILITIES

	Current						
	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
NEUSTAR - NANPA Administration contract	176,968	177,879	177,879	177,879	177,879	177,879	177,879
- Payment authorized by the FCC in December							
November 2014	175,492						
- Authorization by the FCC has not been received for payment							
December 2014	<u>\$ 176,968</u>						
NEUSTAR - Block Pooling and CLIN	304,131	238,505	238,506	238,506	238,506	238,506	238,506
- Payment authorized by the FCC in December							
November 2014	311,272						
- Authorization by the FCC has not been received for payment							
December 2014	<u>\$ 304,131</u>						
Welch LLP - Billing & Collection Agent	56,672	28,336	28,336	28,336	28,336	28,336	28,336
- Authorization by the FCC has not been received for payment							
November 2014	28,336						
December 2014	<u>\$ 28,336</u>						
	<u>\$ 56,672</u>						
USAC - Data Collection Agent	9,506	4,833	4,833	4,834	4,834	4,834	4,834
- Authorization by the FCC has not been received for payment							
November 2014	4,673						
December 2014	<u>4,833</u>						
	<u>\$ 9,506</u>						
Carrier audits	-	-	300,000	-	-	-	-
Ernst & Young LLP- Annual operations audit	44,300						
-Authorization by the FCC has not been received for payment							
Audit fee accrual for the 2013/2014 fiscal audit	<u>\$ 44,300</u>						
Bank Fees		3,917	3,917	3,916	3,916	3,916	3,916
Total	<u>591,577</u>	<u>453,470</u>	<u>753,471</u>	<u>453,471</u>	<u>453,471</u>	<u>453,471</u>	<u>453,471</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed on December 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

Statement of accounts were mailed on December 17th to carriers with outstanding balances greater than \$10.

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. Twenty-five calls were received in December. Most calls are questions about how to pay, requests for copies of invoices, why they are red lighted, and why they received a demand for payment.

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 runs until February 2015.

Accounts Receivable

In December we did not receive any funds from Treasury for debts collected. Starting immediately, Treasury has requested that unpaid balances still outstanding at 120 days must be sent to Treasury for collections. This is a change from the previous requirement of 180 days. Debt may be transferred to Treasury earlier than 120 days at our discretion.