

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

Assets

Cash Balance in bank account		\$	3,423,833
Receivable from US Carriers	363,836		
Receivable from Canada	-		
Receivable from Caribbean countries	19,962		
Receivables forwarded to Treasury for collection	183,787		
Allowance for uncollectible accounts	(304,000)		<u>263,585</u>

Total assets **3,687,418**

Less: Accrued liabilities (see below for makeup) **(563,153)**

Fund balance **\$ 3,124,265**

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

Welch LLP	28,336		
EY Audit	44,300		
NEUSTAR Pooling 1K Block	310,192		
NEUSTAR NANP Administration	175,492		
Data Collection Agent - USAC	4,833		
	<u>563,153</u>	\$	<u>563,153</u>

**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	263,293	263,293	263,293	263,293	263,293	263,293	263,293		6,784,177	6,721,854	62,323
Late filing fees for Form 499A (2)	(500)	(600)	(2,500)	(4,100)								90,000	82,300	90,000	(7,700)
Interest income (3)	232	551	717	424	583	583	583	583	583	583	583	583	6,588	7,000	(412)
Total revenue	4,208,692	267,645	259,071	264,279	272,457	272,457	272,457	272,456	272,456	272,456	272,456	90,583	6,997,465	6,943,254	54,211
Expenses															
NANPA Administration (4)	176,680	177,091	176,079	175,492	177,879	177,879	177,879	177,879	177,879	177,879	177,879	177,879	2,128,374	2,134,548	(6,174)
1K Block Pooling (5)	225,254	238,478	241,228	235,192	238,505	238,505	238,505	238,506	238,506	238,506	238,506	238,506	2,848,197	2,862,065	(13,868)
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	4,833	4,833	4,833	4,833	4,834	4,834	4,834	4,834	56,209	58,000	(1,791)
Annual Operations Audit (9)	-	-	44,300	-	-	-	-	-	-	-	-	-	44,300	44,000	300
Bank Charges (10)	2,706	5,828	4,961	4,095	3,917	3,917	3,917	3,917	3,916	3,916	3,916	3,916	48,922	47,000	1,922
Carrier Audits (11)	-	-	-	-	-	-	300,000	-	-	-	-	-	300,000	300,000	
Bad debt expense (12)	(3,000)	(22,500)	7,500	30,021	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	38,685	40,000	(1,315)
Total expenses	508,700	506,805	581,999	552,786	531,803	519,084	456,803	756,804	456,804	456,804	456,804	456,804	6,242,000	6,262,926	(20,926)
Net revenue (expenses)	3,699,992	(239,160)	(322,928)	(288,507)	(259,346)	(246,627)	(184,346)	(484,348)	(184,348)	(184,348)	(184,348)	(366,221)	755,465	680,328	75,137
Opening fund balance	274,868	3,974,860	3,735,700	3,412,772	3,124,265	2,864,919	2,618,292	2,433,946	1,949,598	1,765,250	1,580,902	1,396,554	274,868	319,672	(44,804)
Closing fund balance	3,974,860	3,735,700	3,412,772	3,124,265	2,864,919	2,618,292	2,433,946	1,949,598	1,765,250	1,580,902	1,396,554	1,030,333	1,030,333	1,000,000	30,333
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	1,864,919	1,618,292	1,433,946	949,598	765,250	580,902	396,554	30,333	30,333	-	
	3,974,860	3,735,700	3,412,772	3,124,265	2,864,919	2,618,292	2,433,946	1,949,598	1,765,250	1,580,902	1,396,554	1,030,333	1,030,333	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 October 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	62,323
Late filing fees (reversal) for Form 499A	(7,700)
Underestimate of interest earned to date compared to budget	(412)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	6,174
NANP Admin - change orders issued	
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	1,791
Bad debts - Adjustment to actual from budget	1,315
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	13,868
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	(1,922)
Forecasted fund balance at June 30/15	1,030,333

CURRENT AND FORECASTED LIABILITIES

		Current						
		Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
NEUSTAR - NANPA Administration contract		175,492	177,879	177,879	177,879	177,879	177,879	177,879
- Payment authorized by the FCC in October September 2014	176,079							
- Authorization by the FCC has not been received for payment October 2014		\$ 175,492						
NEUSTAR - Block Pooling and CLIN		310,192	313,505	300,786	238,505	238,506	238,506	238,506
- Payment authorized by the FCC in October September 2014	316,228							
- Authorization by the FCC has not been received for payment October 2014		\$ 310,192						
Welch LLP - Billing & Collection Agent		28,336	28,336	28,336	28,336	28,336	28,336	28,336
- Payment authorized by the FCC in October September 2014	\$ 28,336							
- Authorization by the FCC has not been received for payment October 2014		\$ 28,336						
USAC - Data Collection Agent		4,833	4,833	4,833	4,833	4,833	4,833	4,833
- Payment authorized by the FCC in October September 2014	\$ 4,650							
- Authorization by the FCC has not been received for payment October 2014		\$ 4,833						
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		\$ 44,300						
Bank Fees			3,917	3,917	3,917	3,917	3,917	3,917
Total		-	563,153	528,470	515,751	453,470	753,471	453,471

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed on October 10.

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 October 15th to carriers with outstanding balances greater than \$10. We are continuing with collections for carriers with outstanding balances.

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. Seventy-three calls were received in October. Most calls are questions about how to pay, requests for copies of invoices, why they are red lighted, and why did they receive 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 covers the period from August 1, 2014 to December 31, 2014.

Accounts Receivable

Balances still outstanding after 120 days from the due date are transferred to Treasury for collections. In October \$158.52 was received from the FCC for debts collected in 2013. 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.