

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2014**

Assets

Cash Balance in bank account		\$ 3,667,753
Receivable from US Carriers	374,867	
Receivable from Canada	8,581	
Receivable from Caribbean countries	20,086	
Receivables forwarded to Treasury for collection	185,261	
Allowance for uncollectible accounts	<u>(274,000)</u>	<u>314,795</u>

Total assets **3,982,548**

Less: Accrued liabilities (see below for makeup) **(569,776)**

Fund balance **\$ 3,412,772**

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

Welch LLP	28,336	
EY Audit	44,300	
NEUSTAR Pooling 1K Block	316,228	
NEUSTAR NANP Administration	176,079	
Data Collection Agent - USAC	<u>4,833</u>	
	<u>\$ 569,776</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	263,293	263,293	263,293	263,293	263,293	263,293	263,293	263,293		6,788,096	6,721,854	66,242
Late filing fees for Form 499A (2) (500)	(600)	(2,500)									90,000	86,400	90,000	(3,600)
Interest income (3)	232	551	717	584	583	583	583	583	583	583	583	583	6,748	7,000	(252)
Total revenue	4,208,692	267,645	259,071	272,458	272,457	272,457	272,457	272,456	272,456	272,456	272,456	90,583	7,005,644	6,943,254	62,390
Expenses															
NANPA Administration (4)	176,680	177,091	176,079	177,879	177,879	177,879	177,879	177,879	177,879	177,879	177,879	177,879	2,130,761	2,134,548	(3,787)
1K Block Pooling (5)	225,254	238,478	241,228	238,505	238,505	238,505	238,505	238,506	238,506	238,506	238,506	238,506	2,851,510	2,862,065	(10,555)
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	4,833	4,833	4,833	4,833	4,833	4,834	4,834	4,834	4,834	56,392	58,000	(1,608)
Annual Operations Audit (9)	-	-	44,300	-	-	-	-	-	-	-	-	-	44,300	44,000	300
Bank Charges (10)	2,706	5,828	4,961	3,917	3,917	3,917	3,917	3,916	3,916	3,916	3,916	3,916	48,744	47,000	1,744
Carrier Audits (11)	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000	300,000	
Bad debt expense (12) (3,000)	(22,500)	7,500	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	11,998	40,000	(28,002)
Total expenses	508,700	506,805	581,999	531,804	531,803	519,084	456,803	756,804	456,804	456,804	456,804	456,804	6,221,018	6,262,926	(41,908)
Net revenue (expenses)	3,699,992	(239,160)	(322,928)	(259,346)	(259,346)	(246,627)	(184,346)	(484,348)	(184,348)	(184,348)	(184,348)	(366,221)	784,626	680,328	104,298
Opening fund balance	274,868	3,974,860	3,735,700	3,412,772	3,153,426	2,894,080	2,647,453	2,463,107	1,978,759	1,794,411	1,610,063	1,425,715	274,868	319,672	(44,804)
Closing fund balance	3,974,860	3,735,700	3,412,772	3,153,426	2,894,080	2,647,453	2,463,107	1,978,759	1,794,411	1,610,063	1,425,715	1,059,494	1,059,494	1,000,000	59,494
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	2,153,426	1,894,080	1,647,453	1,463,107	978,759	794,411	610,063	425,715	59,494	59,494	-	
	3,974,860	3,735,700	3,412,772	3,153,426	2,894,080	2,647,453	2,463,107	1,978,759	1,794,411	1,610,063	1,425,715	1,059,494	1,059,494	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 September 30, 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	66,242
Late filing fees (reversal) for Form 499A	(3,600)
Underestimate of interest earned to date compared to budget	(252)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	3,787
NANP Admin - change orders issued	
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	1,608
Bad debts - Adjustment to actual from budget	28,002
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	10,555
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	(1,744)
Forecasted fund balance at June 30/15	1,059,494

CURRENT AND FORECASTED LIABILITIES

	Current						
	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
NEUSTAR - NANPA Administration contract	176,079	177,879	177,879	177,879	177,879	177,879	177,879
- Payment authorized by the FCC in September August 2014	177,091						
- Authorization by the FCC has not been received for payment September 2014	<u>\$ 176,079</u>						
NEUSTAR - Block Pooling and CLIN	316,228	313,505	313,505	300,786	238,505	238,506	238,506
- Payment authorized by the FCC in September August 2014	313,478						
- Authorization by the FCC has not been received for payment September 2014	<u>\$ 316,228</u>						
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 September August 2014	\$ 28,336						
- Authorization by the FCC has not been received for payment September 2014	<u>\$ 28,336</u>						
USAC - Data Collection Agent	4,833	4,833	4,833	4,833	4,833	4,833	4,833
- Payment authorized by the FCC in September August 2014	\$ 4,595						
- Authorization by the FCC has not been received for payment September 2014	<u>\$ 4,833</u>						
Carrier audits	-	-	-	-	-	300,000	
Ernst & Young LLP- Annual operations audit	44,300						
Bank Fees		3,917	3,917	3,917	3,917	3,917	3,917
Total	<u>569,776</u>	<u>528,470</u>	<u>528,470</u>	<u>515,751</u>	<u>453,470</u>	<u>753,471</u>	<u>453,471</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed on September 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 September 12th to carriers with outstanding balances greater than \$25. 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. Two hundred and forty-three calls were received in September. Most calls are questions about how to pay, requests for copies of invoices, why they are red lighted, and why did they receive a second 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 90 days from the due date are transferred to Treasury for collections. In September \$287.96 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 a change from the previous requirement of 180 days.