

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
February 28, 2015**

Assets

Cash Balance in bank account		\$ 2,459,068
Receivable from US Carriers	280,220	
Receivable from Canada	8,581	
Receivable from Caribbean countries	20,254	
Receivables forwarded to Treasury for collection	240,645	
Allowance for uncollectible accounts	<u>(265,000)</u>	<u>284,700</u>
Total assets		2,743,768
Less: Accrued liabilities (see below for makeup)		<u>(453,631)</u>
Fund balance		<u><u>\$ 2,290,137</u></u>

Makeup of Accrued Liabilities

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	239,195	
NEUSTAR NANP Administration	176,332	
Data Collection Agent - USAC	<u>9,768</u>	
	<u>\$ 453,631</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	259,259	264,487	262,098	261,397	263,293	263,293	263,293	-	6,778,246	6,721,854	56,392
Late filing fees for Form 499A (2)		(500)	(600)	(2,500)	(4,100)	(11,700)	1,800	(1,100)	(3,500)	-	-	-	90,000	67,800	90,000	(22,200)
Interest income (3)		232	551	717	424	352	385	269	310	583	583	583	583	5,572	7,000	(1,428)
Total revenue		4,208,692	267,645	259,071	264,279	256,492	275,253	269,848	266,787	272,456	272,456	272,456	90,583	6,976,018	6,943,254	32,764
Expenses																
NANPA Administration (4)		176,680	177,091	176,079	175,492	175,492	176,968	176,726	176,332	177,879	177,879	177,879	177,879	2,122,376	2,134,548	(12,172)
1K Block Pooling (5)		225,254	238,478	241,228	235,192	236,272	241,850	236,390	239,194	238,506	238,506	238,506	238,506	2,847,882	2,862,065	(14,183)
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	5,802	4,935	4,834	4,834	4,834	4,834	57,010	58,000	(990)
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	2,877	2,531	3,916	3,916	3,916	3,916	44,377	47,000	(2,623)
Carrier Audits (11)		-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	(300,000)
Bad debt expense (12)		(3,000)	(22,500)	7,500	30,021	(23,500)	(2,305)	(2,000)	(10,792)	3,333	3,333	3,333	3,333	(13,244)	40,000	(53,244)
Total expenses		508,700	506,805	581,999	552,786	499,271	514,570	448,131	440,536	456,804	456,804	456,804	456,804	5,880,014	6,262,928	(382,912)
Net revenue (expenses)		3,699,992	(239,160)	(322,928)	(288,507)	(242,779)	(239,317)	(178,283)	(173,749)	(184,348)	(184,348)	(184,348)	(366,221)	1,096,004	680,328	415,676
Opening fund balance		274,868	3,974,860	3,735,700	3,412,772	3,124,265	2,881,486	2,642,169	2,463,886	2,290,137	2,105,789	1,921,441	1,737,093	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	2,463,886	2,290,137	2,105,789	1,921,441	1,737,093	1,370,872	1,370,872	1,000,000	370,872
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	1,463,886	1,290,137	1,105,789	921,441	737,093	370,872	370,872	-	-
		3,974,860	3,735,700	3,412,772	3,124,265	2,881,486	2,642,169	2,463,886	2,290,137	2,105,789	1,921,441	1,737,093	1,370,872	1,370,872	1,000,000	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 August 2015.
- (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.
- (12) The allowance covers all accounts considered potentially uncollectible at February 28, 2015.

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	56,392
Late filing fees (reversal) for Form 499A	(22,200)
Underestimate of interest earned to date compared to budget	(1,428)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	12,172
NANP Admin - change orders issued	-
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	990
Bad debts - Adjustment to actual from budget	53,244
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	14,183
Pooling change orders	-
Carrier audits that will not be performed	300,000
Operations Audit - Adjustment to actual from budget	(300)
Bank fees - Adjustment to actual from budget	2,623
Forecasted fund balance at June 30/15	1,370,872

CURRENT AND FORECASTED LIABILITIES

			<u>Current</u>						
			<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	<u>Jul-15</u>	<u>Aug-15</u>
NEUSTAR - NANPA Administration contract			176,332	177,879	177,879	177,879	177,879	185,138	185,138
- Payment authorized by the FCC in February									
January 2015	\$	176,726							
- Authorization by the FCC has not been received for payment									
February 2015			\$	176,332					
NEUSTAR - Block Pooling			239,195	238,506	238,506	238,506	238,506	265,241	265,241
- Payment authorized by the FCC in February									
January 2015	\$	236,390							
- Authorization by the FCC has not been received for payment									
February 2015			\$	239,195					
Welch LLP - Billing & Collection Agent			28,336	28,336	28,336	28,336	28,336	28,336	28,336
- Authorization by the FCC has not been received for payment									
January 2015	\$	28,336							
- Authorization by the FCC has not been received for payment									
February 2015			\$	28,336					
USAC - Data Collection Agent			9,768	4,834	4,834	4,834	4,834	4,850	4,850
- Payment authorized by the FCC in January									
November 2014		4,673							
December 2014		<u>5,802</u>							
	\$	10,475							
- Authorization by the FCC has not been received for payment									
January 2015		4,935							
February 2015		<u>4,833</u>							
	\$	9,768							
Carrier audits			-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit									
- Payment authorized by the FCC in February									
Audit fee for the 2013/2014 fiscal audit	\$	<u>44,300</u>							
Bank Fees				3,916	3,916	3,916	3,916	3,167	3,167
Total			<u>453,631</u>	<u>453,471</u>	<u>453,471</u>	<u>453,471</u>	<u>453,471</u>	<u>486,732</u>	<u>486,732</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed on February 12th.

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 February 3rd 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. Six calls were received in February. 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 August 31, 2015.

Accounts Receivable

In February we did not receive any funds from Treasury for debts collected.