

Universal Service Administrative Company
3rd Quarter 2018 Budget

Appendix M01
3Q2018
Page 1 of 3

USAC COMMON BUDGET

(stated in thousands)

3rd Quarter Operating Budget:

Compensation & Benefits	\$ 13,192.83
Travel, Training, & Education	270.79
Other Employee Expenses	292.52
Contract Labor	2,081.36
External Audits	249.96
Other Professional Fees	2,323.38
Computer Support & Maintenance	2,901.81
Rent	1,856.59
Printing & Postage	42.65
Meetings & Conferences	16.41
Taxes & Insurance	437.13
Other Expenses	740.35
Data Collection Billing Reimbursement	(63.48)
	\$ 24,342.30

TOTAL USAC COMMON OPERATING BUDGET *

3rd Quarter Capital Budget:

Non-Program Specific Capital Budget	\$ 1,424.96
TOTAL USAC COMMON CAPITAL BUDGET *	\$ 1,424.96

TOTAL USAC COMMON BUDGETS * **\$ 25,767.26**

* These costs are allocated to each of the programs.

HIGH COST

(stated in thousands)

3rd Quarter Operating Budget:

Compensation & Benefits	\$ 1,494.57
Travel, Training, & Education	73.68
Other Employee Expenses	3.66
Operations & Maintenance	87.50
Contract Labor	21.14
External Audits	341.38
Other Professional Fees	536.22
Printing & Postage	3.75
Meetings & Conferences	15.00
Other Expenses	117.62
USAC Support - Allocation of Common Budget	8,303.16
High Cost Operating Total	\$ 10,997.68

3rd Quarter Capital Budget:

Direct Capital Costs	\$ 67.16
USAC Support - Allocation of Common Capital Budget	486.05
High Cost Capital Total	\$ 553.21

TOTAL USAC HIGH COST BUDGETS **\$ 11,550.89**

Universal Service Administrative Company
3rd Quarter 2018 Budget

Appendix M01
3Q2018
Page 2 of 3

LOW INCOME
(stated in thousands)

<u>3rd Quarter Operating Budget:</u>		
Compensation & Benefits	\$	1,714.55
Travel, Training, & Education		49.04
Other Employee Expenses		1.12
Operations & Maintenance		92.19
Contract Labor		182.42
External Audits		529.87
Lifeline Eligibility Verification		1,677.25
Other Professional Fees		417.50
Computer Support & Maintenance		118.37
Printing & Postage		608.75
Meetings & Conferences		17.15
Other Expenses		0.06
USAC Support - Allocation of Common Budget		4,513.06
Low Income Operating Total	\$	9,921.33
<u>3rd Quarter Capital Budget:</u>		
Direct Capital Costs	\$	1,075.12
USAC Support - Allocation of Common Capital Budget		264.19
Low Income Capital Total	\$	1,339.31
TOTAL USAC LOW INCOME BUDGETS	\$	11,260.64

RURAL HEALTH CARE
(stated in thousands)

<u>3rd Quarter Operating Budget:</u>		
Compensation & Benefits	\$	1,407.89
Travel, Training, & Education		45.01
Other Employee Expenses		1.73
Contract Labor		59.96
External Audits		34.45
Other Professional Fees		183.97
Printing & Postage		3.75
Meetings & Conferences		19.00
USAC Support - Allocation of Common Budget		1,231.72
Rural Health Care Operating Total	\$	2,987.48
<u>3rd Quarter Capital Budget:</u>		
USAC Support - Allocation of Common Capital Budget	\$	72.10
Rural Health Care Capital Total	\$	72.10
TOTAL USAC RURAL HEALTH CARE BUDGETS	\$	3,059.58

Universal Service Administrative Company
3rd Quarter 2018 Budget

Appendix M01
3Q2018
Page 3 of 3

SCHOOLS & LIBRARIES

(stated in thousands)

3rd Quarter Operating Budget:

Compensation & Benefits	\$ 1,954.76
Travel, Training, & Education	61.98
Other Employee Expenses	1.47
SL Program Administration	7,617.64
Operations & Maintenance	3,750.00
Contract Labor	52.16
External Audits	1,007.15
Other Professional Fees	625.69
Computer Support & Maintenance	550.00
Printing & Postage	6.00
USAC Support - Allocation of Common Budget	10,294.36
Schools & Libraries Operating Total	\$ 25,921.21

3rd Quarter Capital Budget:

USAC Support - Allocation of Common Capital Budget	602.62
Schools & Libraries Capital Total	\$ 602.62

TOTAL USAC SCHOOLS & LIBRARIES BUDGETS	\$ 26,523.83
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Universal Service Administrative Company
Fund Size Projections for 3rd Quarter 2018

Appendix M02
3Q2018
Page 1 of 1

High Cost Support Mechanism
Fund Size Projections for 3Q2018
(stated in millions)

High Cost Loop Support	\$ 122.70
Connect America Fund Broadband Loop Support	184.61
Interstate Common Line Support True-Up	4.80
Frozen Price Cap Carrier Support	36.74
Frozen Competitive ETC Support	121.73
Connect America Fund - Intercarrier Compensation Support	101.18
Connect America Fund Phase II	379.41
Alternative Connect America Cost Model	82.21
Alaska Plan Support	32.08
<i>Subtotal High Cost Support Mechanism Program Demand</i>	<i>\$ 1,065.46</i>
Prior Period Adjustment	10.99
USAC Administrative Costs (including Capital Expenditures)	11.56
Interest Income	(0.19)
Total High Cost Support Mechanism Contributions 3Q2018	<u>\$ 1,087.82</u>

Low Income Support Mechanism
Fund Size Projections for 3Q2018
(stated in millions)

Lifeline Assistance	\$ 303.15
Link-Up	0.05
<i>Subtotal Low Income Support Mechanism Program Demand</i>	<i>\$ 303.20</i>
Prior Period Adjustment	(16.84)
USAC Administrative Costs (including Capital Expenditures)	11.25
Interest Income	(0.10)
Total Low Income Support Mechanism Contributions 3Q2018	<u>\$ 297.51</u>

Rural Health Care Support Mechanism
Fund Size Projections for 3Q2018
(stated in millions)

Rural Health Care Support	\$ 100.00
Prior Period Adjustment	(2.82)
USAC Administrative Costs (including Capital Expenditures) ¹	\$3.06 0.00
Interest Income	(0.70)
Total Rural Health Care Support Mechanism Contributions 3Q2018	<u>\$ 96.48</u>

Schools and Libraries Support Mechanism
Fund Size Projections for 3Q2018
(stated in millions)

Schools and Libraries Support	\$ 384.19
Prior Period Adjustment	(16.99)
USAC Administrative Costs (including Capital Expenditures)	26.52
Interest Income	(5.36)
Total Schools and Libraries Support Mechanism Contributions 3Q2018	<u>\$ 388.36</u>

¹ Rural Health Care administrative costs will be funded within the \$400 million program cap.

UNIVERSAL SERVICE FUND ACTIVITY
FUND BALANCE - CASH BASIS
2018

	SL Program	High Cost Program	Low Income Program	RHC Program	Total
Cash at 12/31/17	\$4,303,695,887	\$1,967,390,305	\$88,233,134	\$466,090,206	\$6,825,409,532
First Q 2018 Activity:					
Receipts on billings	\$536,875,740	\$1,141,859,186	\$316,588,180	\$100,670,774	\$2,095,993,880
Program Disbursements	(569,838,691)	(1,132,297,821)	(304,329,046)	(19,904,859)	(2,026,370,416)
Administrative Disb.	(20,041,236)	(14,827,781)	(7,455,703)	(2,247,507)	(44,572,227)
Interest Received	13,922,384	6,349,886	277,049	1,533,662	22,082,981
Refunds	(423,364)	(867,905)	(251,367)	(73,875)	(1,616,511)
Cash at 3/31/18	\$4,264,190,719	\$1,967,605,871	\$93,062,247	\$546,068,402	\$6,870,927,238
Second Q 2018 Activity:					
Receipts on billings	\$0	\$0	\$0	\$0	\$0
Program Disbursements	0	0	0	0	0
Administrative Disb.	0	0	0	0	0
Interest Received	0	0	0	0	0
Refunds	0	0	0	0	0
Cash at 6/30/18	\$4,264,190,719	\$1,967,605,871	\$93,062,247	\$546,068,402	\$6,870,927,238
Third Q 2018 Activity:					
Receipts on billings	\$0	\$0	\$0	\$0	\$0
Program Disbursements	0	0	0	0	0
Administrative Disb.	0	0	0	0	0
Interest Received	0	0	0	0	0
Refunds	0	0	0	0	0
Cash at 9/30/18	\$4,264,190,719	\$1,967,605,871	\$93,062,247	\$546,068,402	\$6,870,927,238
Fourth Q 2018 Activity:					
Receipts on billings	\$0	\$0	\$0	\$0	\$0
Program Disbursements	0	0	0	0	0
Administrative Disb.	0	0	0	0	0
Interest Received	0	0	0	0	0
Refunds	0	0	0	0	0
Cash at 12/31/18	\$4,264,190,719	\$1,967,605,871	\$93,062,247	\$546,068,402	\$6,870,927,238
Year to Date 2018 Activity:					
Receipts on billings	\$536,875,740	\$1,141,859,186	\$316,588,180	\$100,670,774	\$2,095,993,880
Program Disbursements	(569,838,691)	(1,132,297,821)	(304,329,046)	(19,904,859)	(2,026,370,416)
Administrative Disb.	(20,041,236)	(14,827,781)	(7,455,703)	(2,247,507)	(44,572,227)
Interest Received	13,922,384	6,349,886	277,049	1,533,662	22,082,981
Refunds	(423,364)	(867,905)	(251,367)	(73,875)	(1,616,511)
Cash YTD	\$4,264,190,719	\$1,967,605,871	\$93,062,247	\$546,068,402	\$6,870,927,238

UNIVERSAL SERVICE FUND ACTIVITY
FUND BALANCE - ACCRUAL BASIS
2018

	SL Program	High Cost Program	Low Income Program	RHC Program	Total
Fund Balance 12/31/17	\$4,394,471,163	\$2,077,577,834	\$97,770,095	\$494,768,488	\$7,064,587,580
First Q 2018 Activity:					
Billings	\$559,915,193	\$1,147,823,240	\$332,443,712	\$97,699,590	\$2,137,881,734
Late Charges net of waived	(1,999)	1,989,895	37,815	(20,742)	2,004,968
Late Filing fee	67,248	137,861	39,928	11,734	256,771
Bad Debt expense	(399,046)	(818,052)	(236,929)	(69,631)	(1,523,658)
Bad Debt expense (COMAD)	(213,241)	(15,424,489)	(1,234,755)	0	(16,872,485)
Program Disbursements	(570,580,762)	(1,153,188,583)	(303,759,211)	(19,873,610)	(2,047,402,166)
Future Funded Expenses	0	3,317,000	3,793,000	0	7,110,000
Admin Expenses	(26,714,526)	(9,736,757)	(10,868,346)	(2,533,691)	(49,853,319)
Interest Income	12,084,088	5,517,153	316,755	1,331,120	19,249,116
Fund Balance 3/31/18	\$4,368,628,119	\$2,057,195,102	\$118,302,064	\$571,313,258	\$7,115,438,543
Second Q 2018 Activity:					
Billings	\$0	\$0	\$0	\$0	\$0
Late Charges net of waived	0	0	0	0	0
Late Filing fee	0	0	0	0	0
Bad Debt expense	0	0	0	0	0
Bad Debt expense (COMAD)	0	0	0	0	0
Program Disbursements	0	0	0	0	0
Future Funded Expenses	0	0	0	0	0
Admin Expenses	0	0	0	0	0
Interest Income	0	0	0	0	0
Fund Balance 6/30/18	\$4,368,628,119	\$2,057,195,102	\$118,302,064	\$571,313,258	\$7,115,438,543
Third Q 2018 Activity:					
Billings	\$0	\$0	\$0	\$0	0
Late Charges net of waived	0	0	0	0	0
Late Filing fee	0	0	0	0	0
Bad Debt expense	0	0	0	0	0
Bad Debt expense (COMAD)	0	0	0	0	0
Program Disbursements	0	0	0	0	0
Future Funded Expenses	0	0	0	0	0
Admin Expenses	0	0	0	0	0
Interest Income	0	0	0	0	0
Fund Balance 9/30/18	\$4,368,628,119	\$2,057,195,102	\$118,302,064	\$571,313,258	\$7,115,438,543
Fourth Q 2018 Activity:					
Billings	\$0	\$0	\$0	\$0	0
Late Charges net of waived	0	0	0	0	0
Late Filing fee	0	0	0	0	0
Bad Debt expense	0	0	0	0	0
Bad Debt expense (COMAD)	0	0	0	0	0
Program Disbursements	0	0	0	0	0
Future Funded Expenses	0	0	0	0	0
Admin Expenses	0	0	0	0	0
Interest Income	0	0	0	0	0
Fund Balance 12/31/18	\$4,368,628,119	\$2,057,195,102	\$118,302,064	\$571,313,258	\$7,115,438,543