FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

OFFICE OF
MANAGING DIRECTOR

December 21, 2010

Mr. David Case
Universal Service Administrative Company
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

Dear Mr. Case:

The Federal Communications Commission (Commission) is required by section 3515 of title 31 of the United States Code to produce annual financial statements and have those statements audited. Also under section 3515 of title 31, the Office of Management and Budget (OMB) was given authority to prescribe the form and content of Federal agencies' financial statements. OMB's guidance on the form and content of agency financial statements and reporting deadlines can be found in OMB Circular A-136, which is entitled Financial Reporting Requirements and was most recently revised on September 29, 2010. We expect USAC to familiarize itself with the recently updated version of Circular A-136.

Consistent with Circular A-136, the Commission produces the following consolidated financial statements: Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and Statement of Custodial Activity. The financial information that you are required to report to the Commission as one of its reporting components is used to compile the Commission's consolidated financial statements. To meet Federal financial accounting and reporting requirements, the Commission utilizes generally accepted accounting principles for Federal entities and the United States Standard General Ledger. As a reporting component of the Commission, you are expected to also follow these standards.

As a means of ensuring that both the Commission and the USAC have a clear understanding of reporting expectations for the close of FY 2011, the Commission has attached a matrix (See Attachment A) detailing the reports, schedules, and reconciliations that are required for various reporting purposes and the frequency at which they are required.

In addition to the reporting matrix, the Commission is providing you with the scheduled due dates by which we must have the quarterly and interim financial statement packages in order to complete the consolidated interim and annual financial statements during FY 2011.

| **Reporting Period:** | **Due Date to Commission:** |
|---|---|
| December 31, 2010 | January 14, 2011 (10th week day) |
| March 31, 2011 | April 14, 2011 (10th week day) |
| June 30, 2011 | July 13, 2011 (9th week day) |
| August 31, 2011 | September 13, 2011 (9th week day) |
| September 30, 2011 | October 12, 2011 (8th week day) |

We look forward to working with the USAC to complete the reporting process for FY 2011.

Sincerely,

Mark Stephens
Chief Financial Officer
Federal Communications Commission

**Attachment A**
USF Reports and Documents Provided to the Federal Communications Commission
FY 2011

| Report # | Title of Report or Document | General Description of Report or Document | USF Document Satisfying request | Frequency of Submission | Report or Document Submitted By | FCC - Contact / Bureau / Division Submitted to | Copy to | Support Mechanisms) Affected |
|---|---|---|---|---|---|---|---|---|
| FINANCIAL STATEMENT PACKAGE | | | | | | | | |
| 1 | Financial Statements | Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources. Statement of Custodial Activity - Not Applicable (Includes USSGL Trial Balance Report) | USF Crosswalk | See Annual FS Letter | USF Accounting Manager | Timothy Siekierka | Timothy Siekierka, Sherry Herauf, Mark Stephens, Thomas Buckley, Jose Luis Rodriguez, Kim Yee, Thadeus Machcinski, Vincent Amalfitano, William Hill | All |
| 2 | Financial Statement Checklist | A completed version of the financial statement checklist developed by the FCC to review USF financial reporting submissions. | Financial Statement Checklist - Signed and Dated for each step. Also list any differences | See Annual FS Letter | USF Accounting Manager | Timothy Siekierka | Timothy Siekierka, Sherry Herauf, Mark Stephens, Thomas Buckley, Jose Luis Rodriguez, Kim Yee, Thadeus Machcinski, Vincent Amalfitano, William Hill | All |
| 3 | Cash Reconciliation and Listing of Outstanding Checks | Schedule reconciling the USF cash balance per bank to the balance per ledger, and supporting schedules including the list of outstanding checks, outstanding ACHs, and outstanding credit balance refund checks. | "Current Month" Cash Binder | See Annual FS Letter | USF Accounting Manager | Timothy Siekierka | Timothy Siekierka, Sherry Herauf, Mark Stephens, Thomas Buckley, Jose Luis Rodriguez, Kim Yee, Thadeus Machcinski, Vincent Amalfitano, William Hill | All |
| 4 | Investments Reconciliation and Subsidiary | Schedule reconciling the USF balance per bank to the balance per ledger, and supporting subsidiary ledger. | "Current Month" Cash Binder | See Annual FS Letter | USF Accounting Manager | Timothy Siekierka | Timothy Siekierka, Sherry Herauf, Mark Stephens, Thomas Buckley, Jose Luis Rodriguez, Kim Yee, Thadeus Machcinski, Vincent Amalfitano, William Hill | All |
| 5 | Accounts Receivable (AR) Reconciliation and Subsidiary | Schedule agreeing the AR subsidiary to the AR ledger balance. Include the subsidiary schedules with individual balances, the schedule of AR credit balances, and a supporting schedule for adjustments to either the subsidiary ledger or general ledger balance. | "Current Month" AR Binder | See Annual FS Letter | USF Accounting Manager | Timothy Siekierka | Timothy Siekierka, Sherry Herauf, Mark Stephens, Thomas Buckley, Jose Luis Rodriguez, Kim Yee, Thadeus Machcinski, Vincent Amalfitano, William Hill | All |
| 6 | Schedule of Interest Receivable | Schedule showing accrued interest by investment type (e.g. T-Bill, Bond, MMF) | Cash Binder - Interest Rec. Sch (Cross Check) | See Annual FS Letter | USF Accounting Manager | Timothy Siekierka | Timothy Siekierka, Sherry Herauf, Mark Stephens, Thomas Buckley, Jose Luis Rodriguez, Kim Yee, Thadeus Machcinski, Vincent Amalfitano, William Hill | All |
| 7 | Allowance for Doubtful Accounts Calculation | Schedule showing current calculation and resulting balance agreed to the general ledger | ADA "Current Month" | See Annual FS Letter | USF Accounting Manager | Timothy Siekierka | Timothy Siekierka, Sherry Herauf, Mark Stephens, Thomas Buckley, Jose Luis Rodriguez, Kim Yee, Thadeus Machcinski, Vincent Amalfitano, William Hill | All |
| 8 | Property, Plant, and Equipment Subsidiary and Roll-forward | Schedule showing all amounts exceeding the FCC's capitalization threshold that have been purchased by USAC using administrative funding. Schedule should include Individual Purchases > $25K; Internally Developed Software > $50K; and Bulk Purchases > $250K. | USAC Asset Detail | See Annual FS Letter | Director of Accounting | Timothy Siekierka | Timothy Siekierka, Sherry Herauf, Mark Stephens, Thomas Buckley, Jose Luis Rodriguez, Kim Yee, Thadeus Machcinski, Vincent Amalfitano, William Hill | All |
| 9 | Accounts Payable Subsidiary | Schedule listing all outstanding accounts payable that agrees to the general ledger | "Current Month" AP Binder | See Annual FS Letter | USF Accounting Manager | Timothy Siekierka | Timothy Siekierka, Sherry Herauf, Mark Stephens, Thomas Buckley, Jose Luis Rodriguez, Kim Yee, Thadeus Machcinski, Vincent Amalfitano, William Hill | All |
| 10 | Schedules of Other Accrued Liabilities (SGL 2190), Unearned Revenue (2320), and Other Liabilities (SGL 2990) that agrees to the general ledger. | Schedule showing other accrued liabilities such as the High Cost and Low Income accruals made at month end. | "Current Month" AP Binder, Accrued Liabilities "Current Month" PDFand any other supporting files | See Annual FS Letter | USF Accounting Manager | Timothy Siekierka | Timothy Siekierka, Sherry Herauf, Mark Stephens, Thomas Buckley, Jose Luis Rodriguez, Kim Yee, Thadeus Machcinski, Vincent Amalfitano, William Hill | All |
| 11 | Due to/Due from Schedule | Schedule showing the amount by mechanism that is either due to USF from USAC for amounts advanced and not expended or due from USF to USAC for amounts expended in excess of the current advance. | Due to Due from USF entries "Current Month" | See Annual FS Letter | USF Accounting Manager | Timothy Siekierka | Timothy Siekierka, Sherry Herauf, Mark Stephens, Thomas Buckley, Jose Luis Rodriguez, Kim Yee, Thadeus Machcinski, Vincent Amalfitano, William Hill | All |
| 12 | Undelivered Orders Roll forward with Subsidiary | Roll forward of Undelivered Orders balance from the beginning of the month to the end of the month. Attach subsidiary schedule of all open commitment balances that agrees to the general ledger (SGL 4801, 4871 and 4881). | Outstanding Obligations "Current Month" | Monthly - 10th calendar day | Manager of Budgets and Reporting | Timothy Siekierka | Timothy Siekierka, Sherry Herauf, Mark Stephens, Thomas Buckley, Jose Luis Rodriguez, Kim Yee, Thadeus Machcinski, Vincent Amalfitano, William Hill | All |

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USF Reports and Documents Provided to the Federal Communications Commission
FY 2011

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|---|---|---|---|---|---|---|---|---|
| 13 | Financial Statement Variance Analysis | Comparison of period over period financial statement with explanations for all line items greater than $12 million and 10% change | Comparison of period over period financial statement with explanations for all line items greater than $10 million and 10% change | 2 days after financial statement package | USF Accounting Manager | Timothy Siekierka | Timothy Siekierka, Sherry Herauf, Mark Stephens, Thomas Buckley, Jose Luis Rodriguez, Kim Yee, Thadeus Machcinski, Vincent Amalfitano, William Hill | All |
| TREASURY REPORTING | | | | | | | | |
| 1 | Standard Form - 224 Statement of Transactions | Standard form identifying receipts and outlays made by USF in the current and if applicable any previous months under Treasury Symbol 27X5183. Report is submitted to FCC by noon of the 3rd business day of each month for review and FCC submission to Treasury. | Standard Form - 224 Statement of Transactions | Monthly | USF Accounting Manager | Jeanne McDonald | Bryan Clopton; Henry Morrow; Jim Lande; JoseLuis Rodriguez; Kim Yee; Mark Stephens; Michael Smith; Richard Lerner; Thaddeus Machcinski; Timothy Siekierka; Steven VanRoekel; William Hill; Vincent Amalfitano | All |
| 2 | Standard Form - 224 Statement of Transactions, detail by mechanism | Breakdown of SF-224 balances by mechanism. | | Monthly | USF Accounting Manager | Jeanne McDonald | Bryan Clopton; Henry Morrow; Jim Lande; JoseLuis Rodriguez; Kim Yee; Mark Stephens; Michael Smith; Richard Lerner; Thaddeus Machcinski; Timothy Siekierka; Steven VanRoekel; William Hill; Vincent Amalfitano | All |
| 3 | Treasury Report on Receivables (TROR) | Standard form identifying status of receivables which includes a roll forward of the accounts receivable balances along with an aging of outstanding balances. In addition, there is a section for debt management and technique performance data. | "Current Month" TROR | Quarterly | USF Accounting Manager | Jeanne McDonald | Mark Stephens, Jose Luis Rodriguez, Timothy Siekierka, Vincent Amalfitano | All |
| 4 | Schedule of Investments for Intragovernmental Reporting | Schedule showing all Federal investments (T-Bills) that can be provided to the Bureau of Public so that they know the amount of outstanding debt to eliminate with the FCC. | Treasury Investment Report | Monthly (3rd to last business day of each month) | USF Accounting Manager | Jeanne McDonald | Bryan Clopton; Henry Morrow; Jim Lande; JoseLuis Rodriguez; Kim Yee; Mark Stephens; Thaddeus Machcinski; Timothy Siekierka; Steven VanRoekel; William Hill; Vincent Amalfitano | All |
| BUDGETARY REPORTING | | | | | | | | |
| 1 | OMB 10 Year Forecast | Various schedules and charts with receipts, outlays, interest and administrative expenses. | Ten Year Forecast | Annual | Director of Regulatory Reporting | WCB, OMD | Thaddeus Machcinski, Mark Stephens | All |
| 2 | Revised OMB 10 year Forecast - Mid Session Review | Various schedules and charts with receipts, outlays, interest and administrative expenses. | Mid-Year Forecast | Annual | Director of Regulatory Reporting | WCB, OMD | Thaddeus Machcinski, Mark Stephens, | All |
| 3 | Administrative Costs Schedule - Forecast | A Schedule of budgeted administrative costs by mechanism and Budget Object Class. | FCC to Provide Format | Quarterly | Manager of Budgets and Reporting | WCB, OMD | Mark Stephens, Henry Morrow | All |
| 4 | Administrative Costs Schedule - Actual | A schedule of actual administrative costs by mechanism and Budget Object Class. Schedule should agree to obligations incurred as reported on the USF Trial Balance. | FCC to Provide Format | Monthly | Manager of Budgets and Reporting | WCB, OMD | Mark Stephens, Henry Morrow | All |
| 5 | Procurements in progress or in place over $25K | A schedule of in-Progress and in-Place Contracts exceeding $25,000. | FCC to provide format | Semi-Annual | Purchasing Manager | WCB, OMD | As requested: David Read | All |
| 6 | SL Obligation Analysis for ADA | A schedule of total exempt and non-exempt obligations. | Obligations analysis SLD "Current Month" | Quarterly | Director of Regulatory Reporting | WCB, OMD | As requested: Thad Machcinski, Mark Stephens | SL |
| 7 | RHC Obligation Analysis for ADA - NEW | A schedule of total exempt and non-exempt obligations. | Obligations analysis RHC "Current Month" -- beginning in April 2006 | Quarterly | Director of Regulatory Reporting | WCB, OMD | Thaddeus Machcinski, Mark Stephens | RHC |
| PROGRAM REPORTING | | | | | | | | |
| 1 | Annual Report to the Commission and Congress | Annual report detailing USAC's operations, activities and accomplishments. See 47 C.F.R. § 54.702(h) | Annual Report | Annually by March 31 | Director of External Relations | Secretary, Commissioners, and staff, OMD | TBD | All |
| 2 | Universal Service Support Mechanism Quarterly Contribution Base | Report on quarterly interstate and international revenue data submitted by carriers on FCC Form 499-Q. Used by FCC with Quarterly Budget and Fund Size Projections to develop contribution factor. Annual true-ups in July of each year (based on data submitted by carriers in April of each year on 499-A). Also includes data concerning de minimis carriers. See 47 C.F.R. §§ 54.702 (i); 54.709(a) | Quarterly Filing | Quarterly | General Counsel | Secretary and FCC Service List, OMD | FCC Service List (Ian Dillner, Scott Bergmann, Chris Moore, Scott M. Deutchman, John Hunter, Steven VanRoekel, Jeremy Marcus, Tom Buckley, Ted Burmeister, Mark Stephens, Mark Stone, Jose Rodriquez, Michael Smith, Antoinette Stevens, Geoffrey Waldau, Bryan Clopton, Craig Stroup, Gary Seigel, Katie King, Kim Yee, Thad Machcinski, Alexander Belinfante) | All |

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|---|---|---|---|---|---|---|---|---|
| 3 | Universal Service Support Mechanism Fund Size Projections | Projection of Demand and administrative expenses (budget) on a consolidated basis and for each support mechanism. Includes a true-up for prior period adjustments quarterly and annually for administrative expenses. Appendices provide fund activity on a cash and accrual basis; funding commitments, funds authorized, and disbursements to service providers during the last quarter for each support mechanism. Used by FCC with the Quarterly Revenue Filing to develop contribution factor. See 47 C.F.R. §§ 54.702 (i); 54.709(a) | Quarterly Filing | Quarterly | General Counsel | Secretary and FCC Service List, OMD | FCC Service List (Ian Dillner, Scott Bergmann, Chris Moore, Scott M. Deutchman, John Hunter, Steven VanRoekel, Jeremy Marcus, Tom Buckley, Ted Burmeister, Mark Stephens, Mark Stone, Jose Rodriquez, Michael Smith, Antoinette Stevens, Geoffrey Waldau, Bryan Clopton, Craig Stroup, Gary Seigel, Katie King, Kim Yee, Thad Machcinski, Alexander Belinfante) | All |
| 4 | Board and Committee Issue Papers | Binder of Board meeting materials which includes the information from all committee meetings. | Board Documents | Quarterly | Executive Assistant | WCB, OMD | Thadeus Machcinski, Kim Yee | All |
| 5 | Contributor, Beneficiary, Process, IT, etc. audit reports | Reports of USAC independent auditors or independent auditors under contract to USAC of audits of program beneficiaries for compliance with program rules. See 47 C.F.R. F19 54.707. | All audit reports | As available | Vice President of Internal Audit | TAPD, OIG, OMD, and other interested parties | As requested | All |
| 6 | Enforcement Referrals | Cover letter explaining basis for violation and all documentation relevant to enforcement issue | Enforcement Referrals | As needed | General Counsel | WCB, FCC OIG | As requested: Hillary DeNigro | All |
| 7 | Whistleblower Log | Log of Contacts received and action taken | SLD Special Compliance Review Rpt | SL - Biweekly | Deputy General Counsel | OIG, OMD | David Hunt, William Garay, Kim Bumstead | SLD |
| | | | HC and LI Whistleblower Log | HC - Monthly | Sr Program Manager of HC | OIG, OMD | David Hunt, William Garay, Kim Bumstead | HC and LI |
| 8 | Low Income data report | Report of information submitted on FCC Form 497 | Latest View Report | As needed | Director of LI | WCB, OMD | Used to be Alex Belinfante a long time ago. LI stopped receiving requests. | LI |
| 9 | Program Integrity Assurance Procedures | PIA procedures are revised annually based on lessons learned from prior years and provided to FCC before they begin to be used for a new funding year. TAPD comments on/approves the procedures. | PIA Procedures | Annually | Director of Forms Processing (SLD) | WCB, OMD | As requested: Dana Schaffer, Chief, WCB | SL |
| 10 | ADL Issuance Report | Summary counts of the prior month appeals - categorized by the decisions and fund year | ADL Issuance | Monthly (by the 5th business day) | Sr. Mgr Post Processing (SLD) | WCB, OMD | Gina Spade, James Bachtell | SL |
| 11 | Monthly Audit Recovery Status Reports | Update on the different stages of recovery for audit reports | FCC Form in Excel spreadsheet | Monthly | Manager of Audit Response (SLD) | WCB, OMD | Robert Bentley, Kim Yee, Thaddeus Machcinski, Mark Stephens, Steven VanRoekel, Thomas Buckley, | SL |
| 12 | Semi-Annual Audit Recovery Report | Update on the monthly report | USAC Format (Excel spreadsheet) | Semi-Annual (March and Sept.) | Manager of Audit Response (SLD) | Secretary, WCB, OMD | Robert Bentley, Kim Yee, Thaddeus Machcinski, Mark Stephens, Steven VanRoekel, Thomas Buckley | SL |
| 13 | Procedures not in FCC Rules Filing | Required by 5th R&O, this is a list of our procedures not codified in FCC rules | Procedures not in FCC Rules Filing | Annually | Director of Forms Processing (SLD) | Secretary, WCB, OMD | To FCC electronically (There is no service list) | SL |
| 14 | Eligible Services List | SL maintains an Eligible Services List on its web site to guide applicants and service providers. Annually, the list is updated and submitted to TAPD for approval. | Eligible Services List | Annually | Vice President of SLD | WCB | As requested: Dana Schaffer, Chief, WCB | SL |
| 15 | Demand Estimate (Actual Fund Year Requests Received within the Window) | Report of total requested funding on in-window applications submitted after the close of the yearly filing window | Funding Year Demand Estimate | Annually | Vice President of SLD | WCB, OMD | As requested: Dana Schaffer, Chief, WCB | SL |
| 16 | Funding/denial parameter analyses | Analyses to support funding and denial decisions for internal connections requests based on demand and funds available | Funding/denial parameter analyses | As needed | Vice President of SLD | WCB, OMD | As requested: Steven VanRoekel, OMB and Dana Schaffer, WCB | SL |
| 17 | Funding Commitment Decision Letter Reports | Reports provide information about applicants who have, RHC, or will have, SL, receive a Funding Commitment Decision Letter and the amount of the funding commitment. | Funding Commitment Decision Letter Reports | As needed | COO | Commissioners, WCB, OMD | As requested | SL, RHC |
| 18 | Weekly Resources Report | Schedule of funds available for obligation, projection of funds available for obligation, with detail for SL & RHC commitments by Fund Year | Weekly Resources Report | Weekly | Manager of Budgets and Reporting | WCB, OMD | Steven VanRoekel; Antoinette Stevens; Bryan Clopton; Kim Yee; Leslie Fullwood; Mark Stephens; Thaddeus Machcinski; Thomas Buckley; William Hill, Mark Stone | All |
| 19 | Unused Funds Report | Schedule of funds available for Roll-Over . Schedule should be provided prior to submission of quarterly filing. | Contingency Reserve Analysis Worksheet | Quarterly | COO | WCB, OMD | Steven VanRoekel, Mark Stephens and Mark Stone | SL |

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|---|---|---|---|---|---|---|---|---|
| 20 | Tracking reports - for non-audit recoveries - NEW | A report that tracks all non-audit recoveries | | Monthly | Open | WCB, OMD | | All |
| 21 | Active law enforcement & USAC investigations - NEW | A report that tracks all active law enforcement and USAC investigations, including number of applications affected by funding year and various other information. (Note: We have received this report in the past but not on a regular basis.) | | Annual or as needed | Deputy General Counsel | WCB, OMD | As requested | SL |