



FEDERAL COMMUNICATIONS COMMISSION

First Quarter Financial Statements (Unaudited) Fiscal Years 2010 and 2009

The following pages provide the Federal Communications Commission's Unaudited Balance Sheet as of December 31, 2009 and 2008, Unaudited Statement of Net Cost for the Periods (Quarters) Ending December 31, 2009 and 2008, and Unaudited Statement of Budgetary Resources for the Periods (Quarters) Ending December 31, 2009 and 2008.

Balance Sheet

The Consolidated Balance Sheet presents the total amount available for use by the Commission (total assets) and the amounts owed by the Commission (total liabilities). Investments and Accounts Receivable represent approximately 89% of total assets as of December 31, 2009.

Significant changes on the Balance Sheet year over year in Intragovernmental Other Assets and Deferred Revenue were a result of approximately \$7,753 million in Auction #73 (700 MHz Band) licenses being granted during FY 2009. As these licenses are granted, the revenue is recognized by the Commission on the Statement of Custodial Activity.

Statement of Net Cost

The Consolidated Statement of Net Cost presents the cost of operating Commission programs. Gross cost less any offsetting revenue for each program is used to arrive at the net cost of specific program operations. The Consolidated Statement of Net Cost is aligned with the six strategic goals of the Commission: Broadband, Competition, Spectrum, Media, Public Safety and Homeland Security, and Modernize the FCC. The program costs for the USF, TRS and NANP are included within the Competition strategic goal. Contributions received for the USF and TRS programs are shown on the Statement of Changes in Net Position and do not directly offset the costs of these programs on the Statement of Net Cost. As a result of the accounting for these activities, the cost for this goal is significantly higher than the cost of the five other goals.

Statement of Budgetary Resources

The Combined Statement of Budgetary Resources provides information on how budgetary resources were made available to the Commission for the first quarter and the status of those budgetary resources at the end of the first quarter. The Commission receives most of its budgetary authority from appropriations. Budgetary resources consist of the resources available to the Commission at the beginning of the year, plus appropriations, spending authority from offsetting collections, and other budgetary resources received during the quarter. The Commission had \$6,743 million in budgetary resources of which \$3,146 million was obligated and \$3,597 million remained unobligated at quarter end.

Significant changes on the Statement of Budgetary Resources year over year in Obligations Incurred were a result of more funding of obligations for the USF support mechanism of Schools and Libraries incurred during the first quarter of FY 2010; approximately \$823 million. This universal service support mechanism provides support for discounts to schools and libraries.

Interim Financial Statements

The comparative interim quarterly financial statements, as required by OMB Circular No. A-136, Section IV, for the first quarter of fiscal years 2010 and 2009 are presented on the following pages of this report.

Federal Communications Commission
Consolidated Balance Sheet (Unaudited)
As of December 31, 2009 and December 31, 2008
(dollars in thousands)

	FY 2010	FY 2009
ASSETS		
Intragovernmental		
Fund Balance with Treasury	\$ 611,941	\$ 487,746
Investments	5,816,884	5,695,100
Accounts Receivable	720	1,828
Other	33,838	7,787,233
Total Intragovernmental	<u>6,463,383</u>	<u>13,971,907</u>
Cash and Other Monetary Assets	33,768	66,855
Accounts Receivable, net	714,888	757,088
Loans Receivable, net	83,113	188,284
General Property, Plant, and Equipment, net	57,580	36,632
Other	15,831	9,600
Total Assets	<u>\$ 7,368,563</u>	<u>\$ 15,030,366</u>
LIABILITIES		
Intragovernmental		
Debt	\$ 46,484	\$ 112,711
Other		
Custodial	93,376	169,226
Other	6,560	3,797
Total Other	<u>99,936</u>	<u>173,023</u>
Total Intragovernmental	146,420	285,734
Accounts Payable	25,975	43,887
Other		
Deferred Revenue	154,490	7,888,083
Prepaid Contributions	47,025	11,375
Accrued Liabilities for Universal Service	644,343	551,690
Other	47,783	32,381
Total Other	<u>893,641</u>	<u>8,483,529</u>
Total Liabilities	<u>\$ 1,066,036</u>	<u>\$ 8,813,150</u>
NET POSITION		
Unexpended Appropriations - Other Funds	\$ 275,643	\$ 84,229
Cumulative Results of Operations - Earmarked Funds	5,840,442	5,890,199
Cumulative Results of Operations - Other Funds	186,442	242,788
Total Net Position	<u>\$ 6,302,527</u>	<u>\$ 6,217,216</u>
Total Liabilities and Net Position	<u>\$ 7,368,563</u>	<u>\$ 15,030,366</u>

Federal Communications Commission
Consolidated Statement of Net Cost (Unaudited)
For the Periods Ended December 31, 2009 and December 31, 2008
(dollars in thousands)

	FY 2010	FY 2009
PROGRAM COSTS:		
Broadband:		
Gross costs	\$ 23,323	\$ 5,456
Less: Eamed Revenue	(4,580)	(1,376)
Net Program Costs	18,743	4,080
Competition:		
Gross costs	2,335,554	2,213,676
Less: Eamed Revenue	(5,668)	(2,483)
Net Program Costs	2,329,886	2,211,193
Spectrum:		
Gross costs	32,989	30,784
Less: Eamed Revenue	(16,338)	(13,329)
Net Program Costs	16,651	17,455
Media:		
Gross costs	14,267	22,100
Less: Eamed Revenue	(2,337)	(1,258)
Net Program Costs	11,930	20,842
Homeland Security:		
Gross costs	5,622	7,465
Less: Eamed Revenue	(1,848)	(620)
Net Program Costs	3,774	6,845
Modernize the FCC:		
Gross costs	15,221	13,031
Less: Eamed Revenue	(3,778)	(2,286)
Net Program Costs	11,443	10,745
Total Net Program Costs	2,392,427	2,271,160
Cost not Assigned to Programs:		
Telecommunications Development Fund	5	-
Other Expenses	1,516	552
Less: Eamed Revenues not Attributed to Programs:		
Telecommunications Development Fund	(5)	-
Net Cost of Operations	\$ 2,393,943	\$ 2,271,712

Federal Communications Commission
 Combined Statement of Budgetary Resources (Unaudited)
 For the Periods Ended December 31, 2009 and December 31, 2008
 (dollars in thousands)

	FY 2010		FY 2009	
	Budgetary	Non Budgetary Credit Program Financing Acct	Budgetary	Non Budgetary Credit Program Financing Acct
Budgetary Resources:				
Unobligated balance, brought forward, October 1:	\$ 3,035,116	\$ 12,344	\$ 2,282,036	\$ 53,904
Recoveries of prior year unpaid obligations	477,946	-	374,764	-
Budget authority:				
Appropriations received	2,434,689	-	2,371,306	-
Borrowing authority	-	-	-	-
Spending authority from offsetting collections				
Earned				
Collected	24,615	1	21,250	71
Change in receivables from Federal sources	-	-	-	-
Change in unfilled customer orders:				
Advance received	1,663	-	-	-
Anticipated for rest of year, without advances	757,190	-	618,938	-
Previously unavailable	-	-	-	-
Budget authority subtotal	<u>3,218,157</u>	<u>1</u>	<u>3,011,494</u>	<u>71</u>
Nonexpenditure transfers, net, anticipated and actual	-	-	-	-
Temporarily not available pursuant to Public Law	-	-	-	-
Permanently not available	-	-	-	-
Total Budgetary Resources	<u>\$ 6,731,219</u>	<u>\$ 12,345</u>	<u>\$ 5,668,294</u>	<u>\$ 53,975</u>
Status of Budgetary Resources:				
Obligations incurred:				
Direct	\$ 3,145,120	\$ -	\$ 2,294,232	\$ -
Reimbursable	1,259	-	165	-
Subtotal	<u>3,146,379</u>	<u>-</u>	<u>2,294,397</u>	<u>-</u>
Unobligated balance:				
Apportioned	1,146,521	-	859,984	-
Exempt from apportionment	2,170,728	-	2,436,293	-
Unobligated balance not available	267,591	12,345	77,620	53,975
Total, Status of Budgetary Resources	<u>\$ 6,731,219</u>	<u>\$ 12,345</u>	<u>\$ 5,668,294</u>	<u>\$ 53,975</u>
Change in Obligated Balance:				
Obligated balance, net				
Unpaid Obligations, brought forward, October 1	\$ 3,157,411	\$ -	\$ 3,588,774	\$ -
Uncollected customer payments from Federal sources, brought forward, October 1	-	-	(15)	-
Total unpaid obligated balance, brought forward, net	<u>3,157,411</u>	<u>-</u>	<u>3,588,759</u>	<u>-</u>
Obligations incurred net (+/-)	3,146,379	-	2,294,398	-
Gross outlays	(2,431,329)	-	(2,338,854)	-
Recoveries of prior year unpaid obligations, actual	(477,946)	-	(374,764)	-
Change in uncollected customer payments from Federal sources	-	-	-	-
Total, unpaid obligated balance, net, end of period	<u>3,394,515</u>	<u>-</u>	<u>3,169,539</u>	<u>-</u>
Obligated balance, net, end of period				
Unpaid obligations	3,394,515	-	3,169,553	-
Uncollected customer payments from Federal sources	-	-	(15)	-
Total, unpaid obligated balance, net, end of period	<u>3,394,515</u>	<u>-</u>	<u>3,169,538</u>	<u>-</u>
Net Outlays				
Net Outlays:				
Gross outlays	\$ 2,431,329	\$ -	\$ 2,338,854	\$ -
Offsetting collections	(26,277)	(1)	(21,250)	(71)
Distributed offsetting receipts	(12,608)	-	(29,045)	-
Net Outlays	<u>\$ 2,392,444</u>	<u>\$ (1)</u>	<u>\$ 2,288,559</u>	<u>\$ (71)</u>

Abbreviations

FCC—Federal Communications Commission

FY—Fiscal Year

NANP—North American Numbering Plan

OMB—Office of Management and Budget

TRS—Telecommunications Relay Service

USF—Universal Service Fund