

**Billing and Collection Agent Report
For period ending May 31, 2015**

To NANC

June 5, 2015

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
May 31, 2015**

Assets

Cash Balance in bank account		\$ 1,960,236
Receivable from US Carriers	268,278	
Receivable from Canada	8,580	
Receivable from Caribbean countries	20,375	
Receivables forwarded to Treasury for collection	191,302	
Allowance for uncollectible accounts	<u>(208,000)</u>	<u>280,535</u>
Total assets		2,240,771
Less: Accrued liabilities (see below for makeup)		<u>(485,501)</u>
Fund balance		<u><u>\$ 1,755,270</u></u>

Makeup of Accrued Liabilities

Welch LLP	56,672	
NEUSTAR Pooling 1K Block	240,957	
NEUSTAR NANP Administration	178,104	
Data Collection Agent - USAC	<u>9,768</u>	
	<u>\$ 485,501</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	8,580	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	8,580	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	262,899	262,711	256,312	6,770,289	6,721,854	48,435	
Late filing fees for Form 499A	(2)	(500)	(600)	(2,500)	(4,100)	(11,700)	1,800	(1,100)	(3,500)	(15,100)	(1,800)	(11,200)	90,000	39,700	90,000	(50,300)
Interest income	(3)	232	551	717	424	352	385	269	310	777	284	313	583	5,197	7,000	(1,803)
Total revenue		4,208,692	267,645	259,071	264,279	256,492	275,253	269,848	266,787	257,156	269,775	254,005	90,583	6,939,586	6,943,254	(3,668)
Expenses																
NANPA Administration	(4)	176,680	177,091	176,079	175,492	175,492	176,968	176,726	176,332	178,452	177,067	178,105	177,879	2,122,363	2,134,548	(12,185)
1K Block Pooling	(5)	225,254	238,478	241,228	235,192	236,272	241,850	236,390	239,194	235,192	244,278	240,957	238,506	2,852,791	2,862,065	(9,274)
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	4,935	4,935	4,935	4,834	57,313	58,000	(687)
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	2,682	2,337	2,034	3,916	39,682	47,000	(7,318)
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)	(29,737)	1,000	(16,377)	3,333	(68,357)	40,000	(108,357)
Total expenses		508,700	506,805	581,999	552,786	499,271	514,570	448,131	440,536	419,860	457,953	437,990	456,804	5,825,405	6,262,926	(437,521)
Net revenue (expenses)		3,699,992	(239,160)	(322,928)	(288,507)	(242,779)	(239,317)	(178,283)	(173,749)	(162,704)	(188,178)	(183,985)	(366,221)	1,114,181	680,328	433,853
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	2,127,433	1,939,255	1,755,270	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	2,127,433	1,939,255	1,755,270	1,389,049	1,389,049	1,000,000	389,049
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	1,127,433	939,255	755,270	389,049	389,049	-	
		3,974,860	3,735,700	3,412,772	3,124,265	2,881,486	2,642,169	2,463,886	2,290,137	2,127,433	1,939,255	1,755,270	1,389,049	1,389,049	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 May 31, 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	48,435
Late filing fees (reversal) for Form 499A	(50,300)
Underestimate of interest earned to date compared to budget	(1,803)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	12,185
NANP Admin - change orders issued	
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	687
Bad debts - Adjustment to actual from budget	108,357
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	9,274
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	7,318
Forecasted fund balance at June 30/15	1,389,049

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2015 TO SEPTEMBER 2016**

Projection															
	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Projected Revenue															
International Contributions															
Canada (1)	17,860	8,930	8,930	8,930	8,930	8,930	8,930	8,929	8,929	8,929	8,929	8,929	8,929	8,929	-
Caribbean countries (1)	27,943	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total International Contributions	45,803	8,930	8,930	8,930	8,930	8,930	8,930	8,929	8,929	8,929	8,929	8,929	8,929	8,929	-
Domestic Contributions - US carriers (1)	3,403,548	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	-
Late filing fees for Form 499A (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80,000
Interest income (3)	417	417	417	417	417	417	417	417	417	417	416	416	416	416	416
Total projected revenue	3,449,768	259,347	259,347	259,347	259,347	259,347	259,347	259,346	259,346	259,346	259,345	259,345	259,345	259,345	80,416
Projected Expenses															
NANPA Administration (4)	185,138	185,138	185,138	185,138	185,138	185,138	185,137	185,137	185,137	185,137	185,137	185,137	185,137	185,137	185,137
1K Block Pooling (5)	265,241	265,241	265,241	265,241	265,241	265,241	265,240	265,240	265,240	265,240	265,240	265,240	265,240	265,240	265,240
Billing and Collection															
Welch LLP (6)	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336
Data Collection Agent (7)	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850
Annual Operations Audit (8)	-	-	46,000	-	-	-	-	-	-	-	-	-	-	-	-
Bank Charges (9)	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166	3,166
Carrier Audits (10)	-	-	-	-	-	-	-	375,000	-	-	-	-	-	-	-
Bad debt expense (recovery) (11)	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,666	2,666	2,666	2,666	2,666
Total projected expenses	489,399	489,399	535,399	489,399	489,399	489,399	489,397	864,397	489,397	489,397	489,395	489,395	489,395	489,395	489,395
Projected Net revenue (expenses)	2,960,369	(230,052)	(276,052)	(230,052)	(230,052)	(230,052)	(230,050)	(605,051)	(230,051)	(230,051)	(230,050)	(230,050)	(230,050)	(230,050)	(408,979)
Projected Opening fund balance	1,389,049	4,349,418	4,119,366	3,843,314	3,613,262	3,383,210	3,153,158	2,923,108	2,318,057	2,088,006	1,857,955	1,627,905	1,397,855	1,167,805	937,755
Projected Closing fund balance	4,349,418	4,119,366	3,843,314	3,613,262	3,383,210	3,153,158	2,923,108	2,318,057	2,088,006	1,857,955	1,627,905	1,397,855	1,167,805	937,755	528,776
Projected Fund balance makeup:															
Contingency	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Surplus	3,849,418	3,619,366	3,343,314	3,113,262	2,883,210	2,653,158	2,423,108	1,818,056.53	1,588,006	1,357,955	1,127,905	897,855	667,805	437,755	28,776
	<u>4,349,418</u>	<u>4,119,366</u>	<u>3,843,314</u>	<u>3,613,262</u>	<u>3,383,210</u>	<u>3,153,158</u>	<u>2,923,108</u>	<u>2,318,057</u>	<u>2,088,006</u>	<u>1,857,955</u>	<u>1,627,905</u>	<u>1,397,855</u>	<u>1,167,805</u>	<u>937,755</u>	<u>528,776</u>

Assumptions:

- (1) The contribution for July 2015 - September 2016 is based on estimated billings
- (2) These estimated 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 of NANPA administration is based on the contract awarded in 2012. 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 from July 15, 2017 to January 14, 2018.
- (6) The cost of B&C Agent is based on the interim contract with Welch LLP in force until August 2015.
- (7) The expense for the Data Collection Agent is based on estimate of costs by USAC.
- (8) The cost of the annual operations audit is based on the cost of the prior year's history of billing from Ernst & Young LLP.
- (9) Bank fees are an expense to the Fund and are estimated based on prior years' history.
- (10) The budget allowed \$375,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible.

CURRENT AND FORECASTED LIABILITIES

			Current						
			<u>May-15</u>	<u>Jun-15</u>	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>
NEUSTAR - NANPA Administration contract			178,104	177,879	185,138	185,138	185,138	185,138	185,138
- Payment authorized by the FCC in May	April 2015	\$ 177,066							
- Authorization by the FCC has not been received for payment	May 2015		\$ 178,104						
NEUSTAR - Block Pooling			240,957	238,506	265,241	265,241	265,241	265,241	265,241
- Payment authorized by the FCC in May	April 2015	\$ 244,278							
- Authorization by the FCC has not been received for payment	May 2015		\$ 240,957						
Welch LLP - Billing & Collection Agent			56,672	28,336	28,336	28,336	28,336	28,336	28,336
- Payment authorized by the FCC in May		\$ -							
- Authorization by the FCC has not been received for payment	April 2015			28,336					
	May 2015			28,336					
			\$ 56,672						
USAC - Data Collection Agent			9,768	4,834	4,850	4,850	4,850	4,850	4,850
- Payment authorized by the FCC in May									
- Authorization by the FCC has not been received for payment	April 2015			4,935					
	May 2015			4,833					
			\$ 9,768						
Carrier audits			-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit							46,000		
Bank Fees				3,916	3,167	3,167	3,167	3,167	3,167
Total			<u>485,501</u>	<u>453,471</u>	<u>486,732</u>	<u>486,732</u>	<u>532,732</u>	<u>486,732</u>	<u>486,732</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed on May 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 May 7th 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. Sixteen calls were received in May. 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

We received \$779.63 in May from Treasury for debts collected.