

**Billing and Collection Agent Report
For period ending June 30, 2015**

To NANC

July 9, 2015

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
June 30, 2015**

Assets

Cash Balance in bank account		\$ 2,083,713
Receivable from US Carriers	3,627,201	
Receivable from Canada	8,930	
Receivable from Caribbean countries	33,968	
Receivables forwarded to Treasury for collection	163,871	
Allowance for uncollectible accounts	(265,000)	<u>3,568,970</u>
Total assets		5,652,683
Less: Accrued liabilities (see below for makeup)		(449,596)
Deferred revenue billed in June for July 2015 to September 2016 funding period		<u>(3,888,045)</u>
Fund balance		<u>\$ 1,315,042</u>

Makeup of Accrued Liabilities

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	235,192	
NEUSTAR NANP Administration	176,300	
Data Collection Agent - USAC	9,768	
	<u>449,596</u>	<u>\$ 449,596</u>

6,086 invoices were issued for the 2015/16 billings in June.

**NANPA FUND
ACTUAL STATEMENT OF CHANGES IN FUND BALANCE
JULY 2014 TO JUNE 2015**

Actual													Total	Budget	Variance between actual results and budget at June 30/15		
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	262,899	262,711	256,312	(8,167)		6,762,122	6,721,854	40,268	
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)	72,300		22,000	90,000	(68,000)	
Interest income (3)	232	551	717	424	352	385	269	310	777	284	313	237		4,851	7,000	(2,149)	
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	64,370		6,913,373	6,943,254	(29,881)	
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	176,300		2,120,784	2,134,548	(13,764)	
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	235,192		2,849,477	2,862,065	(12,588)	
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	4,935		57,414	58,000	(586)	
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	2,272		38,038	47,000	(8,962)	
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)	57,563	(14,127)	40,000	40,000	(54,127)	
Total expenses	508,700	506,805	581,999	552,786	499,271	514,570	448,131	440,536	419,860	457,953	437,990	504,598		5,873,199	6,262,926	(389,727)	
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)	(440,228)		1,040,174	680,328	359,846	
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	1,315,042		1,315,042	1,000,000	315,042	
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	315,042		315,042	-	-	
	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	1,315,042		1,315,042	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 June 30, 2015.

Reconciliation of actual 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	40,268
Late filing fees (reversal) for Form 499A	(68,000)
Underestimate of interest earned to date compared to budget	(2,149)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	13,764
NANP Admin - change orders issued	
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	586
Bad debts - Adjustment to actual from budget	54,127
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	12,588
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	8,962
Actual fund balance at June 30/15	1,315,042

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)	4,055,197	204,024	204,024	204,024	204,024	204,024	204,024	204,024	204,024	204,024	204,024	204,024	204,024	204,024	-
Late filing fees for Form 499A (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,700
Interest income (3)	417	417	417	417	417	417	417	417	417	417	416	416	416	416	416
Total projected revenue	4,101,417	213,371	213,371	213,371	213,371	213,371	213,371	213,370	213,370	213,370	213,369	213,369	213,369	213,369	91,116
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)	3,612,018	(276,028)	(322,028)	(276,028)	(276,028)	(276,028)	(276,026)	(651,027)	(276,027)	(276,027)	(276,026)	(276,026)	(276,026)	(276,026)	(398,279)
Projected Opening fund balance	1,315,042	4,927,060	4,651,032	4,329,004	4,052,976	3,776,948	3,500,920	3,224,894	2,573,867	2,297,840	2,021,813	1,745,787	1,469,761	1,193,735	917,709
Projected Closing fund balance	4,927,060	4,651,032	4,329,004	4,052,976	3,776,948	3,500,920	3,224,894	2,573,867	2,297,840	2,021,813	1,745,787	1,469,761	1,193,735	917,709	519,430
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	4,427,060	4,151,032	3,829,004	3,552,976	3,276,948	3,000,920	2,724,894	2,073,866.53	1,797,840	1,521,813	1,245,787	969,761	693,735	417,709	19,430
	<u>4,927,060</u>	<u>4,651,032</u>	<u>4,329,004</u>	<u>4,052,976</u>	<u>3,776,948</u>	<u>3,500,920</u>	<u>3,224,894</u>	<u>2,573,867</u>	<u>2,297,840</u>	<u>2,021,813</u>	<u>1,745,787</u>	<u>1,469,761</u>	<u>1,193,735</u>	<u>917,709</u>	<u>519,430</u>

Assumptions:

- (1) The contribution for July 2015 - September 2016 is based on actual 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

			<u>Current</u>							
				<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	
NEUSTAR - NANPA Administration contract				176,300	185,138	185,138	185,138	185,138	185,138	185,138
- Payment authorized by the FCC in June	May 2015	\$ 178,104								
- Authorization by the FCC has not been received for payment	June 2015		<u>\$ 176,300</u>							
NEUSTAR - Block Pooling				235,192	265,241	265,241	265,241	265,241	265,241	265,241
- Payment authorized by the FCC in June	May 2015	\$ 240,957								
- Authorization by the FCC has not been received for payment	June 2015		<u>\$ 235,192</u>							
Welch LLP - Billing & Collection Agent				28,336	28,336	28,336	28,336	28,336	28,336	28,336
- Payment authorized by the FCC in June	April 2015	28,336								
	May 2015	28,336								
		<u>\$ 56,672</u>								
- Authorization by the FCC has not been received for payment	June 2015		<u>\$ 28,336</u>							
USAC - Data Collection Agent				9,768	4,850	4,850	4,850	4,850	4,850	4,850
- Payment authorized by the FCC in June	April 2015	<u>\$ 4,935</u>								
- Authorization by the FCC has not been received for payment	May 2015									
	June 2015									
			<u>\$ 9,768</u>							
Carrier audits				-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit							46,000			
Bank Fees				3,167	3,167	3,167	3,167	3,167	3,167	3,167
Total				<u>449,596</u>	<u>486,732</u>	<u>486,732</u>	<u>532,732</u>	<u>486,732</u>	<u>486,732</u>	<u>486,732</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed on June 12th. The annual invoices were emailed the week of June 22nd. For those carriers for whom we did not have valid email addresses, the invoices were mailed on July 2nd.

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 June 1st 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. Eighty-eight calls were received in June. Most calls are questions about how changes to their email billing address, notification about closing their business, asking what the invoice was for.

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 \$93.84 in June from Treasury for debts collected.