

**Billing and Collection Agent Report  
For period ending April 30, 2016**

**To NANC**

**May 6, 2016**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
APRIL 30, 2016**

**Assets**

Cash Balance in bank account		\$ 2,731,170
Receivable from US Carriers	226,120	
Receivable from Canada	8,929	
Receivable from Caribbean countries	539	
Receivables forwarded to Treasury for collection	51,303	
Allowance for uncollectible accounts	(84,400)	<u>202,491</u>

**Total assets** **2,933,661**

**Less:** Accrued liabilities (see below for makeup) **(530,429)**

**Fund balance** **\$ 2,403,232**

**Makeup of Accrued Liabilities**

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	284,393	
NEUSTAR NANP Administration	212,850	
Data Collection Agent - USAC	4,850	
	<u>530,429</u>	<b><u>\$ 530,429</u></b>

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In April, NANPA change Order #4 is included in the April cost for NANPA Administration in the amount of \$29,041.54. Change order was related to INC Issue 497 and 797.

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

	Actual										Budget					Total	Budget	Variance between forecasted results and budget at Sept 30/16
	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			
<b>Revenue</b>																		
International Contributions																		
Canada	(1)	17,860	8,930	8,930	8,930	8,930	8,930	8,929	8,929	8,929	8,929	8,929	8,929	8,929	8,929	-	133,943	
Caribbean countries	(1)	27,943	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,943	
Total International Contributions		45,803	8,930	8,930	8,930	8,930	8,930	8,929	8,929	8,929	8,929	8,929	8,929	8,929	-	-	161,886	
Domestic Contributions - US carriers	(1)	4,038,482	201,264	217,020	201,871	199,904	198,150	200,430	204,946	202,299	204,297	204,024	204,024	204,024	204,024	204,024	6,684,759	
Late filing fees for Form 499A	(2)	( 28,900)	( 12,300)	33,600	( 1,600)	( 3,100)	( 18,020)	24,320	1,500	1,200	600	-	-	-	90,700	-	88,000	
Interest income	(3)	350	660	623	401	396	411	503	346	301	265	416	416	416	416	416	6,336	
<b>Total revenue</b>		4,055,735	198,554	260,173	209,602	206,130	189,471	234,183	215,721	212,729	214,091	213,369	213,369	213,369	91,116	-	6,940,981	
<b>Expenses</b>																		
NANPA Administration	(4)	181,724	183,408	182,926	182,999	181,497	184,095	181,497	181,497	184,801	212,850	185,137	185,137	185,137	185,137	185,137	2,782,979	
1K Block Pooling	(5)	253,919	266,971	270,119	268,620	264,362	266,061	264,343	264,801	265,729	285,393	265,240	265,240	265,240	265,240	265,240	3,996,518	
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	425,040	
Data Collection Agent	(7)	4,935	4,935	4,952	4,935	4,935	4,935	7,115	5,328	5,328	4,850	4,850	4,850	4,850	4,850	4,850	77,005	
Annual Operations Audit	(8)	-	-	45,200	-	-	-	-	-	-	-	-	-	-	-	-	45,200	
Bank Charges	(9)	2,407	6,727	4,248	3,375	2,912	3,055	2,645	2,340	2,043	2,624	3,166	3,166	3,166	3,166	3,166	48,206	
Carrier Audits	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	375,000	
Bad debt expense	(11)	( 18,975)	( 56,368)	68,512	( 4,795)	( 209)	( 38,377)	16,897	( 1,328)	1,807	732	2,666	2,666	2,666	2,666	2,666	( 18,774)	
<b>Total expenses</b>		452,346	434,009	604,293	483,470	481,833	448,105	500,833	480,974	488,044	535,292	489,395	489,395	489,395	489,395	489,395	7,356,174	
<b>Net revenue (expenses)</b>		3,603,389	( 235,455)	( 344,120)	( 273,868)	( 275,703)	( 258,634)	( 266,650)	( 265,253)	( 275,315)	( 321,201)	( 276,026)	( 276,026)	( 276,026)	( 398,279)	( 415,193)	( 860,273)	
<b>Opening fund balance</b>		1,315,042	4,918,431	4,682,976	4,338,856	4,064,988	3,789,285	3,530,651	3,264,001	2,998,748	2,723,433	2,402,232	2,126,206	1,850,180	1,574,154	1,298,128	1,315,042	
<b>Closing fund balance</b>		4,918,431	4,682,976	4,338,856	4,064,988	3,789,285	3,530,651	3,264,001	2,998,748	2,723,433	2,402,232	2,126,206	1,850,180	1,574,154	1,298,128	899,849	500,000	
<b>Fund balance makeup:</b>																		
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	500,000	
Surplus		4,418,431	4,182,976	3,838,856	3,564,988	3,289,285	3,030,651	2,764,001	2,498,748	2,223,433	1,902,232	1,626,206	1,350,180	1,074,154	798,128	399,849	-	
		4,918,431	4,682,976	4,338,856	4,064,988	3,789,285	3,530,651	3,264,001	2,998,748	2,723,433	2,402,232	2,126,206	1,850,180	1,574,154	1,298,128	899,849	500,000	

**Assumptions:**

- (1) The US carrier contributions for the period from July 2015 to September 2016 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 of B&C Agent is based on the interim contract with Welch LLP in force until June 30, 2016.
- (7) The expense for the Data Collection Agent is based on an estimate of costs by USAC for the 2015 calendar year.
- (8) The expense for the annual operations audit performed by Ernst & Young LLP is based on the quote given.
- (9) Bank fees are an expense to the Fund.
- (10) The budget allowed \$375,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible at April 30, 2016.

**Reconciliation of forecast at September 30, 2016 to budget**

<b>Budgeted fund balance at September 30/16 - contingency</b>	500,000
Decrease in fund balance between budget period (December 2014) and June 2015	(45,231)
Additional billings over estimate from budget	31,211
Late filing fees (reversal) for Form 499A	8,000
Underestimate of interest earned to date compared to budget	86
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	23,124
NANP Admin - change orders issued	(29,042)
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	(4,255)
Bad debts - Adjustment to actual from budget	58,774
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	(17,912)
Pooling change orders	-
Carrier audits that will not be performed	375,000
Operations Audit - Adjustment to actual from budget	800
Bank fees - Adjustment to actual from budget	(706)
<b>Forecasted fund balance at September 30/16</b>	<b>899,849</b>

**CURRENT AND FORECASTED LIABILITIES**

	<b>Current</b>					
	<b>Apr-16</b>	<b>May-16</b>	<b>Jun-16</b>	<b>Jul-16</b>	<b>Aug-16</b>	<b>Sep-16</b>
<b>NEUSTAR - NANPA Administration contract</b>	212,850	185,137	185,137	185,137	185,137	185,137
- Payment authorized by the FCC in April March 2016	\$ 184,801					
- Authorization by the FCC has not been received for payment April 2016		\$ 212,850				
<b>NEUSTAR - Block Pooling</b>	284,393	265,240	265,240	265,240	265,240	265,240
- Payment authorized by the FCC in April March 2016	\$ 265,729					
- Authorization by the FCC has not been received for payment April 2016		\$ 284,393				
<b>Welch LLP - Billing &amp; Collection Agent</b>	28,336	28,336	28,336	28,336	28,336	28,336
- Payment authorized by the FCC in April March 2016	28,336					
- Authorization by the FCC has not been received for payment April 2016		\$ 28,336				
<b>USAC - Data Collection Agent</b>	4,850	4,850	4,850	4,850	4,850	4,850
- Payment authorized by the FCC in April March 2016	5,357					
- Authorization by the FCC has not been received for payment April 2016		\$ 4,850				
<b>Carrier audits</b>	-	-	-	-	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>						
<b>Bank Fees</b>		3,166	3,166	3,166	3,166	3,166
<b>Total</b>	<b>530,429</b>	<b>486,729</b>	<b>486,729</b>	<b>486,729</b>	<b>486,729</b>	<b>486,729</b>

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were emailed on April 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 emailed and mailed on April 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. Three calls and 12 emails were received in April. Most queries were about how to make changes to their email billing address, notification about closing their business, asking what the invoice was for or asking how to make a payment.

## **Staffing Changes**

Rachel Harris, Accounting Clerk for NANP, has resigned from Welch. Yanjie Zhang has replaced Rachel as the Accounting Clerk.

## **Contract Renewal**

The contract expired October 1, 2009. Welch LLP is on the USGSA list. Welch LLP received an extension contract that runs until June 30, 2016.

## **Accounts Receivable**

In April we received \$386.86 from Treasury for debts collected.

## **Budget Timeline**

Due to the change in the funding year, the anticipated timeline for the budget and billing for 2016 is as follows:

- Preliminary budget and contribution factor presented to B&C Working Group - April 26 meeting
- Final budget and contribution factor presented to B&C Working Group - May 24 meeting
- Final budget and contribution factor presented to NANC - June 30 NANC meeting
- Final budget and contribution factor filed with FCC - July 5
- Invoices prepared and sent to carriers - September 12
- Payment due - October 12