

**Billing and Collection Agent Report
For period ending May 31, 2016**

To NANC

June 6, 2016

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
MAY 31, 2016**

Assets

Cash Balance in bank account		\$ 2,394,958
Receivable from US Carriers	223,358	
Receivable from Canada	8,929	
Receivable from Caribbean countries	543	
Receivables forwarded to Treasury for collection	51,312	
Allowance for uncollectible accounts	(83,700)	<u>200,442</u>

Total assets **2,595,400**

Less: Accrued liabilities (see below for makeup) **(479,362)**

Fund balance **\$ 2,116,038**

Makeup of Accrued Liabilities

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	264,679	
NEUSTAR NANP Administration	181,497	
Data Collection Agent - USAC	4,850	
	<u>479,362</u>	<u>\$ 479,362</u>

**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				
Revenue																			
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	-		133,943	133,943	-
Caribbean countries	(1)	27,943	-	-	-	-	-	-	-	-	-	-	-	-	-		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	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	187,714	204,024	204,024	204,024		6,668,449	6,653,548	14,901
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	1,400	-	-	-	90,700	89,400	80,000	9,400
Interest income	(3)	350	660	623	401	396	411	503	346	301	265	228	416	416	416	416	6,148	6,250	(102)
Total revenue		4,055,735	198,554	260,173	209,602	206,130	189,471	234,183	215,721	212,729	214,091	198,271	213,369	213,369	213,369	91,116	6,925,883	6,901,684	24,199
Expenses																			
NANPA Administration	(4)	181,724	183,408	182,926	182,999	181,497	184,095	181,497	181,497	184,801	212,850	181,497	185,137	185,137	185,137	185,137	2,779,339	2,777,061	2,278
1K Block Pooling	(5)	253,919	266,971	270,119	268,620	264,362	266,061	264,343	264,801	265,729	284,393	264,679	265,240	265,240	265,240	265,240	3,994,957	3,978,606	16,351
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	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	77,483	72,750	4,733
Annual Operations Audit	(8)	-	-	45,200	-	-	-	-	-	-	-	-	-	-	-	-	45,200	46,000	(800)
Bank Charges	(9)	2,407	6,727	4,248	3,375	2,912	3,055	2,645	2,340	2,043	2,624	2,565	3,166	3,166	3,166	3,166	47,605	47,500	105
Carrier Audits	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	375,000	(375,000)
Bad debt expense	(11)	(18,975)	(56,368)	68,512	(4,795)	(209)	(38,377)	16,897	(1,328)	1,807	732	3,060	2,666	2,666	2,666	2,666	(18,380)	40,000	(58,380)
Total expenses		452,346	434,009	604,293	483,470	481,833	448,105	500,833	480,974	488,044	534,292	485,465	489,395	489,395	489,395	489,395	7,351,244	7,761,957	(410,713)
Net revenue (expenses)		3,603,389	(235,455)	(344,120)	(273,868)	(275,703)	(258,634)	(266,650)	(265,253)	(275,315)	(320,201)	(287,194)	(276,026)	(276,026)	(276,026)	(398,279)	(425,361)	(860,273)	434,912
Opening fund balance		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	2,403,232	2,116,038	1,840,012	1,563,986	1,287,960	1,315,042	1,360,273	(45,231)
Closing fund balance		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	2,403,232	2,116,038	1,840,012	1,563,986	1,287,960	889,681	889,681	500,000	389,681
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	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	1,903,232	1,616,038	1,340,012	1,063,986	787,960	389,681	389,681	-	-
		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	2,403,232	2,116,038	1,840,012	1,563,986	1,287,960	889,681	889,681	500,000	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 May 31, 2016.

Reconciliation of forecast at September 30, 2016 to budget

Budgeted fund balance at September 30/16 - contingency	500,000
Decrease in fund balance between budget period (December 2014) and June 2015	(45,231)
Additional billings over estimate from budget	14,901
Late filing fees (reversal) for Form 499A	9,400
Underestimate of interest earned to date compared to budget	(102)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	26,764
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	(4,733)
Bad debts - Adjustment to actual from budget	58,380
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	(16,351)
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	(105)
Forecasted fund balance at September 30/16	889,681

CURRENT AND FORECASTED LIABILITIES

		Current				
		May-16	Jun-16	Jul-16	Aug-16	Sep-16
NEUSTAR - NANPA Administration contract		181,497	185,137	185,137	185,137	185,137
- Payment authorized by the FCC in May April 2016	\$ 212,850					
- Authorization by the FCC has not been received for payment May 2016		\$ 181,497				
NEUSTAR - Block Pooling		264,679	265,240	265,240	265,240	265,240
- Payment authorized by the FCC in May April 2016	\$ 284,393					
- Authorization by the FCC has not been received for payment May 2016		\$ 264,679				
Welch LLP - Billing & Collection Agent		28,336	28,336	28,336	28,336	28,336
- Payment authorized by the FCC in May April 2016	28,336					
- Authorization by the FCC has not been received for payment May 2016		\$ 28,336				
USAC - Data Collection Agent		4,850	4,850	4,850	4,850	4,850
- Payment authorized by the FCC in May April 2016	5,328					
- Authorization by the FCC has not been received for payment May 2016		\$ 4,850				
Carrier audits		-	-	-	-	-
Ernst & Young LLP- Annual operations audit						
Bank Fees			3,166	3,166	3,166	3,166
Total		<u>479,362</u>	<u>486,729</u>	<u>486,729</u>	<u>486,729</u>	<u>486,729</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 emailed and mailed on May 4th 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. Nine calls and 16 emails were received in May. 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

No new staffing changes to report since last month.

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 May we received \$307.55 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