

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

To B&C Working Group

July 7, 2016

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

Assets

Cash Balance in bank account		\$ 2,151,768
Receivable from US Carriers	205,226	
Receivable from Canada	8,929	
Receivable from Caribbean countries	544	
Receivables forwarded to Treasury for collection	50,783	
Allowance for uncollectible accounts	(60,800)	<u>204,682</u>

Total assets **2,356,450**

Less: Accrued liabilities (see below for makeup) **(508,752)**

Fund balance **\$ 1,847,698**

Makeup of Accrued Liabilities

Welch LLP	56,672	
NEUSTAR Pooling 1K Block	264,904	
NEUSTAR NANP Administration	182,326	
Data Collection Agent - USAC	4,850	
	<u>508,752</u>	<u>\$ 508,752</u>

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2016 TO SEPTEMBER 2017**

Projection												
	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Projected Revenue												
International Contributions												
Canada	(1)	9,742	9,742	9,742	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741
Caribbean countries	(1)	24,439	-	-	-	-	-	-	-	-	-	-
Total International Contributions		34,181	9,742	9,742	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741
Domestic Contributions - US carriers	(1)	3,377,478	217,968	217,968	217,968	217,968	217,968	217,968	217,968	217,967	217,967	217,967
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	80,000
Interest income	(3)	417	417	417	417	417	417	417	416	416	416	416
Total projected revenue		3,412,076	228,127	228,127	228,126	228,126	228,126	228,126	228,125	228,124	228,124	308,124
Projected Expenses												
NANPA Administration	(4)	189,864	189,864	319,868	189,864	189,864	189,864	189,864	189,864	189,864	195,561	195,560
1K Block Pooling	(5)	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,988
Billing and Collection												
Welch LLP	(6)	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169
Data Collection Agent - USAC	(7)	5,328	5,328	7,508	5,754	5,754	5,754	5,754	5,754	5,754	5,754	5,754
Annual Operations Audit	(8)	-	-	47,000	-	-	-	-	-	-	-	-
Bank Charges	(9)	3,084	3,084	3,084	3,084	3,083	3,083	3,083	3,083	3,083	3,083	3,083
Carrier Audits	(10)	-	-	-	-	300,000	-	-	-	-	-	-
Bad debt expense (recovery)	(11)	3,334	3,334	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333
Total projected expenses		491,768	491,768	670,952	492,194	792,192	492,192	492,192	492,192	497,889	497,888	497,887
Projected Net revenue (expenses)		2,920,308	(263,641)	(442,825)	(264,068)	(564,066)	(264,066)	(264,066)	(264,066)	(269,765)	(269,764)	(189,763)
Projected Opening fund balance		897,367	3,817,675	3,554,034	3,111,209	2,847,141	2,283,075	2,019,009	1,754,943	1,490,877	1,226,810	957,045
Projected Closing fund balance		3,817,675	3,554,034	3,111,209	2,847,141	2,283,075	2,019,009	1,754,943	1,490,877	1,226,810	957,045	687,281
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
Surplus		3,317,675	3,054,034	2,611,209	2,347,141	1,783,075	1,519,009	1,254,943	990,876.92	726,810	457,045	187,281
		<u>3,817,675</u>	<u>3,554,034</u>	<u>3,111,209</u>	<u>2,847,141</u>	<u>2,283,075</u>	<u>2,019,009</u>	<u>1,754,943</u>	<u>1,490,877</u>	<u>1,226,810</u>	<u>957,045</u>	<u>687,281</u>

Assumptions:

- (1) The contribution for October 2016 - September 2017 is based on preliminary Form 499A figures provided by USAC in May 2016.
- (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 NANP administration is based on the contract in force until June 2017. Estimates are used for July to September 2017. \$130,000 is also added for potential change orders anticipated to be issued by Sep 2017.
- (5) The cost for 1K Block Pooling Administration is based on the contract in force until July 14, 2017. Estimates based on the existing contract amounts are used for July 15, 2017 to September 30, 2017.
- (6) The cost of B&C Agent is based on the current interim contract with Welch LLP in force until December 31, 2016 plus 10% as recommended by the FCC.
- (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 \$300,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible.

CURRENT AND FORECASTED LIABILITIES

	Current						
	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
NEUSTAR - NANPA Administration contract	182,326	185,137	185,137	185,137	202,122	202,122	202,122
- Payment authorized by the FCC in June May 2016	\$ 181,497						
- Authorization by the FCC has not been received for payment June 2016							<u>\$ 182,326</u>
NEUSTAR - Block Pooling	264,904	265,240	265,240	265,240	258,989	258,989	258,989
- Payment authorized by the FCC in June May 2016	\$ 264,679						
- Authorization by the FCC has not been received for payment June 2016							<u>\$ 264,904</u>
Welch LLP - Billing & Collection Agent	56,672	28,336	28,336	28,336	31,169	31,169	31,169
- Payment authorized by the FCC in June							
- Authorization by the FCC has not been received for payment May 2016		28,336					
June 2016	\$ 28,336						
							<u>\$ 56,672</u>
USAC - Data Collection Agent	4,850	4,850	4,850	4,850	5,328	5,328	7,508
- Payment authorized by the FCC in June May 2016	\$ 5,328						
- Authorization by the FCC has not been received for payment June 2016							<u>\$ 4,850</u>
Carrier audits	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	-	-	-	-	-	-	47,000
Bank Fees		3,166	3,166	3,166	3,084	3,084	3,084
Total	<u>508,752</u>	<u>486,729</u>	<u>486,729</u>	<u>486,729</u>	<u>500,692</u>	<u>500,692</u>	<u>549,872</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed on June 10th.

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 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. Eight calls and 200 emails were received in June. The volume of emails were higher due directly to an email Welch sent reminding carriers that the NANP invoice for annual fee would not be sent out in June as in prior years but would be sent out in September due to the change in the funding period and that the carrier could contact us to ensure that that we had the correct billing address information. Most queries were about how to make changes to their email billing address. Other queries were 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 December 31, 2016.

Accounts Receivable

In June we received \$427.56 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