

**Billing and Collection Agent Report For  
period ending September 30, 2016  
To B&C Working Group  
October 6, 2016**

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

**Assets**

Cash Balance in bank account		\$ 2,547,088
Receivable from US Carriers	3,106,726	
Receivable from Canada	9,741	
Receivable from Caribbean countries	24,796	
Receivables forwarded to Treasury for collection	50,311	
Allowance for uncollectible accounts	(94,260)	<u>3,097,314</u>
<b>Total assets</b>		<b>5,644,402</b>
<b>Less:</b> Accrued liabilities (see below for makeup)		<b>(528,475)</b>
Deferred revenue billed in September for October 2016 to September 2017 funding period		<u><b>(4,329,469)</b></u>
<b>Fund balance</b>		<b><u>\$ 786,458</u></b>

**Makeup of Accrued Liabilities**

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	254,315	
NEUSTAR NANP Administration	188,646	
EY Audit	47,000	
Data Collection Agent - USAC	10,178	
	<u>528,475</u>	<u><b>\$ 528,475</b></u>

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Invoices for the 2016/17 funding period which runs from October 1, 2016 to September 30, 2017 were emailed/mailed on September 12 and 13th. Invoices are due October 12, 2016.

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

Actual																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	-		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	204,837	204,187	204,016	148	6,669,565	6,653,548	16,017
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	3,500	900	-	62,000	65,100	80,000	(14,900)
Interest income	(3)	350	660	623	401	396	411	503	346	301	265	228	240	158	155	246	5,283	6,250	(967)
<b>Total revenue</b>		<b>4,055,735</b>	<b>198,554</b>	<b>260,173</b>	<b>209,602</b>	<b>206,130</b>	<b>189,471</b>	<b>234,183</b>	<b>215,721</b>	<b>212,729</b>	<b>214,091</b>	<b>198,271</b>	<b>217,506</b>	<b>214,174</b>	<b>213,100</b>	<b>62,394</b>	<b>6,901,834</b>	<b>6,901,684</b>	<b>150</b>
<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	181,497	182,326	189,885	189,253	188,646	2,788,901	2,777,061	11,840
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	264,904	277,549	259,904	254,315	3,990,669	3,978,606	12,063
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	5,328	5,328	5,328	5,328	5,328	5,328	79,395	72,750	6,645
Annual Operations Audit	(8)	-	-	45,200	-	-	-	-	-	-	-	-	-	-	-	47,000	92,200	46,000	46,200
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	2,097	3,204	1,950	1,954	44,146	47,500	(3,354)
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	2,855	681	915	34,660	10,067	40,000	(29,933)
<b>Total expenses</b>		<b>452,346</b>	<b>434,009</b>	<b>604,293</b>	<b>483,470</b>	<b>481,833</b>	<b>448,105</b>	<b>500,833</b>	<b>480,974</b>	<b>488,044</b>	<b>534,292</b>	<b>485,465</b>	<b>485,846</b>	<b>504,983</b>	<b>485,686</b>	<b>560,239</b>	<b>7,430,418</b>	<b>7,761,957</b>	<b>(331,539)</b>
<b>Net revenue (expenses)</b>		<b>3,603,389</b>	<b>( 235,455)</b>	<b>( 344,120)</b>	<b>( 273,868)</b>	<b>( 275,703)</b>	<b>( 258,634)</b>	<b>( 266,650)</b>	<b>( 265,253)</b>	<b>( 275,315)</b>	<b>( 320,201)</b>	<b>( 287,194)</b>	<b>( 268,340)</b>	<b>( 290,809)</b>	<b>( 272,586)</b>	<b>( 497,845)</b>	<b>( 528,584)</b>	<b>( 860,273)</b>	<b>331,689</b>
<b>Opening fund balance</b>		<b>1,315,042</b>	<b>4,918,431</b>	<b>4,682,976</b>	<b>4,338,856</b>	<b>4,064,988</b>	<b>3,789,285</b>	<b>3,530,651</b>	<b>3,264,001</b>	<b>2,998,748</b>	<b>2,723,433</b>	<b>2,403,232</b>	<b>2,116,038</b>	<b>1,847,698</b>	<b>1,556,889</b>	<b>1,284,303</b>	<b>1,315,042</b>	<b>1,360,273</b>	<b>(45,231)</b>
<b>Closing fund balance</b>		<b>4,918,431</b>	<b>4,682,976</b>	<b>4,338,856</b>	<b>4,064,988</b>	<b>3,789,285</b>	<b>3,530,651</b>	<b>3,264,001</b>	<b>2,998,748</b>	<b>2,723,433</b>	<b>2,403,232</b>	<b>2,116,038</b>	<b>1,847,698</b>	<b>1,556,889</b>	<b>1,284,303</b>	<b>786,458</b>	<b>786,458</b>	<b>500,000</b>	<b>286,458</b>
<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	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	1,347,698	1,056,889	784,303	286,458	286,458	-	-
		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	1,847,698	1,556,889	1,284,303	786,458	786,458	500,000	286,458

**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 December 31, 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 September 30, 2016.

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

<b>Actual 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	16,017
Late filing fees (reversal) for Form 499A	(14,900)
Underestimate of interest earned to date compared to budget	(967)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	17,202
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	(6,645)
Bad debts - Adjustment to actual from budget	29,933
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	2,460
Pooling change orders	(14,523)
Carrier audits that will not be performed	375,000
Operations Audit - Adjustment to actual from budget	(46,200)
Bank fees - Adjustment to actual from budget	3,354
<b>Actual fund balance at September 30/16</b>	<b>786,458</b>

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

Projection based on budget												
	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
<b>Projected Revenue</b>												
International Contributions												
Canada	(1)	9,742	9,742	9,741	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	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741
Domestic Contributions - US carriers	(1)	4,298,805	142,291	142,291	142,291	142,291	142,291	142,291	142,291	142,291	142,291	142,291
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	80,000
Interest income	(3)	417	417	417	417	417	417	417	416	416	416	416
<b>Total projected revenue</b>		<b>4,333,403</b>	<b>152,450</b>	<b>152,449</b>	<b>152,449</b>	<b>152,449</b>	<b>152,449</b>	<b>152,449</b>	<b>152,448</b>	<b>152,448</b>	<b>152,448</b>	<b>232,448</b>
<b>Projected Expenses</b>												
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)	-	-	0	-	-	-	-	-	-	-	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
<b>Total projected expenses</b>		<b>491,768</b>	<b>491,768</b>	<b>623,952</b>	<b>492,194</b>	<b>792,192</b>	<b>492,192</b>	<b>492,192</b>	<b>492,192</b>	<b>497,889</b>	<b>497,888</b>	<b>544,887</b>
<b>Projected Net revenue (expenses)</b>		<b>3,841,635</b>	<b>( 339,318)</b>	<b>( 471,503)</b>	<b>( 339,745)</b>	<b>( 639,743)</b>	<b>( 339,743)</b>	<b>( 339,743)</b>	<b>( 339,743)</b>	<b>( 339,744)</b>	<b>( 345,441)</b>	<b>( 345,440)</b>
<b>Projected Opening fund balance</b>		<b>786,458</b>	<b>4,628,093</b>	<b>4,288,775</b>	<b>3,817,272</b>	<b>3,477,527</b>	<b>2,837,784</b>	<b>2,498,041</b>	<b>2,158,298</b>	<b>1,818,555</b>	<b>1,478,811</b>	<b>1,133,370</b>
<b>Projected Closing fund balance</b>		<b>4,628,093</b>	<b>4,288,775</b>	<b>3,817,272</b>	<b>3,477,527</b>	<b>2,837,784</b>	<b>2,498,041</b>	<b>2,158,298</b>	<b>1,818,555</b>	<b>1,478,811</b>	<b>1,133,370</b>	<b>787,930</b>
<b>Projected 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
Surplus		4,128,093	3,788,775	3,317,272	2,977,527	2,337,784	1,998,041	1,658,298	1,318,554.92	978,811	633,370	287,930
		<u>4,628,093</u>	<u>4,288,775</u>	<u>3,817,272</u>	<u>3,477,527</u>	<u>2,837,784</u>	<u>2,498,041</u>	<u>2,158,298</u>	<u>1,818,555</u>	<u>1,478,811</u>	<u>1,133,370</u>	<u>787,930</u>

**Assumptions:**

- (1) The contribution for October 2016 - September 2017 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 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**

		<u>Current</u>						
		<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>
<b>NEUSTAR - NANPA Administration contract</b>		188,646	189,864	189,864	319,868	189,864	189,864	189,864
- Payment authorized by the FCC in September August 2016	\$ 189,253							
- Authorization by the FCC has not been received for payment September 2016		<u>\$ 188,646</u>						
<b>NEUSTAR - Block Pooling</b>		254,315	258,989	258,989	258,989	258,989	258,989	258,989
- Payment authorized by the FCC in September August 2016	\$ 259,904							
- Authorization by the FCC has not been received for payment September 2016		<u>\$ 254,315</u>						
<b>Welch LLP - Billing &amp; Collection Agent</b>		28,336	31,169	31,169	31,169	31,169	31,169	31,169
- Payment authorized by the FCC in September August 2016	\$ 28,336							
- Authorization by the FCC has not been received for payment September 2016		<u>\$ 28,336</u>						
<b>USAC - Data Collection Agent</b>		10,178	5,328	5,328	7,508	5,754	5,754	5,754
- Payment authorized by the FCC in September	\$ -							
- Authorization by the FCC has not been received for payment August 2016		\$ 5,328						
September 2016		<u>\$ 4,850</u>						
		<u>\$ 10,178</u>						
<b>Carrier audits</b>		-	-	-	-	-	300,000	
<b>Ernst &amp; Young LLP- Annual operations audit</b>		47,000	-	-	-			
<b>Bank Fees</b>			3,084	3,084	3,084	3,084	3,083	3,083
<b>Total</b>		<u>528,475</u>	<u>488,434</u>	<u>488,434</u>	<u>620,618</u>	<u>488,860</u>	<u>788,859</u>	<u>488,859</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were emailed on September 12th. The annual invoices were emailed on September 12th and 13th. For those carriers whom we did not have a valid email address, the invoices were mailed on September 14th.

## **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 September 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. Sixty-one calls and 359 emails were received in September. 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. The volume of queries are higher as a result of the annual billing that occurred in September.

## **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**

We received \$604.24 from Treasury in September for debts collected.