

**Billing and Collection Agent Report
For period ending February 28, 2017
To B&C Working Group**

March 7, 2017

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
February 28, 2017**

Assets

Cash Balance in bank account		\$ 3,553,039
Receivable from US Carriers	148,424	
Receivable from Canada	9,741	
Receivable from Caribbean countries	5,481	
Receivables forwarded to Treasury for collection	89,761	
Allowance for uncollectible accounts	(99,100)	154,307

Total assets **3,707,346**

Less: Accrued liabilities (see below for makeup) **(500,079)**

Fund balance **\$ 3,207,267**

Makeup of Accrued Liabilities

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	256,157	
NEUSTAR NANP Administration	209,832	
Data Collection Agent - USAC	5,754	
	<u>\$ 500,079</u>	

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

Actual					Budget								Total	Budget	Variance between forecasted results and budget at Sept 30/17
Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17				
Revenue															
International Contributions															
Canada (1)	19,483	9,742	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	-	116,894	116,894	-
Caribbean countries (1)	24,439	-	-	-	-	-	-	-	-	-	-	-	24,439	24,439	-
Total International Contributions	43,922	9,742	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	-	141,333	141,333	-
Domestic Contributions - US carriers (1)	4,440,157	141,285	142,274	144,440	147,472	142,291	142,291	142,291	142,291	142,291	142,291	-	5,869,374	5,775,123	94,251
Late filing fees for Form 499A (2)	2,300	(800.00)	800	-	400	-	-	-	-	-	-	80,000	82,700	80,000	2,700
Interest income (3)	470	587	904	388	295	417	417	417	416	416	416	416	5,559	5,000	559
Total revenue	4,486,849	150,814	153,719	154,569	157,908	152,449	152,449	152,449	152,448	152,448	152,448	80,416	6,098,966	6,001,456	97,510
Expenses															
NANPA Administration (4)	241,963	209,832	212,034	210,753	209,832	212,364	189,864	189,864	189,864	195,561	195,560	202,122	2,459,613	2,425,461	34,152
1K Block Pooling (5)	353,567	257,865	255,403	255,291	256,157	258,989	258,989	258,989	258,989	258,989	258,989	258,988	3,191,205	3,107,867	83,338
Billing and Collection															
Welch LLP (6)	28,336	28,336	28,336	28,336	28,336	31,169	31,169	31,169	31,169	31,169	31,169	31,169	359,863	374,028	(14,165)
Data Collection Agent (7)	5,806	5,328	7,508	8,162	5,930	5,754	5,754	5,754	5,754	5,754	5,754	5,754	73,012	69,950	3,062
Annual Operations Audit (8)	-	-	-	46,000	-	-	-	-	-	-	-	-	46,000	47,000	(1,000)
Bank Charges (9)	4,132	6,031	5,171	3,185	3,111	3,083	3,083	3,083	3,083	3,083	3,083	3,083	43,211	37,000	6,211
Carrier Audits (10)	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000	300,000	-
Bad debt expense (11)	(5,648)	(3,287)	29,958	8,096	(3,810)	3,333	3,333	3,333	3,333	3,333	3,333	3,333	48,640	40,000	8,640
Total expenses	628,156	504,105	538,410	559,823	499,556	514,692	492,192	492,192	492,192	497,889	497,888	504,449	6,521,544	6,401,306	120,238
Net revenue (expenses)	3,858,693	(353,291)	(384,691)	(405,254)	(341,648)	(362,243)	(339,743)	(639,743)	(339,744)	(345,441)	(345,440)	(424,033)	(422,578)	(399,850)	(22,728)
Opening fund balance	833,458	4,692,151	4,338,860	3,954,169	3,548,915	3,207,267	2,845,024	2,505,281	1,865,538	1,525,794	1,180,353	834,913	833,458	899,850	(66,392)
Closing fund balance	4,692,151	4,338,860	3,954,169	3,548,915	3,207,267	2,845,024	2,505,281	1,865,538	1,525,794	1,180,353	834,913	410,880	410,880	500,000	(89,120)
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	-
Surplus	4,192,151	3,838,860	3,454,169	3,048,915	2,707,267	2,345,024	2,005,281	1,365,538	1,025,794	680,353	334,913	(89,120)	(89,120)	-	-
	4,692,151	4,338,860	3,954,169	3,548,915	3,207,267	2,845,024	2,505,281	1,865,538	1,525,794	1,180,353	834,913	410,880	410,880	500,000	-

Assumptions:

- (1) The US carrier contributions for the period from October 2016 to September 2017 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 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 April 30, 2017 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 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 \$300,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible at February 28, 2017.

Reconciliation of forecast at September 30, 2017 to budget

Budgeted fund balance at September 30, 2017 - contingency	500,000
Decrease in fund balance between budget period	(66,392)
Additional billings over estimate from budget	94,251
Late filing fees (reversal) for Form 499A	2,700
Underestimate of interest earned to date compared to budget	559
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	2,295
NANP Admin - change orders issued	(36,447)
Decrease in B&C Agent costs - anticipated 10% increase not in effect as contract not yet renewed	14,165
Data Collection fees - Adjustment to actual from budget	(3,062)
Bad debts - Adjustment to actual from budget	(8,640)
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	11,862
Pooling change orders	(95,200)
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	1,000
Bank fees - Adjustment to actual from budget	(6,211)
Forecasted fund balance at September 30, 2017	410,880

CURRENT AND FORECASTED LIABILITIES

		Current						
		Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
NEUSTAR - NANPA Administration		209,832	212,364	189,864	189,864	189,864	195,561	195,560
- Payment authorized by the FCC in February January 2017	210,753							
- Authorization by the FCC has not been received for payment February 2017		<u>209,832</u>						
NEUSTAR -1K Block Pooling		256,157	258,989	258,989	258,989	258,989	258,989	258,989
- Payment authorized by the FCC in February January 2017	<u>\$ 255,292</u>							
- Authorization by the FCC has not been received for payment February 2017		<u>\$ 256,157</u>						
Welch LLP - Billing & Collection Agent		28,336	31,169	31,169	31,169	31,169	31,169	31,169
- Payment authorized by the FCC in February January 2017	<u>\$ 28,336</u>							
- Authorization by the FCC has not been received for payment February 2017		<u>\$ 28,336</u>						
USAC - Data Collection Agent		5,754	5,754	5,754	5,754	5,754	5,754	5,754
- Payment authorized by the FCC in February December 2016	9,916							
January 2017	<u>\$ 5,754</u>							
	<u>\$ 15,670</u>							
- Authorization by the FCC has not been received for payment February		<u>\$ 5,754</u>						
Carrier audits		-	-	-	300,000			
Ernst & Young LLP- Annual operations audit								
Bank Fees			3,083	3,083	3,083	3,083	3,083	3,083
Total		<u>500,079</u>	<u>511,359</u>	<u>488,859</u>	<u>788,859</u>	<u>488,859</u>	<u>494,556</u>	<u>494,555</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed on February 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 February 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 details of the query are documented in an Access database. The date, Filer ID, nature of query, name of person making the request, who responded to query and on what date and the date of resolution is tracked in the database. Queries are returned within 1 business day or less. In February 22 calls and 24 emails were received. Most queries were about requesting copies of invoices, 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 on the contract for an additional 4 months up to April 30, 2017.

Accounts Receivable

In February we received from Treasury \$26.01 for debts collected.