

**Billing and Collection Agent Report
For period ending August 31, 2013**

To NANC

September 4, 2013

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2013**

Assets

Cash Balance in bank account		\$ 3,230,453
Receivable from US Carriers	474,523	
Receivable from Canada	-	
Receivable from Caribbean countries	7,846	
Receivables forwarded to Treasury for collection	87,038	
Allowance for uncollectible accounts	<u>(245,000)</u>	<u>324,407</u>

Total assets **3,554,860**

Less: Accrued liabilities (see below for makeup) **(494,016)**

Fund balance **\$ 3,060,844**

Makeup of Accrued Liabilities (see following page for additional details)

Welch LLP	28,336	
NEUSTAR Pooling 1K Block and pANI administration	287,781	
NEUSTAR NANP Administration	172,232	
Data Collection Agent - USAC	<u>5,667</u>	
	<u>\$ 494,016</u>	

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2012 TO JUNE 2013**

	Actual		Budgeted										Total	Budget	Variance between forecasted results and budget at June 30/13		
	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14					
Revenue																	
International Contributions																	
Canada (1)	17,748	8,874	8,874	8,873	8,873	8,873	8,873	8,873	8,873	8,873	8,873	8,873	-	106,480	106,480	-	
Caribbean countries (1)	22,112	-	-	-	-	-	-	-	-	-	-	-	-	22,112	22,112	-	
Total International Contributions	39,860	8,874	8,874	8,873	8,873	8,873	8,873	8,873	8,873	8,873	8,873	8,873	-	128,592	128,592	-	
Domestic Contributions - US carriers (1)	3,398,305	256,552	256,298	256,298	256,298	256,298	256,298	256,298	256,298	256,298	256,298	256,298	256,298	6,217,837	5,860,288	357,549	
Late filing fees for Form 499A (2)	(3,100)	3,000											85,000	84,900	85,000	(100)	
Interest income (3)	877	868	666	666	667	667	667	667	667	667	667	667	667	8,413	8,000	413	
Total revenue	3,435,942	269,294	265,838	265,837	265,838	265,838	265,838	265,838	265,838	265,838	265,838	265,838	341,965	6,439,742	6,081,880	357,862	
Expenses																	
NANPA Administration (4), (7)	172,232	172,232	289,966	174,550	174,550	174,550	174,549	174,549	174,549	174,549	174,549	174,549	174,549	2,205,374	2,210,010	(4,636)	
1K Block Pooling (4), (8)	202,036	212,781	214,091	214,091	214,091	214,091	214,091	214,091	214,091	214,091	214,091	214,091	214,091	2,555,727	2,260,620	295,107	
Automated systems development (CLIN1) (9)	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	900,000		900,000	
Billing and Collection																	
Welch LLP (4)	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	340,032	340,032	-	
Data Collection Agent (5)	4,568	4,752	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	56,820	57,000	(180)	
Annual Operations Audit (6)	-	-	42,000	-	-	-	-	-	-	-	-	-	-	42,000	42,000	-	
Bank Charges (10)	2,836	7,624	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	40,460	36,000	4,460	
Carrier Audits (11)	-	-	-	-	-	-	300,000	-	-	-	-	-	-	300,000	300,000	-	
Bad debt expense (12)	29,146	9,000	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	71,478	40,000	31,478	
Total expenses	514,154	509,725	660,477	503,061	503,060	503,060	803,059	503,059	503,059	503,059	503,059	503,059	503,059	6,511,891	5,285,662	1,226,229	
Net revenue (expenses)	2,921,788	(240,431)	(394,639)	(237,224)	(237,222)	(237,222)	(537,221)	(237,221)	(237,221)	(237,221)	(237,221)	(237,221)	(237,221)	(161,094)	(72,149)	(796,218)	(868,367)
Opening fund balance	379,487	3,301,275	3,060,844	2,666,205	2,428,981	2,191,759	1,954,537	1,417,316	1,180,095	942,874	705,653	468,432	468,432	379,487	453,782	(74,295)	
Closing fund balance	3,301,275	3,060,844	2,666,205	2,428,981	2,191,759	1,954,537	1,417,316	1,180,095	942,874	705,653	468,432	307,338	307,338	307,338	1,250,000	(942,662)	
Fund balance makeup:																	
Contingency	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,500,000	1,250,000	-	
Surplus	2,051,275	1,810,844	1,416,205	1,178,981	941,759	704,537	167,316	(69,905)	(307,126)	(544,347)	(781,568)	(942,662)	(942,662)	1,192,662	-	-	
	<u>3,301,275</u>	<u>3,060,844</u>	<u>2,666,205</u>	<u>2,428,981</u>	<u>2,191,759</u>	<u>1,954,537</u>	<u>1,417,316</u>	<u>1,180,095</u>	<u>942,874</u>	<u>705,653</u>	<u>468,432</u>	<u>307,338</u>	<u>307,338</u>	<u>307,338</u>	<u>1,250,000</u>		

Assumptions:

- (1) The US carrier contributions for the period from July 2012 to June 2013 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 1K Block Pooling is based on the contract awarded July 12, 2013
The cost of NANPA Administration is based on the contract.
The cost of B&C Agent is based on the interim contract with Welch LLP in force until November 30, 2013
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2013 calendar year.
- (6) The estimated cost for the annual operations audit performed by Ernst & Young LLP is \$42,000.
- (7) No commentary
- (8) No commentary
- (9) The cost of the Automated systems development (CLIN1) will be paid out over 18 months as per the modification to the 1K Pooling contract.
- (10) Bank fees are an expense to the Fund.
- (11) The budget allowed \$300,000 for carrier audits.
- (12) The allowance covers all accounts considered potentially uncollectible at August 31, 2013.

Reconciliation of forecast at June 30, 2014 to budget

Budgeted fund balance at June 30/14 - contingency	1,250,000
Decrease in fund balance between budget period (February 2012) and June 2012	(74,295)
Additional billings over estimate from budget	357,549
Late filing fees (reversal) for Form 499A	(100)
Underestimate of interest earned to date compared to budget	413
NANP Admin - difference between budget and actual contract awarded	4,636
NANP Admin - change orders issued	-
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	180
Bad debts - Adjustment to actual from budget	(31,478)
Pooling and p-ANI - adjustment to actual from budget	(1,195,107)
Pooling change orders	-
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	-
Bank fees - Adjustment to actual from budget	(4,460)
Forecasted fund balance at June 30/14	307,338

CURRENT AND FORECASTED LIABILITIES

	Current					
	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
NEUSTAR - NANPA Administration contract	172,232	289,966	174,550	174,550	174,550	174,550
- Payment authorized by the FCC in August July 2013	\$ 172,232					
- Authorization by the FCC has not been received for payment August 2013		<u>\$ 172,232</u>				
NEUSTAR - Block Pooling and CLIN	287,781	289,091	289,091	289,091	289,091	289,091
- Payment authorized by the FCC in August June 2013	\$ 277,036					
- Authorization by the FCC has not been received for payment August 2013		<u>\$ 287,781</u>				
Welch LLP - Billing & Collection Agent	28,336	28,336	28,336	28,336	28,336	28,336
- Payment authorized by the FCC in August July 2013	\$ 28,336					
- Authorization by the FCC has not been received for payment August 2013		<u>\$ 28,336</u>				
USAC - Data Collection Agent	5,667	4,750	4,750	4,750	4,750	4,750
- Payment authorized by the FCC in August June 2013	\$ 4,568					
July 2013	<u>\$ 4,751</u>					
	<u>\$ 9,319</u>					
- Authorization by the FCC has not been received for payment July 2013		<u>\$ 5,667</u>				
Carrier audits	-	-	-	-	-	300,000
Ernst & Young LLP- Annual operations audit	-	42,000	-	-	-	-
Bank Fees	-	3,000	3,000	3,000	3,000	3,000
Total	<u>494,016</u>	<u>657,143</u>	<u>499,727</u>	<u>499,727</u>	<u>499,727</u>	<u>799,727</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were mailed by August 13, 2013.

Processing Payments

Payment information from the lockbox service at Mellon Bank is now downloaded on a daily basis. The deposit information is recorded daily.

Late/Absent Payments

Statement of accounts were mailed July 29, 2013 for carriers with an outstanding balance greater than \$5. Statements for outstanding balances will be sent out the first week of September. We are continuing with collection calls to carriers with outstanding balances.

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 voice mailbox. The information is transferred to an Access database. The date, nature of call, name of caller, Filer ID, who responded and on what date and the resolution is tracked. Calls are returned usually within 3 business days. 108 calls were received in August. Most calls were questions about the invoice received, the late filing fee, how to pay, request for copies of invoices, why are they red lighted, change of address, they are out of business or requesting a W9 and about the date of the invoice.

Staffing Changes

Nothing new to report.

Contract Renewal

The contract expired October 1, 2009. Welch LLP is on the USGSA list. Welch LLP received an 8 month interim contract which includes a 2 1/2 month transition which will cover the period from April 1, 2013 to November 30, 2013.

Accounts Receivable

We have created a program that will let us batch process debt so that delinquent debt can be uploaded to Treasury. We will be making submissions for approval to write off uncollectible debts in August.