

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

To NANC

January 9, 2014

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

Assets

Cash Balance in bank account		\$ 2,941,827
Receivable from US Carriers	264,762	
Receivable from Canada	-	
Receivable from Caribbean countries	1,858	
Receivables forwarded to Treasury for collection	205,690	
Allowance for uncollectible accounts	<u>(252,200)</u>	<u>220,110</u>

Total assets **3,161,937**

Less: Accrued liabilities (see below for makeup) **(1,111,078)**

Fund balance **\$ 2,050,859**

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

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	570,968	
NEUSTAR NANP Administration	463,107	
EY Audit Accrual	43,000	
Data Collection Agent - USAC	<u>5,667</u>	
	<u>\$ 1,111,078</u>	

In December, NeuStar billed for Modification M002 - NANPA change order #1- INC issue 692:Update the 5YY requirements for resources and INC issue 702:Update service description for use of 5YY resources in the amount of \$115,416

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2013 TO JUNE 2014**

	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	459,330	230,562	227,320	227,338	230,760	230,760	230,760	230,760	230,760	230,760		5,953,207	5,860,288	92,919
Late filing fees for Form 499A (2)	(3,100)	3,000	(2,400)	(1,200)	(4,800)	(1,000)							85,000	75,500	85,000	(9,500)
Interest income (3)	877	868	610	290	284	430	667	667	667	667	667	667	667	7,361	8,000	639
Total revenue	3,435,942	269,294	466,414	238,525	231,677	235,641	240,300	240,300	240,300	240,300	240,300	240,300	85,667	6,164,660	6,081,880	82,780
Expenses																
NANPA Administration (4)	172,232	172,232	173,465	173,256	174,797	288,310	174,549	174,549	174,549	174,549	174,549	174,549	174,549	2,201,586	2,210,010	(8,424)
1K Block Pooling (4)	202,036	212,781	219,005	211,941	210,350	210,618	214,091	214,091	214,091	214,091	214,091	214,091	214,091	2,551,277	2,260,620	290,657
Automated systems development (CLIN1) (7)	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	4,976	4,851	4,898	4,828	4,750	4,750	4,750	4,750	4,750	4,750	4,750	57,373	57,000	373
Annual Operations Audit (6)	-	-	43,000	-	-	-	-	-	-	-	-	-	-	43,000	42,000	1,000
Bank Charges (8)	2,836	7,624	3,678	3,023	4,245	3,339	3,000	3,000	3,000	3,000	3,000	3,000	3,000	42,745	36,000	6,745
Carrier Audits (9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	(300,000)
Bad debt expense (10)	29,146	9,000	31,183	12,400	(7,905)	(5,360)	3,333	3,333	3,333	3,333	3,333	3,333	3,333	88,462	40,000	48,462
Total expenses	514,154	509,725	578,643	508,807	489,721	605,071	503,059	503,059	503,059	503,059	503,059	503,059	503,059	6,224,475	5,285,662	938,813
Net revenue (expenses)	2,921,788	(240,431)	(112,229)	(270,282)	(258,044)	(369,430)	(262,759)	(262,759)	(262,759)	(262,759)	(262,759)	(262,759)	(417,392)	(59,815)	796,218	(856,033)
Opening fund balance	379,487	3,301,275	3,060,844	2,948,615	2,678,333	2,420,289	2,050,859	1,788,100	1,525,341	1,262,582	999,823	737,064	319,672	379,487	453,782	(74,295)
Closing fund balance	3,301,275	3,060,844	2,948,615	2,678,333	2,420,289	2,050,859	1,788,100	1,525,341	1,262,582	999,823	737,064	319,672	319,672	1,250,000	(930,328)	
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	1,698,615	1,428,333	1,170,289	800,859	538,100	275,341	12,582	(250,177)	(512,936)	(930,328)	(1,180,328)			
	3,301,275	3,060,844	2,948,615	2,678,333	2,420,289	2,050,859	1,788,100	1,525,341	1,262,582	999,823	737,064	319,672	319,672	1,250,000	(930,328)	

Assumptions:

- (1) The US carrier contributions for the period from July 2013 to June 2014 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 July 31, 2014
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2013 calendar year.
- (6) The cost for the annual operations audit performed by Ernst & Young LLP is \$43,000.
- (7) The cost of the Automated systems development (CLIN1) will be paid out over 18 months as per the modification to the 1K Pooling contract.
- (8) Bank fees are an expense to the Fund.
- (9) The budget allowed \$300,000 for carrier audits. The FCC has indicated that it will likely not be performing any audits prior to June 30, 2014. If any audits are performed the funds to do so will come from this line item.
- (10) The allowance covers all accounts considered potentially uncollectible at December 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	92,919
Late filing fees (reversal) for Form 499A	(9,500)
Underestimate of interest earned to date compared to budget	(639)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	8,424
NANP Admin - change orders issued	
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	(373)
Bad debts - Adjustment to actual from budget	(48,462)
Pooling and p-ANI - adjustment to actual from budget	(1,190,657)
Pooling change orders	
Carrier audits that will not be performed	300,000
Operations Audit - Adjustment to actual from budget	(1,000)
Bank fees - Adjustment to actual from budget	(6,745)
Forecasted fund balance at June 30/14	319,672

CURRENT AND FORECASTED LIABILITIES

	Current						
	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
NEUSTAR - NANPA Administration contract	463,107	174,549	174,549	174,549	174,549	174,549	174,549
- Authorization by the FCC has not been received for payment							
November 2013	174,797						
December 2013	172,894						
December 2013 Change order #1	115,416						
	<u>\$ 463,107</u>						
NEUSTAR - Block Pooling and CLIN	570,968	289,091	289,091	289,091	289,091	289,091	289,091
- Authorization by the FCC has not been received for payment							
November 2013	285,350						
December 2013	285,618						
	<u>570,968</u>						
Welch LLP - Billing & Collection Agent	28,336	28,336	28,336	28,336	28,336	28,336	28,336
- Payment authorized by the FCC in December							
November 2013	\$ 28,336						
- Authorization by the FCC has not been received for payment							
December 2013	<u>\$ 28,336</u>						
USAC - Data Collection Agent	5,667	4,750	4,750	4,750	4,750	4,750	4,750
- Payment authorized by the FCC in December							
October 2013	\$ 4,898						
November 2013	\$ 4,829						
- Authorization by the FCC has not been received for payment							
December 2013	<u>\$ 5,667</u>						
Carrier audits	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	43,000	-	-	-	-	-	-
-Authorization by the FCC has not been received for payment							
Audit fee accrual for the 2012/2013 fiscal audit	<u>\$ 43,000</u>						
Bank Fees		3,000	3,000	3,000	3,000	3,000	3,000
Total	<u>1,111,078</u>	<u>499,726</u>	<u>499,726</u>	<u>499,726</u>	<u>499,726</u>	<u>499,726</u>	<u>499,726</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were mailed by December 12, 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

We are continuing with collection calls to carriers with outstanding balances. Statements were mailed at the beginning of the month to carriers with balances greater than \$5.

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. 8 calls were received in December. 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 month transition which will cover the period from December 1, 2013 to July 31, 2014.

Accounts Receivable

We have created a program that will let us batch process debt so that delinquent debt can be uploaded to Treasury. Outstanding balances from the June 2013 billing will be submitted to Treasury in January 2014.