

**Billing and Collection Agent Report
For period ending February 28, 2014**

To NANC

March 11, 2014

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
FEBRUARY 28, 2014**

Assets

Cash Balance in bank account		\$ 1,798,185
Receivable from US Carriers	274,207	
Receivable from Canada	8,873	
Receivable from Caribbean countries	1,477	
Receivables forwarded to Treasury for collection	202,966	
Allowance for uncollectible accounts	(244,000)	<u>243,523</u>

Total assets **2,041,708**

Less: Accrued liabilities (see below for makeup) **(493,717)**

Fund balance **\$ 1,547,991**

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

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	286,630	
NEUSTAR NANP Administration	173,084	
Data Collection Agent - USAC	5,667	
	<u>493,717</u>	<u>\$ 493,717</u>

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	-	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	-	128,592	128,592	-
Domestic Contributions - US carriers (1)	3,398,305	256,552	459,330	230,562	227,320	227,338	230,278	232,422	230,760	230,760	230,760	-	5,954,387	5,860,288	94,099
Late filing fees for Form 499A (2)	(3,100)	3,000	(2,400)	(1,200)	(4,800)	(1,000)	(1,100)	300	-	-	-	85,000	74,700	85,000	(10,300)
Interest income (3)	877	868	610	290	284	430	228	352	667	667	667	667	6,607	8,000	1,393
Total revenue	3,435,942	269,294	466,414	238,525	231,677	235,641	238,279	241,947	240,300	240,300	240,300	85,667	6,164,286	6,081,880	82,406
Expenses															
NANPA Administration (4)	172,232	172,232	173,465	173,256	174,797	288,310	172,232	173,084	174,549	174,549	174,549	174,549	2,197,804	2,210,010	(12,206)
1K Block Pooling (4)	202,036	212,781	219,005	211,941	210,350	210,618	212,332	211,630	214,091	214,091	214,091	214,091	2,547,057	2,260,620	286,437
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	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	340,032	340,032	-
Data Collection Agent (5)	4,568	4,752	4,976	4,851	4,898	4,828	4,808	4,432	4,750	4,750	4,750	4,750	57,113	57,000	113
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	2,320	3,650	3,000	3,000	3,000	3,000	42,715	36,000	6,715
Carrier Audits (9)	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	(300,000)
Bad debt expense (10)	29,146	9,000	31,183	12,400	(7,905)	(5,360)	1,517	(6,549)	3,333	3,333	3,333	3,333	73,730	40,000	33,730
Total expenses	514,154	509,725	578,643	508,807	489,721	605,071	493,511	489,583	503,059	503,059	503,059	503,059	6,201,451	5,285,662	915,789
Net revenue (expenses)	2,921,788	(240,431)	(112,229)	(270,282)	(258,044)	(369,430)	(255,232)	(247,636)	(262,759)	(262,759)	(262,759)	(417,392)	(37,165)	796,218	(833,383)
Opening fund balance	379,487	3,301,275	3,060,844	2,948,615	2,678,333	2,420,289	2,050,859	1,795,627	1,547,991	1,285,232	1,022,473	759,714	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	1,795,627	1,547,991	1,285,232	1,022,473	759,714	342,322	342,322	1,250,000	(907,678)
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	1,500,000	1,250,000	-
Surplus	2,051,275	1,810,844	1,698,615	1,428,333	1,170,289	800,859	545,627	297,991	35,232	(227,527)	(490,286)	(907,678)	1,157,678	-	-
	3,301,275	3,060,844	2,948,615	2,678,333	2,420,289	2,050,859	1,795,627	1,547,991	1,285,232	1,022,473	759,714	342,322	342,322	1,250,000	-

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 February 28, 2014.

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	94,099
Late filing fees (reversal) for Form 499A	(10,300)
Underestimate of interest earned to date compared to budget	(1,393)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	12,206
NANP Admin - change orders issued	-
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	(113)
Bad debts - Adjustment to actual from budget	(33,730)
Pooling and p-ANI - adjustment to actual from budget	(1,186,437)
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	(6,715)
Forecasted fund balance at June 30/14	342,322

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2014 TO JUNE 2015**

Projection													
	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	
Projected Revenue													
International Contributions													
Canada	(1)	17,162	8,581	8,581	8,581	8,581	8,580	8,580	8,580	8,580	8,580	8,580	-
Caribbean countries	(1)	21,432	-	-	-	-	-	-	-	-	-	-	-
Total International Contributions		38,594	8,581	8,581	8,581	8,581	8,580	8,580	8,580	8,580	8,580	8,580	-
Domestic Contributions - US carriers	(1)	4,221,854	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	-
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	-	90,000
Interest income	(3)	584	584	584	584	583	583	583	583	583	583	583	583
Total projected revenue		<u>4,261,032</u>	<u>259,165</u>	<u>259,165</u>	<u>259,165</u>	<u>259,164</u>	<u>259,163</u>	<u>259,163</u>	<u>259,163</u>	<u>259,163</u>	<u>259,163</u>	<u>259,163</u>	<u>90,583</u>
Projected Expenses													
NANPA Administration	(4)	177,879	177,879	177,879	177,879	177,879	177,879	177,879	177,879	177,879	177,879	177,879	177,879
1K Block Pooling and pANI Administration	(5)	238,505	238,505	238,505	238,505	238,505	238,505	238,506	238,506	238,506	238,506	238,506	238,506
Automated Systems Development (CLIN1)	(6)	75,000	75,000	75,000	75,000	75,000	62,281	-	-	-	-	-	-
Billing and Collection													
Welch LLP	(7)	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336
Data Collection Agent	(8)	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,834	4,834	4,834	4,834	4,834
Annual Operations Audit	(9)	-	-	44,000	-	-	-	-	-	-	-	-	-
Bank Charges	(10)	3,917	3,917	3,917	3,917	3,917	3,917	3,917	3,916	3,916	3,916	3,916	3,916
Carrier Audits	(11)	-	-	-	-	-	-	300,000	-	-	-	-	-
Bad debt expense (recovery)	(12)	3,334	3,334	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333
Total projected expenses		<u>531,804</u>	<u>531,804</u>	<u>575,804</u>	<u>531,804</u>	<u>531,803</u>	<u>519,084</u>	<u>456,803</u>	<u>756,804</u>	<u>456,804</u>	<u>456,804</u>	<u>456,804</u>	<u>456,804</u>
Projected Net revenue (expenses)		<u>3,729,228</u>	<u>(272,639)</u>	<u>(316,639)</u>	<u>(272,639)</u>	<u>(272,639)</u>	<u>(259,921)</u>	<u>(197,640)</u>	<u>(497,641)</u>	<u>(197,641)</u>	<u>(197,641)</u>	<u>(197,641)</u>	<u>(366,221)</u>
Projected Opening fund balance		<u>342,322</u>	<u>4,071,550</u>	<u>3,798,911</u>	<u>3,482,272</u>	<u>3,209,633</u>	<u>2,936,994</u>	<u>2,677,073</u>	<u>2,479,433</u>	<u>1,981,792</u>	<u>1,784,151</u>	<u>1,586,510</u>	<u>1,388,869</u>
Projected Closing fund balance		<u>4,071,550</u>	<u>3,798,911</u>	<u>3,482,272</u>	<u>3,209,633</u>	<u>2,936,994</u>	<u>2,677,073</u>	<u>2,479,433</u>	<u>1,981,792</u>	<u>1,784,151</u>	<u>1,586,510</u>	<u>1,388,869</u>	<u>1,022,648</u>
Projected Fund balance makeup:													
Contingency		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Surplus		3,071,550	2,798,911	2,482,272	2,209,633	1,936,994	1,677,073	1,479,433	981,792.00	784,151	586,510	388,869	22,648
		<u>4,071,550</u>	<u>3,798,911</u>	<u>3,482,272</u>	<u>3,209,633</u>	<u>2,936,994</u>	<u>2,677,073</u>	<u>2,479,433</u>	<u>1,981,792</u>	<u>1,784,151</u>	<u>1,586,510</u>	<u>1,388,869</u>	<u>1,022,648</u>

Assumptions:

- (1) The contribution for July 2014 - June 2015 is based on estimated 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 awarded in 2012. 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 from July 15, 2017 to January 14, 2018.
- (6) The cost for Pooling Administration Automated Systems Development is \$1,337,281. The cost was spread out over the period from July 2013 to December 2014.
- (7) The cost of B&C Agent is based on the interim contract with Welch LLP in force until July 2014.
- (8) The expense for the Data Collection Agent is based on estimate of costs by USAC.
- (9) The cost of the annual operations audit is based on the cost of the prior year's history of billing from Ernst & Young LLP.
- (10) Bank fees are an expense to the Fund and are estimated based on prior years' history.
- (11) The budget allowed \$300,000 for carrier audits.
- (12) The allowance covers all accounts considered potentially uncollectible.

CURRENT AND FORECASTED LIABILITIES

		Current						
		Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
NEUSTAR - NANPA Administration contract		173,084	174,549	174,549	174,549	174,549	177,879	177,879
- Payment authorized by the FCC in February January 2014	172,232							
- Authorization by the FCC has not been received for payment February 2014		<u>\$ 173,084</u>						
NEUSTAR - Block Pooling and CLIN		286,630	289,091	289,091	289,091	289,091	313,505	313,505
- Payment authorized by the FCC in February January 2014	287,332							
- Authorization by the FCC has not been received for payment February 2014		<u>\$ 286,630</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 February January 2014	\$ 28,336							
- Authorization by the FCC has not been received for payment February 2014		<u>\$ 28,336</u>						
USAC - Data Collection Agent		5,667	4,750	4,750	4,750	4,750	4,833	4,833
- Payment authorized by the FCC in February January 2014	\$ 4,432							
- Authorization by the FCC has not been received for payment February 2014		<u>\$ 5,667</u>						
Carrier audits		-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit		-	-	-	-	-	-	-
- Payment authorized by the FCC in February	\$ 13,000							
Bank Fees			3,000	3,000	3,000	3,000	3,917	3,917
Total		<u>493,717</u>	<u>499,726</u>	<u>499,726</u>	<u>499,726</u>	<u>499,726</u>	<u>528,470</u>	<u>528,470</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were mailed by February 12, 2014.

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

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 that have not been sent to Treasury for collections.

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. 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. Thirteen calls were received in February. 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.

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

Outstanding balances from the June 2013 billing have been submitted to Treasury in January 2014. In February we received from Treasury \$306.52 for debts collected.