

**Billing and Collection Agent Report  
For period ending June 30, 2013**

**To NANC**

**July 4, 2013**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2013**

**Assets**

Cash Balance in bank account	\$	845,764
Receivable from US Carriers		3,198,614
Receivable from Canada		8,873
Receivable from Caribbean countries		25,098
Receivables forwarded to Treasury for collection		87,366
Allowance for uncollectible accounts		<u>(218,000)</u>
		<u>3,101,951</u>
<b>Total assets</b>		<b>3,947,715</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b>(394,170)</b>
<b>Deferred revenue billed in June for July 2013 to June 2014 funding period</b>		<b><u>(3,174,058)</u></b>
<b>Fund balance</b>		<b><u><u>\$ 379,487</u></u></b>

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

Welch LLP	28,336	
NEUSTAR Pooling 1K Block and pANI administration	199,275	
NEUSTAR NANP Administration	160,892	
Data Collection Agent - USAC	<u>5,667</u>	
	<u>\$ 394,170</u>	

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The actual fund balance at June 30th was \$379,487. At the time the budget was prepared the forecast used was \$453,782.

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

Actual													Total	Budget	Variance between forecasted results and budget at June 30/13		
Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13						
<b>Revenue</b>																	
International Contributions																	
Canada (1)	13,106	6,553	6,553	6,553	6,553	6,553	6,553	6,553	6,552	6,552	6,552	-	78,633	78,633	-		
Caribbean countries (1)	16,290	-	-	-	-	-	-	-	-	-	-	-	16,290	16,290	-		
<b>Total International Contributions</b>	<b>29,396</b>	<b>6,553</b>	<b>6,553</b>	<b>6,553</b>	<b>6,553</b>	<b>6,553</b>	<b>6,553</b>	<b>6,553</b>	<b>6,552</b>	<b>6,552</b>	<b>6,552</b>	<b>-</b>	<b>94,923</b>	<b>94,923</b>	<b>-</b>		
Domestic Contributions - US carriers (1)	2,813,096	229,900	237,022	239,136	238,943	232,489	232,754	233,792	236,213	235,420	222,451	(609)	5,150,607	5,139,392	11,215		
Late filing fees for Form 499A (2)	1,900	(3,100)	3,000	-	(400)	(6,800)	(900)	300	1,200	-	100	102,600	97,900	85,000	12,900		
Interest income (3)	1,017	589	1,093	759	767	653	480	355	509	306	368	413	7,309	6,000	1,309		
<b>Total revenue</b>	<b>2,845,409</b>	<b>233,942</b>	<b>247,668</b>	<b>246,448</b>	<b>245,863</b>	<b>232,895</b>	<b>238,887</b>	<b>241,000</b>	<b>244,474</b>	<b>242,278</b>	<b>229,471</b>	<b>102,404</b>	<b>5,350,739</b>	<b>5,325,315</b>	<b>25,424</b>		
<b>Expenses</b>																	
NANPA Administration (4), (7)	276,207	276,207	278,756	279,757	276,207	297,486	277,173	276,315	276,207	165,071	163,564	160,892	3,003,842	1,632,000	1,371,842		
1K Block Pooling & pANI Administration (4), (8), (9)	256,549	235,851	188,385	188,385	188,385	196,780	197,509	204,382	195,091	195,091	195,091	199,275	2,440,774	2,393,628	47,146		
Billing and Collection																	
Welch LLP (4)	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	28,336	28,336	28,336	295,995	281,317	14,678		
Data Collection Agent (5)	5,042	4,518	4,445	4,420	4,268	4,255	4,488	4,488	4,457	4,667	4,924	4,625	54,597	68,000	(13,403)		
Annual Operations Audit (6)	-	-	40,000	-	-	-	1,800	-	-	-	-	-	41,800	40,000	1,800		
Bank Charges (10)	1,471	5,795	4,424	4,099	3,905	3,492	2,510	3,153	3,110	2,583	2,780	2,551	39,873	23,100	16,773		
Carrier Audits (11)	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	(300,000)		
Bad debt expense (12)	310	(21,532)	24,632	(991)	13,014	(11,750)	3,200	(9,197)	(5,685)	(443)	(1,201)	10,847	1,204	40,000	(38,796)		
<b>Total expenses</b>	<b>563,022</b>	<b>524,282</b>	<b>564,085</b>	<b>499,113</b>	<b>509,222</b>	<b>513,706</b>	<b>510,123</b>	<b>502,584</b>	<b>496,623</b>	<b>395,305</b>	<b>393,494</b>	<b>406,526</b>	<b>5,878,085</b>	<b>4,778,045</b>	<b>1,100,040</b>		
<b>Net revenue (expenses)</b>	<b>2,282,387</b>	<b>(290,340)</b>	<b>(316,417)</b>	<b>(252,665)</b>	<b>(263,359)</b>	<b>(280,811)</b>	<b>(271,236)</b>	<b>(261,584)</b>	<b>(252,149)</b>	<b>(153,027)</b>	<b>(164,023)</b>	<b>(304,122)</b>	<b>(527,346)</b>	<b>547,270</b>	<b>(1,074,616)</b>		
<b>Opening fund balance</b>	<b>906,833</b>	<b>3,189,220</b>	<b>2,898,880</b>	<b>2,582,463</b>	<b>2,329,798</b>	<b>2,066,439</b>	<b>1,785,628</b>	<b>1,514,392</b>	<b>1,252,808</b>	<b>1,000,659</b>	<b>847,632</b>	<b>683,609</b>	<b>906,833</b>	<b>952,730</b>	<b>(45,897)</b>		
<b>Closing fund balance</b>	<b>3,189,220</b>	<b>2,898,880</b>	<b>2,582,463</b>	<b>2,329,798</b>	<b>2,066,439</b>	<b>1,785,628</b>	<b>1,514,392</b>	<b>1,252,808</b>	<b>1,000,659</b>	<b>847,632</b>	<b>683,609</b>	<b>379,487</b>	<b>379,487</b>	<b>1,500,000</b>	<b>(1,120,513)</b>		
<b>Fund balance makeup:</b>																	
Contingency	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	-		
Surplus	1,689,220	1,398,880	1,082,463	829,798	566,439	285,628	14,392	(247,192)	(499,341)	(652,368)	(816,391)	(1,120,513)	(1,120,513)	-	-		
	<b>3,189,220</b>	<b>2,898,880</b>	<b>2,582,463</b>	<b>2,329,798</b>	<b>2,066,439</b>	<b>1,785,628</b>	<b>1,514,392</b>	<b>1,252,808</b>	<b>1,000,659</b>	<b>847,632</b>	<b>683,609</b>	<b>379,487</b>	<b>379,487</b>	<b>1,500,000</b>	<b>-</b>		

**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 a contract extension in force up to June 14, 2013. The cost of NANPA Administration is based on the new 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 2012 calendar year.
- (6) The estimated cost for the annual operations audit performed by Ernst & Young LLP is \$40,000.
- (7) No commentary
- (8) No commentary
- (9) The cost of ongoing permanent pANI administration is based on a 6-month fixed fee of \$40,628
- (10) Bank fees are an expense to the Fund.
- (11) The budget allowed \$300,000 for carrier audits. The FCC has indicated that they do not anticipate any audits being performed prior to June 2013.
- (12) The allowance covers all accounts considered potentially uncollectible at June 30, 2013.

**Reconciliation of forecast at June 30, 2013 to budget**

<b>Budgeted fund balance at June 30/13 - contingency</b>	<b>1,500,000</b>
Decrease in fund balance between budget period (February 2012) and June 2012	(45,897)
Additional billings over estimate from budget	11,215
Late filing fees (reversal) for Form 499A	12,900
Underestimate of interest earned to date compared to budget	1,309
NANP Admin - difference between budget and actual contract awarded	(1,352,852)
NANP Admin - change orders issued	(18,990)
Additional billings from B & C Agent due to renewal of contract	(14,678)
Data Collection fees - Adjustment to actual from budget	13,403
Bad debts - Adjustment to actual from budget	38,796
Pooling and p-ANI - adjustment to actual from budget	3,435
Pooling change orders	(50,581)
Carrier audits that will not be performed	300,000
Operations Audit - Adjustment to actual from budget	(1,800)
Bank fees - Adjustment to actual from budget	(16,773)
<b>Forecasted fund balance at June 30/13</b>	<b>379,487</b>

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

Projection												
	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
<b>Projected Revenue</b>												
International Contributions												
Canada	(1)	17,748	8,874	8,874	8,873	8,873	8,873	8,873	8,873	8,873	8,873	-
Caribbean countries	(1)	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	-
Domestic Contributions - US carriers	(1)	3,399,370	256,298	256,298	256,298	256,298	256,298	256,298	256,298	256,298	256,298	-
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	85,000
Interest income	(3)	666	666	666	666	667	667	667	667	667	667	667
<b>Total projected revenue</b>		<u>3,439,896</u>	<u>265,838</u>	<u>265,838</u>	<u>265,837</u>	<u>265,838</u>	<u>265,838</u>	<u>265,838</u>	<u>265,838</u>	<u>265,838</u>	<u>265,838</u>	<u>85,667</u>
<b>Projected Expenses</b>												
NANPA Administration	(4)	289,966	174,550	174,550	174,550	174,550	174,549	174,549	174,549	174,549	174,549	174,549
1K Block Pooling and pANI Administration	(5)	188,385	188,385	188,385	188,385	188,385	188,385	188,385	188,385	188,385	188,385	188,385
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
Data Collection Agent	(7)	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750
Annual Operations Audit	(8)	-	-	42,000	-	-	-	-	-	-	-	-
Bank Charges	(9)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
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>		<u>517,771</u>	<u>402,355</u>	<u>444,355</u>	<u>402,355</u>	<u>402,354</u>	<u>402,353</u>	<u>702,353</u>	<u>402,353</u>	<u>402,353</u>	<u>402,353</u>	<u>402,353</u>
<b>Projected Net revenue (expenses)</b>		<u>2,922,125</u>	<u>( 136,517)</u>	<u>( 178,517)</u>	<u>( 136,518)</u>	<u>( 136,516)</u>	<u>( 136,516)</u>	<u>( 136,515)</u>	<u>( 436,515)</u>	<u>( 136,515)</u>	<u>( 136,515)</u>	<u>( 316,686)</u>
<b>Projected Opening fund balance</b>		<u>379,487</u>	<u>3,301,612</u>	<u>3,165,095</u>	<u>2,986,578</u>	<u>2,850,060</u>	<u>2,713,544</u>	<u>2,577,028</u>	<u>2,440,513</u>	<u>2,003,998</u>	<u>1,867,483</u>	<u>1,730,968</u>
<b>Projected Closing fund balance</b>		<u>3,301,612</u>	<u>3,165,095</u>	<u>2,986,578</u>	<u>2,850,060</u>	<u>2,713,544</u>	<u>2,577,028</u>	<u>2,440,513</u>	<u>2,003,998</u>	<u>1,867,483</u>	<u>1,730,968</u>	<u>1,594,453</u>
<b>Projected Fund balance makeup:</b>												
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
Surplus		2,051,612	1,915,095	1,736,578	1,600,060	1,463,544	1,327,028	1,190,513	753,998.00	617,483	480,968	27,767
		<u>3,301,612</u>	<u>3,165,095</u>	<u>2,986,578</u>	<u>2,850,060</u>	<u>2,713,544</u>	<u>2,577,028</u>	<u>2,440,513</u>	<u>2,003,998</u>	<u>1,867,483</u>	<u>1,730,968</u>	<u>1,594,453</u>

**Assumptions:**

- (1) The contribution for July 2013 - June 2014 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 awarded in 2012. The contract expires in July 2017. An additional amount of \$115,416 is allowed for to cover the cost of a contract modification #2
- (5) The cost for 1K Block Pooling Administration is based on the contract extension that expires July 14/13. Ongoing pANI costs are based on the interim contract extension in place that expires July 14/13
- (6) The cost of B&C Agent is based on the interim contract with Welch LLP in force until November 30, 2013.
- (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. This will be covered by the contingency allowance.

**CURRENT AND FORECASTED LIABILITIES**

	<b>Current</b>					
	<b>Jun-13</b>	<b>Jul-13</b>	<b>Aug-13</b>	<b>Sep-13</b>	<b>Oct-13</b>	<b>Nov-13</b>
<b>NEUSTAR - NANPA Administration contract</b>	160,892	289,966	174,550	174,550	174,550	174,550
- Payment authorized by the FCC in June May 2013	\$ 163,564					
- Authorization by the FCC has not been received for payment June 2013		<u>\$ 160,892</u>				
<b>NEUSTAR - Block Pooling and pANI Administration contract</b>	199,275	188,385	188,385	188,385	188,385	188,385
- Payment authorized by the FCC in June May 2013	\$ 195,091					
- Authorization by the FCC has not been received for payment June 2013		<u>\$ 199,275</u>				
<b>Welch LLP - Billing &amp; Collection Agent</b>	28,336	28,336	28,336	28,336	28,336	28,336
- Payment authorized by the FCC in June May 2013	\$ 28,336					
- Authorization by the FCC has not been received for payment June 2013		<u>\$ 28,336</u>				
<b>USAC - Data Collection Agent</b>	5,667	4,750	4,750	4,750	4,750	4,750
- Payment authorized by the FCC in June May 2013	\$ 4,625					
- Authorization by the FCC has not been received for payment June 2013		<u>\$ 5,667</u>				
<b>Carrier audits</b>	-	-	-	-	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>	-	-	-	42,000	-	-
<b>Bank Fees</b>		3,000	3,000	3,000	3,000	3,000
<b>Total</b>	<u>394,170</u>	<u>514,437</u>	<u>399,021</u>	<u>441,021</u>	<u>399,021</u>	<u>399,021</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly and annual invoices for carriers were mailed by June 20, 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**

Statements were mailed June 14, 2013. We are continuing with collection calls to carriers with outstanding balances.

## **FCC Red Light Notices**

The new process for the red light is now in effect. 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. 73 calls were received in June. Most calls were questions about the invoice received, the late filing fee, how to pay, request for copies of invoices, 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 are creating 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 July.