

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

To NANC

October 15, 2013

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

Assets

Cash Balance in bank account		\$ 2,999,123
Receivable from US Carriers	527,159	
Receivable from Canada	8,873	
Receivable from Caribbean countries	7,557	
Receivables forwarded to Treasury for collection	214,376	
Allowance for uncollectible accounts	(264,000)	<u>493,965</u>

Total assets **3,493,088**

Less: Accrued liabilities (see below for makeup) **(544,473)**

Fund balance **\$ 2,948,615**

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

Welch LLP	28,336	
NEUSTAR Pooling 1K Block and pANI administration	294,005	
NEUSTAR NANP Administration	173,465	
EY Audit Accrual	43,000	
Data Collection Agent - USAC	5,667	
	<u>544,473</u>	<u>\$ 544,473</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	459,330	256,298	256,298	256,298	256,298	256,298	256,298	256,298	256,298	256,298	256,298	6,420,869	5,860,288	560,581
Late filing fees for Form 499A (2)	(3,100)	3,000	(2,400)										85,000	82,500	85,000	(2,500)
Interest income (3)	877	868	610	666	667	667	667	667	667	667	667	667	667	8,357	8,000	357
Total revenue	3,435,942	269,294	466,414	265,837	265,838	265,838	265,838	265,838	265,838	265,838	265,838	265,838	341,965	6,640,318	6,081,880	558,438
Expenses																
NANPA Administration (4), (7)	172,232	172,232	173,465	174,550	174,550	174,550	174,549	174,549	174,549	174,549	174,549	174,549	174,549	2,088,873	2,210,010	(121,137)
1K Block Pooling (4), (8)	202,036	212,781	219,005	214,091	214,091	214,091	214,091	214,091	214,091	214,091	214,091	214,091	214,091	2,560,641	2,260,620	300,021
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	4,976	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	57,046	57,000	46
Annual Operations Audit (6)	-	-	43,000	-	-	-	-	-	-	-	-	-	-	43,000	42,000	1,000
Bank Charges (10)	2,836	7,624	3,678	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	41,138	36,000	5,138
Carrier Audits (11)	-	-	-	-	-	-	300,000	-	-	-	-	-	-	300,000	300,000	-
Bad debt expense (12)	29,146	9,000	31,183	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	99,327	40,000	59,327
Total expenses	514,154	509,725	578,643	503,061	503,060	503,060	803,059	503,059	503,059	503,059	503,059	503,059	503,059	6,430,057	5,285,662	1,144,395
Net revenue (expenses)	2,921,788	(240,431)	(112,229)	(237,224)	(237,222)	(237,222)	(537,221)	(237,221)	(237,221)	(237,221)	(237,221)	(237,221)	(237,221)	161,094	796,218	(585,957)
Opening fund balance	379,487	3,301,275	3,060,844	2,948,615	2,711,391	2,474,169	2,236,947	1,699,726	1,462,505	1,225,284	988,063	750,842	750,842	379,487	453,782	(74,295)
Closing fund balance	3,301,275	3,060,844	2,948,615	2,711,391	2,474,169	2,236,947	1,699,726	1,462,505	1,225,284	988,063	750,842	589,748	589,748	589,748	1,250,000	(660,252)
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	1,461,391	1,224,169	986,947	449,726	212,505	(24,716)	(261,937)	(499,158)	(660,252)	(660,252)	910,252	-	-
	3,301,275	3,060,844	2,948,615	2,711,391	2,474,169	2,236,947	1,699,726	1,462,505	1,225,284	988,063	750,842	589,748	589,748	589,748	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 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 \$43,000.
- (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 September 30, 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	560,581
Late filing fees (reversal) for Form 499A	(2,500)
Underestimate of interest earned to date compared to budget	357
NANP Admin - difference between budget and actual contract awarded	121,137
NANP Admin - change orders issued	
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	(46)
Bad debts - Adjustment to actual from budget	(59,327)
Pooling and p-ANI - adjustment to actual from budget	(1,200,021)
Pooling change orders	
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	(1,000)
Bank fees - Adjustment to actual from budget	(5,138)
Forecasted fund balance at June 30/14	589,748

CURRENT AND FORECASTED LIABILITIES

	Current <u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>
NEUSTAR - NANPA Administration contract	173,465	174,550	174,550	174,550	174,549	174,549	174,549
- Payment authorized by the FCC in September August 2013	\$ 172,232						
- Authorization by the FCC has not been received for payment September 2013		<u>\$ 173,465</u>					
NEUSTAR - Block Pooling and CLIN	294,005	289,091	289,091	289,091	289,091	289,091	289,091
- Payment authorized by the FCC in September August 2013	\$ 287,781						
- Authorization by the FCC has not been received for payment September 2013		<u>\$ 294,005</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 September August 2013	\$ 28,336						
- Authorization by the FCC has not been received for payment September 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 September August 2013	\$ 4,976						
- Authorization by the FCC has not been received for payment September 2013		<u>\$ 5,667</u>					
Carrier audits	-	-	-	-	300,000		
Ernst & Young LLP- Annual operations audit	43,000	-	-	-	-	-	-
Bank Fees		3,000	3,000	3,000	3,000	3,000	3,000
Total	<u>544,473</u>	<u>499,727</u>	<u>499,727</u>	<u>499,727</u>	<u>799,726</u>	<u>499,726</u>	<u>499,726</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were mailed by September 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

Statement of accounts were mailed September 3, 2013 for carriers with an outstanding balance greater than \$5. Statements for outstanding balances will be sent out the first week of October. 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. 68 calls were received in September. 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 have finished submitting write off requests of uncollectible debt to the FCC. There is one batch still outstanding waiting for FCC approval. Approval should be received in October.