

**Billing and Collection Agent Report  
For period ending July 31, 2015**

**To NANC**

**August 19, 2015**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
July 31, 2015**

**Assets**

|                                                         |           |                            |
|---------------------------------------------------------|-----------|----------------------------|
| Cash Balance in bank account                            |           | \$ 4,897,330               |
| Receivable from US Carriers                             | 562,421   |                            |
| Receivable from Canada                                  | 8,929     |                            |
| Receivable from Caribbean countries                     | 32,588    |                            |
| Receivables forwarded to Treasury for collection        | 131,975   |                            |
| Allowance for uncollectible accounts                    | (246,000) | <u>489,913</u>             |
| <b>Total assets</b>                                     |           | <b>5,387,243</b>           |
| <b>Less:</b> Accrued liabilities (see below for makeup) |           | <u><b>(468,812)</b></u>    |
| <b>Fund balance</b>                                     |           | <b><u>\$ 4,918,431</u></b> |

**Makeup of Accrued Liabilities**

|                              |                   |  |
|------------------------------|-------------------|--|
| Welch LLP                    | 28,336            |  |
| NEUSTAR Pooling 1K Block     | 253,919           |  |
| NEUSTAR NANP Administration  | 181,724           |  |
| Data Collection Agent - USAC | 4,833             |  |
|                              | <u>\$ 468,812</u> |  |

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**NANPA FUND  
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE  
JULY 2015 TO SEPTEMBER 2016**

|                                          | Actual | Budget           |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  | Total            | Budget           | Variance between forecasted results and budget at Sept 30/16 |                  |                  |                 |
|------------------------------------------|--------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------------------------------------------------|------------------|------------------|-----------------|
|                                          |        | Jul-15           | Aug-15           | Sep-15           | Oct-15           | Nov-15           | Dec-15           | Jan-16           | Feb-16           | Mar-16           | Apr-16           | May-16           | Jun-16           |                  |                  |                                                              | Jul-16           | Aug-16           | Sep-16          |
| <b>Revenue</b>                           |        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                                                              |                  |                  |                 |
| International Contributions              |        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                                                              |                  |                  |                 |
| Canada                                   | (1)    | 17,860           | 8,930            | 8,930            | 8,930            | 8,930            | 8,930            | 8,930            | 8,929            | 8,929            | 8,929            | 8,929            | 8,929            | 8,929            | 8,929            | -                                                            | 133,943          | 133,943          | -               |
| Caribbean countries                      | (1)    | 27,943           | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                                                            | 27,943           | 27,943           | -               |
| <b>Total International Contributions</b> |        | <b>45,803</b>    | <b>8,930</b>     | <b>8,930</b>     | <b>8,930</b>     | <b>8,930</b>     | <b>8,930</b>     | <b>8,930</b>     | <b>8,929</b>     | <b>8,929</b>     | <b>8,929</b>     | <b>8,929</b>     | <b>8,929</b>     | <b>8,929</b>     | <b>8,929</b>     | <b>-</b>                                                     | <b>161,886</b>   | <b>161,886</b>   | <b>-</b>        |
| Domestic Contributions - US carriers     | (1)    | 4,038,482        | 204,024          | 204,024          | 204,024          | 204,024          | 204,024          | 204,024          | 204,024          | 204,024          | 204,024          | 204,024          | 204,024          | 204,024          | 204,024          | -                                                            | 6,690,794        | 6,653,548        | 37,246          |
| Late filing fees for Form 499A           | (2)    | (28,900)         | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | 90,700           | -                                                            | 61,800           | 80,000           | (18,200)        |
| Interest income                          | (3)    | 350              | 417              | 417              | 417              | 417              | 417              | 417              | 417              | 417              | 416              | 416              | 416              | 416              | 416              | 416                                                          | 6,183            | 6,250            | (67)            |
| <b>Total revenue</b>                     |        | <b>4,055,735</b> | <b>213,371</b>   | <b>213,371</b>   | <b>213,371</b>   | <b>213,371</b>   | <b>213,371</b>   | <b>213,370</b>   | <b>213,370</b>   | <b>213,370</b>   | <b>213,369</b>   | <b>213,369</b>   | <b>213,369</b>   | <b>213,369</b>   | <b>91,116</b>    | <b>6,920,663</b>                                             | <b>6,901,684</b> | <b>18,979</b>    |                 |
| <b>Expenses</b>                          |        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                                                              |                  |                  |                 |
| NANPA Administration                     | (4)    | 181,724          | 185,138          | 185,138          | 185,138          | 185,138          | 185,137          | 185,137          | 185,137          | 185,137          | 185,137          | 185,137          | 185,137          | 185,137          | 185,137          | 185,137                                                      | 2,773,647        | 2,777,061        | (3,414)         |
| 1K Block Pooling                         | (5)    | 253,919          | 265,241          | 265,241          | 265,241          | 265,241          | 265,240          | 265,240          | 265,240          | 265,240          | 265,240          | 265,240          | 265,240          | 265,240          | 265,240          | 265,240                                                      | 3,967,284        | 3,978,606        | (11,322)        |
| 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           | 28,336           | 28,336           | 28,336           | 28,336                                                       | 425,040          | 425,040          | -               |
| Data Collection Agent                    | (7)    | 4,935            | 4,850            | 4,850            | 4,850            | 4,850            | 4,850            | 4,850            | 4,850            | 4,850            | 4,850            | 4,850            | 4,850            | 4,850            | 4,850            | 4,850                                                        | 72,835           | 72,750           | 85              |
| Annual Operations Audit                  | (8)    | -                | -                | 46,000           | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                                                            | 46,000           | 46,000           | -               |
| Bank Charges                             | (9)    | 2,407            | 3,167            | 3,167            | 3,167            | 3,167            | 3,167            | 3,167            | 3,167            | 3,167            | 3,166            | 3,166            | 3,166            | 3,166            | 3,166            | 3,166                                                        | 46,740           | 47,500           | (760)           |
| Carrier Audits                           | (10)   | -                | -                | -                | -                | -                | -                | -                | 375,000          | -                | -                | -                | -                | -                | -                | -                                                            | 375,000          | 375,000          | -               |
| Bad debt expense                         | (11)   | (18,975)         | 2,667            | 2,667            | 2,667            | 2,667            | 2,667            | 2,667            | 2,667            | 2,667            | 2,666            | 2,666            | 2,666            | 2,666            | 2,666            | 2,666                                                        | 18,358           | 40,000           | (21,642)        |
| <b>Total expenses</b>                    |        | <b>452,346</b>   | <b>489,399</b>   | <b>535,399</b>   | <b>489,399</b>   | <b>489,399</b>   | <b>489,397</b>   | <b>864,397</b>   | <b>489,397</b>   | <b>489,397</b>   | <b>489,395</b>   | <b>489,395</b>   | <b>489,395</b>   | <b>489,395</b>   | <b>489,395</b>   | <b>489,395</b>                                               | <b>7,724,904</b> | <b>7,761,957</b> | <b>(37,053)</b> |
| <b>Net revenue (expenses)</b>            |        | <b>3,603,389</b> | <b>(276,028)</b> | <b>(322,028)</b> | <b>(276,028)</b> | <b>(276,028)</b> | <b>(276,028)</b> | <b>(651,027)</b> | <b>(276,027)</b> | <b>(276,027)</b> | <b>(276,026)</b> | <b>(276,026)</b> | <b>(276,026)</b> | <b>(276,026)</b> | <b>(398,279)</b> | <b>(804,241)</b>                                             | <b>860,273</b>   | <b>860,273</b>   | <b>56,032</b>   |
| <b>Opening fund balance</b>              |        | <b>1,315,042</b> | <b>4,918,431</b> | <b>4,642,403</b> | <b>4,320,375</b> | <b>4,044,347</b> | <b>3,768,319</b> | <b>3,492,291</b> | <b>3,216,265</b> | <b>2,565,238</b> | <b>2,289,211</b> | <b>2,013,184</b> | <b>1,737,158</b> | <b>1,461,132</b> | <b>1,185,106</b> | <b>909,080</b>                                               | <b>1,315,042</b> | <b>1,360,273</b> | <b>(45,231)</b> |
| <b>Closing fund balance</b>              |        | <b>4,918,431</b> | <b>4,642,403</b> | <b>4,320,375</b> | <b>4,044,347</b> | <b>3,768,319</b> | <b>3,492,291</b> | <b>3,216,265</b> | <b>2,565,238</b> | <b>2,289,211</b> | <b>2,013,184</b> | <b>1,737,158</b> | <b>1,461,132</b> | <b>1,185,106</b> | <b>909,080</b>   | <b>510,801</b>                                               | <b>510,801</b>   | <b>500,000</b>   | <b>10,801</b>   |
| <b>Fund balance makeup:</b>              |        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                                                              |                  |                  |                 |
| Contingency                              |        | 500,000          | 500,000          | 500,000          | 500,000          | 500,000          | 500,000          | 500,000          | 500,000          | 500,000          | 500,000          | 500,000          | 500,000          | 500,000          | 500,000          | 500,000                                                      | 500,000          | 500,000          | 500,000         |
| Surplus                                  |        | 4,418,431        | 4,142,403        | 3,820,375        | 3,544,347        | 3,268,319        | 2,992,291        | 2,716,265        | 2,065,238        | 1,789,211        | 1,513,184        | 1,237,158        | 961,132          | 685,106          | 409,080          | 10,801                                                       | 10,801           | -                | -               |
|                                          |        | <b>4,918,431</b> | <b>4,642,403</b> | <b>4,320,375</b> | <b>4,044,347</b> | <b>3,768,319</b> | <b>3,492,291</b> | <b>3,216,265</b> | <b>2,565,238</b> | <b>2,289,211</b> | <b>2,013,184</b> | <b>1,737,158</b> | <b>1,461,132</b> | <b>1,185,106</b> | <b>909,080</b>   | <b>510,801</b>                                               | <b>510,801</b>   | <b>500,000</b>   | <b>10,801</b>   |

**Assumptions:**

- (1) The US carrier contributions for the period from July 2015 to September 2016 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 NANP Administration is based on the contract awarded in 2013. 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 to January 14, 2018.
- (6) The cost of B&C Agent is based on the interim contract with Welch LLP in force until November 2015.
- (7) The expense for the Data Collection Agent is based on an estimate of costs by USAC for the 2015 calendar year.
- (8) The estimate for the annual operations audit performed by Ernst & Young LLP is based on the cost of the prior year's audit.
- (9) Bank fees are an expense to the Fund.
- (10) The budget allowed \$375,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible at July 31, 2015.

**Reconciliation of forecast at September 30, 2016 to budget**

|                                                                                                       |                |
|-------------------------------------------------------------------------------------------------------|----------------|
| <b>Budgeted fund balance at September 30/16 - contingency</b>                                         | <b>500,000</b> |
| Decrease in fund balance between budget period (December 2014) and June 2015                          | (45,231)       |
| Additional billings over estimate from budget                                                         | 37,246         |
| Late filing fees (reversal) for Form 499A                                                             | (18,200)       |
| Underestimate of interest earned to date compared to budget                                           | (67)           |
| NANP Admin - difference between budget and actual contract awarded due to variable travel costs       | 3,414          |
| NANP Admin - change orders issued                                                                     | -              |
| Additional billings from B & C Agent due to renewal of contract                                       | -              |
| Data Collection fees - Adjustment to actual from budget                                               | (85)           |
| Bad debts - Adjustment to actual from budget                                                          | 21,642         |
| 1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs | 11,322         |
| Pooling change orders                                                                                 | -              |
| Carrier audits that will not be performed                                                             | -              |
| Operations Audit - Adjustment to actual from budget                                                   | -              |
| Bank fees - Adjustment to actual from budget                                                          | 760            |
| <b>Forecasted fund balance at September 30/16</b>                                                     | <b>510,801</b> |

**CURRENT AND FORECASTED LIABILITIES**

|                                                                           |                 | <u>Current</u> |                |                   |                |                |                |                |
|---------------------------------------------------------------------------|-----------------|----------------|----------------|-------------------|----------------|----------------|----------------|----------------|
|                                                                           |                 |                | <u>Aug-15</u>  | <u>Sep-15</u>     | <u>Oct-15</u>  | <u>Nov-15</u>  | <u>Dec-15</u>  | <u>Jan-16</u>  |
| <b>NEUSTAR - NANPA Administration contract</b>                            |                 | 181,724        | 185,138        | 185,138           | 185,138        | 185,138        | 185,138        | 185,137        |
| - Payment authorized by the FCC in July<br>June 2015                      | \$ 176,300      |                |                |                   |                |                |                |                |
| - Authorization by the FCC has not been received for payment<br>July 2015 |                 |                |                | <u>\$ 181,724</u> |                |                |                |                |
| <b>NEUSTAR - Block Pooling</b>                                            |                 | 253,919        | 265,241        | 265,241           | 265,241        | 265,241        | 265,241        | 265,240        |
| - Payment authorized by the FCC in July<br>June 2015                      | \$ 235,192      |                |                |                   |                |                |                |                |
| - Authorization by the FCC has not been received for payment<br>July 2015 |                 |                |                | <u>\$ 253,919</u> |                |                |                |                |
| <b>Welch LLP - Billing &amp; Collection Agent</b>                         |                 | 28,336         | 28,336         | 28,336            | 28,336         | 28,336         | 28,336         | 28,336         |
| - Payment authorized by the FCC in July<br>June 2015                      | 28,336          |                |                |                   |                |                |                |                |
| - Authorization by the FCC has not been received for payment<br>July 2015 |                 |                |                | <u>\$ 28,336</u>  |                |                |                |                |
| <b>USAC - Data Collection Agent</b>                                       |                 | 4,833          | 4,850          | 4,850             | 4,850          | 4,850          | 4,850          | 4,850          |
| - Payment authorized by the FCC in July<br>May 2015                       | 4,935           |                |                |                   |                |                |                |                |
| June 2015                                                                 | 4,935           |                |                |                   |                |                |                |                |
|                                                                           | <u>\$ 9,870</u> |                |                |                   |                |                |                |                |
| - Authorization by the FCC has not been received for payment<br>July 2015 |                 |                |                | 4,833             |                |                |                |                |
| <b>Carrier audits</b>                                                     |                 | -              | -              | -                 | -              | -              | -              | -              |
| <b>Ernst &amp; Young LLP- Annual operations audit</b>                     |                 |                |                | 46,000            |                |                |                |                |
| <b>Bank Fees</b>                                                          |                 |                | 3,167          | 3,167             | 3,167          | 3,167          | 3,167          | 3,167          |
| <b>Total</b>                                                              |                 | <u>468,812</u> | <u>486,732</u> | <u>532,732</u>    | <u>486,732</u> | <u>486,732</u> | <u>486,732</u> | <u>486,730</u> |

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were emailed on July 12th.

## **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**

Statement of accounts were mailed on July 2nd to carriers with outstanding balances greater than \$10.

## **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 or email inbox. The information is transferred to an Access database. The date, nature of query, name of filer, Filer ID, who responded and on what date and the resolution is tracked. Queries are returned usually within 3 business days. Eighty-six calls were received in July. Most calls are questions about how changes to their email billing address, notification about closing their business, asking what the invoice was for.

## **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 extension contract that runs until November 30, 2015.

## **Accounts Receivable**

We received \$177.27 in July from Treasury for debts collected.