

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

**To NANC**

**January 11, 2016**

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

**Assets**

Cash Balance in bank account		\$	3,864,098
Receivable from US Carriers	228,524		
Receivable from Canada	-		
Receivable from Caribbean countries	534		
Receivables forwarded to Treasury for collection	66,837		
Allowance for uncollectible accounts	(91,600)		204,295

**Total assets** **4,068,393**

**Less:** Accrued liabilities (see below for makeup) **(528,542)**

**Fund balance** **\$ 3,539,851**

**Makeup of Accrued Liabilities**

Welch LLP	28,336		
EY Audit	45,200		
NEUSTAR Pooling 1K Block	266,061		
NEUSTAR NANP Administration	184,095		
Data Collection Agent - USAC	4,850		
	<u>528,542</u>	\$	<u>528,542</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	8,929	8,929	8,929	8,929	8,929	8,929	8,929	8,929	-		
Caribbean countries	(1)	27,943	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total International Contributions		45,803	8,930	8,930	8,930	8,930	8,930	8,929	8,929	8,929	8,929	8,929	8,929	8,929	8,929	-		
Domestic Contributions - US carriers	(1)	4,038,482	201,264	217,020	201,871	199,904	198,150	204,024	204,024	204,024	204,024	204,024	204,024	204,024	204,024	6,688,883		
Late filing fees for Form 499A	(2)	( 28,900)	( 12,300)	33,600	( 1,600)	( 3,100)	( 18,020)	-	-	-	-	-	-	-	90,700	60,380		
Interest income	(3)	350	660	623	401	396	411	417	417	417	417	416	416	416	416	6,589		
<b>Total revenue</b>		<b>4,055,735</b>	<b>198,554</b>	<b>260,173</b>	<b>209,602</b>	<b>206,130</b>	<b>189,471</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>91,116</b>	<b>6,917,738</b>		
<b>Expenses</b>																		
NANPA Administration	(4)	181,724	183,408	182,926	182,999	181,497	184,095	185,137	185,137	185,137	185,137	185,137	185,137	185,137	185,137	2,762,882		
1K Block Pooling	(5)	253,919	266,971	270,119	268,620	264,362	266,061	265,240	265,240	265,240	265,240	265,240	265,240	265,240	265,240	3,977,212		
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	425,040		
Data Collection Agent	(7)	4,935	4,935	4,952	4,935	4,935	4,935	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	73,277		
Annual Operations Audit	(8)	-	-	45,200	-	-	-	-	-	-	-	-	-	-	-	45,200		
Bank Charges	(9)	2,407	6,727	4,248	3,375	2,912	3,055	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166	51,222		
Carrier Audits	(10)	-	-	-	-	-	-	-	375,000	-	-	-	-	-	-	375,000		
Bad debt expense	(11)	( 18,975)	( 56,368)	68,512	( 4,795)	( 209)	( 47,577)	2,667	2,667	2,667	2,667	2,666	2,666	2,666	2,666	( 35,414)		
<b>Total expenses</b>		<b>452,346</b>	<b>434,009</b>	<b>604,293</b>	<b>483,470</b>	<b>481,833</b>	<b>438,905</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>7,674,419</b>		
<b>Net revenue (expenses)</b>		<b>3,603,389</b>	<b>( 235,455)</b>	<b>( 344,120)</b>	<b>( 273,868)</b>	<b>( 275,703)</b>	<b>( 249,434)</b>	<b>( 276,026)</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>( 398,279)</b>	<b>( 756,681)</b>		
<b>Opening fund balance</b>		<b>1,315,042</b>	<b>4,918,431</b>	<b>4,682,976</b>	<b>4,338,856</b>	<b>4,064,988</b>	<b>3,789,285</b>	<b>3,539,851</b>	<b>3,263,825</b>	<b>2,612,798</b>	<b>2,336,771</b>	<b>2,060,744</b>	<b>1,784,718</b>	<b>1,508,692</b>	<b>1,232,666</b>	<b>956,640</b>		
<b>Closing fund balance</b>		<b>4,918,431</b>	<b>4,682,976</b>	<b>4,338,856</b>	<b>4,064,988</b>	<b>3,789,285</b>	<b>3,539,851</b>	<b>3,263,825</b>	<b>2,612,798</b>	<b>2,336,771</b>	<b>2,060,744</b>	<b>1,784,718</b>	<b>1,508,692</b>	<b>1,232,666</b>	<b>956,640</b>	<b>558,361</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		
Surplus		4,418,431	4,182,976	3,838,856	3,564,988	3,289,285	3,039,851	2,763,825	2,112,798	1,836,771	1,560,744	1,284,718	1,008,692	732,666	456,640	58,361		
		4,918,431	4,682,976	4,338,856	4,064,988	3,789,285	3,539,851	3,263,825	2,612,798	2,336,771	2,060,744	1,784,718	1,508,692	1,232,666	956,640	558,361		

**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 March 1, 2016.
- (7) The expense for the Data Collection Agent is based on an estimate of costs by USAC for the 2015 calendar year.
- (8) The expense for the annual operations audit performed by Ernst & Young LLP is based on the quote given.
- (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 December 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	35,335
Late filing fees (reversal) for Form 499A	(19,620)
Underestimate of interest earned to date compared to budget	339
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	14,179
NANP Admin - change orders issued	-
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	(527)
Bad debts - Adjustment to actual from budget	75,414
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	1,394
Pooling change orders	-
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	800
Bank fees - Adjustment to actual from budget	(3,722)
<b>Forecasted fund balance at September 30/16</b>	<b>558,361</b>

**CURRENT AND FORECASTED LIABILITIES**

		<u>Current</u>						
		<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>
<b>NEUSTAR - NANPA Administration contract</b>		184,095	185,137	185,137	185,137	185,137	185,137	185,137
- Payment authorized by the FCC in December November 2015	\$ 181,497							
- Authorization by the FCC has not been received for payment December 2015	\$ 184,095							
<b>NEUSTAR - Block Pooling</b>		266,061	265,240	265,240	265,240	265,240	265,240	265,240
- Payment authorized by the FCC in December November 2015	\$ 264,362							
- Authorization by the FCC has not been received for payment December 2015	\$ 266,061							
<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 December November 2015	28,336							
- Authorization by the FCC has not been received for payment December 2015	\$ 28,336							
<b>USAC - Data Collection Agent</b>		4,850	4,850	4,850	4,850	4,850	4,850	4,850
- Payment authorized by the FCC in December October 2015	4,935							
November 2015	4,935							
	\$ 9,870							
- Authorization by the FCC has not been received for payment December	\$ 4,850							
<b>Carrier audits</b>		-	-	375,000	-	-	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>		45,200						
<b>Bank Fees</b>			3,167	3,167	3,167	3,167	3,166	3,166
<b>Total</b>		<u>528,542</u>	<u>486,730</u>	<u>861,730</u>	<u>486,730</u>	<u>486,730</u>	<u>486,729</u>	<u>486,729</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were emailed on December 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 emailed and mailed on December 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. Eight calls were received in December. Most calls are questions about how to make changes to their email billing address, notification about closing their business, asking what the invoice was for or asking how to make a payment.

## **Staffing Changes**

Nothing new since last month's 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 February 29, 2016.

## **Accounts Receivable**

In December we received \$1,841.25 from Treasury for debts collected.

## **Budget Timeline**

Due to the change in the funding year, the anticipated timeline for the budget and billing for 2016 is as follows:

- Preliminary budget and contribution factor presented to B&C Working Group - April 26 meeting
- Final budget and contribution factor presented to B&C Working Group - May 24 meeting
- Final budget and contribution factor presented to NANC - June 30 C meeting
- Final budget and contribution factor filed with FCC - July 5
- Invoices prepared and sent to carriers - September 12
- Payment due - October 12