

**Billing and Collection Agent Report
For period ending August 31, 2016
To B&C Working Group
September 15, 2016**

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
August 31, 2016**

Assets

Cash Balance in bank account		\$ 1,575,440
Receivable from US Carriers	201,195	
Receivable from Canada	-	
Receivable from Caribbean countries	547	
Receivables forwarded to Treasury for collection	49,064	
Allowance for uncollectible accounts	(59,600)	191,206

Total assets **1,766,646**

Less: Accrued liabilities (see below for makeup) **(482,343)**

Fund balance **\$ 1,284,303**

Makeup of Accrued Liabilities

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	259,904	
NEUSTAR NANP Administration	189,253	
Data Collection Agent - USAC	4,850	
	<u>\$ 482,343</u>	

FCC Public Notice regarding the proposed NANP fund size estimate and contribution factor for October 2016 to September 2017 was released on August 8, 2016 and approved on August 22, 2016.

**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				
Revenue																			
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	-	133,943	133,943	-
Caribbean countries	(1)	27,943	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,943	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	-	161,886	161,886	-
Domestic Contributions - US carriers	(1)	4,038,482	201,264	217,020	201,871	199,904	198,150	200,430	204,946	202,299	204,297	187,714	204,837	204,187	204,016	-	6,669,417	6,653,548	15,869
Late filing fees for Form 499A	(2)	(28,900)	(12,300)	33,600	(1,600)	(3,100)	(18,020)	24,320	1,500	1,200	600	1,400	3,500	900	-	90,700	93,800	80,000	13,800
Interest income	(3)	350	660	623	401	396	411	503	346	301	265	228	240	158	155	416	5,453	6,250	(797)
Total revenue		4,055,735	198,554	260,173	209,602	206,130	189,471	234,183	215,721	212,729	214,091	198,271	217,506	214,174	213,100	91,116	6,930,556	6,901,684	28,872
Expenses																			
NANPA Administration	(4)	181,724	183,408	182,926	182,999	181,497	184,095	181,497	181,497	184,801	212,850	181,497	182,326	189,885	189,253	185,137	2,785,392	2,777,061	8,331
1K Block Pooling	(5)	253,919	266,971	270,119	268,620	264,362	266,061	264,343	264,801	265,729	284,393	264,679	264,904	277,549	259,904	265,240	4,001,594	3,978,606	22,988
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	4,935	4,952	4,935	4,935	4,935	7,115	5,328	5,328	5,328	5,328	5,328	5,328	5,328	4,850	78,917	72,750	6,167
Annual Operations Audit	(8)	-	-	45,200	-	-	-	-	-	-	-	-	-	-	-	-	45,200	46,000	(800)
Bank Charges	(9)	2,407	6,727	4,248	3,375	2,912	3,055	2,645	2,340	2,043	2,624	2,565	2,097	3,204	1,950	3,166	45,358	47,500	(2,142)
Carrier Audits	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	375,000	(375,000)
Bad debt expense	(11)	(18,975)	(56,368)	68,512	(4,795)	(209)	(38,377)	16,897	(1,328)	1,807	732	3,060	2,855	681	915	2,666	(21,927)	40,000	(61,927)
Total expenses		452,346	434,009	604,293	483,470	481,833	448,105	500,833	480,974	488,044	534,292	485,465	485,846	504,983	485,686	489,395	7,359,574	7,761,957	(402,383)
Net revenue (expenses)		3,603,389	(235,455)	(344,120)	(273,868)	(275,703)	(258,634)	(266,650)	(265,253)	(275,315)	(320,201)	(287,194)	(268,340)	(290,809)	(272,586)	(398,279)	(429,018)	(860,273)	431,255
Opening fund balance		1,315,042	4,918,431	4,682,976	4,338,856	4,064,988	3,789,285	3,530,651	3,264,001	2,998,748	2,723,433	2,403,232	2,116,038	1,847,698	1,556,889	1,284,303	1,315,042	1,360,273	(45,231)
Closing fund balance		4,918,431	4,682,976	4,338,856	4,064,988	3,789,285	3,530,651	3,264,001	2,998,748	2,723,433	2,403,232	2,116,038	1,847,698	1,556,889	1,284,303	886,024	886,024	500,000	386,024
Fund balance makeup:																			
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	4,182,976	3,838,856	3,564,988	3,289,285	3,030,651	2,764,001	2,498,748	2,223,433	1,903,232	1,616,038	1,347,698	1,056,889	784,303	386,024	386,024	-	-
		4,918,431	4,682,976	4,338,856	4,064,988	3,789,285	3,530,651	3,264,001	2,998,748	2,723,433	2,403,232	2,116,038	1,847,698	1,556,889	1,284,303	886,024	886,024	500,000	500,000

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 December 31, 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 August 31, 2016.

Reconciliation of forecast at September 30, 2016 to budget

Budgeted fund balance at September 30/16 - contingency	500,000
Decrease in fund balance between budget period (December 2014) and June 2015	(45,231)
Additional billings over estimate from budget	15,869
Late filing fees (reversal) for Form 499A	13,800
Underestimate of interest earned to date compared to budget	(797)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	20,711
NANP Admin - change orders issued	(29,042)
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	(6,167)
Bad debts - Adjustment to actual from budget	61,927
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	(8,465)
Pooling change orders	(14,523)
Carrier audits that will not be performed	375,000
Operations Audit - Adjustment to actual from budget	800
Bank fees - Adjustment to actual from budget	2,142
Forecasted fund balance at September 30/16	886,024

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2016 TO SEPTEMBER 2017**

Projection based on budget												
	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Projected Revenue												
International Contributions												
Canada	(1)	9,742	9,742	9,742	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741
Caribbean countries	(1)	24,439	-	-	-	-	-	-	-	-	-	-
Total International Contributions		34,181	9,742	9,742	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741
Domestic Contributions - US carriers	(1)	4,298,805	142,291	142,291	142,291	142,291	142,291	142,291	142,291	142,291	142,291	142,291
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	80,000
Interest income	(3)	417	417	417	417	417	417	417	416	416	416	416
Total projected revenue		4,333,403	152,450	152,450	152,449	152,449	152,449	152,449	152,448	152,448	152,448	232,448
Projected Expenses												
NANPA Administration	(4)	189,864	189,864	319,868	189,864	189,864	189,864	189,864	189,864	189,864	195,561	195,560
1K Block Pooling	(5)	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,988
Billing and Collection												
Welch LLP	(6)	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169
Data Collection Agent - USAC	(7)	5,328	5,328	7,508	5,754	5,754	5,754	5,754	5,754	5,754	5,754	5,754
Annual Operations Audit	(8)	-	-	0	-	-	-	-	-	-	-	47,000
Bank Charges	(9)	3,084	3,084	3,084	3,084	3,083	3,083	3,083	3,083	3,083	3,083	3,083
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
Total projected expenses		491,768	491,768	623,952	492,194	792,192	492,192	492,192	492,192	497,889	497,888	544,887
Projected Net revenue (expenses)		3,841,635	(339,318)	(471,502)	(339,745)	(639,743)	(339,743)	(339,743)	(339,743)	(339,744)	(345,441)	(345,440)
Projected Opening fund balance		886,024	4,727,659	4,388,341	3,916,839	3,577,094	2,937,351	2,597,608	2,257,865	1,918,122	1,578,378	1,232,937
Projected Closing fund balance		4,727,659	4,388,341	3,916,839	3,577,094	2,937,351	2,597,608	2,257,865	1,918,122	1,578,378	1,232,937	887,497
Projected Fund balance makeup:												
Contingency		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Surplus		4,227,659	3,888,341	3,416,839	3,077,094	2,437,351	2,097,608	1,757,865	1,418,121.92	1,078,378	732,937	387,497
		<u>4,727,659</u>	<u>4,388,341</u>	<u>3,916,839</u>	<u>3,577,094</u>	<u>2,937,351</u>	<u>2,597,608</u>	<u>2,257,865</u>	<u>1,918,122</u>	<u>1,578,378</u>	<u>1,232,937</u>	<u>887,497</u>

Assumptions:

- (1) The contribution for October 2016 - September 2017 is based on actual proposed 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 in force until June 2017. Estimates are used for July to September 2017. \$130,000 is also added for potential change orders anticipated to be issued by Sep 2017.
- (5) The cost for 1K Block Pooling Administration is based on the contract in force until July 14, 2017. Estimates based on the existing contract amounts are used for July 15, 2017 to September 30, 2017.
- (6) The cost of B&C Agent is based on the current interim contract with Welch LLP in force until December 31, 2016 plus 10% as recommended by the FCC.
- (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.

CURRENT AND FORECASTED LIABILITIES

	<u>Current</u>						
	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>
NEUSTAR - NANPA Administration contract	189,253	185,137	189,864	189,864	319,868	189,864	189,864
- Payment authorized by the FCC in August July 2016	\$ 189,885						
- Authorization by the FCC has not been received for payment August 2016		\$ 189,253					
NEUSTAR - Block Pooling	259,904	265,240	258,989	258,989	258,989	258,989	258,989
- Payment authorized by the FCC in August July 2016	\$ 277,549						
- Authorization by the FCC has not been received for payment August 2016		\$ 259,904					
Welch LLP - Billing & Collection Agent	28,336	28,336	31,169	31,169	31,169	31,169	31,169
- Payment authorized by the FCC in August July 2016	\$ 28,336						
- Authorization by the FCC has not been received for payment August 2016		\$ 28,336					
USAC - Data Collection Agent	4,850	4,850	5,328	5,328	7,508	5,754	5,754
- Payment authorized by the FCC in August July 2016	\$ 5,328						
- Authorization by the FCC has not been received for payment August 2016		\$ 4,850					
Carrier audits	-	-	-	-	-	-	300,000
Ernst & Young LLP- Annual operations audit	-	-	-	-	-	-	-
Bank Fees		3,166	3,084	3,084	3,084	3,084	3,083
Total	<u>482,343</u>	<u>486,729</u>	<u>488,434</u>	<u>488,434</u>	<u>620,618</u>	<u>488,860</u>	<u>788,859</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed on August 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 August 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. Four calls and 16 emails were received in August. Most queries were about how to make changes to their email billing address, notification about closing their business, asking what the invoice was for, asking how to make a payment or asking when the 2016 invoices will be available.

Staffing Changes

No new staffing changes to report since last month.

Contract Renewal

The contract expired October 1, 2009. Welch LLP is on the USGSA list. Welch LLP received an extension contract that runs until December 31, 2016.

Accounts Receivable

We did not receive any funds from Treasury for debts collected in August.

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 NANC meeting
- Final budget and contribution factor filed with FCC - July 5
- Invoices prepared and sent to carriers - September 12
- Payment due - October 12