

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

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

Assets

Cash Balance in bank account		\$ 1,854,996
Receivable from US Carriers	203,213	
Receivable from Canada	8,929	
Receivable from Caribbean countries	545	
Receivables forwarded to Treasury for collection	49,026	
Allowance for uncollectible accounts	(59,200)	<u>202,513</u>
Total assets		2,057,509
Less: Accrued liabilities (see below for makeup)		<u>(500,620)</u>
Fund balance		<u>\$ 1,556,889</u>

Makeup of Accrued Liabilities

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	277,549	
NEUSTAR NANP Administration	189,885	
Data Collection Agent - USAC	4,850	
	<u>\$ 500,620</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.

Change order #2 re: Pooling Administration that was issued in July was for the following:
Changes to the INC forms based on Issue 497: VoIP Service Provider's access requirements for NANP resource assignments and Issue 797: Updates to the INC Guideline Forms

**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)	3,377,478	217,968	217,968	217,968	217,968	217,968	217,968	217,968	217,967	217,967	217,967
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		3,412,076	228,127	228,127	228,126	228,126	228,126	228,126	228,125	228,124	228,124	308,124
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)	-	-	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	670,952	492,194	792,192	492,192	492,192	492,192	497,889	497,888	497,887
Projected Net revenue (expenses)		2,920,308	(263,641)	(442,825)	(264,068)	(564,066)	(264,066)	(264,066)	(264,066)	(264,067)	(269,765)	(269,764)
Projected Opening fund balance		882,584	3,802,892	3,539,251	3,096,426	2,832,358	2,268,292	2,004,226	1,740,160	1,476,094	1,212,027	942,262
Projected Closing fund balance		3,802,892	3,539,251	3,096,426	2,832,358	2,268,292	2,004,226	1,740,160	1,476,094	1,212,027	942,262	672,498
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		3,302,892	3,039,251	2,596,426	2,332,358	1,768,292	1,504,226	1,240,160	976,093.92	712,027	442,262	172,498
		<u>3,802,892</u>	<u>3,539,251</u>	<u>3,096,426</u>	<u>2,832,358</u>	<u>2,268,292</u>	<u>2,004,226</u>	<u>1,740,160</u>	<u>1,476,094</u>	<u>1,212,027</u>	<u>942,262</u>	<u>482,735</u>

Assumptions:

- (1) The contribution for October 2016 - September 2017 is based on preliminary Form 499A figures provided by USAC in May 2016.
- (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

	Current						
	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
NEUSTAR - NANPA Administration contract	189,885	185,137	185,137	189,864	189,864	319,868	189,864
- Payment authorized by the FCC in July June 2016	\$ 182,326						
- Authorization by the FCC has not been received for payment July 2016		\$ 189,885					
NEUSTAR - Block Pooling	277,549	265,240	265,240	258,989	258,989	258,989	258,989
- Payment authorized by the FCC in July June 2016	\$ 264,904						
- Authorization by the FCC has not been received for payment CO #2 July 2016		\$ 14,523					
		<u>263,026</u>					
		<u>277,549</u>					
Welch LLP - Billing & Collection Agent	28,336	28,336	28,336	31,169	31,169	31,169	31,169
- Payment authorized by the FCC in July May 2016	\$ 28,336						
June 2016	<u>28,336</u>						
	\$ <u>56,672</u>						
- Authorization by the FCC has not been received for payment July 2016		\$ 28,336					
USAC - Data Collection Agent	4,850	4,850	4,850	5,328	5,328	7,508	5,754
- Payment authorized by the FCC in July June 2016	\$ 5,328						
- Authorization by the FCC has not been received for payment July 2016		\$ 4,850					
Carrier audits	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	-	-	-	-	-	47,000	
Bank Fees		3,166	3,166	3,084	3,084	3,084	3,084
Total	<u>500,620</u>	<u>486,729</u>	<u>486,729</u>	<u>488,434</u>	<u>488,434</u>	<u>667,618</u>	<u>488,860</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 emailed and mailed on July 5th 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. Nine calls and 34 emails were received in July. 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. The volume was higher than usually. The reason for this was that this is the first year of the change in billing time from June to September. Carriers were calling asking for a June invoice.

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

In July we did not receive any funds 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 NANC meeting
- Final budget and contribution factor filed with FCC - July 5
- Invoices prepared and sent to carriers - September 12
- Payment due - October 12