

**Billing and Collection Agent Report
For period ending October 31, 2016
To NANC**

December 1, 2016

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

Assets

Cash Balance in bank account		\$ 5,058,895
Receivable from US Carriers	266,807	
Receivable from Canada	9,741	
Receivable from Caribbean countries	21,450	
Receivables forwarded to Treasury for collection	47,852	
Allowance for uncollectible accounts	(83,400)	262,450
Total assets		5,321,345
Less: Accrued liabilities (see below for makeup)		(629,194)
Fund balance		<u>\$ 4,692,151</u>

Makeup of Accrued Liabilities

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	353,567	
NEUSTAR NANP Administration	241,963	
Data Collection Agent - USAC	5,328	
	\$ 629,194	

Invoices for the 2016/17 funding period which runs from October 1, 2016 to September 30, 2017 were emailed/mailed on September 12 and 13th. Invoices are due October 12, 2016.

There are three change orders issued by NeuStar for payment in October. Change order #3a for \$95,200 for Pooling Administration is for Specifications for API. The other two change orders were for NANPA. Change order #3 for NANP Administration System (NAS) NRUF updates in the amount of \$31,447.68 and change order #6 for \$22,600 regarding NAS to Cloud.

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

	Actual	Budget											Total	Budget	Variance between forecasted results and budget at Sept 30/17		
		Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17				Sep-17	
Revenue																	
International Contributions																	
Canada	(1)	19,483	9,742	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	-	116,894	116,894	-	
Caribbean countries	(1)	24,439	-	-	-	-	-	-	-	-	-	-	-	24,439	24,439	-	
Total International Contributions		43,922	9,742	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	-	141,333	141,333	-	
Domestic Contributions - US carriers	(1)	4,440,157	142,291	142,291	142,291	142,291	142,291	142,291	142,291	142,291	142,291	142,291	-	5,863,067	5,775,123	87,944	
Late filing fees for Form 499A	(2)	2,300	-	-	-	-	-	-	-	-	-	-	80,000	82,300	80,000	2,300	
Interest income	(3)	470	417	417	417	417	417	417	416	416	416	416	416	5,053	5,000	53	
Total revenue		4,486,849	152,450	152,449	152,449	152,449	152,449	152,449	152,448	152,448	152,448	80,416	6,091,753	6,001,456	90,297		
Expenses																	
NANPA Administration	(4)	241,963	189,864	289,864	189,864	189,864	189,864	189,864	189,864	189,864	195,561	195,560	202,122	2,454,118	2,425,461	28,657	
1K Block Pooling	(5)	353,567	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,988	3,202,445	3,107,867	94,578	
Billing and Collection																	
Welch LLP	(6)	28,336	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	371,195	374,028	(2,833)	
Data Collection Agent	(7)	5,806	5,328	7,508	5,754	5,754	5,754	5,754	5,754	5,754	5,754	5,754	5,754	70,428	69,950	478	
Annual Operations Audit	(8)	-	-	-	47,000	-	-	-	-	-	-	-	-	47,000	47,000	-	
Bank Charges	(9)	4,132	3,084	3,084	3,084	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	38,048	37,000	1,048	
Carrier Audits	(10)	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000	300,000	-	
Bad debt expense	(11)	(5,648)	3,334	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	31,018	40,000	(8,982)	
Total expenses		628,156	491,768	593,948	539,194	492,192	492,192	492,192	792,192	492,192	497,889	497,888	504,449	6,514,252	6,401,306	112,946	
Net revenue (expenses)		3,858,693	(339,318)	(441,499)	(386,745)	(339,743)	(339,743)	(339,743)	(639,743)	(339,744)	(345,441)	(345,440)	(424,033)	(422,499)	(399,850)	(22,649)	
Opening fund balance		833,458	4,692,151	4,352,833	3,911,334	3,524,589	3,184,846	2,845,103	2,505,360	1,865,617	1,525,873	1,180,432	834,992	833,458	899,850	(66,392)	
Closing fund balance		4,692,151	4,352,833	3,911,334	3,524,589	3,184,846	2,845,103	2,505,360	1,865,617	1,525,873	1,180,432	834,992	410,959	410,959	500,000	(89,041)	
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	-	
Surplus		4,192,151	3,852,833	3,411,334	3,024,589	2,684,846	2,345,103	2,005,360	1,365,617	1,025,873	680,432	334,992	(89,041)	(89,041)	-	-	
		4,692,151	4,352,833	3,911,334	3,524,589	3,184,846	2,845,103	2,505,360	1,865,617	1,525,873	1,180,432	834,992	410,959	410,959	500,000	-	

Assumptions:

- (1) The US carrier contributions for the period from October 2016 to September 2017 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 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 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 \$300,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible at October 31, 2016.

Reconciliation of forecast at September 30, 2017 to budget

Budgeted fund balance at September 30, 2017 - contingency	500,000
Decrease in fund balance between budget period	(66,392)
Additional billings over estimate from budget	87,944
Late filing fees (reversal) for Form 499A	2,300
Underestimate of interest earned to date compared to budget	53
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	(6,157)
NANP Admin - change orders issued	(22,500)
Additional billings from B & C Agent due to renewal of contract	2,833
Data Collection fees - Adjustment to actual from budget	(478)
Bad debts - Adjustment to actual from budget	8,982
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	622
Pooling change orders	(95,200)
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	-
Bank fees - Adjustment to actual from budget	(1,048)
Forecasted fund balance at September 30, 2017	410,959

CURRENT AND FORECASTED LIABILITIES

	<u>Current</u>						
	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>
NEUSTAR - NANPA Administration contract	241,963	189,864	289,864	189,864	189,864	189,864	189,864
- Payment authorized by the FCC in October September 2016	\$ 188,646						
- Authorization by the FCC has not been received for payment							
October 2016 (includes change order #6)	\$ 210,516						
Change order #3	\$ 31,447						
	<u>\$ 241,963</u>						
NEUSTAR - Block Pooling	353,567	258,989	258,989	258,989	258,989	258,989	258,989
- Payment authorized by the FCC in October September 2016	\$ 254,314						
- Authorization by the FCC has not been received for payment							
October 2016	\$ 258,367						
Change order #3a	95,200						
	<u>353,567</u>						
Welch LLP - Billing & Collection Agent	28,336	31,169	31,169	31,169	31,169	31,169	31,169
- Payment authorized by the FCC in October September 2016	\$ 28,336						
- Authorization by the FCC has not been received for payment							
October 2016	\$ 28,336						
	<u>\$ 28,336</u>						
USAC - Data Collection Agent	5,328	5,328	7,508	5,754	5,754	5,754	5,754
- Payment authorized by the FCC in October							
August 2016							
September 2016	\$ 5,328						
	\$ 4,850						
	<u>\$ 10,178</u>						
- Authorization by the FCC has not been received for payment							
October	\$ 5,328						
Carrier audits	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit		-	-	47,000			
Bank Fees		3,084	3,084	3,084	3,083	3,083	3,083
Total	<u>629,194</u>	<u>488,434</u>	<u>590,614</u>	<u>535,860</u>	<u>488,859</u>	<u>488,859</u>	<u>488,859</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed on October 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 October 3rd 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. Carriers who had not paid their annual invoice by October 17th were put on the Red Light system on October 18th.

Helpdesk Queries

All queries are directed to a helpdesk voicemail inbox or email inbox. The details of the query are documented in an Access database. The date, Filer ID, nature of query, name of person making the request, who responded to query and on what date and the date of resolution is tracked in the database. Queries are returned within 1 business day or less. In October 197 calls and 378 emails were received. Most queries were about requesting copies of invoices, 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. The volume of queries are higher as a result of the annual billing that occurred in September as well as the USAC notification to carriers that they were in Red Light status.

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 received \$142.54 from Treasury in October for debts collected.