

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

January 5, 2017

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

Assets

Cash Balance in bank account		\$ 4,523,766
Receivable from US Carriers	204,794	
Receivable from Canada	-	
Receivable from Caribbean countries	5,506	
Receivables forwarded to Treasury for collection	46,344	
Allowance for uncollectible accounts	(107,800)	148,844

Total assets **4,672,610**

Less: Accrued liabilities (see below for makeup) **(718,441)**

Fund balance **\$ 3,954,169**

Makeup of Accrued Liabilities

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	255,403	
NEUSTAR NANP Administration	421,866	
Data Collection Agent - USAC	12,836	
	<u>\$ 718,441</u>	

NeuStar has issued change order #6 regarding moving the NAS to the Cloud. The fund is being charged \$22,500 per month for six months starting in October 2016. A true up of the costs will be done in the final month which is expected to be March 2017.

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	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	9,741	-	141,333	141,333	-
Domestic Contributions - US carriers (1)	4,440,157	141,285	142,274	142,291	142,291	142,291	142,291	142,291	142,291	142,291	142,291	142,291	-	5,862,044	5,775,123	86,921
Late filing fees for Form 499A (2)	2,300	(800.00)	800	-	-	-	-	-	-	-	-	-	80,000	82,300	80,000	2,300
Interest income (3)	470	587	904	417	417	417	417	417	416	416	416	416	416	5,710	5,000	710
Total revenue	4,486,849	150,814	153,719	152,449	152,449	152,449	152,449	152,449	152,448	152,448	152,448	80,416	6,091,387	6,001,456	89,931	
Expenses																
NANPA Administration (4)	241,963	209,832	212,034	212,364	212,364	212,364	189,864	189,864	189,864	195,561	195,560	202,122	2,463,756	2,425,461	38,295	
1K Block Pooling (5)	353,567	257,865	255,403	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,988	3,197,735	3,107,867	89,868	
Billing and Collection																
Welch LLP (6)	28,336	28,336	28,336	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	365,529	374,028	(8,499)	
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	6,031	5,171	3,084	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	43,082	37,000	6,082	
Carrier Audits (10)	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000	300,000	-	
Bad debt expense (11)	(5,648)	(3,287)	29,958	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	51,021	40,000	11,021	
Total expenses	628,156	504,105	538,410	561,694	514,692	514,692	492,192	792,192	492,192	497,889	497,888	504,449	6,538,551	6,401,306	137,245	
Net revenue (expenses)	3,858,693	(353,291)	(384,691)	(409,245)	(362,243)	(362,243)	(339,743)	(639,743)	(339,744)	(345,441)	(345,440)	(424,033)	(447,164)	(399,850)	(47,314)	
Opening fund balance	833,458	4,692,151	4,338,860	3,954,169	3,544,924	3,182,681	2,820,438	2,480,695	1,840,952	1,501,208	1,155,767	810,327	833,458	899,850	(66,392)	
Closing fund balance	4,692,151	4,338,860	3,954,169	3,544,924	3,182,681	2,820,438	2,480,695	1,840,952	1,501,208	1,155,767	810,327	386,294	386,294	500,000	(113,706)	
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	-
Surplus	4,192,151	3,838,860	3,454,169	3,044,924	2,682,681	2,320,438	1,980,695	1,340,952	1,001,208	655,767	310,327	(113,706)	(113,706)	-	-	
	4,692,151	4,338,860	3,954,169	3,544,924	3,182,681	2,820,438	2,480,695	1,840,952	1,501,208	1,155,767	810,327	386,294	386,294	500,000	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 December 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	86,921
Late filing fees (reversal) for Form 499A	2,300
Underestimate of interest earned to date compared to budget	710
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	(1,848)
NANP Admin - change orders issued	(36,447)
Additional billings from B & C Agent due to renewal of contract	8,499
Data Collection fees - Adjustment to actual from budget	(478)
Bad debts - Adjustment to actual from budget	(11,021)
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	5,332
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	(6,082)
Forecasted fund balance at September 30, 2017	386,294

CURRENT AND FORECASTED LIABILITIES

	<u>Current</u>						
	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>
NEUSTAR - NANPA Administration	421,866	212,364	212,364	212,364	189,864	189,864	189,864
- Authorization by the FCC has not been received for payment							
November 2016		209,832					
December 2016		<u>212,034</u>					
	<u>\$ 421,866</u>	<u>\$ 421,866</u>					
NEUSTAR -1K Block Pooling	255,403	258,989	258,989	258,989	258,989	258,989	258,989
- Payment authorized by the FCC in December							
November 2016		<u>\$ 257,865</u>					
- Authorization by the FCC has not been received for payment							
December 2016			<u>\$ 255,403</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 December							
November 2016		<u>\$ 28,336</u>					
- Authorization by the FCC has not been received for payment							
December 2016			<u>\$ 28,336</u>				
USAC - Data Collection Agent	12,836	5,754	5,754	5,754	5,754	5,754	5,754
- Payment authorized by the FCC in December							
- Authorization by the FCC has not been received for payment							
November		5,328					
December		<u>7,508</u>					
		<u>\$ 12,836</u>					
Carrier audits	-	-	-	-	-	300,000	
Ernst & Young LLP- Annual operations audit	-	47,000					
Bank Fees		3,084	3,083	3,083	3,083	3,083	3,083
Total	<u>718,441</u>	<u>558,360</u>	<u>511,359</u>	<u>511,359</u>	<u>488,859</u>	<u>788,859</u>	<u>488,859</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. In late November/early December there was an issue with the accounting software which delayed recording of the deposits until mid December.

Late/Absent Payments

Statement of accounts were not sent out in December . In late November, we had an issue with the accounting software which did not get resolved until December 15th. Due to the inaccessibility to the software, it took several days to bring the records up to date. Given the short time frame before Christmas we decided not to send statements out at that time. Statements were sent out on January 4, 2017.

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. During the time that the accounting software was unavailable, we manually adjusted the red light report each day so that the Red Light status was always current.

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 December 40 calls and 62 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.

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 on the contract for an additional 4 months up to April 30, 2017.

Accounts Receivable

Wet received \$132.36 from Treasury in December for debts collected.