

**Billing and Collection Agent Report For
period ending November 30, 2016
To B&C Working Group
December 12, 2016**

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
November 30, 2016**

Assets

Cash Balance in bank account		\$ 4,632,487
Receivable from US Carriers	221,549	
Receivable from Canada	-	
Receivable from Caribbean countries	-	
Receivables forwarded to Treasury for collection	65,085	
Allowance for uncollectible accounts	(78,900)	207,734

Total assets **4,840,221**

Less: Accrued liabilities (see below for makeup) **(501,361)**

Fund balance **\$ 4,338,860**

Makeup of Accrued Liabilities

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	257,865	
NEUSTAR NANP Administration	209,832	
Data Collection Agent - USAC	5,328	
	<u>\$ 501,361</u>	

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	141,285	142,291	142,291	142,291	142,291	142,291	142,291	142,291	142,291	142,291	-	5,862,061	5,775,123	86,938
Late filing fees for Form 499A	(2)	2,300	800	-	-	-	-	-	-	-	-	-	80,000	81,500	80,000	1,500
Interest income	(3)	470	587	417	417	417	417	417	417	416	416	416	416	5,223	5,000	223
Total revenue		4,486,849	150,814	152,449	152,449	152,449	152,449	152,449	152,449	152,448	152,448	152,448	80,416	6,090,117	6,001,456	88,661
Expenses																
NANPA Administration	(4)	241,963	209,832	289,864	189,864	189,864	189,864	189,864	189,864	189,864	195,561	195,560	202,122	2,474,086	2,425,461	48,625
1K Block Pooling	(5)	353,567	257,865	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,988	3,201,321	3,107,867	93,454
Billing and Collection																
Welch LLP	(6)	28,336	28,336	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	31,169	368,362	374,028	(5,666)
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	3,084	3,084	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	40,995	37,000	3,995
Carrier Audits	(10)	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000	300,000	-
Bad debt expense	(11)	(5,648)	(3,287)	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	24,397	40,000	(15,603)
Total expenses		628,156	504,105	593,948	539,194	492,192	492,192	492,192	792,192	492,192	497,889	497,888	504,449	6,526,589	6,401,306	125,283
Net revenue (expenses)		3,858,693	(353,291)	(441,499)	(386,745)	(339,743)	(339,743)	(339,743)	(639,743)	(339,744)	(345,441)	(345,440)	(424,033)	(436,472)	(399,850)	(36,622)
Opening fund balance		833,458	4,692,151	4,338,860	3,897,361	3,510,616	3,170,873	2,831,130	2,491,387	1,851,644	1,511,900	1,166,459	821,019	833,458	899,850	(66,392)
Closing fund balance		4,692,151	4,338,860	3,897,361	3,510,616	3,170,873	2,831,130	2,491,387	1,851,644	1,511,900	1,166,459	821,019	396,986	396,986	500,000	(103,014)
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	3,838,860	3,397,361	3,010,616	2,670,873	2,331,130	1,991,387	1,351,644	1,011,900	666,459	321,019	(103,014)	(103,014)	-	-
		4,692,151	4,338,860	3,897,361	3,510,616	3,170,873	2,831,130	2,491,387	1,851,644	1,511,900	1,166,459	821,019	396,986	396,986	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 November 30, 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	86,938
Late filing fees (reversal) for Form 499A	1,500
Underestimate of interest earned to date compared to budget	223
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	(26,125)
NANP Admin - change orders issued	(22,500)
Additional billings from B & C Agent due to renewal of contract	5,666
Data Collection fees - Adjustment to actual from budget	(478)
Bad debts - Adjustment to actual from budget	15,603
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	1,746
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	(3,995)
Forecasted fund balance at September 30, 2017	396,986

CURRENT AND FORECASTED LIABILITIES

	Current						
	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17
NEUSTAR - NANPA Administration contract	209,832	289,864	189,864	189,864	189,864	189,864	189,864
- Payment authorized by the FCC in November							
October 2016 (includes change order #6)	\$ 210,516						
Change order #3	\$ 31,447						
	<u>\$ 241,963</u>						
- Authorization by the FCC has not been received for payment							
November 2016		\$ 209,832					
NEUSTAR - Block Pooling	257,865	258,989	258,989	258,989	258,989	258,989	258,989
- Payment authorized by the FCC in November							
October 2016	\$ 258,367						
Change order #3a	95,200						
	<u>353,567</u>						
- Authorization by the FCC has not been received for payment							
November 2016		\$ 257,865					
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 November							
October 2016	\$ 28,336						
- Authorization by the FCC has not been received for payment							
November 2016		\$ 28,336					
USAC - Data Collection Agent	5,328	7,508	5,754	5,754	5,754	5,754	5,754
- Payment authorized by the FCC in November							
October	\$ 5,328						
- Authorization by the FCC has not been received for payment							
November		\$ 5,328					
Carrier audits	-	-	-	-	-	-	300,000
Ernst & Young LLP- Annual operations audit	-	-	47,000				
Bank Fees		3,084	3,084	3,083	3,083	3,083	3,083
Total	<u>501,361</u>	<u>590,614</u>	<u>535,860</u>	<u>488,859</u>	<u>488,859</u>	<u>488,859</u>	<u>788,859</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed on November 11th.

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 both emailed on November 2nd and mailed on November 8th 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 November 192 calls and 435 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 notifications that were emailed on November 2nd and the statements of accounts that were mailed in November.

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 in November for debts collected.