

**Billing and Collection Agent Report  
For period ending January 31, 2014**

**To NANC**

**February 7, 2014**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
JANUARY 31, 2014**

**Assets**

Cash Balance in bank account		\$	2,066,995
Receivable from US Carriers	264,053		
Receivable from Canada	8,873		
Receivable from Caribbean countries	1,864		
Receivables forwarded to Treasury for collection	211,009		
Allowance for uncollectible accounts	(250,600)		<u>235,199</u>

**Total assets** **2,302,194**

**Less: Accrued liabilities (see below for makeup)** **(506,567)**

**Fund balance** **\$ 1,795,627**

**Makeup of Accrued Liabilities** (see following page for additional details)

Welch LLP	28,336		
NEUSTAR Pooling 1K Block	287,332		
NEUSTAR NANP Administration	172,232		
EY Audit Accrual	13,000		
Data Collection Agent - USAC	5,667		
	<u>506,567</u>	<b>\$</b>	<b><u>506,567</u></b>

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**NANPA FUND  
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE  
JULY 2013 TO JUNE 2014**

	Actual						Budgeted					Total	Budget	Variance between forecasted results and budget at June 30/13	
	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14				Jun-14
<b>Revenue</b>															
International Contributions															
Canada (1)	17,748	8,874	8,874	8,873	8,873	8,873	8,873	8,873	8,873	8,873	8,873	-	106,480	106,480	-
Caribbean countries (1)	22,112	-	-	-	-	-	-	-	-	-	-	-	22,112	22,112	-
<b>Total International Contributions</b>	<b>39,860</b>	<b>8,874</b>	<b>8,874</b>	<b>8,873</b>	<b>8,873</b>	<b>8,873</b>	<b>8,873</b>	<b>8,873</b>	<b>8,873</b>	<b>8,873</b>	<b>8,873</b>	<b>-</b>	<b>128,592</b>	<b>128,592</b>	<b>-</b>
Domestic Contributions - US carriers (1)	3,398,305	256,552	459,330	230,562	227,320	227,338	230,278	230,760	230,760	230,760	230,760		5,952,725	5,860,288	92,437
Late filing fees for Form 499A (2)	( 3,100)	3,000	( 2,400)	( 1,200)	( 4,800)	( 1,000)	( 1,100)					85,000	74,400	85,000	( 10,600)
Interest income (3)	877	868	610	290	284	430	228	667	667	667	667	667	6,922	8,000	1,078
<b>Total revenue</b>	<b>3,435,942</b>	<b>269,294</b>	<b>466,414</b>	<b>238,525</b>	<b>231,677</b>	<b>235,641</b>	<b>238,279</b>	<b>240,300</b>	<b>240,300</b>	<b>240,300</b>	<b>240,300</b>	<b>85,667</b>	<b>6,162,639</b>	<b>6,081,880</b>	<b>80,759</b>
<b>Expenses</b>															
NANPA Administration (4)	172,232	172,232	173,465	173,256	174,797	288,310	172,232	174,549	174,549	174,549	174,549	174,549	2,199,269	2,210,010	( 10,741)
1K Block Pooling (4)	202,036	212,781	219,005	211,941	210,350	210,618	212,332	214,091	214,091	214,091	214,091	214,091	2,549,518	2,260,620	288,898
Automated systems development (CLIN1) (7)	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	900,000		900,000
Billing and Collection															
Welch LLP (4)	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	340,032	340,032	-
Data Collection Agent (5)	4,568	4,752	4,976	4,851	4,898	4,828	4,808	4,750	4,750	4,750	4,750	4,750	57,431	57,000	431
Annual Operations Audit (6)	-	-	43,000	-	-	-	-	-	-	-	-	-	43,000	42,000	1,000
Bank Charges (8)	2,836	7,624	3,678	3,023	4,245	3,339	2,320	3,000	3,000	3,000	3,000	3,000	42,065	36,000	6,065
Carrier Audits (9)	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	( 300,000)
Bad debt expense (10)	29,146	9,000	31,183	12,400	( 7,905)	( 5,360)	1,517	3,333	3,333	3,333	3,333	3,333	83,612	40,000	43,612
<b>Total expenses</b>	<b>514,154</b>	<b>509,725</b>	<b>578,643</b>	<b>508,807</b>	<b>489,721</b>	<b>605,071</b>	<b>493,511</b>	<b>503,059</b>	<b>503,059</b>	<b>503,059</b>	<b>503,059</b>	<b>503,059</b>	<b>6,214,927</b>	<b>5,285,662</b>	<b>929,265</b>
<b>Net revenue (expenses)</b>	<b>2,921,788</b>	<b>( 240,431)</b>	<b>( 112,229)</b>	<b>( 270,282)</b>	<b>( 258,044)</b>	<b>( 369,430)</b>	<b>( 255,232)</b>	<b>( 262,759)</b>	<b>( 262,759)</b>	<b>( 262,759)</b>	<b>( 262,759)</b>	<b>( 417,392)</b>	<b>( 52,288)</b>	<b>796,218</b>	<b>( 848,506)</b>
<b>Opening fund balance</b>	<b>379,487</b>	<b>3,301,275</b>	<b>3,060,844</b>	<b>2,948,615</b>	<b>2,678,333</b>	<b>2,420,289</b>	<b>2,050,859</b>	<b>1,795,627</b>	<b>1,532,868</b>	<b>1,270,109</b>	<b>1,007,350</b>	<b>744,591</b>	<b>379,487</b>	<b>453,782</b>	<b>( 74,295)</b>
<b>Closing fund balance</b>	<b>3,301,275</b>	<b>3,060,844</b>	<b>2,948,615</b>	<b>2,678,333</b>	<b>2,420,289</b>	<b>2,050,859</b>	<b>1,795,627</b>	<b>1,532,868</b>	<b>1,270,109</b>	<b>1,007,350</b>	<b>744,591</b>	<b>327,199</b>	<b>327,199</b>	<b>1,250,000</b>	<b>( 922,801)</b>
<b>Fund balance makeup:</b>															
Contingency	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,500,000	1,250,000	
Surplus	2,051,275	1,810,844	1,698,615	1,428,333	1,170,289	800,859	545,627	282,868	20,109	( 242,650)	( 505,409)	( 922,801)	( 1,172,801)	-	
	<u>3,301,275</u>	<u>3,060,844</u>	<u>2,948,615</u>	<u>2,678,333</u>	<u>2,420,289</u>	<u>2,050,859</u>	<u>1,795,627</u>	<u>1,532,868</u>	<u>1,270,109</u>	<u>1,007,350</u>	<u>744,591</u>	<u>327,199</u>	<u>327,199</u>	<u>1,250,000</u>	

**Assumptions:**

- (1) The US carrier contributions for the period from July 2013 to June 2014 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 1K Block Pooling is based on the contract awarded July 12, 2013  
The cost of NANPA Administration is based on the contract.  
The cost of B&C Agent is based on the interim contract with Welch LLP in force until July 31, 2014
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2013 calendar year.
- (6) The cost for the annual operations audit performed by Ernst & Young LLP is \$43,000.
- (7) The cost of the Automated systems development (CLIN1) will be paid out over 18 months as per the modification to the 1K Pooling contract.
- (8) Bank fees are an expense to the Fund.
- (9) The budget allowed \$300,000 for carrier audits. The FCC has indicated that it will likely not be performing any audits prior to June 30, 2014. If any audits are performed the funds to do so will come from this line item.
- (10) The allowance covers all accounts considered potentially uncollectible at January 31, 2014.

**Reconciliation of forecast at June 30, 2014 to budget**

<b>Budgeted fund balance at June 30/14 - contingency</b>	<b>1,250,000</b>
Decrease in fund balance between budget period (February 2012) and June 2012	(74,295)
Additional billings over estimate from budget	92,437
Late filing fees (reversal) for Form 499A	(10,600)
Underestimate of interest earned to date compared to budget	(1,078)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	10,741
NANP Admin - change orders issued	
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	(431)
Bad debts - Adjustment to actual from budget	(43,612)
Pooling and p-ANI - adjustment to actual from budget	(1,188,898)
Pooling change orders	
Carrier audits that will not be performed	300,000
Operations Audit - Adjustment to actual from budget	(1,000)
Bank fees - Adjustment to actual from budget	(6,065)
<b>Forecasted fund balance at June 30/14</b>	<b>327,199</b>

**CURRENT AND FORECASTED LIABILITIES**

	<b>Current</b>						
	<b>Jan-14</b>	<b>Feb-14</b>	<b>Mar-14</b>	<b>Apr-14</b>	<b>May-14</b>	<b>Jun-14</b>	<b>Jul-14</b>
<b>NEUSTAR - NANPA Administration contract</b>	172,232	174,549	174,549	174,549	174,549	174,549	175,492
- Payment authorized by the FCC in January							
November 2013	174,797						
December 2013	172,894						
December 2013 Change order #1	<u>115,416</u>						
- Authorization by the FCC has not been received for payment							
January 2014	<u>\$ 172,232</u>						
<b>NEUSTAR - Block Pooling and CLIN</b>	287,332	289,091	289,091	289,091	289,091	289,091	297,086
- Payment authorized by the FCC in January							
November 2013	285,350						
December 2013	<u>285,618</u>						
- Authorization by the FCC has not been received for payment							
January 2014	<u>\$ 287,332</u>						
<b>Welch LLP - Billing &amp; Collection Agent</b>	28,336	28,336	28,336	28,336	28,336	28,336	28,336
- Payment authorized by the FCC in January							
December 2013	\$ 28,336						
- Authorization by the FCC has not been received for payment							
January 2014	<u>\$ 28,336</u>						
<b>USAC - Data Collection Agent</b>	5,667	4,750	4,750	4,750	4,750	4,750	4,833
- Payment authorized by the FCC in January							
December 2013	\$ 4,808						
- Authorization by the FCC has not been received for payment							
January 2014	<u>\$ 5,667</u>						
<b>Carrier audits</b>	-	-	-	-	-	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>	13,000	-	-	-	-	-	-
- Payment authorized by the FCC in January	\$ 30,000						
-Authorization by the FCC has not been received for payment							
Remaining audit fee accrual for the 2012/2013 fiscal audit	<u>\$ 13,000</u>						
<b>Bank Fees</b>		3,000	3,000	3,000	3,000	3,000	3,917
<b>Total</b>	<u>506,567</u>	<u>499,726</u>	<u>499,726</u>	<u>499,726</u>	<u>499,726</u>	<u>499,726</u>	<u>509,664</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were mailed by January 12, 2014.

## **Processing Payments**

Payment information from the lockbox service at Mellon Bank is now downloaded on a daily basis. The deposit information is recorded daily.

## **Late/Absent Payments**

We are continuing with collection calls to carriers with outstanding balances. Statements were mailed at the beginning of the month to carriers with balances greater than \$5 that have not been sent to Treasury for collections.

## **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 voice mailbox. The information is transferred to an Access database. The date, nature of call, name of caller, Filer ID, who responded and on what date and the resolution is tracked. Calls are returned usually within 3 business days. 7 calls were received in January. Most calls were questions about the invoice received, the late filing fee, how to pay, request for copies of invoices, why are they red lighted, change of address, they are out of business or requesting a W9.

## **Staffing Changes**

Nothing new to report.

## **Contract Renewal**

The contract expired October 1, 2009. Welch LLP is on the USGSA list. Welch LLP received an 8 month interim contract which includes a 2 month transition which will cover the period from December 1, 2013 to July 31, 2014.

## **Accounts Receivable**

We have created a program that will let us batch process debt so that delinquent debt can be uploaded to Treasury. Outstanding balances from the June 2013 billing have been submitted to Treasury in January 2014.