

**Billing and Collection Agent Report
For period ending October 31, 2013**

To NANC

November 6, 2013

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
OCTOBER 31, 2013**

Assets

Cash Balance in bank account		\$ 2,985,523
Receivable from US Carriers	289,443	
Receivable from Canada	-	
Receivable from Caribbean countries	3,129	
Receivables forwarded to Treasury for collection	213,838	
Allowance for uncollectible accounts	<u>(276,400)</u>	<u>230,010</u>

Total assets **3,215,533**

Less: Accrued liabilities (see below for makeup) **(537,200)**

Fund balance **\$ 2,678,333**

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

Welch LLP	28,336	
NEUSTAR Pooling 1K Block and pANI administration	286,941	
NEUSTAR NANP Administration	173,256	
EY Audit Accrual	43,000	
Data Collection Agent - USAC	<u>5,667</u>	
	<u>\$ 537,200</u>	

**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				
Revenue																
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	8,873	-	106,480	106,480	-
Caribbean countries (1)	22,112	-	-	-	-	-	-	-	-	-	-	-	-	22,112	22,112	-
Total International Contributions	39,860	8,874	8,874	8,873	8,873	8,873	8,873	8,873	8,873	8,873	8,873	8,873	-	128,592	128,592	-
Domestic Contributions - US carriers (1)	3,398,305	256,552	459,330	230,562	256,298	256,298	256,298	256,298	256,298	256,298	256,298	256,298	256,298	6,395,133	5,860,288	534,845
Late filing fees for Form 499A (2)	(3,100)	3,000	(2,400)	(1,200)									85,000	81,300	85,000	(3,700)
Interest income (3)	877	868	610	290	667	667	667	667	667	667	667	667	667	7,981	8,000	19
Total revenue	3,435,942	269,294	466,414	238,525	265,838	265,838	265,838	265,838	265,838	265,838	265,838	265,838	341,965	6,613,006	6,081,880	531,126
Expenses																
NANPA Administration (4), (7)	172,232	172,232	173,465	173,256	174,550	174,550	174,549	174,549	174,549	174,549	174,549	174,549	174,549	2,087,579	2,210,010	(122,431)
1K Block Pooling (4), (8)	202,036	212,781	219,005	211,941	214,091	214,091	214,091	214,091	214,091	214,091	214,091	214,091	214,091	2,558,491	2,260,620	297,871
Automated systems development (CLIN1) (9)	75,000	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	28,336	340,032	340,032	-
Data Collection Agent (5)	4,568	4,752	4,976	4,851	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	57,147	57,000	147
Annual Operations Audit (6)	-	-	43,000	-	-	-	-	-	-	-	-	-	-	43,000	42,000	1,000
Bank Charges (10)	2,836	7,624	3,678	3,023	3,023	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	41,184	36,000	5,184
Carrier Audits (11)	-	-	-	-	-	-	300,000	-	-	-	-	-	-	300,000	300,000	-
Bad debt expense (12)	29,146	9,000	31,183	12,400	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	108,393	40,000	68,393
Total expenses	514,154	509,725	578,643	508,807	503,083	503,060	803,059	503,059	503,059	503,059	503,059	503,059	503,059	6,435,826	5,285,662	1,150,164
Net revenue (expenses)	2,921,788	(240,431)	(112,229)	(270,282)	(237,245)	(237,222)	(537,221)	(237,221)	(237,221)	(237,221)	(237,221)	(237,221)	(161,094)	177,180	796,218	(619,038)
Opening fund balance	379,487	3,301,275	3,060,844	2,948,615	2,678,333	2,441,088	2,203,866	1,666,645	1,429,424	1,192,203	954,982	717,761	717,761	379,487	453,782	(74,295)
Closing fund balance	3,301,275	3,060,844	2,948,615	2,678,333	2,441,088	2,203,866	1,666,645	1,429,424	1,192,203	954,982	717,761	556,667	556,667	556,667	1,250,000	(693,333)
Fund balance makeup:																
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	1,250,000	1,500,000	1,250,000	-
Surplus	2,051,275	1,810,844	1,698,615	1,428,333	1,191,088	953,866	416,645	179,424	(57,797)	(295,018)	(532,239)	(943,333)	(943,333)			
	3,301,275	3,060,844	2,948,615	2,678,333	2,441,088	2,203,866	1,666,645	1,429,424	1,192,203	954,982	717,761	556,667	556,667	556,667	1,250,000	

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 November 30, 2013
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2013 calendar year.
- (6) The estimated cost for the annual operations audit performed by Ernst & Young LLP is \$43,000.
- (7) No commentary
- (8) No commentary
- (9) The cost of the Automated systems development (CLIN1) will be paid out over 18 months as per the modification to the 1K Pooling contract.
- (10) Bank fees are an expense to the Fund.
- (11) The budget allowed \$300,000 for carrier audits.
- (12) The allowance covers all accounts considered potentially uncollectible at October 31, 2013.

Reconciliation of forecast at June 30, 2014 to budget

Budgeted fund balance at June 30/14 - contingency	1,250,000
Decrease in fund balance between budget period (February 2012) and June 2012	(74,295)
Additional billings over estimate from budget	534,845
Late filing fees (reversal) for Form 499A	(3,700)
Underestimate of interest earned to date compared to budget	(19)
NANP Admin - difference between budget and actual contract awarded	122,431
NANP Admin - change orders issued	
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	(147)
Bad debts - Adjustment to actual from budget	(68,393)
Pooling and p-ANI - adjustment to actual from budget	(1,197,871)
Pooling change orders	
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	(1,000)
Bank fees - Adjustment to actual from budget	(5,184)
Forecasted fund balance at June 30/14	556,667

CURRENT AND FORECASTED LIABILITIES

		<u>Current</u> <u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>
NEUSTAR - NANPA Administration contract		173,256	174,550	174,550	174,549	174,549	174,549	174,549
- Payment authorized by the FCC in October September 2013	\$ 173,465							
- Authorization by the FCC has not been received for payment October 2013	<u>\$ 173,256</u>							
NEUSTAR - Block Pooling and CLIN		286,941	289,091	289,091	289,091	289,091	289,091	289,091
- Payment authorized by the FCC in October September 2013	\$ 294,005							
- Authorization by the FCC has not been received for payment October 2013	<u>\$ 286,941</u>							
Welch LLP - Billing & Collection Agent		28,336	28,336	28,336	28,336	28,336	28,336	28,336
- Payment authorized by the FCC in October September 2013	\$ 28,336							
- Authorization by the FCC has not been received for payment October 2013	<u>\$ 28,336</u>							
USAC - Data Collection Agent		5,667	4,750	4,750	4,750	4,750	4,750	4,750
- Payment authorized by the FCC in October September 2013	\$ 4,851							
- Authorization by the FCC has not been received for payment October 2013	<u>\$ 5,667</u>							
Carrier audits		-	-	-	300,000			
Ernst & Young LLP- Annual operations audit		43,000	-	-	-	-	-	-
-Authorization by the FCC has not been received for payment Audit fee accrual for the 2012/2013 fiscal audit	<u>\$ 43,000</u>							
Bank Fees			3,000	3,000	3,000	3,000	3,000	3,000
Total		<u>537,200</u>	<u>499,727</u>	<u>499,727</u>	<u>799,726</u>	<u>499,726</u>	<u>499,726</u>	<u>499,726</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were mailed by October 12, 2013.

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

Statement of accounts were mailed October 2, 2013 for carriers with an outstanding balance greater than \$5. Statements for outstanding balances will be sent out the first week of October. We are continuing with collection calls to carriers with outstanding balances.

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. 43 calls were received in October. 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 and about the date of the invoice.

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 1/2 month transition which will cover the period from April 1, 2013 to November 30, 2013.

Accounts Receivable

We have created a program that will let us batch process debt so that delinquent debt can be uploaded to Treasury. We have finished submitting write off requests of uncollectible debt to the FCC. There is one batch still outstanding waiting for FCC approval.