

**Billing and Collection Agent Report
For period ending January 31, 2018**

To B&C Working Group

February 5, 2018

NANPA FUND
STATEMENT OF FINANCIAL POSITION
January 31, 2018

Assets

Cash in bank		\$ 4,550,060
Receivables		
Receivable from US Carriers	173,052	
Receivable from Canada	9,716	
Receivable from Caribbean countries	17,787	
Receivables forwarded to Treasury for collection	84,519	
Allowance for uncollectible accounts	<u>(110,700)</u>	<u>174,374</u>
Total assets		4,724,434
Less: Accrued liabilities		
Welch LLP	28,410	
NEUSTAR Pooling 1K Block	346,799	
NEUSTAR NANP Administration	187,332	
Data Collection Agent - USAC	<u>6,237</u>	<u>(568,778)</u>
Fund balance		<u>\$ 4,155,656</u>

An RFP was released on January 12, 2018 for the Billing & Collection Agent contract. The RFP responses are due February 12, 2018 with the new agent to start taking over responsibilities March 1, 2018

The independent audit report for the financial statement was issued in late December without any qualifications. The report on specified procedures was issued in January 2018. There were no issues found other than one issue with respect to Red Light Reporting. Per a 2012 Red Light audit, findings indicated that all debt regardless of size and debt for inactive carriers must be submitted to the Red Light. In the past Welch did not submit debt that was less than \$10 or if the account was inactive due to business closure. This policy has now been changed as of December 16, 2017

**NANP FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2017 TO SEPTEMBER 2018**

	Actual				Budget								Total	Budget	Variance between forecasted results and budget at Sept 30/18	
	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18				
Revenue																
International Contributions																
Canada (1)	19,433	9,716	9,717	9,717	9,716	9,716	9,716	9,716	9,716	9,716	9,717	-	116,596	116,596	-	
Caribbean countries (1)	24,429	-	-	-	-	-	-	-	-	-	-	-	24,429	24,429	-	
Total International Contributions	43,862	9,716	9,717	9,717	9,716	9,716	9,716	9,716	9,716	9,716	9,717	-	141,025	141,025	-	
Domestic Contributions - US carriers (1)	5,718,956	184,162	183,850	178,191	184,501	184,501	184,501	184,501	184,501	184,501	184,501	-	7,556,666	7,506,473	50,193	
Late filing fees for Form 499A (2)	(200)	-	200.00	100.00	-	-	-	-	-	-	-	65,000	65,100	65,000	100	
Interest income (3)	1,174	1,765	1,811	2,086	417	417	417	417	416	416	416	416	10,168	5,000	5,168	
Total revenue	5,763,792	195,643	195,578	190,094	194,634	194,634	194,634	194,634	194,633	194,633	194,634	65,416	7,772,959	7,717,498	55,461	
Expenses																
NANPA Administration (4)	187,332	188,789	187,332	187,332	270,484	195,484	195,484	195,484	195,484	195,484	195,484	195,484	2,389,657	2,420,813	(31,156)	
1K Block Pooling (5)	255,804	257,795	254,315	303,465	302,510	258,989	258,989	258,989	258,989	258,989	258,989	258,989	3,186,812	3,199,475	(12,663)	
Pooling Change Order 3 B																
- CLIN 15 (5)(a)	211,750	211,750	-	-	-	-	-	-	-	-	-	-	423,500	423,500	-	
- CLIN 16 (5)(b)	2,052	2,679	-	-	-	-	-	-	-	-	-	-	4,731	14,535	(9,804)	
- CLIN 17 (5)(b)	-	-	43,333	43,333	43,333	43,333	43,333	43,333	43,333	-	-	-	303,331	303,331	-	
Billing and Collection																
Welch LLP (6)	28,410	28,410	28,410	28,410	28,410	28,410	28,410	28,410	28,410	28,410	28,410	28,410	340,920	340,920	-	
Data Collection Agent (7)	6,843	6,927	5,798	7,113	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,451	76,791	74,844	1,947	
Annual Operations Audit (8)	-	-	-	47,000	-	-	-	-	-	-	-	-	-	47,000	47,000	-
Bank Charges (9)	4,346	7,194	3,729	3,026	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166	43,627	38,000	5,627	
Carrier Audits (10)	-	-	-	-	200,000	-	-	-	-	-	-	-	-	200,000	200,000	-
Bad debt expense (11)	(5,522)	(6,919)	32,260	6,680	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	53,163	40,000	13,163	
Total expenses	691,015	696,625	555,177	626,359	857,474	538,953	538,953	538,953	538,952	495,619	495,619	495,833	7,069,532	7,102,418	(32,886)	
Net revenue (expenses)	5,072,777	(500,982)	(359,599)	(436,265)	(662,840)	(344,319)	(344,319)	(344,319)	(344,319)	(300,986)	(300,985)	(430,417)	703,427	615,080	88,347	
Opening fund balance	379,726	5,452,503	4,951,521	4,591,922	4,155,657	3,492,817	3,148,498	2,804,179	2,459,860	2,115,541	1,814,555	1,513,570	379,726	384,920	(5,194)	
Closing fund balance	5,452,503	4,951,521	4,591,922	4,155,657	3,492,817	3,148,498	2,804,179	2,459,860	2,115,541	1,814,555	1,513,570	1,083,153	1,083,153	1,000,000	83,153	
Fund balance makeup:																
Contingency	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	
Surplus	4,452,503	3,951,521	3,591,922	3,155,657	2,492,817	2,148,498	1,804,179	1,459,860	1,115,541	814,555	513,570	83,153	83,153	-	-	
	5,452,503	4,951,521	4,591,922	4,155,657	3,492,817	3,148,498	2,804,179	2,459,860	2,115,541	1,814,555	1,513,570	1,083,153	1,083,153	1,000,000	-	

Assumptions:

- (1) The US carrier contributions for the period from October 2017 to September 2018 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 NANPA Administration contract expires July 8, 2017. The cost for NANPA administration is an estimate based on the last option year plus a 3% increase. The percentage represents the average yearly increase over the expired 4 year contract. It also includes the anticipated cost of change order #7
- (5) The 1K Block Pooling Administration contract expires July 14, 2017. The cost for Pooling Administration is provided for based on the amount provided in the final option year of the contract. The costs included anticipated change order #4
- (5)(a) CLIN 15 is for the period March 22 to November 22, 2017 a cost of \$748,500. \$325,000 will be billed evenly between April and September 2017 with the remaining balance to be billed in the 2017/18 period.
- (5)(b) CLIN 16 is for the period July 31 to November 24, 2017 and is not to exceed \$29,070. Budgeted for evenly over the months of August to November 2017
- (5)(b) CLIN 17 is for the period November 24, 2017 to June 30, 2018 at \$43,333/month
- (6) The cost of B&C Agent is based on the current interim contract with Welch LLP
- (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 \$200,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible at January 31, 2018.

Reconciliation of forecast at September 30, 2018 to budget

Budgeted fund balance at September 30, 2018 - contingency	1,000,000
Increase in opening fund balance between budget period and actual	(5,194)
Additional billings over estimate from budget	50,193
Late filing fees (reversal) for Form 499A	100
Underestimate of interest earned to date compared to budget	5,168
Pooling change order 3B - difference between budget and actual	9,804
NANP Admin - difference between budget and actual contract extension awarded and due to variable travel costs	31,156
NANP Pooling Change Orders Issued	-
Decrease in B&C Agent costs -	-
Data Collection fees - Adjustment to actual from budget	(1,947)
Bad debts - Adjustment to actual from budget	(13,163)
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	12,663
Pooling change orders	-
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	-
Bank fees - Adjustment to actual from budget	(5,627)
Forecasted fund balance at September 30, 2018	1,083,153

CURRENT AND FORECASTED LIABILITIES

	<u>Current</u>						
	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>
NEUSTAR - NANPA Administration	187,332	270,484	195,484	195,484	195,484	195,484	195,484
- Payment authorized by the FCC in January December 2017	\$ 187,332						
- Authorization by the FCC has not been received for payment January 2018		\$ 187,332					
NEUSTAR -1K Block Pooling & Change Orders 3B & 4	346,799	345,843	302,322	302,322	302,322	302,322	258,989
- Payment authorized by the FCC in January December 2017	\$ 297,648						
- Authorization by the FCC has not been received for payment January 2018		\$ 346,799					
Welch LLP - Billing & Collection Agent	28,410	28,410	28,410	28,410	28,410	28,410	28,410
- Payment authorized by the FCC in January December 2017	\$ 28,410						
- Authorization by the FCC has not been received for payment January 2018		\$ 28,410					
USAC - Data Collection Agent	6,237	6,237	6,237	6,237	6,237	6,237	6,237
- Payment authorized by the FCC in January December 2017	\$ 7,113						
- Authorization by the FCC has not been received for payment January 2018		\$ 6,237					
Carrier audits	-	200,000	-	-	-	-	-
Bank Fees		3,167	3,167	3,167	3,167	3,166	3,166
Total	<u>568,778</u>	<u>854,141</u>	<u>535,620</u>	<u>535,620</u>	<u>535,620</u>	<u>535,619</u>	<u>492,286</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on January 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 January 2nd to all carriers with overdue outstanding balances regardless of amount.

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. Starting on December 18th, carriers were submitted to redlight if a balance was due regardless on the amount owing. Previously, carriers were not submitted to redlight if the balance due was less than \$5.

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 January 18 calls and 92 emails were received which is comparable to the prior year. 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 3 months up to March 31, 2018. An RFP has been issued for this contract

Accounts Receivable

In January we received \$166.20 from Treasury for debts collected.