

**Billing and Collection Agent Report  
For period ending April 30, 2018**

**To FCC Contract Oversight Sub-Committee**

**May 10, 2018**

**NANPA FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**April 30, 2018**

**Assets**

Cash in bank		\$ 3,621,042
Receivables		
Receivable from US Carriers	150,767	
Receivable from Canada	9,716	
Receivable from Caribbean countries	17,868	
Receivables forwarded to Treasury for collection	81,091	
Allowance for uncollectible accounts	<u>(108,100)</u>	<u>151,342</u>
<b>Total assets</b>		<b>3,772,384</b>
<b>Less: Accrued liabilities</b>		
Welch LLP	28,410	
NEUSTAR Pooling 1K Block	298,538	
NEUSTAR NANP Administration	187,332	
Data Collection Agent - USAC	<u>6,237</u>	<u>(520,517)</u>
<b>Fund balance</b>		<b><u>\$ 3,251,867</u></b>

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The Billing and Collection Agent contract was awarded to Welch LLP in April 2018. The contract is for a 5 year period from May 1, 2018 to April 30, 2023

Change order #4 Pooling Administration - \$91,608 was provided for in the budget based on the proposal provided by NeuStar. \$48,086 was paid out for this change order in January 2018. Per the Pooling Administrator, that was the total cost for the change order. the remaining \$43,522 will not be billed.

As discussed in previous meeting, there are two additional change orders - #6 and #7, which have been submitted to the FCC under the Pooling contract. The cost of these change orders have been provided for payment in August 2018. The change orders are for \$20,053 and \$37,333 respectively.

**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			
<b>Revenue</b>															
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	354,142	150,876	152,907	156,423	156,423	156,423	156,423	-	7,548,776	7,506,473	42,303
Late filing fees for Form 499A (2)	(200)	-	200	100	(200)	300	700.00	-	-	-	-	65,000	65,900	65,000	900
Interest income (3)	1,174	1,765	1,811	2,086	3,123	2,509	3,323	417	416	416	416	416	17,872	5,000	12,872
<b>Total revenue</b>	<b>5,763,792</b>	<b>195,643</b>	<b>195,578</b>	<b>190,094</b>	<b>366,781</b>	<b>163,401</b>	<b>166,646</b>	<b>166,556</b>	<b>166,555</b>	<b>166,555</b>	<b>166,556</b>	<b>65,416</b>	<b>7,773,573</b>	<b>7,717,498</b>	<b>56,075</b>
<b>Expenses</b>															
NANPA Administration (4)	187,332	188,789	187,332	187,332	188,562	187,332	187,332	195,484	270,484	195,484	195,484	195,484	2,366,431	2,420,813	(54,382)
1K Block Pooling (5)	255,804	257,795	254,315	303,465	257,581	282,672	255,205	258,989	258,989	258,989	258,989	258,989	3,161,782	3,199,475	(37,693)
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	-
Pooling Change Order #6 (5)(c)	-	-	-	-	-	-	-	-	-	-	-	20,053	20,053	-	20,053
Pooling Change Order #7 (5)(d)	-	-	-	-	-	-	-	-	-	-	-	37,333	37,333	-	37,333
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	6,253	6,593	6,462	6,237	6,237	6,237	6,237	6,451	77,388	74,844	2,544
Annual Operations Audit (8)	-	-	-	47,000	-	-	-	-	-	-	-	-	47,000	47,000	-
Bank Charges (9)	4,346	7,194	3,729	3,026	2,803	2,362	2,861	3,167	3,166	3,166	3,166	3,166	42,152	38,000	4,152
Carrier Audits (10)	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	(200,000)
Bad debt expense (11)	(5,522)	(6,919)	32,260	6,680	(302)	(871)	544	3,333	3,333	3,333	3,333	3,333	42,535	40,000	2,535
<b>Total expenses</b>	<b>691,015</b>	<b>696,625</b>	<b>555,177</b>	<b>626,359</b>	<b>526,640</b>	<b>549,831</b>	<b>524,147</b>	<b>538,953</b>	<b>613,952</b>	<b>495,619</b>	<b>553,005</b>	<b>495,833</b>	<b>6,867,156</b>	<b>7,102,418</b>	<b>(235,262)</b>
<b>Net revenue (expenses)</b>	<b>5,072,777</b>	<b>( 500,982)</b>	<b>( 359,599)</b>	<b>( 436,265)</b>	<b>( 159,859)</b>	<b>( 386,430)</b>	<b>( 357,501)</b>	<b>( 372,397)</b>	<b>( 447,397)</b>	<b>( 329,064)</b>	<b>( 386,449)</b>	<b>( 430,417)</b>	<b>906,417</b>	<b>615,080</b>	<b>291,337</b>
<b>Opening fund balance</b>	<b>379,726</b>	<b>5,452,503</b>	<b>4,951,521</b>	<b>4,591,922</b>	<b>4,155,657</b>	<b>3,995,798</b>	<b>3,609,368</b>	<b>3,251,867</b>	<b>2,879,470</b>	<b>2,432,073</b>	<b>2,103,009</b>	<b>1,716,560</b>	<b>379,726</b>	<b>384,920</b>	<b>(5,194)</b>
<b>Closing fund balance</b>	<b>5,452,503</b>	<b>4,951,521</b>	<b>4,591,922</b>	<b>4,155,657</b>	<b>3,995,798</b>	<b>3,609,368</b>	<b>3,251,867</b>	<b>2,879,470</b>	<b>2,432,073</b>	<b>2,103,009</b>	<b>1,716,560</b>	<b>1,286,143</b>	<b>1,286,143</b>	<b>1,000,000</b>	<b>286,143</b>
<b>Fund balance makeup:</b>															
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	2,995,798	2,609,368	2,251,867	1,879,470	1,432,073	1,103,009	716,560	286,143	286,143	-	-
	<u>5,452,503</u>	<u>4,951,521</u>	<u>4,591,922</u>	<u>4,155,657</u>	<u>3,995,798</u>	<u>3,609,368</u>	<u>3,251,867</u>	<u>2,879,470</u>	<u>2,432,073</u>	<u>2,103,009</u>	<u>1,716,560</u>	<u>1,286,143</u>	<u>1,286,143</u>	<u>1,000,000</u>	<u>286,143</u>

**Assumptions:**

- The US carrier contributions for the period from October 2017 to September 2018 and the International contributions are based upon actual billings.
- These fees represent the \$100 late filing fee charged to those companies that do not file the Form 499A by the due date.
- Interest income projections are estimates
- 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
- 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
- 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.
- 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
- CLIN 17 is for the period November 24, 2017 to June 30, 2018 at \$43,333/month
- Pooling CO #6 addresses INC changes to the Thousands-Block Pooling Administration Guidelines
- Pooling CO #7 addresses INC changes to the Guidelines related to Pooling Administration activities when a code holder voluntarily returns or abandons an NXX code.
- The cost of B&C Agent is based on the current interim contract with Welch LLP
- The expense for the Data Collection Agent is based on estimate of costs by USAC.
- The expense for the annual operations audit performed by Ernst & Young LLP is based on the quote given.
- Bank fees are an expense to the Fund.
- The budget allowed \$200,000 for carrier audits.
- The allowance covers all accounts considered potentially uncollectible at April 30, 2018.

**Reconciliation of forecast at September 30, 2018 to budget**

<b>Budgeted fund balance at September 30, 2018 - contingency</b>	<b>1,000,000</b>
Decrease in opening fund balance between budget period and actual	(5,194)
Additional billings over estimate from budget	42,303
Late filing fees (reversal) for Form 499A	900
Underestimate of interest earned to date compared to budget	12,872
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	54,382
Decrease in B&C Agent costs	-
Data Collection fees - Adjustment to actual from budget	(2,544)
Bad debts - Adjustment to actual from budget	(2,535)
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs and lower amount paid for change order #4	37,693
Pooling change orders #6 and #7	(57,386)
Carrier audits that will not be performed	200,000
Operations Audit - Adjustment to actual from budget	-
Bank fees - Adjustment to actual from budget	(4,152)
<b>Forecasted fund balance at September 30, 2018</b>	<b>1,286,143</b>

**CURRENT AND FORECASTED LIABILITIES**

	<b>Current</b>					
	<b>Apr-18</b>	<b>May-18</b>	<b>Jun-18</b>	<b>Jul-18</b>	<b>Aug-18</b>	<b>Sep-18</b>
<b>NEUSTAR - NANPA Administration</b>	187,332	195,484	270,484	195,484	195,484	195,484
- Payment authorized by the FCC in April March 2018	<u>\$ 187,332</u>					
- Authorization by the FCC has not been received for payment April 2018		<u>\$ 187,332</u>				
<b>NEUSTAR -1K Block Pooling</b>	298,538	302,322	302,322	258,989	316,375	258,989
- Payment authorized by the FCC in April March 2018	<u>\$ 326,005</u>					
- Authorization by the FCC has not been received for payment April 2018		<u>\$ 298,538</u>				
<b>Welch LLP - Billing &amp; Collection Agent</b>	28,410	28,410	28,410	28,410	28,410	28,410
- Payment authorized by the FCC in April March 2018	<u>\$ 28,410</u>					
- Authorization by the FCC has not been received for payment April 2018		<u>\$ 28,410</u>				
<b>USAC - Data Collection Agent</b>	6,237	6,237	6,237	6,237	6,237	6,451
- Payment authorized by the FCC in April March 2018	<u>\$ 6,461</u>					
- Authorization by the FCC has not been received for payment April 2018		<u>\$ 6,237</u>				
<b>Carrier audits</b>		-	-	-	-	-
<b>Bank Fees</b>		3,167	3,166	3,166	3,166	3,166
<b>Total</b>	<u>520,517</u>	<u>535,620</u>	<u>610,619</u>	<u>492,286</u>	<u>549,672</u>	<u>492,500</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were emailed/mailed on April 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/mailed on April 16th to all carriers with overdue 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.

## **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 April 11 calls and 22 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 Billing and Collection Agent contract was awarded to Welch LLP in April 2018. The contract is for a 5 year period from May 1, 2018 to April 30, 2023

## **Accounts Receivable**

In April we received \$1,128.21 from Treasury for debts collected.