

**Billing and Collection Agent Report
For period ending February 28, 2018**

To B&C Working Group

March 5, 2018

NANPA FUND
STATEMENT OF FINANCIAL POSITION
February 28, 2018

Assets

Cash in bank		\$ 4,178,529
Receivables		
Receivable from US Carriers	350,689	
Receivable from Canada	-	
Receivable from Caribbean countries	17,716	
Receivables forwarded to Treasury for collection	82,687	
Allowance for uncollectible accounts	<u>(109,700)</u>	<u>341,392</u>
Total assets		4,519,921
Less: Accrued liabilities		
Welch LLP	28,410	
NEUSTAR Pooling 1K Block	300,914	
NEUSTAR NANP Administration	188,562	
Data Collection Agent - USAC	<u>6,237</u>	<u>(524,123)</u>
Fund balance		<u>\$ 3,995,798</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

**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	354,142	156,423	156,423	156,423	156,423	156,423	156,423	-	7,557,839	7,506,473	51,366	
Late filing fees for Form 499A (2)	(200)	-	200	100	(200)	-	-	-	-	-	-	65,000	64,900	65,000	(100)	
Interest income (3)	1,174	1,765	1,811	2,086	3,123	417	417	417	416	416	416	416	12,874	5,000	7,874	
Total revenue	5,763,792	195,643	195,578	190,094	366,781	166,556	166,556	166,556	166,555	166,555	166,556	65,416	7,776,638	7,717,498	59,140	
Expenses																
NANPA Administration (4)	187,332	188,789	187,332	187,332	188,562	270,484	195,484	195,484	195,484	195,484	195,484	195,484	2,382,735	2,420,813	(38,078)	
1K Block Pooling (5)	255,804	257,795	254,315	303,465	257,581	302,510	258,989	258,989	258,989	258,989	258,989	258,989	3,185,404	3,199,475	(14,071)	
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	6,253	6,237	6,237	6,237	6,237	6,237	6,237	6,451	76,807	74,844	1,963	
Annual Operations Audit (8)	-	-	-	47,000	-	-	-	-	-	-	-	-	-	47,000	47,000	-
Bank Charges (9)	4,346	7,194	3,729	3,026	2,803	3,167	3,167	3,167	3,166	3,166	3,166	3,166	43,263	38,000	5,263	
Carrier Audits (10)	-	-	-	-	-	-	200,000	-	-	-	-	-	200,000	200,000	-	
Bad debt expense (11)	(5,522)	(6,919)	32,260	6,680	302	3,333	3,333	3,333	3,333	3,333	3,333	3,333	49,528	40,000	9,528	
Total expenses	691,015	696,625	555,177	626,359	526,640	657,474	738,953	538,953	538,952	495,619	495,619	495,833	7,057,219	7,102,418	(45,199)	
Net revenue (expenses)	5,072,777	(500,982)	(359,599)	(436,265)	(159,859)	(490,918)	(572,397)	(372,397)	(372,397)	(329,064)	(329,063)	(430,417)	719,419	615,080	104,339	
Opening fund balance	379,726	5,452,503	4,951,521	4,591,922	4,155,657	3,995,798	3,504,880	2,932,483	2,560,086	2,187,689	1,858,625	1,529,562	379,726	384,920	(5,194)	
Closing fund balance	5,452,503	4,951,521	4,591,922	4,155,657	3,995,798	3,504,880	2,932,483	2,560,086	2,187,689	1,858,625	1,529,562	1,099,145	1,099,145	1,000,000	99,145	
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	2,995,798	2,504,880	1,932,483	1,560,086	1,187,689	858,625	529,562	99,145	99,145	-	-	
	5,452,503	4,951,521	4,591,922	4,155,657	3,995,798	3,504,880	2,932,483	2,560,086	2,187,689	1,858,625	1,529,562	1,099,145	1,099,145	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 February 28, 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	51,366
Late filing fees (reversal) for Form 499A	(100)
Underestimate of interest earned to date compared to budget	7,874
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	38,078
NANP Pooling Change Orders Issued	-
Decrease in B&C Agent costs -	-
Data Collection fees - Adjustment to actual from budget	(1,963)
Bad debts - Adjustment to actual from budget	(9,528)
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	14,071
Pooling change orders	-
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	-
Bank fees - Adjustment to actual from budget	(5,263)
Forecasted fund balance at September 30, 2018	1,099,145

CURRENT AND FORECASTED LIABILITIES

	Current						
	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>
NEUSTAR - NANPA Administration	188,562	270,484	195,484	195,484	195,484	195,484	195,484
- Payment authorized by the FCC in February January 2018	\$ 187,332						
- Authorization by the FCC has not been received for payment February 2018		\$ 188,562					
NEUSTAR -1K Block Pooling & Change Orders 3B & 4	300,914	345,843	302,322	302,322	302,322	258,989	258,989
- Payment authorized by the FCC in February January 2018	\$ 346,799						
- Authorization by the FCC has not been received for payment February 2018		\$ 300,914					
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 February January 2018	\$ 28,410						
- Authorization by the FCC has not been received for payment February 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 February January 2018	\$ 6,252						
- Authorization by the FCC has not been received for payment February 2018		\$ 6,237					
Carrier audits		-	200,000	-	-	-	-
Bank Fees		3,167	3,167	3,167	3,166	3,166	3,166
Total	<u>524,123</u>	<u>654,141</u>	<u>735,620</u>	<u>535,620</u>	<u>535,619</u>	<u>492,286</u>	<u>492,286</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on February 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 February 1st and February 13th to all carriers with overdue outstanding balances regardless of amount. Going forward, statements will be emailed/mailed on the 13th of the month which is the first day balances are delinquent

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 February 7 calls and 20 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 February we received \$3,519.00 from Treasury for debts collected.