

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

To FCC Contract Oversight Sub-Committee

April 3, 2018

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
March 31, 2018**

Assets

Cash in bank		\$ 4,001,479
Receivables		
Receivable from US Carriers	155,182	
Receivable from Canada	9,716	
Receivable from Caribbean countries	17,803	
Receivables forwarded to Treasury for collection	81,572	
Allowance for uncollectible accounts	<u>(108,400)</u>	<u>155,873</u>
Total assets		4,157,352
Less: Accrued liabilities		
Welch LLP	28,410	
NEUSTAR Pooling 1K Block	326,005	
NEUSTAR NANP Administration	187,332	
Data Collection Agent - USAC	<u>6,237</u>	<u>(547,984)</u>
Fund balance		<u>\$ 3,609,368</u>

The Billing and Collection Agent contract was extended for one month to April 30, 2018.

Change order #5 re Pooling Administration in the amount of \$26,241.60 was paid in March 2018. The change order was for proposed enhancement to RNAS. This change order was not provided for in the budget.

**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	150,876	156,423	156,423	156,423	156,423	156,423	-	7,552,292	7,506,473	45,819	
Late filing fees for Form 499A (2)	(200)	-	200	100	(200)	300	-	-	-	-	-	65,000	65,200	65,000	200	
Interest income (3)	1,174	1,765	1,811	2,086	3,123	2,509	417	417	416	416	416	416	14,966	5,000	9,966	
Total revenue	5,763,792	195,643	195,578	190,094	366,781	163,401	166,556	166,556	166,555	166,555	166,556	65,416	7,773,483	7,717,498	55,985	
Expenses																
NANPA Administration (4)	187,332	188,789	187,332	187,332	188,562	187,332	270,484	195,484	195,484	195,484	195,484	195,484	2,374,583	2,420,813	(46,230)	
1K Block Pooling (5)	255,804	257,795	254,315	303,465	257,581	282,672	302,510	258,989	258,989	258,989	258,989	258,989	3,209,087	3,199,475	9,612	
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	6,593	6,237	6,237	6,237	6,237	6,237	6,451	77,163	74,844	2,319	
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	3,167	3,167	3,166	3,166	3,166	3,166	42,458	38,000	4,458	
Carrier Audits (10)	-	-	-	-	-	-	200,000	-	-	-	-	-	200,000	200,000	-	
Bad debt expense (11)	(5,522)	(6,919)	32,260	6,680	302	871	3,333	3,333	3,333	3,333	3,333	3,333	45,324	40,000	5,324	
Total expenses	691,015	696,625	555,177	626,359	526,640	549,831	857,474	538,953	538,952	495,619	495,619	495,833	7,068,097	7,102,418	(34,321)	
Net revenue (expenses)	5,072,777	(500,982)	(359,599)	(436,265)	(159,859)	(386,430)	(690,918)	(372,397)	(372,397)	(329,064)	(329,063)	(430,417)	705,386	615,080	90,306	
Opening fund balance	379,726	5,452,503	4,951,521	4,591,922	4,155,657	3,995,798	3,609,368	2,918,450	2,546,053	2,173,656	1,844,592	1,515,529	379,726	384,920	(5,194)	
Closing fund balance	5,452,503	4,951,521	4,591,922	4,155,657	3,995,798	3,609,368	2,918,450	2,546,053	2,173,656	1,844,592	1,515,529	1,085,112	1,085,112	1,000,000	85,112	
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	2,609,368	1,918,450	1,546,053	1,173,656	844,592	515,529	85,112	85,112	-	-	
	5,452,503	4,951,521	4,591,922	4,155,657	3,995,798	3,609,368	2,918,450	2,546,053	2,173,656	1,844,592	1,515,529	1,085,112	1,085,112	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 March 31, 2018.

Reconciliation of forecast at September 30, 2018 to budget

Budgeted fund balance at September 30, 2018 - contingency	1,000,000
Decrease in opening fund balance between budget period and actual	(5,194)
Additional billings over estimate from budget	45,819
Late filing fees (reversal) for Form 499A	200
Underestimate of interest earned to date compared to budget	9,966
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	46,230
NANP Pooling Change Orders Issued	-
Decrease in B&C Agent costs	-
Data Collection fees - Adjustment to actual from budget	(2,319)
Bad debts - Adjustment to actual from budget	(5,324)
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	16,630
Pooling change orders	(26,242)
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	-
Bank fees - Adjustment to actual from budget	(4,458)
Forecasted fund balance at September 30, 2018	1,085,112

CURRENT AND FORECASTED LIABILITIES

	<u>Current</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>	<u>Sep-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 March February 2018	\$ 188,562						
- Authorization by the FCC has not been received for payment March 2018		\$ 187,332					
NEUSTAR -1K Block Pooling & Change Orders 3B & 4	326,005	345,843	302,322	302,322	258,989	258,989	258,989
- Payment authorized by the FCC in March February 2018	\$ 300,914						
- Authorization by the FCC has not been received for payment March 2018		\$ 326,005					
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 March February 2018	\$ 28,410						
- Authorization by the FCC has not been received for payment March 2018		\$ 28,410					
USAC - Data Collection Agent	6,237	6,237	6,237	6,237	6,237	6,237	6,451
- Payment authorized by the FCC in March February 2018	\$ 6,593						
- Authorization by the FCC has not been received for payment March 2018		\$ 6,237					
Carrier audits	-	200,000	-	-	-	-	-
Bank Fees		3,167	3,167	3,166	3,166	3,166	3,166
Total	<u>547,984</u>	<u>854,141</u>	<u>535,620</u>	<u>535,619</u>	<u>492,286</u>	<u>492,286</u>	<u>492,500</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on March 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 March 13th 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 March 9 calls and 32 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 for one month to April 30, 2018. An RFP has been issued for this contract

Accounts Receivable

In March we received \$727.23 from Treasury for debts collected.