

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

**To FCC Contract Oversight Sub-Committee**

**June 6, 2018**

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

**Assets**

Cash in bank \$ 3,270,519

Receivables

Receivable from US Carriers	158,480	
Receivable from Canada	9,716	
Receivable from Caribbean countries	5,478	
Receivables forwarded to Treasury for collection	80,160	
Allowance for uncollectible accounts	<u>(95,600)</u>	<u>158,234</u>

**Total assets**

3,428,753

**Less: Accrued liabilities**

Welch LLP	28,410	
NEUSTAR Pooling 1K Block	303,677	
NEUSTAR NANP Administration	188,876	
Data Collection Agent - USAC	<u>6,237</u>	<u>(527,200)</u>

**Fund balance**

\$ 2,901,553

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The budget and contribution factor for funding year 2018/19 was approved at the NANC meeting on May 29, 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				
<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	-	
<b>Total International Contributions</b>	<b>43,862</b>	<b>9,716</b>	<b>9,717</b>	<b>9,717</b>	<b>9,716</b>	<b>9,716</b>	<b>9,716</b>	<b>9,716</b>	<b>9,716</b>	<b>9,716</b>	<b>9,717</b>	<b>-</b>	<b>141,025</b>	<b>141,025</b>	<b>-</b>	
Domestic Contributions - US carriers (1)	5,718,956	184,162	183,850	178,191	354,142	150,876	152,907	154,515	156,423	156,423	156,423	-	7,546,868	7,506,473	40,395	
Late filing fees for Form 499A (2)	(200)	-	200	100	(200)	300	700.00	600.00	-	-	-	65,000	66,500	65,000	1,500	
Interest income (3)	1,174	1,765	1,811	2,086	3,123	2,509	3,323	2,926	416	416	416	416	20,381	5,000	15,381	
<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>167,757</b>	<b>166,555</b>	<b>166,555</b>	<b>166,556</b>	<b>65,416</b>	<b>7,774,774</b>	<b>7,717,498</b>	<b>57,276</b>	
<b>Expenses</b>																
NANPA Administration (4)	187,332	188,789	187,332	187,332	188,562	187,332	187,332	188,876	270,484	195,484	195,484	195,484	2,359,823	2,420,813	(60,990)	
1K Block Pooling (5)	255,804	257,795	254,315	303,465	257,581	282,672	255,205	260,343	258,989	258,989	258,989	258,989	3,163,136	3,199,475	(36,339)	
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	6,818	6,237	6,237	6,237	6,451	77,969	74,844	3,125	
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	2,549	3,166	3,166	3,166	3,166	41,534	38,000	3,534	
Carrier Audits (10)	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	(200,000)	
Bad debt expense (11)	(5,522)	(6,919)	32,260	6,680	(302)	(871)	544	(12,258)	3,333	3,333	3,333	3,333	26,944	40,000	(13,056)	
<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>518,071</b>	<b>613,952</b>	<b>495,619</b>	<b>553,005</b>	<b>495,833</b>	<b>6,846,274</b>	<b>7,102,418</b>	<b>(256,144)</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>350,314) (</b>	<b>447,397) (</b>	<b>329,064) (</b>	<b>386,449) (</b>	<b>430,417)</b>	<b>928,500</b>	<b>615,080</b>	<b>313,420</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>2,901,553</b>	<b>2,454,156</b>	<b>2,125,092</b>	<b>1,738,643</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>2,901,553</b>	<b>2,454,156</b>	<b>2,125,092</b>	<b>1,738,643</b>	<b>1,308,226</b>	<b>1,308,226</b>	<b>1,000,000</b>	<b>308,226</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	1,901,553	1,454,156	1,125,092	738,643	308,226	308,226	-	-	
	<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>2,901,553</u>	<u>2,454,156</u>	<u>2,125,092</u>	<u>1,738,643</u>	<u>1,308,226</u>	<u>1,308,226</u>	<u>1,000,000</u>	<u>308,226</u>	

**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
- (5)(c) Pooling CO #6 addresses INC changes to the Thousands-Block Pooling Administration Guidelines
- (5)(d) 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.
- (6) The cost of B&C Agent is based on the contract with Welch LLP
- (7) The expense for the Data Collection Agent is based on an allocation 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. Per the FCC, this will not be expended during this funding period.
- (11) The allowance covers all accounts considered potentially uncollectible at May 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	40,395
Late filing fees (reversal) for Form 499A	1,500
Underestimate of interest earned to date compared to budget	15,381
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	60,990
Decrease in B&C Agent costs	-
Data Collection fees - Adjustment to actual from budget	(3,125)
Bad debts - Adjustment to actual from budget	13,056
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs and lower amount paid for change order #4	36,339
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 - Variance between actual and budget	(3,534)
<b>Forecasted fund balance at September 30, 2018</b>	<b>1,308,226</b>

**CURRENT AND FORECASTED LIABILITIES**

		<b>Current</b>				
		<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>
<b>NEUSTAR - NANPA Administration</b>		188,876	270,484	195,484	195,484	195,484
- Payment authorized by the FCC in May April 2018	\$ 187,332					
- Authorization by the FCC has not been received for payment May 2018	\$ 188,876					
<b>NEUSTAR -1K Block Pooling</b>		303,677	302,322	258,989	316,375	258,989
- Payment authorized by the FCC in May April 2018	\$ 298,538					
- Authorization by the FCC has not been received for payment May 2018	\$ 303,677					
<b>Welch LLP - Billing &amp; Collection Agent</b>		28,410	28,410	28,410	28,410	28,410
- Payment authorized by the FCC in May April 2018	\$ 28,410					
- Authorization by the FCC has not been received for payment May 2018	\$ 28,410					
<b>USAC - Data Collection Agent</b>		6,237	6,237	6,237	6,237	6,451
- Payment authorized by the FCC in May April 2018	\$ 6,818					
- Authorization by the FCC has not been received for payment May 2018	\$ 6,237					
<b>Carrier audits</b>		-	-	-	-	-
<b>Bank Fees</b>			3,166	3,166	3,166	3,166
<b>Total</b>		<u>527,200</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 May 11th.

## **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 May 14th to all carriers with overdue balances regardless of amount. A total of 14 carriers were sent statements.

## **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 May 4 calls and 21 emails were received which is comparable to the prior year. Most queries are 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 May we received \$175.42 from Treasury for debts collected.