

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

To FCC Contract Oversight Sub-Committee

July 10, 2018

NANPA FUND
STATEMENT OF FINANCIAL POSITION
June 30, 2018

Assets

Cash in bank		\$ 2,921,737
Receivables		
Receivable from US Carriers	169,276	
Receivable from Canada	-	
Receivable from Caribbean countries	5,497	
Receivables forwarded to Treasury for collection	77,933	
Allowance for uncollectible accounts	<u>(93,750)</u>	<u>158,956</u>
Total assets		3,080,693
Less: Accrued liabilities		
Welch LLP	28,400	
NEUSTAR Pooling 1K Block	307,110	
NEUSTAR NANP Administration	255,545	
Data Collection Agent - USAC	6,237	
Treasury Deposits - see note below	<u>1,155</u>	<u>(598,447)</u>
Fund balance		<u>\$ 2,482,246</u>

The budget and contribution factor for funding year 2018/19 was submitted to the FCC for approval on June 26, 2018.

The amount due to NeuStar NANP Administration of \$307,110 include the Change Order #7 for \$68,120. The change order relates to INC Issue 830: NAS and PAS Email/Report Enhancements. This amount was provided for during the budget preparation for the 2017/18 budget period.

Treasury Deposits are receipts from Treasury for unpaid debt for which the specific details are still unknown at this time. These funds may need to be repaid Treasury.

**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	9,717	-	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	9,717	-	141,025	141,025	-	
Domestic Contributions - US carriers																	
		(1)	5,718,956	184,162	183,850	178,191	354,142	150,876	152,907	154,515	167,717	156,423	156,423	-	7,558,162	7,506,473	51,689
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	2,807	416	416	416	22,772	5,000	17,772
Total revenue			5,763,792	195,643	195,578	190,094	366,781	163,401	166,646	167,757	180,240	166,555	166,556	65,416	7,788,459	7,717,498	70,961
Expenses																	
NANPA Administration																	
		(4)	187,332	188,789	187,332	187,332	188,562	187,332	188,876	255,545	195,484	195,484	195,484	2,344,884	2,420,813	(75,929)	
1K Block Pooling																	
		(5)	255,804	257,795	254,315	303,465	257,581	282,672	255,205	260,343	263,777	258,989	258,989	3,167,924	3,199,475	(31,551)	
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	-	-	-	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	28,400	28,400	28,410	28,410	28,410	340,900	340,920	(20)	
	Data Collection Agent	(7)	6,843	6,927	5,798	7,113	6,253	6,593	6,462	6,818	6,666	6,237	6,237	6,451	78,398	74,844	3,554
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	1,501	3,166	3,166	39,869	38,000	1,869	
Carrier Audits																	
		(10)	-	-	-	-	-	-	-	-	-	-	-	200,000	(200,000)	-	
Bad debt expense																	
		(11)	(5,522)	(6,919)	32,260	6,680	(302)	(871)	544	(12,258)	335	3,333	3,333	3,333	23,946	40,000	(16,054)
Total expenses			691,015	696,625	555,177	626,359	526,640	549,831	524,147	518,061	599,557	495,619	553,005	495,833	6,831,869	7,102,418	(270,549)
Net revenue (expenses)			5,072,777	(500,982)	(359,599)	(436,265)	(159,859)	(386,430)	(357,501)	(350,304)	(419,317)	(329,064)	(386,449)	(430,417)	956,590	615,080	341,510
Opening fund balance			379,726	5,452,503	4,951,521	4,591,922	4,155,657	3,995,798	3,609,368	3,251,867	2,901,563	2,482,246	2,153,182	1,766,733	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	3,251,867	2,901,563	2,482,246	2,153,182	1,766,733	1,336,316	1,336,316	1,000,000	336,316
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	2,251,867	1,901,563	1,482,246	1,153,182	766,733	336,316	336,316	-	-
			5,452,503	4,951,521	4,591,922	4,155,657	3,995,798	3,609,368	3,251,867	2,901,563	2,482,246	2,153,182	1,766,733	1,336,316	1,336,316	1,000,000	336,316

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 cost of change order #7 of \$68,120. The budget had allowed for \$75,000 for this change order
- (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 June 30, 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	51,689
Late filing fees (reversal) for Form 499A	1,500
Underestimate of interest earned to date compared to budget	17,772
Pooling change order 3B - difference between budget and actual	9,804
NANP Admin - difference between budget and actual contract extension and change order #7 awarded and due to variable travel costs	75,929
Decrease in B&C Agent costs	20
Data Collection fees - Adjustment to actual from budget	(3,554)
Bad debts - Adjustment to actual from budget	16,054
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs and lower amount paid for change order #4	31,551
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	(1,869)
Forecasted fund balance at September 30, 2018	1,336,316

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2018 TO SEPTEMBER 2019**

Projection based on budget												
	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Projected Revenue												
International Contributions												
Canada	(1)	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,144
Caribbean countries	(1)	23,036	-	-	-	-	-	-	-	-	-	-
Total International Contributions		32,179	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,144
Domestic Contributions - US carriers	(1)	4,340,115	118,160	118,160	118,160	118,160	118,160	118,160	118,160	118,160	118,160	118,160
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	66,000
Interest income	(3)	500	500	500	500	500	500	500	500	500	500	500
Total projected revenue		4,372,794	127,803	127,803	127,803	127,803	127,803	127,803	127,803	127,803	127,803	193,804
Projected Expenses												
NANPA Administration	(4)	189,832	189,832	189,832	189,832	189,832	189,832	189,832	189,832	189,832	189,832	189,832
1K Block Pooling	(5)	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,988
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
Data Collection Agent - USAC	(7)	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Annual Operations Audit	(8)	-	-	-	48,000	-	-	-	-	-	-	-
Bank Charges	(9)	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166
Carrier Audits	(10)	-	-	-	-	200,000	-	-	-	-	-	-
Bad debt expense (recovery)	(11)	3,334	3,334	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333
Total projected expenses		490,232	490,232	490,232	538,232	690,231	490,231	490,231	490,230	490,230	490,230	490,229
Projected Net revenue (expenses)		3,882,562	(362,429)	(362,429)	(410,429)	(562,428)	(362,428)	(362,428)	(362,427)	(362,427)	(362,427)	(296,425)
Projected Opening fund balance		1,336,316	5,218,878	4,856,449	4,494,020	4,083,591	3,521,163	3,158,735	2,796,307	2,433,879	2,071,452	1,346,598
Projected Closing fund balance		5,218,878	4,856,449	4,494,020	4,083,591	3,521,163	3,158,735	2,796,307	2,433,879	2,071,452	1,346,598	1,050,173
Projected 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
Surplus		4,218,878	3,856,449	3,494,020	3,083,591	2,521,163	2,158,735	1,796,307	1,433,879	1,071,452	709,025	50,173
		5,218,878	4,856,449	4,494,020	4,083,591	3,521,163	3,158,735	2,796,307	2,433,879	2,071,452	1,346,598	1,050,173

Assumptions:

- (1) The contribution for October 2018 - September 2019 is based on proposed billings.
- (2) These estimated 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 expired July 8, 2017. The cost for NANPA administration is an estimate based on the last option year.
- (5) The 1K Block Pooling Administration contract expired July 14, 2017. The cost for Pooling Administration is provided for based on the amount provided in the final option year of the contract.
- (6) The cost of B&C Agent is based on the expected contract cost of \$28,410 per month
- (7) The expense for the Data Collection Agent is based on estimate of costs by USAC.
- (8) The cost of the annual operations audit is based on the cost of the prior year's history of billing from Ernst & Young LLP.
- (9) Bank fees are an expense to the Fund and are estimated based on prior years' history.
- (10) The budget allowed \$200,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible.

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on June 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 June 13th to all carriers with overdue balances. A total of 15 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 June 11 calls and 20 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

Jen Murray replaced Yanjie Zhang as bookkeeper. Jen will be performing bookkeeping and administrative tasks.

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.

Status of Audits

FCC Audit: We were given a listing by the auditors of the required documents and the due dates. We have been providing the FCC auditors with all of the documents by the required dates.

Independent Audit: The independent audit by Ernst & Young LLP of the financial statements and specified procedures will commence sometime near the end of November.

IPERIA: Annual risk assessment analysis completed and sent to the FCC and auditors in May, as well as the Entity Level Assessment as required by OMB Circular A-123. Testing and reporting for improper payments will take place at the end of September .

Accounts Receivable

In June we received \$25.42 from Treasury for debts collected.

CURRENT AND FORECASTED LIABILITIES

	Current						
	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
NEUSTAR - NANPA Administration	255,545	195,484	195,484	195,484	189,832	189,832	189,832
- Payment authorized by the FCC in June May 2018	\$ 188,876						
- Authorization by the FCC has not been received for payment June 2018		\$ 255,545					
NEUSTAR -1K Block Pooling	307,110	258,989	316,375	258,989	258,989	258,989	258,989
- Payment authorized by the FCC in June May 2018	\$ 303,677						
- Authorization by the FCC has not been received for payment June 2018		\$ 307,110					
Welch LLP - Billing & Collection Agent	28,400	28,410	28,410	28,410	28,410	28,410	28,410
- Payment authorized by the FCC in June May 2018	\$ 28,410						
- Authorization by the FCC has not been received for payment June 2018		\$ 28,400					
USAC - Data Collection Agent	6,237	6,237	6,237	6,451	6,500	6,500	6,500
- Payment authorized by the FCC in June May 2018	\$ 6,666						
- Authorization by the FCC has not been received for payment June 2018		\$ 6,237					
Carrier audits	-	-	-	-	-	-	-
Bank Fees	-	3,166	3,166	3,166	3,167	3,167	3,167
Total	597,292	492,286	549,672	492,500	486,898	486,898	486,898