

**Billing and Collection Agent Report
For period ending April 30, 2017
To B&C Working Group**

May 4, 2017

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
April 30, 2017**

Assets

| | | |
|---|----------|----------------------------|
| Cash Balance in bank account | | \$ 2,872,952 |
| Receivable from US Carriers | 134,279 | |
| Receivable from Canada | 9,741 | |
| Receivable from Caribbean countries | 1,038 | |
| Receivables forwarded to Treasury for collection | 80,122 | |
| Allowance for uncollectible accounts | (89,900) | 135,280 |
| | | |
| Total assets | | 3,008,232 |
| Less: Accrued liabilities (see below for makeup) | | (546,502) |
| | | |
| Fund balance | | <u>\$ 2,461,730</u> |

Makeup of Accrued Liabilities

| | | |
|------------------------------|-------------------|--|
| Welch LLP | 28,336 | |
| NEUSTAR Pooling 1K Block | 320,528 | |
| NEUSTAR NANP Administration | 191,884 | |
| Data Collection Agent - USAC | 5,754 | |
| | | |
| | \$ 546,502 | |

The FCC approved change order 3B which has added CLINs 15, 16, 17. The cost of CLIN 15 is \$748,500. \$325,000 will be paid during the current budget year with the remainder to be funded in 2017/18 budget year. CLIN 16 is not to exceed \$29,070 of which 50% of the cost will be paid int the current budget year and the remainder to be funded in the 2017/18 budget year. CLIN 17 is for \$43,333 per month covering a period from November 24/17 to June 30, 2018. This cost will be funded in the 2017/18 budget year.

NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2016 TO SEPTEMBER 2017

| | Actual | | | | | | Budget | | | | | Total | Budget | Variance between forecasted results and budget at Sept 30/17 | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|------------------|
| | Oct-16 | Nov-16 | Dec-16 | Jan-17 | Feb-17 | Mar-17 | Apr-17 | May-17 | Jun-17 | Jul-17 | Aug-17 | | | | Sep-17 |
| Revenue | | | | | | | | | | | | | | | |
| International Contributions | | | | | | | | | | | | | | | |
| Canada (1) | 19,483 | 9,742 | 9,741 | 9,741 | 9,741 | 9,741 | 9,741 | 9,741 | 9,741 | 9,741 | 9,741 | - | 116,894 | 116,894 | - |
| Caribbean countries (1) | 24,439 | - | - | - | - | - | - | - | - | - | - | - | 24,439 | 24,439 | - |
| Total International Contributions | 43,922 | 9,742 | 9,741 | 9,741 | 9,741 | 9,741 | 9,741 | 9,741 | 9,741 | 9,741 | 9,741 | - | 141,333 | 141,333 | - |
| Domestic Contributions - US carriers (1) | 4,440,157 | 141,285 | 142,274 | 144,440 | 147,472 | 142,291 | 136,967 | 142,291 | 142,291 | 142,291 | 142,291 | - | 5,864,050 | 5,775,123 | 88,927 |
| Late filing fees for Form 499A (2) | 2,300 | (800.00) | 800 | - | 400 | - | 400 | - | - | - | - | 80,000 | 83,100 | 80,000 | 3,100 |
| Interest income (3) | 470 | 587 | 904 | 388 | 295 | 481 | 342 | 417 | 416 | 416 | 416 | 416 | 5,548 | 5,000 | 548 |
| Total revenue | 4,486,849 | 150,814 | 153,719 | 154,569 | 157,908 | 152,513 | 147,450 | 152,449 | 152,448 | 152,448 | 152,448 | 80,416 | 6,094,031 | 6,001,456 | 92,575 |
| Expenses | | | | | | | | | | | | | | | |
| NANPA Administration (4) | 241,963 | 209,832 | 212,034 | 210,753 | 209,832 | 209,832 | 191,884 | 189,864 | 189,864 | 195,561 | 195,560 | 202,122 | 2,459,101 | 2,425,461 | 33,640 |
| 1K Block Pooling (5) | 353,567 | 257,865 | 255,403 | 255,291 | 256,157 | 255,641 | 266,361 | 258,989 | 258,989 | 258,989 | 258,989 | 258,989 | 3,195,229 | 3,107,867 | 87,362 |
| Pooling Change Order 3 B - CLIN 15 (5)(a) | - | - | - | - | - | - | 54,167 | 54,167 | 54,167 | 54,167 | 54,167 | 54,167 | 325,000 | - | 325,000 |
| - CLIN 16 (5)(b) | - | - | - | - | - | - | - | - | - | - | 7,268 | 7,268 | 14,535 | - | 14,535 |
| Billing and Collection | | | | | | | | | | | | | | | |
| Welch LLP (6) | 28,336 | 28,336 | 28,336 | 28,336 | 28,336 | 28,336 | 28,336 | 31,169 | 31,169 | 37,164 | 31,169 | 31,169 | 360,192 | 374,028 | (13,836) |
| Data Collection Agent (7) | 5,806 | 5,328 | 7,508 | 8,162 | 5,930 | 5,497 | 6,398 | 5,754 | 5,754 | 5,754 | 5,754 | 5,754 | 73,399 | 69,950 | 3,449 |
| Annual Operations Audit (8) | - | - | - | 46,000 | - | - | - | - | - | - | - | - | 46,000 | 47,000 | (1,000) |
| Bank Charges (9) | 4,132 | 6,031 | 5,171 | 3,185 | 3,111 | 2,480 | 2,429 | 3,083 | 3,083 | 3,083 | 3,083 | 3,083 | 41,954 | 37,000 | 4,954 |
| Carrier Audits (10) | - | - | - | - | - | - | - | - | - | - | - | - | - | 300,000 | (300,000) |
| Bad debt expense (11) | (5,648) | (3,287) | 29,958 | 8,096 | (3,810) | (6,600) | 739 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 36,113 | 40,000 | (3,887) |
| Total expenses | 628,156 | 504,105 | 538,410 | 559,823 | 499,556 | 495,186 | 550,314 | 546,359 | 546,359 | 558,051 | 559,322 | 565,883 | 6,551,523 | 6,401,306 | 150,217 |
| Net revenue (expenses) | 3,858,693 | (353,291) | (384,691) | (405,254) | (341,648) | (342,673) | (402,864) | (393,910) | (393,911) | (405,603) | (406,874) | (485,467) | 457,492 | 399,850 | (57,642) |
| Opening fund balance | 833,458 | 4,692,151 | 4,338,860 | 3,954,169 | 3,548,915 | 3,207,267 | 2,864,594 | 2,461,730 | 2,067,821 | 1,673,910 | 1,268,307 | 861,433 | 833,458 | 899,850 | (66,392) |
| Closing fund balance | 4,692,151 | 4,338,860 | 3,954,169 | 3,548,915 | 3,207,267 | 2,864,594 | 2,461,730 | 2,067,821 | 1,673,910 | 1,268,307 | 861,433 | 375,966 | 375,966 | 500,000 | (124,034) |
| Fund balance makeup: | | | | | | | | | | | | | | | |
| Contingency | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Surplus | 4,192,151 | 3,838,860 | 3,454,169 | 3,048,915 | 2,707,267 | 2,364,594 | 1,961,730 | 1,567,821 | 1,173,910 | 768,307 | 361,433 | (124,034) | (124,034) | - | - |
| | <u>4,692,151</u> | <u>4,338,860</u> | <u>3,954,169</u> | <u>3,548,915</u> | <u>3,207,267</u> | <u>2,864,594</u> | <u>2,461,730</u> | <u>2,067,821</u> | <u>1,673,910</u> | <u>1,268,307</u> | <u>861,433</u> | <u>375,966</u> | <u>375,966</u> | <u>500,000</u> | <u>500,000</u> |

Assumptions:

- (1) The US carrier contributions for the period from October 2016 to September 2017 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 cost of NANP administration is based on the contract in force until June 2017. Estimates are used for July to September 2017. \$130,000 is also added for potential change orders anticipated to be issued by Sep 2017.
- (5) The cost for 1K Block Pooling Administration is based on the contract in force until July 14, 2017. Estimates based on the existing contract amounts are used for July 15, 2017 to September 30, 2017.
- (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
- (6) The cost of B&C Agent is based on the current interim contract with Welch LLP in force until April 30, 2017 plus 10% as recommended by the FCC. The July fee includes \$5,995 for accounting software upgrades.
- (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 \$300,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible at April 30, 2017.

Reconciliation of forecast at September 30, 2017 to budget

| | |
|--|----------------|
| Budgeted fund balance at September 30, 2017 - contingency | 500,000 |
| Decrease in fund balance between budget period | (66,392) |
| Additional billings over estimate from budget | 88,927 |
| Late filing fees (reversal) for Form 499A | 3,100 |
| Underestimate of interest earned to date compared to budget | 548 |
| Pooling change order CLIN 15 - difference between budget and actual | (325,000) |
| Pooling change order CLIN 16 - difference between budget and actual | (14,535) |
| NANP Admin - difference between budget and actual contract awarded due to variable travel costs | 2,807 |
| NANP Admin - change orders issued | (36,447) |
| Decrease in B&C Agent costs - anticipated 10% increase not in effect as contract not yet renewed less software upgrade costs | 13,836 |
| Data Collection fees - Adjustment to actual from budget | (3,449) |
| Bad debts - Adjustment to actual from budget | 3,887 |
| 1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs | 7,838 |
| Pooling change orders | (95,200) |
| Carrier audits that will not be performed | 300,000 |
| Operations Audit - Adjustment to actual from budget | 1,000 |
| Bank fees - Adjustment to actual from budget | (4,954) |
| Forecasted fund balance at September 30, 2017 | 375,966 |

CURRENT AND FORECASTED LIABILITIES

| | Current | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|-------------------|
| | Apr-17 | May-17 | Jun-17 | Jul-17 | Aug-17 | Sep-17 |
| NEUSTAR - NANPA Administration | 191,884 | 189,864 | 189,864 | 195,561 | 195,560 | 202,122 |
| - Payment authorized by the FCC in April March 2017 | | | | | | |
| | | | | | | <u>\$ 209,832</u> |
| - Authorization by the FCC has not been received for payment April 2017 | | | | | | |
| | | | | | | <u>\$ 191,884</u> |
| NEUSTAR -1K Block Pooling & Change Order 3B | 320,528 | 313,156 | 313,156 | 313,156 | 320,423 | 320,422 |
| - Payment authorized by the FCC in April March 2017 | | | | | | |
| | | | | | | <u>\$ 255,642</u> |
| - Authorization by the FCC has not been received for payment April 2017 | | | | | | |
| | | | | | | <u>\$ 320,528</u> |
| Welch LLP - Billing & Collection Agent | 28,336 | 31,169 | 31,169 | 37,164 | 31,169 | 31,169 |
| - Payment authorized by the FCC in April March 2017 | | | | | | |
| | | | | | | <u>\$ 28,336</u> |
| - Authorization by the FCC has not been received for payment April 2017 | | | | | | |
| | | | | | | <u>\$ 28,336</u> |
| USAC - Data Collection Agent | 5,754 | 5,754 | 5,754 | 5,754 | 5,754 | 5,754 |
| - Payment authorized by the FCC in April February 2017 | | | | | | |
| | | | | | | 5,497 |
| March 2017 | | | | | | <u>\$ 6,398</u> |
| | | | | | | <u>\$ 11,895</u> |
| - Authorization by the FCC has not been received for payment April 2017 | | | | | | |
| | | | | | | <u>\$ 5,754</u> |
| Carrier audits | - | - | - | - | - | - |
| Ernst & Young LLP- Annual operations audit | - | - | - | - | - | - |
| Bank Fees | | 3,083 | 3,083 | 3,083 | 3,083 | 3,083 |
| Total | <u>546,502</u> | <u>543,026</u> | <u>543,026</u> | <u>554,718</u> | <u>555,989</u> | <u>562,550</u> |

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed 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 and mailed on April 3rd to carriers with outstanding balances greater than \$10.

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 7 calls and 11 emails were received. 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 an additional 2 months up to June 30, 2017.

Accounts Receivable

In April we received \$2,205.67 from Treasury for debts collected.