

**Billing and Collection Agent Report
For period ending May 31, 2017
To B&C Working Group**

June 12, 2017

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
May 31, 2017**

Assets

Cash Balance in bank account	\$	2,464,427
Receivable from US Carriers		145,427
Receivable from Canada		9,741
Receivable from Caribbean countries		890
Receivables forwarded to Treasury for collection		54,006
Allowance for uncollectible accounts		(67,400)
		142,664

Total assets **2,607,091**

Less: Accrued liabilities (see below for makeup) **(538,077)**

Fund balance **\$ 2,069,014**

Makeup of Accrued Liabilities

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	316,655	
NEUSTAR NANP Administration	187,332	
Data Collection Agent - USAC	5,754	
	538,077	\$

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	136,918	142,291	142,291	142,291	-	5,858,677	5,775,123	83,554
Late filing fees for Form 499A (2)	2,300	(800.00)	800	-	400	-	400	(100.00)	-	-	-	80,000	83,000	80,000	3,000
Interest income (3)	470	587	904	388	295	481	342	259	416	416	416	416	5,390	5,000	390
Total revenue	4,486,849	150,814	153,719	154,569	157,908	152,513	147,450	146,818	152,448	152,448	152,448	80,416	6,088,400	6,001,456	86,944
Expenses															
NANPA Administration (4)	241,963	209,832	212,034	210,753	209,832	209,832	191,884	187,332	189,864	195,561	195,560	202,122	2,456,569	2,425,461	31,108
1K Block Pooling (5)	353,567	257,865	255,403	255,291	256,157	255,641	266,361	262,488	258,989	258,989	258,989	258,988	3,198,728	3,107,867	90,861
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	28,336	37,164	31,169	31,169	31,169	357,359	374,028	(16,669)
Data Collection Agent (7)	5,806	5,328	7,508	8,162	5,930	5,497	6,398	6,381	5,754	5,754	5,754	5,754	74,026	69,950	4,076
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	2,122	3,083	3,083	3,083	3,083	40,993	37,000	3,993
Carrier Audits (10)	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	(300,000)
Bad debt expense (11)	(5,648)	(3,287)	29,958	8,096	(3,810)	(6,600)	739	(1,291)	3,333	3,333	3,333	3,333	31,489	40,000	(8,511)
Total expenses	628,156	504,105	538,410	559,823	499,556	495,186	550,314	539,535	552,354	552,056	559,322	565,883	6,544,699	6,401,306	143,393
Net revenue (expenses)	3,858,693	(353,291)	(384,691)	(405,254)	(341,648)	(342,673)	(402,864)	(392,717)	(399,906)	(399,608)	(406,874)	(485,467)	456,299	399,850	(56,449)
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	2,069,014	1,669,108	1,269,500	862,626	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	2,069,014	1,669,108	1,269,500	862,626	377,159	377,159	500,000	(122,841)
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	1,569,014	1,169,108	769,500	362,626	(122,841)	(122,841)	-	-
	<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>2,069,014</u>	<u>1,669,108</u>	<u>1,269,500</u>	<u>862,626</u>	<u>377,159</u>	<u>377,159</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 June 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 May 31, 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	83,554
Late filing fees (reversal) for Form 499A	3,000
Underestimate of interest earned to date compared to budget	390
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	5,339
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	16,669
Data Collection fees - Adjustment to actual from budget	(4,076)
Bad debts - Adjustment to actual from budget	8,511
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	4,339
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	(3,993)
Forecasted fund balance at September 30, 2017	377,159

NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2017 TO SEPTEMBER 2018

Projection based on budget												
	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Projected Revenue												
International Contributions												
Canada	(1)	9,416	9,416	9,416	9,416	9,415	9,415	9,415	9,415	9,415	9,415	9,415
Caribbean countries	(1)	23,672	-	-	-	-	-	-	-	-	-	-
Total International Contributions		33,088	9,416	9,416	9,416	9,415	9,415	9,415	9,415	9,415	9,415	9,415
Domestic Contributions - US carriers	(1)	4,995,024	168,110	168,110	168,110	168,110	168,110	168,110	168,110	168,110	168,110	168,110
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	65,000
Interest income	(3)	417	417	417	417	417	417	417	416	416	416	416
Total projected revenue		5,028,529	177,943	177,943	177,943	177,942	177,942	177,942	177,941	177,941	177,941	242,941
Projected Expenses												
NANPA Administration	(4)	195,485	195,485	195,485	195,485	195,484	195,484	195,484	195,484	195,484	195,484	195,484
1K Block Pooling	(5)	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989
Pooling Change Oder 3B												
- CLIN 15	(5)(a)	211,750	211,750	-	-	-	-	-	-	-	-	-
- CLIN 16	(5)(b)	7,268	7,267	-	-	-	-	-	-	-	-	-
- CLIN 17	(5)(c)	-	-	43,333	43,333	43,333	43,333	43,333	43,333	-	-	-
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
Data Collection Agent - USAC	(7)	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237
Annual Operations Audit	(8)	-	-	0	-	-	-	-	-	-	-	47,000
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		714,640	714,639	538,955	538,955	738,954	538,953	538,953	538,952	495,619	495,619	542,619
Projected Net revenue (expenses)		4,313,889	(536,696)	(361,012)	(361,012)	(561,012)	(361,011)	(361,011)	(361,011)	(361,011)	(317,678)	(317,678)
Projected Opening fund balance		377,159	4,691,048	4,154,352	3,793,340	3,432,328	2,871,316	2,510,306	2,149,295	1,788,284	1,427,273	1,109,595
Projected Closing fund balance		4,691,048	4,154,352	3,793,340	3,432,328	2,871,316	2,510,306	2,149,295	1,788,284	1,427,273	1,109,595	791,917
Projected 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
Surplus		4,191,048	3,654,352	3,293,340	2,932,328	2,371,316	2,010,306	1,649,295	1,288,284	927,273	609,595	291,917
		<u>4,691,048</u>	<u>4,154,352</u>	<u>3,793,340</u>	<u>3,432,328</u>	<u>2,871,316</u>	<u>2,510,306</u>	<u>2,149,295</u>	<u>1,788,284</u>	<u>1,427,273</u>	<u>1,109,595</u>	<u>791,917</u>

Assumptions:

- (1) The contribution for October 2017 - September 2018 is based on preliminary Form 499A figures provided by USAC in May 2017.
- (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 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.
- (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.
- (5)(a) CLIN15 is for \$748,500 for the period 3/22/17 to 11/24/17. \$325,000 is being billed before September 2017, the remaining is being billed in October and November 2017
- (5)(b) CLIN 16 is \$29,070 maximum, being billed from 7/31/17 to 11/24/17 (4 months)
- (5)(c) CLIN 17 is \$43,333/month for 11/24/17 to 6/30/18 (7 months)
- (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.

CURRENT AND FORECASTED LIABILITIES

	Current						
	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
NEUSTAR - NANPA Administration	187,332	189,864	195,561	195,560	202,122	195,485	195,485
- Payment authorized by the FCC in May April 2017	<u>\$ 191,884</u>						
- Authorization by the FCC has not been received for payment May 2017		<u>\$ 187,332</u>					
NEUSTAR -1K Block Pooling & Change Order 3B	316,655	313,156	313,156	320,423	320,422	478,007	478,006
- Payment authorized by the FCC in May April 2017	<u>\$ 320,528</u>						
- Authorization by the FCC has not been received for payment May 2017		<u>\$ 316,655</u>					
Welch LLP - Billing & Collection Agent	28,336	37,164	31,169	31,169	31,169	28,410	28,410
- Payment authorized by the FCC in May April 2017	<u>\$ 28,336</u>						
- Authorization by the FCC has not been received for payment May 2017		<u>\$ 28,336</u>					
USAC - Data Collection Agent	5,754	5,754	5,754	5,754	5,754	6,237	6,237
- Payment authorized by the FCC in May April 2017	6,398						
- Authorization by the FCC has not been received for payment May 2017		<u>\$ 5,754</u>					
Carrier audits	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	-	-	-	-	-	-	-
Bank Fees		3,083	3,083	3,083	3,083	3,167	3,167
Total	<u>538,077</u>	<u>549,021</u>	<u>548,723</u>	<u>555,989</u>	<u>562,550</u>	<u>711,306</u>	<u>711,305</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed on May 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 May 1st 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 May 5 calls and 15 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.

Upgrade to the accounting software was performed during the week of May 28th.

Accounts Receivable

In May we received \$392.34 from Treasury for debts collected.