

**Billing and Collection Agent Report
For period ending August 31, 2017
To B&C Working Group
September 6, 2017**

NANPA FUND
STATEMENT OF FINANCIAL POSITION
August 31, 2017

Assets

Cash in bank		\$ 1,284,264
Receivables		
Receivable from US Carriers	141,864	
Receivable from Canada	9,741	
Receivable from Caribbean countries	771	
Receivables forwarded to Treasury for collection	42,509	
Allowance for uncollectible accounts	<u>(54,300)</u>	<u>140,585</u>
Total assets		1,424,849
Less: Accrued liabilities		
Welch LLP	28,410	
NEUSTAR Pooling 1K Block	313,888	
NEUSTAR NANP Administration	189,608	
Data Collection Agent - USAC	<u>5,754</u>	<u>(537,660)</u>
Fund balance		<u>\$ 887,189</u>

**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	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	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	118,119	143,304	143,657	-	-	5,836,884	5,775,123	61,761	-
Late filing fees for Form 499A (2)	2,300	(800.00)	800	-	400	-	400	(100.00)	900	700	100	80,000	80,000	84,700	80,000	4,700	-
Interest income (3)	470	587	904	388	295	481	342	259	203	386	262	416	416	4,993	5,000	(7)	-
Total revenue	4,486,849	150,814	153,719	154,569	157,908	152,513	147,450	146,818	128,963	154,131	153,760	80,416	80,416	6,067,910	6,001,456	66,454	-
Expenses																	
NANPA Administration (4)	241,963	209,832	212,034	210,753	209,832	209,832	191,884	187,332	190,353	188,464	189,608	202,122	202,122	2,444,009	2,425,461	18,548	-
1K Block Pooling (5)	353,567	257,865	255,403	255,291	256,157	255,641	266,361	262,488	258,434	258,641	258,240	258,988	258,988	3,197,076	3,107,867	89,209	-
Pooling Change Order 3 B																	
- CLIN 15 (5)(a)	-	-	-	-	-	-	54,167	54,167	54,167	54,167	54,167	54,167	54,167	325,000	-	325,000	-
- CLIN 16 (5)(b)	-	-	-	-	-	-	-	-	-	-	1,482	7,268	7,268	8,750	-	8,750	-
Billing and Collection																	
Welch LLP (6)	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	34,405	28,484	28,410	31,169	31,169	349,156	374,028	(24,872)	-
Data Collection Agent (7)	5,806	5,328	7,508	8,162	5,930	5,497	6,398	6,381	6,297	6,355	6,502	5,754	5,754	75,918	69,950	5,968	-
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	2,102	2,072	1,887	3,083	3,083	37,805	37,000	805	-
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)	1,240	(431)	(6,367)	3,333	3,333	15,932	40,000	(24,068)	-
Total expenses	628,156	504,105	538,410	559,823	499,556	495,186	550,314	539,535	546,998	537,752	533,929	565,883	565,883	6,499,646	6,401,306	98,340	-
Net revenue (expenses)	3,858,693	(353,291)	(384,691)	(405,254)	(341,648)	(342,673)	(402,864)	(392,717)	(418,035)	(383,621)	(380,169)	(485,467)	(485,467)	(431,736)	(399,850)	(31,886)	-
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	1,650,979	1,267,358	887,189	887,189	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	1,650,979	1,267,358	887,189	401,722	401,722	401,722	500,000	(98,278)	-
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	1,150,979	767,358	387,189	(98,278)	(98,278)	-	-	-	-
	<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>1,650,979</u>	<u>1,267,358</u>	<u>887,189</u>	<u>401,722</u>	<u>401,722</u>	<u>401,722</u>	<u>500,000</u>	<u>-</u>	<u>-</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 August 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	61,761
Late filing fees (reversal) for Form 499A	4,700
Underestimate of interest earned to date compared to budget	(7)
Pooling change order CLIN 15 - difference between budget and actual	(325,000)
Pooling change order CLIN 16 - difference between budget and actual	(8,750)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	17,899
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	24,872
Data Collection fees - Adjustment to actual from budget	(5,968)
Bad debts - Adjustment to actual from budget	24,068
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	5,991
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	(805)
Forecasted fund balance at September 30, 2017	401,722

**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)	9,716	9,716	9,716	9,716	9,716	9,716	9,716	9,716	9,717	9,717	9,717	9,717
Caribbean countries (1)	24,429	-	-	-	-	-	-	-	-	-	-	-
Total International Contributions	34,145	9,716	9,716	9,716	9,716	9,716	9,716	9,716	9,717	9,717	9,717	9,717
Domestic Contributions - US carriers (1)	5,531,066	184,501	184,501	184,501	184,501	184,501	184,501	184,501	184,501	184,501	184,501	184,501
Late filing fees for Form 499A (2)	-	-	-	-	-	-	-	-	-	-	-	65,000
Interest income (3)	417	417	417	417	417	417	417	417	416	416	416	416
Total projected revenue	5,565,628	194,634	194,634	194,634	194,634	194,634	194,634	194,634	194,634	194,634	194,634	259,634
Projected Expenses												
NANPA Administration (4)	201,734	201,734	201,734	201,734	201,734	201,734	201,734	201,735	201,735	201,735	201,735	201,735
1K Block Pooling (5)	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,623
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	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	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	6,237
Annual Operations Audit (8)	-	-	-	-	-	-	-	-	-	-	-	47,000
Bank Charges (9)	3,167	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	3,333
Total projected expenses	728,523	728,522	552,838	552,838	752,837	552,837	552,837	552,838	552,837	509,504	509,504	556,503
Projected Net revenue (expenses)	4,837,105 (533,888) (358,204) (358,204) (558,203) (358,203) (358,203) (358,204) (358,203) (314,870) (314,870) (296,869)											
Projected Opening fund balance	401,722	5,238,827	4,704,939	4,346,735	3,988,531	3,430,328	3,072,125	2,713,922	2,355,718	1,997,515	1,682,645	1,367,775
Projected Closing fund balance	5,238,827	4,704,939	4,346,735	3,988,531	3,430,328	3,072,125	2,713,922	2,355,718	1,997,515	1,682,645	1,367,775	1,070,906
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	1,000,000
Surplus	4,238,827	3,704,939	3,346,735	2,988,531	2,430,328	2,072,125	1,713,922	1,355,718.17	997,515	682,645	367,775	70,906
	5,238,827	4,704,939	4,346,735	3,988,531	3,430,328	3,072,125	2,713,922	2,355,718	1,997,515	1,682,645	1,367,775	1,070,906

Assumptions:

- (1) The contribution for October 2017 - September 2018 is based on proposed actual 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 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 201
- (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

	<u>Current</u>						
	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>
NEUSTAR - NANPA Administration	189,608	202,122	201,734	201,734	201,734	201,734	201,734
- Payment authorized by the FCC in August July 2017	\$ <u>188,465</u>						
- Authorization by the FCC has not been received for payment August 2017		\$ <u>189,608</u>					
NEUSTAR -1K Block Pooling & Change Order 3B	313,888	320,422	485,641	485,640	309,956	309,956	309,956
- Payment authorized by the FCC in August July 2017	\$ <u>312,807</u>						
- Authorization by the FCC has not been received for payment August 2017		\$ <u>313,888</u>					
Welch LLP - Billing & Collection Agent	28,410	31,169	28,410	28,410	28,410	28,410	28,410
- Payment authorized by the FCC in August July 2017	\$ <u>28,410</u>						
- Authorization by the FCC has not been received for payment August 2017		\$ <u>28,410</u>					
USAC - Data Collection Agent	5,754	5,754	6,237	6,237	6,237	6,237	6,237
- Payment authorized by the FCC in August July 2017	\$ <u>6,501</u>						
- Authorization by the FCC has not been received for payment August 2017		\$ <u>5,754</u>					
Carrier audits	-	-	-	-	-	-	200,000
Ernst & Young LLP- Annual operations audit	-	-	-	-	-	-	-
Bank Fees	-	3,083	3,167	3,167	3,167	3,167	3,167
Total	<u>537,660</u>	<u>562,550</u>	<u>725,189</u>	<u>725,188</u>	<u>549,504</u>	<u>549,504</u>	<u>749,504</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed on August 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 and mailed on August 2nd 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 August 6 calls and 32 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 6 months up to December 31, 2017.

Accounts Receivable

We received \$295.29 from Treasury in August for debts collected.