

**Billing and Collection Agent Report
For period ending October 31, 2017**

To B&C Working Group

November 6, 2017

NANPA FUND
STATEMENT OF FINANCIAL POSITION
October 31, 2017

Assets

Cash in bank \$ 5,853,210

Receivables

Receivable from US Carriers	303,185	
Receivable from Canada	9,716	
Receivable from Caribbean countries	19,966	
Receivables forwarded to Treasury for collection	41,511	
Allowance for uncollectible accounts	<u>(83,500)</u>	<u>290,878</u>

Total assets

6,144,088

Less: Accrued liabilities

Welch LLP	28,410	
NEUSTAR Pooling 1K Block	469,606	
NEUSTAR NANP Administration	187,332	
Data Collection Agent - USAC	<u>6,237</u>	<u>(691,585)</u>

Fund balance

\$ 5,452,503

**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	9,717	9,717	9,717	9,716	9,716	9,716	9,716	9,716	9,716	9,716	9,716	-	116,596	116,596	-
Caribbean countries	(1)	24,429	-	-	-	-	-	-	-	-	-	-	-	-	24,429	24,429	-
Total International Contributions		43,862	9,717	9,717	9,717	9,716	9,716	9,716	9,716	9,716	9,716	9,716	9,716	-	141,025	141,025	-
Domestic Contributions - US carriers	(1)	5,718,956	184,501	184,501	184,501	184,501	184,501	184,501	184,501	184,501	184,501	184,501	184,501	-	7,563,966	7,506,473	57,493
Late filing fees for Form 499A	(2)	(200)	-	-	-	-	-	-	-	-	-	-	-	65,000	64,800	65,000	(200)
Interest income	(3)	1,174	417	417	417	417	417	417	416	416	416	416	416	416	5,757	5,000	757
Total revenue		5,763,792	194,635	194,635	194,635	194,634	194,634	194,634	194,634	194,633	194,633	194,633	194,633	65,416	7,775,548	7,717,498	58,050
Expenses																	
NANPA Administration	(4)	187,332	201,734	201,734	201,734	201,734	201,734	201,734	201,735	201,735	201,735	201,735	201,735	201,735	2,406,411	2,420,813	(14,402)
1K Block Pooling	(5)	255,804	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,622	3,188,656	3,199,475	(10,819)
Pooling Change Order 3 B																	
- CLIN 15	(5)(a)	211,750	211,750	-	-	-	-	-	-	-	-	-	-	-	423,500	423,500	-
- CLIN 16	(5)(b)	2,052	7,268	-	-	-	-	-	-	-	-	-	-	-	9,320	14,535	(5,215)
- CLIN 17	(5)(b)	-	-	43,333	43,333	43,333	43,333	43,333	43,333	43,333	-	-	-	-	303,331	303,331	-
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	28,410	340,920	340,920	-
Data Collection Agent	(7)	6,843	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,451	6,451	75,664	74,844	820
Annual Operations Audit	(8)	-	-	-	47,000	-	-	-	-	-	-	-	-	-	47,000	47,000	-
Bank Charges	(9)	4,346	3,167	3,167	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166	3,166	3,166	39,179	38,000	1,179
Carrier Audits	(10)	-	-	-	-	200,000	-	-	-	-	-	-	-	-	200,000	200,000	-
Bad debt expense	(11)	(5,522)	3,334	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	31,144	40,000	(8,856)
Total expenses		691,015	728,523	552,838	599,838	752,837	552,837	552,837	552,838	552,837	509,504	509,504	509,717	509,717	7,065,125	7,102,418	(37,293)
Net revenue (expenses)		5,072,777	(533,888)	(358,203)	(405,203)	(558,203)	(358,203)	(358,203)	(358,204)	(358,204)	(314,871)	(314,871)	(444,301)	(444,301)	710,423	615,080	95,343
Opening fund balance		379,726	5,452,503	4,918,615	4,560,412	4,155,209	3,597,006	3,238,803	2,880,600	2,522,396	2,164,192	1,849,321	1,534,450	1,534,450	379,726	384,920	(5,194)
Closing fund balance		5,452,503	4,918,615	4,560,412	4,155,209	3,597,006	3,238,803	2,880,600	2,522,396	2,164,192	1,849,321	1,534,450	1,090,149	1,090,149	1,090,149	1,000,000	90,149
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	1,000,000	-
Surplus		4,452,503	3,918,615	3,560,412	3,155,209	2,597,006	2,238,803	1,880,600	1,522,396	1,164,192	849,321	534,450	90,149	90,149	90,149	-	-
		<u>5,452,503</u>	<u>4,918,615</u>	<u>4,560,412</u>	<u>4,155,209</u>	<u>3,597,006</u>	<u>3,238,803</u>	<u>2,880,600</u>	<u>2,522,396</u>	<u>2,164,192</u>	<u>1,849,321</u>	<u>1,534,450</u>	<u>1,090,149</u>	<u>1,090,149</u>	<u>1,090,149</u>	<u>1,000,000</u>	<u>90,149</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.
- (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) 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
- (6) The cost of B&C Agent is based on the current interim contract with Welch LLP in force until April 30, 2017.
- (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 \$200,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible at October 31, 2017.

Reconciliation of forecast at September 30, 2018 to budget

Budgeted fund balance at September 30, 2018 - contingency	1,000,000
Increase in opening fund balance between budget period and actual	(5,194)
Additional billings over estimate from budget	57,493
Late filing fees (reversal) for Form 499A	(200)
Underestimate of interest earned to date compared to budget	757
Pooling change order 3B - difference between budget and actual	5,215
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	14,402
NANP Admin - change orders issued	-
Decrease in B&C Agent costs -	-
Data Collection fees - Adjustment to actual from budget	(820)
Bad debts - Adjustment to actual from budget	8,856
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	10,819
Pooling change orders	-
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	-
Bank fees - Adjustment to actual from budget	(1,179)
Forecasted fund balance at September 30, 2018	1,090,149

CURRENT AND FORECASTED LIABILITIES

		<u>Current</u>						
		<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>
NEUSTAR - NANPA Administration		187,332	201,734	201,734	201,734	201,734	201,734	201,734
- Payment authorized by the FCC in October September 2017	\$ 189,502							
- Authorization by the FCC has not been received for payment October 2017	\$ 187,332							
NEUSTAR -1K Block Pooling & Change Order 3B		469,606	485,641	309,956	309,956	309,956	309,956	309,956
- Payment authorized by the FCC in October September 2017	\$ 311,286							
- Authorization by the FCC has not been received for payment October 2017	\$ 469,606							
Welch LLP - Billing & Collection Agent		28,410	28,410	28,410	28,410	28,410	28,410	28,410
- Payment authorized by the FCC in October September 2017	\$ 28,410							
- Authorization by the FCC has not been received for payment October 2017	\$ 28,410							
USAC - Data Collection Agent		6,237	6,237	6,237	6,237	6,237	6,237	6,237
- Payment authorized by the FCC in October September 2017	\$ 5,754							
- Authorization by the FCC has not been received for payment October 2017	\$ 6,237							
Carrier audits		-	-	-	-	200,000	-	-
Ernst & Young LLP- Annual operations audit		-	-	-	47,000	-	-	-
Audit fee for the 2013/2014 fiscal audit	\$ 44,300							
Bank Fees			3,167	3,167	3,167	3,167	3,167	3,167
Total		<u>691,585</u>	<u>725,189</u>	<u>549,504</u>	<u>596,504</u>	<u>749,504</u>	<u>549,504</u>	<u>549,504</u>

Deliverables Report

Distributing invoices

The monthly for carriers were emailed/mailed on October 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 October 3rd to carriers with overdue outstanding balances greater than \$10 at that date. As well, statement of accounts were emailed/mailed on October 16th to carriers who had not paid their annual fees that were due on October 12th.

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 October 352 calls and 291 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. The increased queries are directly attributed to the mailout of the annual invoices. The number of emails is comparable to the prior year. Calls were higher this year than prior year mainly due to the timing of when reminder notices of overdue payment were sent. Last year the notices went out November 1st whereas this year we sent them out earlier on October 16th.

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 6 months up to December 31, 2017.

Accounts Receivable

We received \$246.27 from Treasury in September for debts collected.