

**Billing and Collection Agent Report
For period ending November 30, 2017**

To B&C Working Group

December 11, 2017

NANPA FUND
STATEMENT OF FINANCIAL POSITION
November 30, 2017

Assets

Cash in bank		\$ 5,401,854
Receivables		
Receivable from US Carriers	253,760	
Receivable from Canada	9,717	
Receivable from Caribbean countries	17,882	
Receivables forwarded to Treasury for collection	39,668	
Allowance for uncollectible accounts	<u>(75,700)</u>	<u>245,327</u>
Total assets		5,647,181
Less: Accrued liabilities		
Welch LLP	28,410	
NEUSTAR Pooling 1K Block	472,224	
NEUSTAR NANP Administration	188,789	
Data Collection Agent - USAC	<u>6,237</u>	<u>(695,660)</u>
Fund balance		<u>\$ 4,951,521</u>

The operational audit fieldwork was completed in November.

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	9,716	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	9,716	9,717	-	-	141,025	141,025	-
Domestic Contributions - US carriers (1)	5,718,956	184,162	184,501	184,501	184,501	184,501	184,501	184,501	184,501	184,501	184,501	184,501	-	7,563,627	7,506,473	57,154
Late filing fees for Form 499A (2)	(200)	-	-	-	-	-	-	-	-	-	-	-	65,000	64,800	65,000	(200)
Interest income (3)	1,174	1,765	417	417	417	417	417	417	416	416	416	416	416	7,105	5,000	2,105
Total revenue	5,763,792	195,643	194,635	194,635	194,634	194,634	194,634	194,634	194,634	194,633	194,633	194,634	65,416	7,776,557	7,717,498	59,059
Expenses																
NANPA Administration (4)	187,332	188,789	195,484	195,484	270,484	195,484	195,484	195,484	195,484	195,484	195,484	195,484	195,484	2,405,961	2,420,813	(14,852)
1K Block Pooling (5)	255,804	257,795	258,989	258,989	350,597	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	3,195,097	3,199,475	(4,378)
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	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	6,927	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,451	76,354	74,844	1,510
Annual Operations Audit (8)	-	-	-	47,000	-	-	-	-	-	-	-	-	-	47,000	47,000	-
Bank Charges (9)	4,346	7,194	3,167	3,167	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166	3,166	43,206	38,000	5,206
Carrier Audits (10)	-	-	-	-	200,000	-	-	-	-	-	-	-	-	200,000	200,000	-
Bad debt expense (11)	(5,522)	(6,919)	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	20,891	40,000	(19,109)
Total expenses	691,015	696,625	538,954	585,954	905,561	538,953	538,953	538,953	538,952	495,619	495,619	495,833		7,060,991	7,102,418	(41,427)
Net revenue (expenses)	5,072,777	(500,982)	(344,319)	(391,319)	(710,927)	(344,319)	(344,319)	(344,319)	(344,319)	(344,319)	(300,986)	(300,985)	(430,417)	715,566	615,080	100,486
Opening fund balance	379,726	5,452,503	4,951,521	4,607,202	4,215,883	3,504,956	3,160,637	2,816,318	2,471,999	2,127,680	1,826,694	1,525,709		379,726	384,920	(5,194)
Closing fund balance	5,452,503	4,951,521	4,607,202	4,215,883	3,504,956	3,160,637	2,816,318	2,471,999	2,127,680	1,826,694	1,525,709	1,095,292		1,095,292	1,000,000	95,292
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	3,951,521	3,607,202	3,215,883	2,504,956	2,160,637	1,816,318	1,471,999	1,127,680	826,694	525,709	95,292		95,292	-	-
	<u>5,452,503</u>	<u>4,951,521</u>	<u>4,607,202</u>	<u>4,215,883</u>	<u>3,504,956</u>	<u>3,160,637</u>	<u>2,816,318</u>	<u>2,471,999</u>	<u>2,127,680</u>	<u>1,826,694</u>	<u>1,525,709</u>	<u>1,095,292</u>		<u>1,095,292</u>	<u>1,000,000</u>	<u>95,292</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 November 30, 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	57,154
Late filing fees (reversal) for Form 499A	(200)
Underestimate of interest earned to date compared to budget	2,105
Pooling change order 3B - difference between budget and actual	9,804
NANP Admin - difference between budget and actual contract extension awarded and due to variable travel costs	14,852
NANP Admin - change orders issued	-
Decrease in B&C Agent costs -	-
Data Collection fees - Adjustment to actual from budget	(1,510)
Bad debts - Adjustment to actual from budget	19,109
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	4,378
Pooling change orders	-
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	-
Bank fees - Adjustment to actual from budget	(5,206)
Forecasted fund balance at September 30, 2018	1,095,292

CURRENT AND FORECASTED LIABILITIES

		<u>Current</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>	<u>May-18</u>
NEUSTAR - NANPA Administration		188,789	195,484	195,484	270,484	195,484	195,484	195,484
- Payment authorized by the FCC in October October 2017	\$ 187,332							
- Authorization by the FCC has not been received for payment November 2017	\$ 188,789							
NEUSTAR -1K Block Pooling & Change Order 3B		472,224	302,322	302,322	393,930	302,322	302,322	302,322
- Payment authorized by the FCC in October October 2017	\$ 469,606							
- Authorization by the FCC has not been received for payment November 2017	\$ 472,224							
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 October 2017	\$ 28,410							
- Authorization by the FCC has not been received for payment November 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 October 2017	\$ 6,927							
- Authorization by the FCC has not been received for payment November 2017	\$ 6,237							
Carrier audits		-	-	-	200,000	-	-	-
Ernst & Young LLP- Annual operations audit		-	-	47,000	-	-	-	-
Audit fee for the 2016/2017 fiscal audit	\$ 47,000							
Bank Fees			3,167	3,167	3,167	3,167	3,167	3,167
Total		<u>695,660</u>	<u>535,620</u>	<u>582,620</u>	<u>902,228</u>	<u>535,620</u>	<u>535,620</u>	<u>535,620</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on November 10th.

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 November 6th to carriers with overdue outstanding balances greater than \$10 at that date.

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 November 57 calls and 200 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 number of emails are lower and the number of calls were lower than last 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 did not receive any funds from Treasury in November for debts collected.