

**Billing and Collection Agent Report
For period ending August 31, 2018**

To FCC Contract Oversight Sub-Committee

September 5, 2018

NANPA FUND
STATEMENT OF FINANCIAL POSITION
August 31, 2018

Assets

Cash in bank		\$ 2,184,109
Receivables		
Receivable from US Carriers	161,602	
Receivable from Canada	-	
Receivable from Caribbean countries	5,518	
Receivables forwarded to Treasury for collection	77,663	
Allowance for uncollectible accounts	<u>(86,000)</u>	<u>158,783</u>
Total assets		2,342,892
Less: Accrued liabilities		
Welch LLP	28,400	
NEUSTAR Pooling 1K Block	256,066	
NEUSTAR NANP Administration	188,383	
Data Collection Agent - USAC	6,237	
Treasury Deposits - see note below	<u>706</u>	<u>(479,792)</u>
Fund balance		<u>\$ 1,863,100</u>

The budget and contribution factor for funding year 2018/19 was approved by the FCC on July 27, 2018.

Treasury Deposits are receipts from Treasury for unpaid debt for which the specific details are still unknown at this time. These funds may need to be repaid Treasury.

Invoices for annual fees will be sent out on September 12th.

**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	9,717	-	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	183,850	178,191	354,142	150,876	152,907	154,515	167,717	156,908	160,508	-	7,562,732	7,506,473	56,259	-
Late filing fees for Form 499A	(2)	(200)	-	200	100	(200)	300	700.00	600.00	-	400.00	600.00	65,000	67,500	65,000	2,500	-
Interest income	(3)	1,174	1,765	1,811	2,086	3,123	2,509	3,323	2,926	2,807	2,654	2,268	416	26,862	5,000	21,862	-
Total revenue		5,763,792	195,643	195,578	190,094	366,781	163,401	166,646	167,757	180,240	169,678	173,093	65,416	7,798,119	7,717,498	80,621	-
Expenses																	
NANPA Administration	(4)	187,332	188,789	187,332	187,332	188,562	187,332	187,332	188,876	255,545	187,743	188,383	195,484	2,330,042	2,420,813	(90,771)	-
1K Block Pooling	(5)	255,804	257,795	254,315	303,465	257,581	282,672	255,205	260,343	263,777	255,674	256,066	258,989	3,161,686	3,199,475	(37,789)	-
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	-	-
Pooling Change Order #6	(5)(c)	-	-	-	-	-	-	-	-	-	-	-	20,053	20,053	-	20,053	-
Pooling Change Order #7	(5)(d)	-	-	-	-	-	-	-	-	-	-	-	37,333	37,333	-	37,333	-
Billing and Collection																	
Welch LLP	(6)	28,410	28,410	28,410	28,410	28,410	28,410	28,410	28,400	28,400	28,400	28,400	28,400	340,870	340,920	(50)	-
Data Collection Agent	(7)	6,843	6,927	5,798	7,113	6,253	6,593	6,462	6,818	6,666	6,599	6,535	6,451	79,058	74,844	4,214	-
Annual Operations Audit	(8)	-	-	-	47,000	-	-	-	-	-	-	-	-	47,000	47,000	-	-
Bank Charges	(9)	4,346	7,194	3,729	3,026	2,803	2,362	2,861	2,549	1,501	1,940	2,058	3,166	37,535	38,000	(465)	-
Carrier Audits	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	(200,000)	-
Bad debt expense	(11)	(5,522)	(6,919)	32,260	6,680	(302)	(871)	544	(12,258)	335	1,998	(1,879)	3,333	17,399	40,000	(22,601)	-
Total expenses		691,015	696,625	555,177	626,359	526,640	549,831	524,147	518,061	599,557	482,354	479,563	553,209	6,802,538	7,102,418	(299,880)	-
Net revenue (expenses)		5,072,777	(500,982)	(359,599)	(436,265)	(159,859)	(386,430)	(357,501)	(350,304)	(419,317)	(312,676)	(306,470)	(487,793)	995,581	615,080	380,501	-
Opening fund balance		379,726	5,452,503	4,951,521	4,591,922	4,155,657	3,995,798	3,609,368	3,251,867	2,901,563	2,482,246	2,169,570	1,863,100	379,726	384,920	(5,194)	-
Closing fund balance		5,452,503	4,951,521	4,591,922	4,155,657	3,995,798	3,609,368	3,251,867	2,901,563	2,482,246	2,169,570	1,863,100	1,375,307	1,375,307	1,000,000	375,307	-
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	-	-
Surplus		4,452,503	3,951,521	3,591,922	3,155,657	2,995,798	2,609,368	2,251,867	1,901,563	1,482,246	1,169,570	863,100	375,307	375,307	-	-	-
		5,452,503	4,951,521	4,591,922	4,155,657	3,995,798	3,609,368	3,251,867	2,901,563	2,482,246	2,169,570	1,863,100	1,375,307	1,375,307	1,000,000	375,307	-

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. It also includes the cost of change order #7 of \$68,120. The budget had allowed for \$75,000 for this change order
- (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. The costs included anticipated change order #4
- (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
- (5)(c) Pooling CO #6 addresses INC changes to the Thousands-Block Pooling Administration Guidelines
- (5)(d) Pooling CO #7 addresses INC changes to the Guidelines related to Pooling Administration activities when a code holder voluntarily returns or abandons an NXX code.
- (6) The cost of B&C Agent is based on the contract with Welch LLP
- (7) The expense for the Data Collection Agent is based on an allocation 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. Per the FCC, this will not be expended during this funding period.
- (11) The bad debt expense includes all additional accounts considered potentially uncollectible at August 31, 2018.

Reconciliation of forecast at September 30, 2018 to budget

Budgeted fund balance at September 30, 2018 - contingency	1,000,000
Decrease in opening fund balance between budget period and actual	(5,194)
Additional billings over estimate from budget	56,259
Late filing fees (reversal) for Form 499A	2,500
Underestimate of interest earned to date compared to budget	21,862
Pooling change order 3B - difference between budget and actual	9,804
NANP Admin - difference between budget and actual contract extension and change order #7 awarded and due to variable travel costs	90,771
Decrease in B&C Agent costs	50
Data Collection fees - Adjustment to actual from budget	(4,214)
Bad debts - Adjustment to actual from budget	22,601
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs and lower amount paid for change order #4	37,789
Pooling change orders #6 and #7	(57,386)
Carrier audits that will not be performed	200,000
Operations Audit - Adjustment to actual from budget	-
Bank fees - Variance between actual and budget	465
Forecasted fund balance at September 30, 2018	1,375,307

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2018 TO SEPTEMBER 2019**

Projection based on budget												
	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Projected Revenue												
International Contributions												
Canada	(1)	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,144
Caribbean countries	(1)	23,036	-	-	-	-	-	-	-	-	-	-
Total International Contributions		32,179	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,144
Domestic Contributions - US carriers	(1)	4,412,912	118,160	118,160	118,160	118,160	118,160	118,160	118,160	118,160	118,160	118,160
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	66,000
Interest income	(3)	500	500	500	500	500	500	500	500	500	500	500
Total projected revenue		4,445,591	127,803	127,803	127,803	127,803	127,803	127,803	127,803	127,803	127,803	193,804
Projected Expenses												
NANPA Administration	(4)	189,832	189,832	189,832	189,832	189,832	189,832	189,832	189,832	189,832	189,832	189,832
1K Block Pooling	(5)	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,989	258,988
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)	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Annual Operations Audit	(8)	-	-	-	48,000	-	-	-	-	-	-	-
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		490,232	490,232	490,232	538,232	690,231	490,231	490,231	490,230	490,230	490,230	490,229
Projected Net revenue (expenses)		3,955,359	(362,429)	(362,429)	(410,429)	(562,428)	(362,428)	(362,428)	(362,427)	(362,427)	(362,427)	(296,425)
Projected Opening fund balance		1,375,307	5,330,666	4,968,237	4,605,808	4,195,379	3,632,951	3,270,523	2,908,095	2,545,667	2,183,240	1,458,386
Projected Closing fund balance		5,330,666	4,968,237	4,605,808	4,195,379	3,632,951	3,270,523	2,908,095	2,545,667	2,183,240	1,820,813	1,161,961
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
Surplus		4,330,666	3,968,237	3,605,808	3,195,379	2,632,951	2,270,523	1,908,095	1,545,667.00	1,183,240	820,813	161,961
		5,330,666	4,968,237	4,605,808	4,195,379	3,632,951	3,270,523	2,908,095	2,545,667	2,183,240	1,820,813	1,161,961

Assumptions:

- (1) The contribution for October 2018 - September 2019 is based on proposed 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 expired July 8, 2017. The cost for NANPA administration is an estimate based on the last option year.
- (5) The 1K Block Pooling Administration contract expired July 14, 2017. The cost for Pooling Administration is provided for based on the amount provided in the final option year of the contract.
- (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 bad debt expense covers all accounts considered potentially uncollectible for fees billed for the 2018-19 funding year.

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on August 13th.

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/mailed on August 13th to all carriers with overdue balances. 14 carriers were sent statements.

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 the resolution date. In August 6 calls and 10 emails were received which is comparable to the prior year. Most queries are 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

There have been no changes to staffing this month.

Contract Renewal

The Billing and Collection Agent contract was awarded to Welch LLP in April 2018. The contract is for a 5 year period from May 1, 2018 to April 30, 2023.

Status of Audits

FCC Audit: We were given a listing by the auditors of the required documents and the due dates. We have been providing the FCC auditors with all of the documents by the required dates.

Independent Audit: The independent audit by Ernst & Young LLP of the financial statements and specified procedures will commence sometime near the end of November.

IPERIA: Annual risk assessment analysis completed and sent to the FCC and auditors in May, as well as the Entity Level Assessment as required by OMB Circular A-123. Testing and reporting for improper payments will take place at the end of September .

Accounts Receivable

We did not receive any funds in August from Treasury for debts collected.

CURRENT AND FORECASTED LIABILITIES

	Current						
	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
NEUSTAR - NANPA Administration	188,383	195,484	189,832	189,832	189,832	189,832	189,832
- Payment authorized by the FCC in July July 2018	\$ 187,743						
- Authorization by the FCC has not been received for payment August 2018		\$ 188,383					
NEUSTAR -1K Block Pooling	256,066	316,375	258,989	258,989	258,989	258,989	258,989
- Payment authorized by the FCC in July July 2018	\$ 307,110						
- Authorization by the FCC has not been received for payment August 2018		\$ 256,066					
Welch LLP - Billing & Collection Agent	28,400	28,400	28,410	28,410	28,410	28,410	28,410
- Payment authorized by the FCC in July July 2018	\$ 28,400						
- Authorization by the FCC has not been received for payment August 2018		\$ 28,400					
USAC - Data Collection Agent	6,237	6,451	6,500	6,500	6,500	6,500	6,500
- Payment authorized by the FCC in July July 2018	\$ 6,599						
- Authorization by the FCC has not been received for payment August 2018		\$ 6,237					
Carrier audits	-	-	-	-	-	-	200,000
Ernst & Young LLP- Annual operations audit	-	-	-	-	-	48,000	0
Bank Fees		3,166	3,167	3,167	3,167	3,167	3,167
Total	479,086	549,876	486,898	486,898	486,898	534,898	686,898