

**Billing and Collection Agent Report
For period ending December 31, 2019**

To FCC Contract Oversight Sub-Committee

January 9, 2020

NANPA FUND
STATEMENT OF FINANCIAL POSITION
December 31, 2019

Assets

Cash in bank	\$	7,924,528
Receivables		
Receivable from US Carriers	23,086	
Receivable from Canada	-	
Receivable from Caribbean countries	11,379	
Receivables forwarded to Treasury for collection	48,185	
Allowance for uncollectible accounts	<u>(98,000)</u>	<u>(15,350)</u>
Total assets		7,909,178
Less: Accrued liabilities		
Welch LLP	28,400	
SOMOS - NANPA	242,060	
SOMOS - Pooling	325,192	
Data Collection Agent - USAC	<u>6,500</u>	
		<u>(602,152)</u>
Fund balance	\$	<u><u>7,307,026</u></u>

There is approximately \$32,785 of credit balances included in the accounts receivable balance. Approximately 50% of this amount is mainly due to overpayments from carriers which cannot be refunded due to red light status. In December the billings resulted in approximately \$15,000 of credits being issued, mainly due to one carrier whose principal business activity status changed to not being required to fund NANP activities as one of the exempt business activities.

**NANP FUND
STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2019 TO SEPTEMBER 2020**

	Actual			Forecasted									Total	Budget	Variance between forecasted results and budget at Sept 30/20	
	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20				
Revenue																
International Contributions																
Canada (1)	35,710	17,855	17,855	17,855	17,855	17,855	17,855	17,855	17,855	17,856	17,856	17,856	-	214,263	214,263	-
Caribbean countries (1)	43,355	-	-	-	-	-	-	-	-	-	-	-	-	43,355	43,355	-
Total International Contributions	79,065	17,855	17,855	17,855	17,855	17,855	17,855	17,855	17,855	17,856	17,856	17,856	-	257,618	257,618	-
Domestic Contributions - US carriers (1)	9,607,193	163,514	163,309	164,254	164,254	164,254	164,254	164,254	164,254	164,254	164,254	164,254	-	11,248,048	11,178,803	69,245
Late filing fees for Form 499A (2)	(2,600)	(100)	900	-	-	-	-	-	-	-	-	-	80,000	78,200	80,000	(1,800)
Interest income (3)	7,270	7,028	6,843	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	43,641	30,000	13,641
Total revenue	9,690,928	188,297	188,907	184,609	184,609	184,609	184,609	184,609	184,610	184,610	184,610	184,610	82,500	11,627,507	11,546,421	81,086
Expenses																
NANPA Administration - Somos (4)(a)	240,833	240,833	242,060	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	2,913,723	2,919,996	6,273
NANPA Administration - transition costs (4)(b)	-	-	-	-	-	-	240,833	240,833	-	-	-	-	-	481,666	481,666	-
NANPA Administration - Change Order A (4)(c)	-	12,360	-	-	-	-	-	-	-	-	-	-	-	12,360	-	(12,360)
1K Block Pooling - Somos (5)(a)	314,585	314,585	325,192	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	3,830,627	3,835,020	4,393
1K Block Pooling - Transition Costs (5)(b)	-	-	-	-	-	-	314,585	314,585	-	-	-	-	-	629,170	629,170	-
1K Block Pooling - Change Order A (5)(c)	-	59,217	-	-	-	-	-	-	-	-	-	-	-	59,217	-	(59,217)
Billing and Collection																
Welch LLP (6)	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	340,800	340,800	-
Data Collection Agent (7)	6,178	6,159	6,158	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	76,995	78,000	1,005
Annual Operations Audit (8)	-	-	49,000	-	-	-	-	-	-	-	-	-	-	49,000	49,000	-
Bank Charges (9)	5,073	10,356	2,506	3,167	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166	3,166	46,434	38,000	(8,434)
Carrier Audits (10)	-	-	-	-	200,000	-	-	-	-	-	-	-	-	200,000	200,000	-
Bad debt expense (11)	15,680	(17,634)	4,095	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	32,139	40,000	7,861
Total expenses	610,749	654,276	657,411	604,319	804,318	604,318	1,159,736	1,159,736	604,317	604,317	604,317	604,317	604,317	8,672,131	8,611,652	(60,479)
Net revenue (expenses)	9,080,179	(465,979)	(468,504)	(419,710)	(619,709)	(419,709)	(975,127)	(975,127)	(419,707)	(419,707)	(419,707)	(419,707)	(521,817)	2,955,376	2,934,769	20,607
Opening fund balance	(838,670)	8,241,509	7,775,530	7,307,026	6,887,316	6,267,607	5,847,898	4,872,771	3,897,644	3,477,937	3,058,230	2,638,523	(838,670)	(934,769)	96,099	
Closing fund balance	8,241,509	7,775,530	7,307,026	6,887,316	6,267,607	5,847,898	4,872,771	3,897,644	3,477,937	3,058,230	2,638,523	2,116,706	2,116,706	2,000,000	2,000,000	116,706
Fund balance makeup:																
Contingency	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-
Surplus (deficit)	6,241,509	5,775,530	5,307,026	4,887,316	4,267,607	3,847,898	2,872,771	1,897,644	1,477,937	1,058,230	638,523	116,706	116,706	-	-	-
	8,241,509	7,775,530	7,307,026	6,887,316	6,267,607	5,847,898	4,872,771	3,897,644	3,477,937	3,058,230	2,638,523	2,116,706	2,116,706	2,000,000	2,000,000	116,706

Assumptions:

- (1) The US carrier contributions for the period from October 2019 to September 2020 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 is based on actual amounts received.
- (4)(a) The NANPA Administration contract with Somos expires Oct 31/19. The contract was extended on the same terms for another 6 month period with two 3 month extension options.
- (4)(b) This is an additional two months of Somos NANPA Administration transitional costs if a new administrator is awarded.
- (4)(c) Change Order to combine the Central Office Code Assignment Guidelines and Thousands Block Administration Guidelines into one document
- (5)(a) The 1K Block Pooling Administration contract with Somos expire Oct 31/19. The contract was extended on the same terms for another 6 month period with two 3 month extension options.
- (5)(b) This is an additional two months of Somos 1K Block Pooling transitional costs if a new administrator is awarded as budgeted.
- (5)(c) Change Order to combine the Central Office Code Assignment Guidelines and Thousands Block Administration Guidelines into one document
- (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 allows \$200,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible at December 31, 2019.

Reconciliation of actual to budget

Budgeted fund balance at September 30, 2020 - contingency	2,000,000
Increase in opening fund balance between budget period and actual	96,099
Additional billings over estimate from budget	69,245
Late filing fees (reversal) for Form 499A	(1,800)
Underestimate of interest earned to date compared to budget	13,641
Somos - NANPA Administration - adjustment to actual from budget	6,273
Somos - Pooling - adjustment to actual from budget	4,393
Somos - NANPA Administration Change Order A	(12,360)
Somos - Pooling Change Order A	(59,217)
Data Collection fees - Adjustment to actual from budget	1,005
Bad debts - Adjustment to actual from budget	7,861
Carrier audits that will not be performed	-
Bank fees - Variance between actual and budget	(8,434)
Forecasted fund balance at September 30, 2020	2,116,706

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on December 12th.

Processing Payments

Payment information from the lockbox service at Bank of America is downloaded on a daily basis. The deposit information is recorded daily.

Late/Absent Payments

Demand notices and statements of account were emailed/mailed on December 13th to all carriers with overdue balances. A total of 528 demand notices and statements of account were sent out. This is less than the prior year.

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 MS Access database including the date, Filer ID, nature of query, name of person making the request, who responded to the query and the resolution date. In December 34 calls and 97 emails were received which is slightly higher than 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 Renewals

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.

The initial contract with Somos for the NANPA Administration and 1K Pooling contracts covered the period from November 1, 2018 to October 31, 2019. The contracts was extended for an additional 6 months with two 3 month extension options under the same terms.

Status of Audits

FCC Audit: The FCC audit is completed for fiscal 2019.

Independent Audit: The independent audit by Ernst & Young LLP of the financial statements and specified procedures commenced in November. The financial statement audit report was issued December 13, 2019. The specified procedures audit report is expected to be completed in January 2020.

IPERIA: A kick-off meeting was held in November with the FCC and the auditors. Documentation requested by the auditors in December with a due date of December 23, 2019 was submitted December 16, 2019.

Deliverable Reports Submission Dates

Monthly SSF 224 report - submitted on January 6, 2020

Quarterly Report on Fund Performance and Statement of Financial Position - submitted January 8, 2020

Quarterly Crosswalk reporting package - submitted January 8, 2020

Treasury Report on Receivables - due by January 17, 2020

November COSC report - submitted on December 5, 2019

Accounts Receivable

In December we received \$315.71 from Treasury for debts collected.

At the end of December there are 482 out of the 6040 invoices issued still outstanding, representing \$62,630.81. Payment for these invoices was due October 15, 2019. Invoices still unpaid as of January 10, 2020 will be sent to Treasury for collections. The number of invoices outstanding is less than in prior year at the same same date. In December 2018, there were 702 invoice outstanding at December 31, 2018 from the September 2018 billing.

CURRENT AND FORECASTED LIABILITIES

	Current						
	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
NANPA Administration - SOMOS	242,060	243,333	243,333	243,333	484,166	484,166	243,333
- Payment authorized by the FCC in December							
Nov-19	\$ 253,193						
- Authorization by the FCC has not been received for payment							
Dec-19	\$ 242,060						
1K Block Pooling - SOMOS	325,192	319,585	319,585	319,585	634,170	634,170	319,585
- Payment authorized by the FCC in December							
Nov-19	\$ 373,802						
- Authorization by the FCC has not been received for payment							
Dec-19	\$ 325,192						
Welch LLP - Billing & Collection Agent	28,400	28,400	28,400	28,400	28,400	28,400	28,400
- Payment authorized by the FCC in December							
Nov-19	\$ 28,400						
- Authorization by the FCC has not been received for payment							
Dec-19	\$ 28,400						
USAC - Data Collection Agent	6,500	6,500	6,500	6,500	6,500	6,500	6,500
- Payment authorized by the FCC in December							
Nov-19	\$ 6,158						
- Authorization by the FCC has not been received for payment							
Dec-19	estimate \$ 6,500						
Carrier audits	-	-	200,000	-	-	-	-
Ernst & Young LLP- Annual operations audit	-	-	-	-			
Bank Fees		3,167	3,167	3,167	3,167	3,167	3,166
Total	602,152	600,985	800,985	600,985	1,156,403	1,156,403	600,984