

**Billing and Collection Agent Report
For period ending November 30, 2018**

To FCC Contract Oversight Sub-Committee

December 10, 2018

NANPA FUND
STATEMENT OF FINANCIAL POSITION
November 30, 2018

Assets

Cash in bank		\$ 5,489,371
Receivables		
Receivable from US Carriers	190,075	
Receivable from Canada	9,143	
Receivable from Caribbean countries	10,768	
Receivables forwarded to Treasury for collection	72,548	
Allowance for uncollectible accounts	<u>(119,000)</u>	<u>163,534</u>
Total assets		5,652,905

Less: Accrued liabilities

Welch LLP	28,400	
NEUSTAR - Pooling	258,777	
NEUSTAR NANP - Administration	188,201	
Somos, Inc - NANPA	240,833	
Somos, Inc - Pooling	314,855	
Data Collection Agent - USAC	6,500	
Treasury Deposits - see note below	<u>706</u>	<u>(1,038,272)</u>

Fund balance \$ 4,614,633

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.

NANP FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE BASED ON NO DEFERRAL OF SOMOS PAYMENT
OCTOBER 2018 TO SEPTEMBER 2019

	Actual		Forecasted										Total	Budget	Variance between forecasted results and budget at Sept 30/19		
	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19					
Revenue																	
International Contributions																	
Canada (1)	18,286	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,144	-	109,717	109,717	-	
Caribbean countries (1)	23,036	-	-	-	-	-	-	-	-	-	-	-	-	23,036	23,036	-	
Total International Contributions	41,322	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,144	-	132,753	132,753	-	
Domestic Contributions - US carriers (1)	4,538,876	115,084	118,160	118,160	118,160	118,160	118,160	118,160	118,160	118,160	118,160	118,160	-	5,717,400	5,639,875	77,525	
Late filing fees for Form 499A (2)	(1,300)	(400)	-	-	-	-	-	-	-	-	-	-	66,000	64,300	66,000	(1,700)	
Interest income (3)	6,155	5,244	500	500	500	500	500	500	500	500	500	500	500	16,399	6,000	10,399	
Total revenue	4,585,053	129,071	127,803	127,803	127,803	127,803	127,803	127,803	127,803	127,803	127,803	127,804	66,500	5,930,852	5,844,628	86,224	
Expenses																	
NANPA Administration - Somos (4)(a)	-	240,833	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	2,674,163	2,088,152	(586,011)	
NANPA Administration - Neustar (4)(b)	187,332	-	-	-	-	-	-	-	-	-	-	-	-	187,332	189,832	2,500	
NANPA Administration - Neustar (4)(b)	-	188,201	190,332	-	-	-	-	-	-	-	-	-	-	378,533	-	(378,533)	
NANPA Administration - Neustar transition (4)(c)	-	-	270,602	-	-	-	-	-	-	-	-	-	-	270,602	-	(270,602)	
1K Block Pooling - Somos (5)(a)	-	314,855	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	3,510,705	2,848,879	(661,826)	
1K Block Pooling - Neustar (5)(b)	257,128	-	-	-	-	-	-	-	-	-	-	-	-	257,128	258,988	1,860	
1K Block Pooling - Neustar (5)(b)	-	258,777	258,988	-	-	-	-	-	-	-	-	-	-	517,765	-	(517,765)	
1K Block Pooling - Neustar (5)(c)	-	-	270,602	-	-	-	-	-	-	-	-	-	-	270,602	-	(270,602)	
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	340,920	120	
Data Collection Agent (7)	6,637	6,586	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	78,223	78,000	(223)	
Annual Operations Audit (8)	-	-	-	48,000	-	-	-	-	-	-	-	-	-	-	48,000	-	48,000
Bank Charges (9)	3,835	7,530	3,167	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166	3,166	3,166	43,031	38,000	(5,031)	
Carrier Audits (10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000	
Bad debt expense (11)	(525)	(4,449)	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	28,358	40,000	11,642	
Total expenses	482,807	1,040,733	1,594,843	652,319	604,318	604,318	604,318	604,318	604,317	604,317	604,317	604,317	604,317	8,605,242	6,130,771	(2,474,471)	
Net revenue (expenses)	4,102,246	(911,662)	(1,467,040)	(524,516)	(476,515)	(476,515)	(476,515)	(476,515)	(476,514)	(476,514)	(476,513)	(537,817)	(2,674,390)	(286,143)	(2,388,247)		
Opening fund balance	1,424,049	5,526,295	4,614,633	3,147,593	2,623,077	2,146,562	1,670,047	1,193,532	717,017	240,503	(236,011)	(712,524)	(1,250,341)	1,424,049	1,286,143	137,906	
Closing fund balance	5,526,295	4,614,633	3,147,593	2,623,077	2,146,562	1,670,047	1,193,532	717,017	240,503	(236,011)	(712,524)	(1,250,341)	(1,250,341)	1,000,000	(2,250,341)		
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	4,526,295	3,614,633	2,147,593	1,623,077	1,146,562	670,047	193,532	(282,983)	(759,497)	(1,236,011)	(1,712,524)	(2,250,341)	(2,250,341)	-	-	-	
	5,526,295	4,614,633	3,147,593	2,623,077	2,146,562	1,670,047	1,193,532	717,017	240,503	(236,011)	(712,524)	(1,250,341)	(1,250,341)	1,000,000	(2,250,341)		

Assumptions:

- (1) The US carrier contributions for the period from October 2018 to September 2019 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)(a) The NANPA Administration contract for Somos covers the period from November 1/18 to October 31/19
- (4)(b) The NANPA Administration contract extension for NeuStar covers the period from October 1/18 to December 31/18
- (4)(c) The NANPA Administration contract for NeuStar provides for transitional costs for the period from November 1/18 to December 31/18
- (5)(a) The 1K Block Pooling Administration contract for Somos covers the period from November 1/18 to October 31/19
- (5)(b) The 1K Block Pooling contract extension for NeuStar covers the period from October 1/18 to December 31/18
- (5)(c) The 1K Block Pooling contract for NeuStar provides for transitional costs for the period from November 1/18 to December 31/18
- (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. This will not be expended.
- (11) The allowance covers all accounts considered potentially uncollectible at November 30, 2018

Reconciliation of forecast to budget at November 30, 2019

Budgeted fund balance at September 30, 2019 - contingency	1,000,000
Decrease in opening fund balance between budget period and actual	137,906
Additional billings over estimate from budget	77,525
Late filing fees (reversal) for Form 499A	(1,700)
Underestimate of interest earned to date compared to budget	10,399
Somos - NANPA - excess of contract awarded over amount budgeted	(586,011)
NeuStar - NANPA - transitional month costs not budgeted	(376,033)
NeuStar - NANPA - transition costs not budgeted	(270,602)
Somos - Pooling - excess of contract awarded over amount budgeted	(661,826)
NeuStar - Pooling - transitional month costs not budgeted	(515,905)
NeuStar - NANPA - transition costs not budgeted	(270,602)
Decrease in B&C Agent costs	120
Data Collection fees - Adjustment to actual from budget	(223)
Bad debts - Adjustment to actual from budget	11,642
Carrier audits that will not be performed	200,000
Operations Audit - Adjustment to actual from budget	-
Bank fees - Variance between actual and budget	(5,031)
Forecasted fund balance at September 30, 2019	(1,250,341)

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on November 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

Demand notices were emailed/mailed on November 13th to all carriers with overdue balances. A total of 1,014 demand notices were sent out.

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 the query and the resolution date. In November, 39 calls and 70 emails were received which is lower than 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 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 NANPA Administration contract for NeuStar was extended for the period of October 1, 2018 to December 31, 2018 which includes a 2 month transition to the new administrator, Somos, Inc. The contract with Somos for the NANPA Administration Contract covers the period of November 1, 2018 to October 31, 2019.

The 1K Block Pooling contract for NeuStar was extended for the period of October 1, 2018 to December 31, 2018 which includes a 2 month transition to the new administrator, Somos, Inc. the contract with Somos for the 1K Block Pooling covers the period of November 1, 2018 to October 31, 2019.

Status of Audits

FCC Audit: We were given a listing by the auditors of the required documents and the due dates. The FCC audit for 2018 is completed.

Independent Audit: The independent audit by Ernst & Young LLP of the financial statements and specified procedures commenced November 19th, 2018.

IPERIA: A kick-off meeting was held in November with the FCC and the auditors.

Deliverable Reports Submission Dates

Monthly SSF 224 report - submitted December 4, 2018.

Quarterly Report on Fund Performance and Statement of Financial Position - not required this month

Quarterly Crosswalk reporting package - not required this month

Treasury Report on Receivables - not required this month

Monthly COSC report - submitted on October 14, 2018.

Accounts Receivable

We received \$79.02 from Treasury in October for debts collected.

At the end of November, there are 766 accounts outstanding representing unpaid invoices from the September 2018 billing, amounting to \$82,102. Of the 766 accounts, 327 accounts already have balance owing from prior years which has been submitted to Treasury for collections.

CURRENT AND FORECASTED LIABILITIES

	Current						
	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
NANPA Administration - NEUSTAR	188,201	460,934	-	-	-	-	-
- Payment authorized by the FCC in November Oct-18	<u>\$ 187,332</u>						
- Authorization by the FCC has not been received for payment Nov-18		<u>\$ 188,201</u>					
NANPA Administration - SOMOS	240,833	243,333	243,333	243,333	243,333	243,333	243,333
- Authorization by the FCC has not been received for payment Nov-18		<u>\$ 240,833</u>					
1K Block Pooling - NEUSTAR	258,777	529,590	-	-	-	-	-
- Payment authorized by the FCC in November Oct-18	<u>\$ 257,129</u>						
- Authorization by the FCC has not been received for payment Nov-18		<u>\$ 258,777</u>					
1K Block Pooling - SOMOS	314,855	319,585	319,585	319,585	319,585	319,585	319,585
- Authorization by the FCC has not been received for payment Nov-18		<u>\$ 314,855</u>					
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 November Oct-18	<u>\$ 28,400</u>						
- Authorization by the FCC has not been received for payment Nov-18		<u>\$ 28,400</u>					
USAC - Data Collection Agent	6,500	6,500	6,500	6,500	6,500	6,500	6,500
- Payment authorized by the FCC in November Oct-18	<u>\$ 6,586</u>						
- Authorization by the FCC has not been received for payment Nov-18		<u>\$ 6,500</u>					
Carrier audits	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	-	-	48,000	-	-	-	-
Bank Fees		3,167	3,167	3,167	3,167	3,167	3,167
Total	<u>1,037,566</u>	<u>1,591,509</u>	<u>648,985</u>	<u>600,985</u>	<u>600,985</u>	<u>600,985</u>	<u>600,985</u>