

**Billing and Collection Agent Report  
For period ending April 30, 2019**

**To FCC Contract Oversight Sub-Committee**

**May 6, 2019**

**NANPA FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**April 30, 2019**

**Assets**

Cash in bank		\$	2,303,850
Receivables			
Receivable from US Carriers	84,981		
Receivable from Canada	9,143		
Receivable from Caribbean countries	1,656		
Receivables forwarded to Treasury for collection	98,612		
Receivable from US Treasury - see note below	44		
Allowance for uncollectible accounts	<u>(120,650)</u>		<u>73,786</u>
<b>Total assets</b>			<b>2,377,636</b>
<b>Less: Accrued liabilities</b>			
Welch LLP	28,400		
SOMOS	564,812		
Data Collection Agent - USAC	<u>6,500</u>		<u>(599,712)</u>
<b>Fund balance</b>		<b>\$</b>	<b><u>1,777,924</u></b>

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Amounts receivable from US Treasuries are amounts Treasury has indicated have been collected from filers but the funds have not yet been disbursed to NANP.

**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	
<b>Revenue</b>																
International Contributions																
Canada	(1)	18,286	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	-	
<b>Total International Contributions</b>		<b>41,322</b>	<b>9,143</b>	<b>9,143</b>	<b>9,143</b>	<b>9,143</b>	<b>9,143</b>	<b>9,143</b>	<b>9,143</b>	<b>9,143</b>	<b>9,144</b>	<b>-</b>	<b>132,753</b>	<b>132,753</b>	<b>-</b>	
Domestic Contributions - US carriers	(1)	4,538,876	115,084	474,065	73,710	76,122	73,604	73,436	73,697	73,697	73,697	73,697	5,719,685	5,639,875	79,810	
Late filing fees for Form 499A	(2)	(1,300)	(400)	600	400	200	-	100	-	-	-	66,000	65,600	66,000	(400)	
Interest income	(3)	6,155	5,244	6,112	5,355	4,129	3,902	3,267	500	500	500	500	36,664	6,000	30,664	
<b>Total revenue</b>		<b>4,585,053</b>	<b>129,071</b>	<b>489,920</b>	<b>88,608</b>	<b>89,594</b>	<b>86,649</b>	<b>85,946</b>	<b>83,340</b>	<b>83,340</b>	<b>83,340</b>	<b>83,341</b>	<b>5,954,702</b>	<b>5,844,628</b>	<b>110,074</b>	
<b>Expenses</b>																
NANPA Administration - Somos	(4)(a)	-	240,833	240,833	240,833	240,833	240,833	243,545	243,333	243,333	243,333	243,333	2,664,375	2,088,152	(576,223)	
NANPA Administration - Neustar	(4)(b)	187,332	-	-	-	-	-	-	-	-	-	-	187,332	189,832	2,500	
NANPA Administration - Neustar	(4)(b)	-	188,201	187,332	-	-	-	-	-	-	-	-	375,533	-	(375,533)	
NANPA Administration - Neustar transition	(4)(c)	-	-	70,822	-	-	-	-	-	-	-	-	70,822	-	(70,822)	
NANPA Administration - Change Order A	(4)(d)	-	-	-	-	-	-	-	-	19,606	-	-	19,606	-	(19,606)	
1K Block Pooling - Somos	(5)(a)	-	314,855	314,585	314,315	314,585	314,585	321,266	319,585	319,585	319,585	319,585	3,492,116	2,848,879	(643,237)	
1K Block Pooling - Somos pre-transition				25,294	-	-	-	-	-	-	-	-	25,294	-	(25,294)	
1K Block Pooling - Neustar	(5)(b)	257,128	-	-	-	-	-	-	-	-	-	-	257,128	258,988	1,860	
1K Block Pooling - Neustar	(5)(b)	-	258,777	254,442	-	-	-	-	-	-	-	-	513,219	-	(513,219)	
1K Block Pooling - Neustar transition	(5)(c)	-	-	101,518	-	-	-	-	-	-	-	-	101,518	-	(101,518)	
1K Block Pooling - Change Order A	(5)(d)	-	-	-	-	-	-	-	-	64,004	-	-	64,004	-	(64,004)	
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	340,800	340,920	120
Data Collection Agent	(7)	6,637	6,586	6,465	7,062	6,210	6,210	6,403	6,500	6,500	6,500	6,500	6,500	78,073	78,000	(73)
Annual Operations Audit	(8)	-	-	38,400	9,600	-	-	-	-	-	-	-	48,000	48,000	-	
Bank Charges	(9)	3,835	7,530	2,478	2,456	2,821	2,148	2,555	3,167	3,166	3,166	3,166	39,654	38,000	(1,654)	
Carrier Audits	(10)	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000	
Bad debt expense	(11)	(525)	(4,449)	23,388	7,281	1,577	(12,646)	(2,603)	3,333	3,333	3,333	3,333	28,688	40,000	11,312	
<b>Total expenses</b>		<b>482,807</b>	<b>1,040,733</b>	<b>1,293,957</b>	<b>609,947</b>	<b>594,426</b>	<b>579,530</b>	<b>599,566</b>	<b>604,318</b>	<b>604,317</b>	<b>687,927</b>	<b>604,317</b>	<b>8,306,162</b>	<b>6,130,771</b>	<b>(2,175,391)</b>	
<b>Net revenue (expenses)</b>		<b>4,102,246</b>	<b>( 911,662)</b>	<b>( 804,037)</b>	<b>( 521,339)</b>	<b>( 504,832)</b>	<b>( 492,881)</b>	<b>( 513,620)</b>	<b>( 520,978)</b>	<b>( 520,977)</b>	<b>( 604,587)</b>	<b>( 520,976)</b>	<b>( 537,817)</b>	<b>( 2,351,460)</b>	<b>( 286,143)</b>	<b>(2,065,317)</b>
<b>Opening fund balance</b>		<b>1,424,049</b>	<b>5,526,295</b>	<b>4,614,633</b>	<b>3,810,596</b>	<b>3,289,257</b>	<b>2,784,425</b>	<b>2,291,544</b>	<b>1,777,924</b>	<b>1,256,946</b>	<b>735,969</b>	<b>131,382</b>	<b>(389,594)</b>	<b>1,424,049</b>	<b>1,286,143</b>	<b>137,906</b>
<b>Closing fund balance</b>		<b>5,526,295</b>	<b>4,614,633</b>	<b>3,810,596</b>	<b>3,289,257</b>	<b>2,784,425</b>	<b>2,291,544</b>	<b>1,777,924</b>	<b>1,256,946</b>	<b>735,969</b>	<b>131,382</b>	<b>(389,594)</b>	<b>(927,411)</b>	<b>1,000,000</b>	<b>(1,927,411)</b>	
<b>Fund balance makeup:</b>																
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		4,526,295	3,614,633	2,810,596	2,289,257	1,784,425	1,291,544	777,924	256,946	(264,031)	(868,618)	(1,389,594)	(1,927,411)	-	-	
		5,526,295	4,614,633	3,810,596	3,289,257	2,784,425	2,291,544	1,777,924	1,256,946	735,969	131,382	(389,594)	(927,411)	1,000,000	-	

**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
- (4)(d) 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 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
- (5)(d) 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. This will not be expended.
- (11) The allowance covers all accounts considered potentially uncollectible at April 30, 2019.

**Reconciliation of forecast to budget**

<b>Budgeted fund balance at September 30, 2019 - contingency</b>	1,000,000
Decrease in opening fund balance between budget period and actual	137,906
Additional billings over estimate from budget	79,810
Late filing fees (reversal) for Form 499A	(400)
Underestimate of interest earned to date compared to budget	30,664
Somos - NANPA - excess of contract awarded over amount budgeted	(576,223)
NeuStar - NANPA - transitional month costs not budgeted	(373,033)
NeuStar - NANPA - transition costs not budgeted	(70,822)
Somos - Pooling - excess of contract awarded over amount budgeted	(668,531)
NeuStar - Pooling - transitional month costs not budgeted	(511,359)
NeuStar - NANPA - transition costs not budgeted	(101,518)
Somos - NANPA Administration Change Order A - not budgeted	(19,606)
Somos - Pooling Change Order A - not budgeted	(64,004)
Decrease in B&C Agent costs	120
Data Collection fees - Adjustment to actual from budget	(73)
Bad debts - Adjustment to actual from budget	11,312
Carrier audits that will not be performed	200,000
Operations Audit - Adjustment to actual from budget	-
Bank fees - Variance between actual and budget	(1,654)
<b>Forecasted fund balance at September 30, 2019</b>	<b>(927,411)</b>

## **Deliverables Report**

### **Distributing invoices**

The monthly invoices for carriers were emailed/mailed on April 12<sup>th</sup>.

### **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 and statements of account were emailed/mailed on April 15<sup>th</sup> to all carriers with overdue balances. A total of 23 demand notices and statements of account were sent out. This is on par with the previous month. The outstanding balances from the 2018 annual billing were sent to Treasury for collections on January 10, 2019.

### **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 April 13 calls and 10 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:** The FCC financial audit has started. A kick off meeting was held with the auditors on April 23. A listing has been provided by the auditors of the required documents and the due dates. The first due date for requested documents is in May.

**Independent Audit:** The independent audit by Ernst & Young LLP of the financial statements and specified procedures commenced November 19th, 2018. The audits are complete at this time.

**IPERIA:** A kick-off meeting was held in November with the FCC and the auditors. Documentation requested was provided in December 2018. Ongoing biweekly conference calls are attended.

### **Deliverable Reports Submission Dates**

**Monthly SSF 224 report** - submitted May 2, 2019.

**Quarterly Report on Fund Performance and Statement of Financial Position** - submitted April 5, 2019

**Quarterly Crosswalk reporting package** - submitted April 5, 2019

**Treasury Report on Receivables** - April 10, 2019

**Monthly COSC report** - submitted on April 4, 2019

### **Accounts Receivable**

We received \$3,151.17 from Treasury in April for debts collected.

At the end of April there are 455 accounts outstanding representing unpaid invoices from the September 2018 billing, amounting to \$44,611.21. Of the 455 accounts, 441 accounts totalling \$43,817.37 were submitted to Treasury on January 10, 2019 for collections.

**CURRENT AND FORECASTED LIABILITIES**

		<b>Current</b>					
		<b>Apr-19</b>	<b>May-19</b>	<b>Jun-19</b>	<b>Jul-19</b>	<b>Aug-19</b>	<b>Sep-19</b>
<b>NANPA Administration - SOMOS</b>		243,546	243,333	243,333	262,939	243,333	243,333
- Payment authorized by the FCC in April							
Mar-19	\$ 240,833						
- Authorization by the FCC has not been received for payment							
Apr-19	\$ 243,546						
<b>1K Block Pooling - SOMOS</b>		321,266	319,585	319,585	383,589	319,585	319,585
- Payment authorized by the FCC in April							
Mar-19	\$ 314,585						
- Authorization by the FCC has not been received for payment							
Apr-19	\$ 321,266						
<b>Welch LLP - Billing &amp; Collection Agent</b>		28,400	28,400	28,400	28,400	28,400	28,400
- Payment authorized by the FCC in April							
Mar-19	\$ 28,400						
- Authorization by the FCC has not been received for payment							
Apr-19	\$ 28,400						
<b>USAC - Data Collection Agent</b>		6,500	6,500	6,500	6,500	6,500	6,500
- Payment authorized by the FCC in April							
Mar-19	\$ 6,403						
- Authorization by the FCC has not been received for payment							
Apr-19	estimate \$ 6,500						
<b>Carrier audits</b>		-	-	-	-	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>		-	-	-	-	-	-
<b>Bank Fees</b>			3,167	3,166	3,166	3,166	3,166
<b>Total</b>		<b>599,712</b>	<b>600,985</b>	<b>600,984</b>	<b>684,594</b>	<b>600,984</b>	<b>600,984</b>