

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

To FCC Contract Oversight Sub-Committee

December 5, 2019

NANPA FUND
STATEMENT OF FINANCIAL POSITION
November 30, 2019

Assets

Cash in bank	\$	8,432,987
Receivables		
Receivable from US Carriers	58,608	
Receivable from Canada	-	
Receivable from Caribbean countries	11,834	
Receivables forwarded to Treasury for collection	52,746	
Allowance for uncollectible accounts	<u>(118,750)</u>	<u>4,438</u>
Total assets		8,437,425
Less: Accrued liabilities		
Welch LLP	28,400	
SOMOS - NANPA	253,193	
SOMOS - Pooling	373,802	
Data Collection Agent - USAC	<u>6,500</u>	
		<u>(661,895)</u>
Fund balance	\$	<u><u>7,775,530</u></u>

Invoices for Change Order A were received in November in the amounts of \$12,360 and \$59,2017 for NANPA and Pooling respectively. These costs are included in the accrued liability balances above.

**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	17,856	17,856	17,856	17,856	-	257,618	257,618	-
Domestic Contributions - US carriers (1)	9,607,193	163,514	164,254	164,254	164,254	164,254	164,254	164,254	164,254	164,254	164,254	164,254	-	11,248,993	11,178,803	70,190
Late filing fees for Form 499A (2)	(2,600)	(100)	-	-	-	-	-	-	-	-	-	-	80,000	77,300	80,000	(2,700)
Interest income (3)	7,270	7,028	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	39,298	30,000	9,298
Total revenue	9,690,928	188,297	184,609	184,609	184,609	184,609	184,609	184,609	184,610	184,610	184,610	184,610	82,500	11,623,209	11,546,421	76,788
Expenses																
NANPA Administration - Somos (4)(a)	240,833	240,833	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	2,914,996	2,919,996	5,000
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	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	3,825,020	3,835,020	10,000
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	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	77,337	78,000	663
Annual Operations Audit (8)	-	-	-	49,000	-	-	-	-	-	-	-	-	-	49,000	49,000	-
Bank Charges (9)	5,073	10,356	3,167	3,167	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166	3,166	47,095	38,000	(9,095)
Carrier Audits (10)	-	-	-	-	200,000	-	-	-	-	-	-	-	-	200,000	200,000	-
Bad debt expense (11)	15,680	(17,634)	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	31,378	40,000	8,622
Total expenses	610,749	654,276	604,319	653,319	804,318	604,318	1,159,736	1,159,736	604,317	604,317	604,317	604,317	604,317	8,668,039	8,611,652	(56,387)
Net revenue (expenses)	9,080,179	(465,979)	(419,710)	(468,710)	(619,709)	(419,709)	(975,127)	(975,127)	(419,707)	(419,707)	(419,707)	(419,707)	(521,817)	2,955,170	2,934,769	20,401
Opening fund balance	(838,670)	8,241,509	7,775,530	7,355,820	6,887,110	6,267,401	5,847,692	4,872,565	3,897,438	3,477,731	3,058,024	2,638,317	(838,670)	(934,769)	96,099	
Closing fund balance	8,241,509	7,775,530	7,355,820	6,887,110	6,267,401	5,847,692	4,872,565	3,897,438	3,477,731	3,058,024	2,638,317	2,116,500	2,116,500	2,000,000	2,000,000	116,500
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	5,355,820	4,887,110	4,267,401	3,847,692	2,872,565	1,897,438	1,477,731	1,058,024	638,317	116,500	116,500	-	-	-
	8,241,509	7,775,530	7,355,820	6,887,110	6,267,401	5,847,692	4,872,565	3,897,438	3,477,731	3,058,024	2,638,317	2,116,500	2,116,500	2,000,000	2,000,000	116,500

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 November 30, 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	70,190
Late filing fees (reversal) for Form 499A	(2,700)
Underestimate of interest earned to date compared to budget	9,298
Somos - NANPA Administration - adjustment to actual from budget	5,000
Somos - Pooling - adjustment to actual from budget	10,000
Somos - NANPA Administration Change Order A	(12,360)
Somos - Pooling Change Order A	(59,217)
Data Collection fees - Adjustment to actual from budget	663
Bad debts - Adjustment to actual from budget	8,622
Carrier audits that will not be performed	-
Bank fees - Variance between actual and budget	(9,095)
Forecasted fund balance at September 30, 2020	2,116,500

Deliverables Report

Distributing invoices

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

Processing Payments

Payment information from the lockbox service at BNY Mellon Bank and Bank of America is downloaded on a daily basis. The deposit information is recorded daily. The BNY Mellon Bank account was closed on December 2, 2019.

Late/Absent Payments

Demand notices and statements of account were emailed/mailed on November 13th to all carriers with overdue balances. A total of 670 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 November 62 calls and 268 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 and audit reports are expected to be completed by the week of December 9th, 2019.

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

Deliverable Reports Submission Dates

Monthly SSF 224 report - submitted on December 3, 2019.

Quarterly Report on Fund Performance and Statement of Financial Position - not applicable for this period

Quarterly Crosswalk reporting package - not applicable for this period

Treasury Report on Receivables - not applicable for this period

October COSC report - submitted on November 11, 2019

Accounts Receivable

In November we received \$25.35 from Treasury for debts collected.

At the end of November there are 557 out of the 6040 invoices issued still outstanding representing \$69,293.34. Payment for these invoices was due October 15th.

CURRENT AND FORECASTED LIABILITIES

	<u>Current</u>						
	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>
NANPA Administration - SOMOS	253,193	243,333	243,333	243,333	243,333	484,166	484,166
- Payment authorized by the FCC in November							
Oct-19		\$ 240,833					
- Authorization by the FCC has not been received for payment							
Nov-19			\$ 253,193				
1K Block Pooling - SOMOS	373,802	319,585	319,585	319,585	319,585	634,170	634,170
- Payment authorized by the FCC in November							
Oct-19		\$ 314,585					
- Authorization by the FCC has not been received for payment							
Nov-19			\$ 373,802				
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-19		\$ 28,400					
- Authorization by the FCC has not been received for payment							
Nov-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 November							
Oct-19		\$ 6,158					
- Authorization by the FCC has not been received for payment							
Nov-19		estimate	\$ 6,500				
Carrier audits	-	-	-	200,000	-	-	-
Ernst & Young LLP- Annual operations audit	-	-	49,000	-	-	-	-
Bank Fees		3,167	3,167	3,167	3,167	3,167	3,167
Total	<u>661,895</u>	<u>600,985</u>	<u>649,985</u>	<u>800,985</u>	<u>600,985</u>	<u>1,156,403</u>	<u>1,156,403</u>