

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

To FCC Contract Oversight Sub-Committee

November 11, 2019

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
October 31, 2019**

Assets

Cash in bank		\$ 8,678,546
Receivables		
Receivable from US Carriers	235,140	
Receivable from Canada	-	
Receivable from Caribbean countries	11,839	
Receivables forwarded to Treasury for collection	59,002	
Allowance for uncollectible accounts	<u>(150,700)</u>	<u>155,281</u>

Total assets 8,833,827

Less: Accrued liabilities

Welch LLP	28,400	
SOMOS	555,418	
Data Collection Agent - USAC	6,500	
BNY Bank fees	<u>2,000</u>	<u>(592,318)</u>

Fund balance \$ 8,241,509

Invoices for the 2019/20 funding period which runs from October 1, 2019 to September 30, 2020 were emailed/mailed on September 12th. Payments are due October 15, 2019.

During the month of September, the transition from BNY Mellon to Bank of America occurred. The account at BNY Mellon will be formally closed by the end of November.

**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	17,856	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	-	257,618	257,618	-	
Domestic Contributions - US carriers	(1)	9,607,193	164,254	164,254	164,254	164,254	164,254	164,254	164,254	164,254	164,254	164,254	-	11,249,733	11,178,803	70,930	
Late filing fees for Form 499A	(2)	(2,600)	-	-	-	-	-	-	-	-	-	-	80,000	77,400	80,000	(2,600)	
Interest income	(3)	7,270	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	34,770	30,000	4,770	
Total revenue		9,690,928	184,609	184,609	184,609	184,609	184,609	184,609	184,610	184,610	184,610	184,610	82,500	11,619,521	11,546,421	73,100	
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	2,917,496	2,919,996	2,500	
NANPA Administration - transition costs	(4)(b)	-	-	-	-	-	-	-	-	-	-	-	-	481,666	481,666	-	
NANPA Administration - Change Order A	(4)(c)	-	19,606	-	-	-	-	-	-	-	-	-	-	19,606	-	(19,606)	
1K Block Pooling - Somos	(5)(a)	314,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	3,830,020	3,835,020	5,000	
1K Block Pooling - Transition Costs	(5)(b)	-	-	-	-	-	-	-	-	-	-	-	-	629,170	629,170	-	
1K Block Pooling - Change Order A	(5)(c)	-	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	340,800	-	
Data Collection Agent	(7)	6,178	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	77,678	78,000	322	
Annual Operations Audit	(8)	-	-	-	49,000	-	-	-	-	-	-	-	-	49,000	49,000	-	
Bank Charges	(9)	5,073	3,167	3,167	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166	3,166	39,906	38,000	(1,906)	
Carrier Audits	(10)	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	200,000	-	
Bad debt expense	(11)	15,680	3,334	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	52,346	40,000	(12,346)	
Total expenses		610,749	687,929	604,319	653,319	804,318	1,159,736	1,159,736	604,318	604,317	604,317	604,317	604,317	8,701,692	8,611,652	(90,040)	
Net revenue (expenses)		9,080,179	(503,320)	(419,710)	(468,710)	(619,709)	(975,127)	(975,127)	(419,709)	(419,707)	(419,707)	(419,707)	(419,707)	521,817)	2,917,829	2,934,769	(16,940)
Opening fund balance		(838,670)	8,241,509	7,738,189	7,318,479	6,849,769	6,230,060	5,254,933	4,279,806	3,860,097	3,440,390	3,020,683	2,600,976	(838,670)	(934,769)	96,099	
Closing fund balance		8,241,509	7,738,189	7,318,479	6,849,769	6,230,060	5,254,933	4,279,806	3,860,097	3,440,390	3,020,683	2,600,976	2,079,159	2,079,159	2,000,000	79,159	
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	-	
Surplus (deficit)		6,241,509	5,738,189	5,318,479	4,849,769	4,230,060	3,254,933	2,279,806	1,860,097	1,440,390	1,020,683	600,976	79,159	79,159	12,489	-	
		<u>8,241,509</u>	<u>7,738,189</u>	<u>7,318,479</u>	<u>6,849,769</u>	<u>6,230,060</u>	<u>5,254,933</u>	<u>4,279,806</u>	<u>3,860,097</u>	<u>3,440,390</u>	<u>3,020,683</u>	<u>2,600,976</u>	<u>2,079,159</u>	<u>2,079,159</u>	<u>2,012,489</u>		

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. Monthly costs are estimated based on the current contract.
- (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 expires Oct 31/19. Monthly costs are estimated based on the current contract.
- (5)(b) This is an additional two months of Somos 1K Block Pooling transitional costs if a new administrator is awarded.
- (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 October 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	70,930
Late filing fees (reversal) for Form 499A	(2,600)
Underestimate of interest earned to date compared to budget	4,770
Somos - NANPA Administration - adjustment to actual from budget	2,500
Somos - Pooling - adjustment to actual from budget	5,000
Somos - NANPA Administration Change Order A	(19,606)
Somos - Pooling Change Order A	(64,004)
Decrease in B&C Agent costs	-
Data Collection fees - Adjustment to actual from budget	322
Bad debts - Adjustment to actual from budget	(12,346)
Carrier audits that will not be performed	-
Operations Audit - Adjustment to actual from budget	-
Bank fees - Variance between actual and budget	(1,906)
Forecasted fund balance at October 31, 2020	2,079,159

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on October 15th.

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 will be closed by the end of November 2019.

Late/Absent Payments

Demand notices and statements of account were emailed/mailed on October 16th to all carriers with overdue balances. A total of 1,535 demand notices and statements of account were sent out. This is on par with 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. Companies that didn't pay by the due date were put on Red Light status with the FCC on October 16th.

Helpdesk Queries

All queries are directed to a helpdesk voicemail inbox or email inbox. The details of the query are documented in an MSAccess 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 October 359 calls and 956 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 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 interim contracts was extended for an additional 6 months, with two 3 month extension options.

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.

Independent Audit: The independent audit by Ernst & Young LLP of the financial statements and specified procedures will commence on November 11, 2019.

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 were attended.

Deliverable Reports Submission Dates

Monthly SSF 224 report - submitted November 4, 2019.

Quarterly Report on Fund Performance and Statement of Financial Position - submitted on October 9, 2019

Quarterly Crosswalk reporting package - submitted October 9, 2019

Treasury Report on Receivables - submitted October 17, 2019

September COSC report - submitted on October 9, 2019

Accounts Receivable

We received \$575.07 in October from Treasury for debts collected.

At the end of October there are 833 of the 6040 invoices issued still outstanding representing \$120,549.99. Payment for these invoices was due October 15th. A reminder email was sent out on October 2nd.

CURRENT AND FORECASTED LIABILITIES

			Current						
			Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20
NANPA Administration - SOMOS			240,833	262,939	243,333	243,333	243,333	484,166	484,166
- Payment authorized by the FCC in October									
	Sep-19	\$ 244,336							
- Authorization by the FCC has not been received for payment									
	Oct-19	\$ 240,833							
1K Block Pooling - SOMOS			314,585	383,589	319,585	319,585	319,585	634,170	634,170
- Payment authorized by the FCC in October									
	Sep-19	\$ 322,896							
- Authorization by the FCC has not been received for payment									
	Oct-19	\$ 314,585							
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 October									
	Sep-19	\$ 28,400							
- Authorization by the FCC has not been received for payment									
	Oct-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 October									
	Sep-19	\$ 6,178							
- Authorization by the FCC has not been received for payment									
	Oct-19	estimate \$ 6,500							
Carrier audits			-	-	-	-	200,000	-	-
Ernst & Young LLP- Annual operations audit			-	-	-	49,000	-	-	
Bank Fees									
	Oct	\$ 2,000	2,000	3,167	3,167	3,167	3,167	3,167	3,167
Total			592,318	684,595	600,985	649,985	800,985	1,156,403	1,156,403