

**Billing and Collection Agent Report
For period ending February 29, 2020**

To FCC Contract Oversight Sub-Committee

March 5, 2020

NANPA FUND
STATEMENT OF FINANCIAL POSITION
February 29, 2020

Assets

Cash in bank	\$	7,092,307
Receivables		
Receivable from US Carriers		7,049
Refunds due back to US Carriers (on Redlight)		(17,518)
Receivable from Canada		-
Receivable from Caribbean countries		3,660
Receivables forwarded to Treasury for collection		94,745
Allowance for uncollectible accounts		(98,400)
		(10,464)
Total assets		7,081,843
Less: Accrued liabilities		
Welch LLP		28,400
SOMOS - NANPA		240,833
SOMOS - Pooling		314,585
Data Collection Agent - USAC		6,500
		(590,318)
Fund balance		\$ 6,491,525

The credit balance of \$17,518 included in the accounts receivable balances due to overpayments from carriers. These balances cannot be refunded because these companies are on red light status.

**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	163,309	164,720	166,388	164,254	164,254	164,254	164,254	164,254	164,254	164,254	-	11,250,648	11,178,803	71,845
Late filing fees for Form 499A (2)	(2,600)	(100)	900	600	(9,600)	-	-	-	-	-	-	-	80,000	69,200	80,000	(10,800)
Interest income (3)	7,270	7,028	6,843	5,644	4,059	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	48,344	30,000	18,344
Total revenue	9,690,928	188,297	188,907	188,819	178,702	184,609	184,609	184,609	184,610	184,610	184,610	184,610	82,500	11,625,810	11,546,421	79,389
Expenses																
NANPA Administration - Somos (4)(a)	240,833	240,833	242,060	240,833	240,833	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	2,908,723	2,919,996	11,273
NANPA Administration - transition costs (4)(b)	-	-	-	-	-	-	-	-	-	-	-	-	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	314,585	314,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	3,820,627	3,835,020	14,393
1K Block Pooling - Transition Costs (5)(b)	-	-	-	-	-	-	-	-	-	-	-	-	314,585	314,585	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	6,252	6,366	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	76,613	78,000	1,387
Annual Operations Audit (8)	-	-	49,000	-	-	-	-	-	-	-	-	-	-	49,000	49,000	-
Bank Charges (9)	5,073	10,356	2,506	2,290	2,214	3,167	3,167	3,167	3,166	3,166	3,166	3,166	3,166	44,604	38,000	(6,604)
Carrier Audits (10)	-	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	200,000	-
Bad debt expense (11)	15,680	(17,634)	4,095	3,388	(5,124)	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	23,736	40,000	16,264
Total expenses	610,749	654,276	657,411	595,748	587,274	804,318	604,318	604,318	604,317	604,317	1,159,735	1,159,735	8,646,516	8,611,652	(34,864)	
Net revenue (expenses)	9,080,179	(465,979)	(468,504)	(406,929)	(408,572)	(619,709)	(419,709)	(419,709)	(419,707)	(419,707)	(975,125)	(1,077,235)	2,979,294	2,934,769	44,525	
Opening fund balance	(838,670)	8,241,509	7,775,530	7,307,026	6,900,097	6,491,525	5,871,816	5,452,107	5,032,398	4,612,691	4,192,984	3,217,859	(838,670)	(934,769)	96,099	
Closing fund balance	8,241,509	7,775,530	7,307,026	6,900,097	6,491,525	5,871,816	5,452,107	5,032,398	4,612,691	4,192,984	3,217,859	2,140,624	2,140,624	2,000,000	140,624	
Fund balance make-up:																
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	4,900,097	4,491,525	3,871,816	3,452,107	3,032,398	2,612,691	2,192,984	1,217,859	140,624	140,624	-	-	
	8,241,509	7,775,530	7,307,026	6,900,097	6,491,525	5,871,816	5,452,107	5,032,398	4,612,691	4,192,984	3,217,859	2,140,624	2,140,624	2,000,000	-	

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 February 29, 2020.

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	71,845
Late filing fees (reversal) for Form 499A	(10,800)
Underestimate of interest earned to date compared to budget	18,344
Somos - NANPA Administration - adjustment to actual from budget	11,273
Somos - Pooling - adjustment to actual from budget	14,393
Somos - NANPA Administration Change Order A	(12,360)
Somos - Pooling Change Order A	(59,217)
Data Collection fees - Adjustment to actual from budget	1,387
Bad debts - Adjustment to actual from budget	16,264
Carrier audits that will not be performed	-
Bank fees - Variance between actual and budget	(6,604)
Forecasted fund balance at September 30, 2020	2,140,624

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on February 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 February 13th to all carriers with overdue balances. A total of 25 demand notices and statements of account were sent out. This is comparable to prior month.

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 February 5 calls and 18 emails were received which is similar 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 contracts with Somos for the NANPA Administration and 1K Pooling contracts covered the period from November 1, 2018 to October 31, 2019. The contracts were 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 was issued January 13, 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. Ongoing biweekly meetings attended as required.

Deliverable Reports Submission Dates

Monthly SSF 224 report - submitted March 3, 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 - submitted January 17, 2020

January COSC report - submitted February 7, 2020

Accounts Receivable

In February \$301.49 was received from Treasury for debts collected.

At the end of February there are 440 out of the 6040 invoices issued in September still outstanding, representing \$51,792.29. Payment for these invoices was due October 15, 2019. Invoices still unpaid at January 9, 2020 were sent to Treasury for collections. The number of invoices outstanding is less than in the prior year at the same date (at February 28, 2019 there were 557 invoices outstanding totalling \$56,152.99).

CURRENT AND FORECASTED LIABILITIES

	Current						
	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20
NANPA Administration - SOMOS	240,833	243,333	243,333	243,333	243,333	243,333	484,166
- Payment authorized by the FCC in February Jan-20	\$ 240,833						
- Authorization by the FCC has not been received for payment Feb-20		\$ 240,833					
1K Block Pooling - SOMOS	314,585	319,585	319,585	319,585	319,585	319,585	634,170
- Payment authorized by the FCC in February Jan-20	\$ 314,585						
- Authorization by the FCC has not been received for payment Feb-20		\$ 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 February Jan-20	\$ 28,400						
- Authorization by the FCC has not been received for payment Feb-20		\$ 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 January Dec-19	\$ 6,366						
- Authorization by the FCC has not been received for payment Feb-20	estimate	\$ 6,500					
Carrier audits		200,000	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	-	-	-	-	-	-	-
Bank Fees		3,167	3,167	3,167	3,166	3,166	3,166
Total	590,318	800,985	600,985	600,985	600,984	600,984	1,156,402