

**Billing and Collection Agent Report
For period ending May 31, 2020**

To Numbering Administration Oversight Working Group

June 8, 2020

NANPA FUND
STATEMENT OF FINANCIAL POSITION
May 31, 2020

Assets

Cash in bank	\$	5,296,050
Receivables		
Receivable from US Carriers		6,296
Refunds due back to US Carriers (on Redlight)		(17,436)
Receivable from Canada		-
Receivable from Caribbean countries		3,712
Receivables forwarded to Treasury for collection		89,169
Allowance for uncollectible accounts		(93,400)
		(11,659)
Total assets		5,284,391
Less: Accrued liabilities		
Welch LLP		28,400
Data Collection Agent - USAC		6,500
		(34,900)
Fund balance	\$	<u>5,249,491</u>

Refund of overpayments in the amount of \$11,072.26 was issued on May 26, 2020. The remaining credit balance of \$17,436 included in the accounts receivable balance is due to overpayments from carriers. The balance cannot be refunded mainly because companies are on red light status.

Accrued liabilities is lower than prior month. This is a result of receiving and paying the May invoice from Somos in May.

**NANP FUND
STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2019 TO SEPTEMBER 2020**

		Actual							Forecasted						Variance	
		Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Total	Budget	between forecasted results and budget at Sept 30/20
Revenue																
International Contributions																
	(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	-
	(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	163,514	163,309	164,720	166,388	165,602	164,370	160,770	164,254	164,254	164,254	-	11,248,628	11,178,803	69,825
Late filing fees for Form 499A																
	(2)	(2,600)	(100)	900	600	(9,600)	(500)	200	100	-	-	-	80,000	69,000	80,000	(11,000)
Interest income																
	(3)	7,270	7,028	6,843	5,644	4,059	1,431	1,102	1,003	2,500	2,500	2,500	2,500	44,380	30,000	14,380
Total revenue		9,690,928	188,297	188,907	188,819	178,702	184,388	183,527	179,728	184,610	184,610	184,610	82,500	11,619,626	11,546,421	73,205
Expenses																
NANPA Administration - Somos																
	(4)(a)	240,833	240,833	242,060	240,833	240,833	248,831	240,833	240,833	243,333	243,333	243,333	243,333	2,909,221	2,919,996	10,775
NANPA Administration - transition costs																
	(4)(b)	-	-	-	-	-	-	-	-	-	-	-	240,833	240,833	481,666	240,833
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	318,643	314,585	314,585	319,585	319,585	319,585	319,585	3,809,685	3,835,020	25,335
1K Block Pooling - Transition Costs																
	(5)(b)	-	-	-	-	-	-	-	-	-	-	-	314,585	314,585	629,170	314,585
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	340,800	340,800	-
Data Collection Agent																
	(7)	6,178	6,159	6,158	6,252	6,366	6,315	6,420	6,380	6,500	6,500	6,500	6,500	76,228	78,000	1,772
Annual Operations Audit																
	(8)	-	-	49,000	-	-	-	-	-	-	-	-	-	49,000	49,000	-
Bank Charges																
	(9)	5,073	10,356	2,506	2,290	2,214	2,107	2,031	2,003	3,166	3,166	3,166	3,166	41,244	38,000	(3,244)
Carrier Audits																
	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000
Bad debt expense (recovery)																
	(11)	15,680	(17,634)	4,095	3,388	(5,124)	925	(349)	335	3,333	3,333	3,333	3,333	14,648	40,000	25,352
Total expenses		610,749	654,276	657,411	595,748	587,274	605,221	591,920	592,536	604,317	604,317	604,317	1,159,735	7,867,821	8,611,652	743,831
Net revenue (expenses)		9,080,179	(465,979)	(468,504)	(406,929)	(408,572)	(420,833)	(408,393)	(412,808)	(419,707)	(419,707)	(419,707)	(1,077,235)	3,751,805	2,934,769	817,036
Opening fund balance		(838,670)	8,241,509	7,775,530	7,307,026	6,900,097	6,491,525	6,070,692	5,662,299	5,249,491	4,829,784	4,410,077	3,990,370	(838,670)	(934,769)	96,099
Closing fund balance		8,241,509	7,775,530	7,307,026	6,900,097	6,491,525	6,070,692	5,662,299	5,249,491	4,829,784	4,410,077	3,990,370	2,913,135	2,913,135	2,000,000	913,135
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	5,775,530	5,307,026	4,900,097	4,491,525	4,070,692	3,662,299	3,249,491	2,829,784	2,410,077	1,990,370	913,135	913,135	-	-
		8,241,509	7,775,530	7,307,026	6,900,097	6,491,525	6,070,692	5,662,299	5,249,491	4,829,784	4,410,077	3,990,370	2,913,135	2,913,135	2,000,000	913,135

See Assumptions and Reconciliation to Budget on following page

**NANP FUND
STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2019 TO SEPTEMBER 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	69,825
Late filing fees (reversal) for Form 499A	(11,000)
Additional interest earned to date compared to budget	14,380
Somos - NANPA Administration - adjustment to actual from budget	10,775
Somos - NANPA Administration - transitions cost not expended	240,833
Somos - Pooling - adjustment to actual from budget	25,335
Somos - Pooling - transition costs not expended	314,585
Somos - NANPA Administration Change Order A	(12,360)
Somos - Pooling Change Order A	(59,217)
Data Collection fees - Adjustment to actual from budget	1,772
Bad debts - Adjustment to actual from budget	25,352
Carrier audits that will not be performed	200,000
Bank fees - Variance between actual and budget	(3,244)
Forecasted fund balance at September 30, 2020	\$ 2,913,135

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 provided in the budget. Anticipate having transitions costs in September 2020 only.
- (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. Anticipate having transitions costs in September 2020 only.
- (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 May 31, 2020.

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on May 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 May 12th to all carriers with overdue balances. A total of 24 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 May 4 calls and 29 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. All staff have been working remotely since March 15, 2020 due to Covid-19.

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 for fiscal 2020 is underway. The FCC and the auditors confirmed that they do not need anything from NANP this year since they are now reporting NANP as a disclosure entity in their footnotes instead of as a consolidated entity. They will contact us if they need anything.

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 final wrap up meeting was held in April. There were no issues with respect to NANP activities.

Deliverable Reports Submission Dates

Monthly SSF 224 report - submitted June 2, 2020

Quarterly Report on Fund Performance and Statement of Financial Position -submitted April 3, 2020

Quarterly Crosswalk reporting package - submitted April 3, 2020

Treasury Report on Receivables - submitted April 13, 2020

March NAOWG report - submitted May 5, 2020

Accounts Receivable

In May \$908.97 was received from Treasury for debts collected. This represents payments collected by Treasury from 19 carriers.

At the end of May there are 388 out of the 6040 invoices issued in September still outstanding, representing \$47,111.77. Payment for these invoices was due October 15, 2019. The number of invoices outstanding is greater than in the prior year at the same date (at May 30, 2019 there were 340 invoices outstanding, totalling \$32,396.17.)

CURRENT AND FORECASTED LIABILITIES

		<u>Current</u>				
		<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>
NANPA Administration - SOMOS		-	243,333	243,333	243,333	484,166
- Payment authorized by the FCC in May						
	Apr-20		\$ 240,833			
	May-20		\$ 240,833			
			<u>\$ 481,666</u>			
1K Block Pooling - SOMOS		-	319,585	319,585	319,585	634,170
- Payment authorized by the FCC in May						
	Apr-20		\$ 314,585			
	May-20		\$ 314,585			
			<u>\$ 629,170</u>			
Welch LLP - Billing & Collection Agent		28,400	28,400	28,400	28,400	28,400
- Payment authorized by the FCC in May						
	Apr-20		\$ 28,400			
- Authorization by the FCC has not been received for payment						
	May-20			<u>\$ 28,400</u>		
USAC - Data Collection Agent		6,500	6,500	6,500	6,500	6,500
- Payment authorized by the FCC in May						
	Apr-20		\$ 6,380			
- Authorization by the FCC has not been received for payment						
	May-20		estimate	<u>\$ 6,500</u>		
Carrier audits		-	-	-	-	-
Bank Fees			3,166	3,166	3,166	3,166
Total		<u>34,900</u>	<u>600,984</u>	<u>600,984</u>	<u>600,984</u>	<u>1,156,402</u>