

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

To Numbering Administration Oversight Working Group

August 12, 2020

NANPA FUND
STATEMENT OF FINANCIAL POSITION
July 31, 2020

Assets

Cash in bank	\$	4,480,757
Receivables		
Receivable from US Carriers		5,815
Refunds due back to US Carriers (on Redlight)		(21,147)
Receivable from Canada		-
Receivable from Caribbean countries		3,644
Receivables forwarded to Treasury for collection		86,061
Allowance for uncollectible accounts		(88,750)
		(14,377)
Total assets		4,466,380
Less: Accrued liabilities		
Welch LLP		28,400
Data Collection Agent - USAC		6,500
		(34,900)
Fund balance	\$	<u>4,431,480</u>

The credit balance of \$21,147 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. The credit balances will be applied against the September 2020 annual billing.

**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	163,514	163,309	164,720	166,388	165,602	164,370	160,770	163,994	165,685	164,254	-	11,249,799	11,178,803	70,996	
Late filing fees for Form 499A	(2)	(2,600)	(100)	900	600	(9,600)	(500)	200	100	(800)	(600)	-	80,000	67,600	80,000	(12,400)	
Interest income	(3)	7,270	7,028	6,843	5,644	4,059	1,431	1,102	1,003	896	821	2,500	2,500	41,097	30,000	11,097	
Total revenue		9,690,928	188,297	188,907	188,819	178,702	184,388	183,527	179,728	181,946	183,762	184,610	82,500	11,616,114	11,546,421	69,693	
Expenses																	
NANPA Administration - Somos	(4)(a)	240,833	240,833	242,060	240,833	240,833	248,831	240,833	240,833	240,833	240,833	243,333	243,333	2,904,221	2,919,996	15,775	
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	314,585	314,585	319,585	319,585	3,799,685	3,835,020	35,335	
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	6,148	6,331	6,500	6,500	75,707	78,000	2,293	
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	1,936	1,829	3,166	3,166	38,677	38,000	(677)	
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	462	(623)	3,333	3,333	7,821	40,000	32,179	
Total expenses		610,749	654,276	657,411	595,748	587,274	605,221	591,920	592,536	592,364	591,355	604,317	1,159,735	7,842,906	8,611,652	768,746	
Net revenue (expenses)		9,080,179	(465,979)	(468,504)	(406,929)	(408,572)	(420,833)	(408,393)	(412,808)	(410,418)	(407,593)	(419,707)	(1,077,235)	3,773,208	2,934,769	838,439	
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	4,839,073	4,431,480	4,011,773	(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	4,839,073	4,431,480	4,011,773	2,934,538	2,934,538	2,000,000	934,538	
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	2,839,073	2,431,480	2,011,773	934,538	934,538	-	-	
		8,241,509	7,775,530	7,307,026	6,900,097	6,491,525	6,070,692	5,662,299	5,249,491	4,839,073	4,431,480	4,011,773	2,934,538	2,934,538	2,000,000	934,538	

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	70,996
Late filing fees (reversal) for Form 499A	(12,400)
Additional interest earned to date compared to budget	11,097
Somos - NANPA Administration - adjustment to actual from budget	15,775
Somos - NANPA Administration - transitions cost not expended	240,833
Somos - Pooling - adjustment to actual from budget	35,335
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	2,293
Bad debts - Adjustment to actual from budget	32,179
Carrier audits that will not be performed	200,000
Bank fees - Variance between actual and budget	(677)
Forecasted fund balance at September 30, 2020	\$ 2,934,538

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 July 31, 2020

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on July 13th.

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 July 13th to all carriers with overdue balances. A total of 23 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 July 8 calls and 22 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

All staff have been working remotely since March 15, 2020 due to Covid-19. One staff member is currently on medical leave for 3 months. Her duties are being covered by other staff on this contract. Plans for additional help during the September - October billing cycle are in place. A Welch LLP employee who previously performed the bookkeeping functions on the contract will be available to help during that time period.

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. The RFP for this contract has been issued.

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. A preliminary planning meeting was held in July for the upcoming audit.

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 August 5, 2020

Quarterly Report on Fund Performance and Statement of Financial Position - submitted July 7, 2020

Quarterly Crosswalk reporting package - submitted July 7, 2020

Treasury Report on Receivables - submitted July 13, 2020

June NAOWG report - submitted July 6, 2020

Accounts Receivable

In July, \$1,096.65 was received from Treasury for debts collected. This represents payments collected by Treasury from 11 carriers.

At the end of July there are 366 of the 6040 invoices issued in September still outstanding, representing \$44,643.09. Payment for these invoices was due October 15, 2019. The balance represents 0.4% of total annual billings issued in September 2019. The majority of these outstanding balances have been sent to Treasury for collection.

CURRENT AND FORECASTED LIABILITIES

NANP activity only

	Current	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
NANPA Administration - SOMOS	-	243,333	484,166	484,166	484,166	243,333	243,333
- Payment authorized by the FCC in July							
Jul-20		<u>\$ 240,833</u>					
1K Block Pooling - SOMOS	-	319,585	634,170	634,170	634,170	319,585	319,585
- Payment authorized by the FCC in July							
Jul-20		<u>\$ 314,585</u>					
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 July							
Jun-20		<u>\$ 28,400</u>					
- Authorization by the FCC has not been received for payment							
Jul-20			<u>\$ 28,400</u>				
USAC - Data Collection Agent	6,500	6,500	6,500	6,500	6,500	6,500	6,500
- Payment authorized by the FCC in July							
Jun-20		<u>\$ 6,331</u>					
- Authorization by the FCC has not been received for payment							
Jul-20		estimate	<u>\$ 6,500</u>				
Carrier audits	-	-	-	-	-	50,000	-
Bank Fees		3,166	3,166	3,167	3,167	3,167	3,167
Total	-	34,900	600,984	1,156,403	1,156,403	650,985	600,985

NANP FUND
FORECATED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2020 TO SEPTEMBER 2021

Projection based on budget												Total	
Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21		
NANP Activities													
Projected Revenue													
International Contributions													
Canada	(1)	28,374	14,187	14,187	14,187	14,187	14,187	14,187	14,187	14,187	14,186	-	170,243
Caribbean countries	(1)	32,838	-	-	-	-	-	-	-	-	-	-	32,838
Total International Contributions		61,212	14,187	14,187	14,187	14,187	14,187	14,187	14,187	14,187	14,186	-	203,081
Domestic Contributions - US carriers	(1)	6,675,847	71,749	71,749	71,749	71,749	71,749	71,749	71,749	71,749	71,749	-	7,393,337
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	80,000	80,000
Interest income	(3)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Total projected revenue		6,739,559	88,436	88,436	88,436	88,436	88,436	88,436	88,436	88,436	88,435	82,500	7,706,418
Projected Expenses													
NANPA Administration - Somos	(4)(a)	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	2,919,996
NANPA Administration - transition costs	(4)(b)	240,833	240,833	-	-	-	-	-	-	-	-	-	481,666
1K Block Pooling - Somos	(5)(a)	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	3,835,020
1K Block Pooling - Transition Costs	(5)(b)	314,585	314,585	-	-	-	-	-	-	-	-	-	629,170
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	340,800
Data Collection Agent	(7)	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	78,000
Annual Operations Audit	(8)	-	-	50,000	-	-	-	-	-	-	-	-	50,000
Bank Charges	(9)	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166	38,000
Carrier Audits	(10)	-	-	-	-	200,000	-	-	-	-	-	-	200,000
Bad debt expense (recovery)	(11)	3,334	3,334	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
Total projected expenses		1,159,737	1,159,737	654,319	604,319	804,318	604,318	604,318	604,317	604,317	604,317	604,317	8,612,652
Projected Net revenue (expenses)		5,579,822	(1,071,301)	(565,883)	(515,883)	(715,882)	(515,882)	(515,882)	(515,882)	(515,881)	(515,881)	(521,817)	(906,234)
Projected Opening fund		2,934,538	8,514,360	7,443,059	6,877,176	6,361,293	5,645,411	5,129,529	4,613,647	4,097,765	3,581,884	3,066,003	2,550,121
Projected NANP Closing fund balance		8,514,360	7,443,059	6,877,176	6,361,293	5,645,411	5,129,529	4,613,647	4,097,765	3,581,884	3,066,003	2,550,121	2,028,304
Projected NANP 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
Surplus (deficit)		6,514,360	5,443,059	4,877,176	4,361,293	3,645,411	3,129,529	2,613,647	2,097,765	1,581,884	1,066,003	550,121	28,304
		8,514,360	7,443,059	6,877,176	6,361,293	5,645,411	5,129,529	4,613,647	4,097,765	3,581,884	3,066,003	2,550,121	2,028,304

See assumptions and RND activities on following page

NANP FUND
FORECATED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2020 TO SEPTEMBER 2021

Reassigned Numbers Database (RND) Activities

Carrier contributions	(12)	5,417,728	58,228	58,228	58,227	58,227	58,227	58,227	58,227	58,227	58,227	58,227	58,227	-	6,000,000
RND costs paid	(13)	(6,000)	(6,000)	(6,000)	(664,667)	(664,667)	(664,667)	(664,667)	(664,667)	(664,667)	(664,667)	(664,667)	(664,667)	(664,664)	(6,000,000)
Projected Net Revenue (RND)		5,411,728	52,228	52,228	(606,440)	(606,440)	(606,440)	(606,440)	(606,440)	(606,440)	(606,440)	(606,440)	(606,440)	(664,664)	-
Opening balance (RND)		-	5,411,728	5,463,956	5,516,184	4,909,744	4,303,304	3,696,864	3,090,424	2,483,984	1,877,544	1,271,104	664,664	-	-
Closing balance (RND)		5,411,728	5,463,956	5,516,184	4,909,744	4,303,304	3,696,864	3,090,424	2,483,984	1,877,544	1,271,104	664,664	-	-	-

Assumptions:

- (1) The contributions for October 2020 - September 2021 is based on proposed billings.
- (2) These estimated 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 with Somos expires Oct 31/20. 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.
- (5)(a) The 1K Block Pooling Administration contract with Somos expires Oct 31/20. 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 as budgeted.
- (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 estimate of costs by USAC.
- (8) The cost of the annual operations audit is based on the cost of the prior year's history of billing from Ernst & Young LLP.
- (9) Bank fees are an expense to the Fund and are estimated based on prior years' history.
- (10) The budget allowed \$200,000 for carrier audits.
- (11) The bad debt expense covers all accounts considered potentially uncollectible for fees billed for the 2020-21 funding year.
- (12) Contributions for Reassigned Numbers Database (RND) creation costs per FCC Order FCC-18-177
- (13) RND funding to RND administrator, bank fees and B&C agent fees