

**Billing and Collection Agent Report
For period ending June 30, 2020**

To Numbering Administration Oversight Working Group

July 6, 2020

NANPA FUND
STATEMENT OF FINANCIAL POSITION
June 30, 2020

Assets

Cash in bank	\$	4,889,895
Receivables		
Receivable from US Carriers		4,429
Refunds due back to US Carriers (on Redlight)		(21,316)
Receivable from Canada		-
Receivable from Caribbean countries		4,332
Receivables forwarded to Treasury for collection		88,133
Allowance for uncollectible accounts		(91,500)
		(15,922)
Total assets		4,873,973
Less: Accrued liabilities		
Welch LLP		28,400
Data Collection Agent - USAC		6,500
		(34,900)
Fund balance		\$ 4,839,073

The credit balance of \$21,316 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.

**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	17,856	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	164,254	164,254	-	11,248,368	11,178,803	69,565		
Late filing fees for Form 499A	(2)	(2,600)	(100)	900	600	(9,600)	(500)	200	100	(800)	-	-	80,000	68,200	80,000	(11,800)		
Interest income	(3)	7,270	7,028	6,843	5,644	4,059	1,431	1,102	1,003	896	2,500	2,500	2,500	42,776	30,000	12,776		
Total revenue		<u>9,690,928</u>	<u>188,297</u>	<u>188,907</u>	<u>188,819</u>	<u>178,702</u>	<u>184,388</u>	<u>183,527</u>	<u>179,728</u>	<u>181,946</u>	<u>184,610</u>	<u>184,610</u>	<u>82,500</u>	<u>11,616,962</u>	<u>11,546,421</u>	<u>70,541</u>		
Expenses																		
NANPA Administration - Somos	(4)(a)	240,833	240,833	242,060	240,833	240,833	248,831	240,833	240,833	240,833	243,333	243,333	243,333	2,906,721	2,919,996	13,275		
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	319,585	319,585	319,585	3,804,685	3,835,020	30,335		
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	6,500	6,500	6,500	75,876	78,000	2,124		
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	3,166	3,166	3,166	40,014	38,000	(2,014)		
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	3,333	3,333	3,333	11,777	40,000	28,223		
Total expenses		<u>610,749</u>	<u>654,276</u>	<u>657,411</u>	<u>595,748</u>	<u>587,274</u>	<u>605,221</u>	<u>591,920</u>	<u>592,536</u>	<u>592,364</u>	<u>604,317</u>	<u>604,317</u>	<u>1,159,735</u>	<u>7,855,868</u>	<u>8,611,652</u>	<u>755,784</u>		
Net revenue (expenses)		<u>9,080,179</u>	<u>(465,979)</u>	<u>(468,504)</u>	<u>(406,929)</u>	<u>(408,572)</u>	<u>(420,833)</u>	<u>(408,393)</u>	<u>(412,808)</u>	<u>(410,418)</u>	<u>(419,707)</u>	<u>(419,707)</u>	<u>(1,077,235)</u>	<u>3,761,094</u>	<u>2,934,769</u>	<u>826,325</u>		
Opening fund balance		<u>(838,670)</u>	<u>8,241,509</u>	<u>7,775,530</u>	<u>7,307,026</u>	<u>6,900,097</u>	<u>6,491,525</u>	<u>6,070,692</u>	<u>5,662,299</u>	<u>5,249,491</u>	<u>4,839,073</u>	<u>4,419,366</u>	<u>3,999,659</u>	<u>(838,670)</u>	<u>(934,769)</u>	<u>96,099</u>		
Closing fund balance		<u>8,241,509</u>	<u>7,775,530</u>	<u>7,307,026</u>	<u>6,900,097</u>	<u>6,491,525</u>	<u>6,070,692</u>	<u>5,662,299</u>	<u>5,249,491</u>	<u>4,839,073</u>	<u>4,419,366</u>	<u>3,999,659</u>	<u>2,922,424</u>	<u>2,922,424</u>	<u>2,000,000</u>	<u>922,424</u>		
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	2,419,366	1,999,659	922,424	922,424	-	-		
		<u>8,241,509</u>	<u>7,775,530</u>	<u>7,307,026</u>	<u>6,900,097</u>	<u>6,491,525</u>	<u>6,070,692</u>	<u>5,662,299</u>	<u>5,249,491</u>	<u>4,839,073</u>	<u>4,419,366</u>	<u>3,999,659</u>	<u>2,922,424</u>	<u>2,922,424</u>	<u>2,000,000</u>	<u>922,424</u>		

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	69,565
Late filing fees (reversal) for Form 499A	(11,800)
Additional interest earned to date compared to budget	12,776
Somos - NANPA Administration - adjustment to actual from budget	13,275
Somos - NANPA Administration - transitions cost not expended	240,833
Somos - Pooling - adjustment to actual from budget	30,335
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	2,124
Bad debts - Adjustment to actual from budget	28,223
Carrier audits that will not be performed	200,000
Bank fees - Variance between actual and budget	(2,014)
Forecasted fund balance at September 30, 2020	\$ 2,922,424

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 June 30, 2020

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on June 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 June 15th 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 June 9 calls and 16 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.

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 July 3, 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 - due by July 15th.

May NAOWG report - submitted June 8, 2020

Accounts Receivable

In June, \$553.47 was received from Treasury for debts collected. This represents payments collected by Treasury from 5 carriers.

At the end of June there are 378 out of the 6040 invoices issued in September still outstanding, representing \$45,939.56. Payment for these invoices was due October 15, 2019. The balance represents 0.4% of total annual billings issued in September 2019.

CURRENT AND FORECASTED LIABILITIES

		<u>Current</u>			
		<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>
NANPA Administration - SOMOS		-	243,333	243,333	484,166
- Payment authorized by the FCC in June					
Jun-20	\$	<u>240,833</u>			
1K Block Pooling - SOMOS		-	319,585	319,585	634,170
- Payment authorized by the FCC in June					
Jun-20	\$	<u>314,585</u>			
Welch LLP - Billing & Collection Agent		28,400	28,400	28,400	28,400
- Payment authorized by the FCC in June					
May-20	\$	<u>28,400</u>			
- Authorization by the FCC has not been received for payment					
Jun-20			\$	<u>28,400</u>	
USAC - Data Collection Agent		6,500	6,500	6,500	6,500
- Payment authorized by the FCC in June					
May-20	\$	<u>6,148</u>			
- Authorization by the FCC has not been received for payment					
Jun-20		estimate	\$	<u>6,500</u>	
Carrier audits			-	-	-
Bank Fees			3,166	3,166	3,166
Total		<u>34,900</u>	<u>600,984</u>	<u>600,984</u>	<u>1,156,402</u>