

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

**To Numbering Administration Oversight Working Group**

**September 7, 2020**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
August 31, 2020**

**Assets**

Cash in bank		\$ 4,075,779
Receivables		
Receivable from US Carriers	4,421	
Refunds due back to US Carriers (on Redlight)	(22,311)	
Receivable from Canada	-	
Receivable from Caribbean countries	3,662	
Receivables forwarded to Treasury for collection	83,559	
Allowance for uncollectible accounts	<u>(86,460)</u>	<u>(17,129)</u>
<b>Total assets</b>		<b>4,058,650</b>
<b>Less: Accrued liabilities</b>		
Welch LLP	28,400	
Data Collection Agent - USAC	<u>6,500</u>	
		<u>(34,900)</u>
<b>Fund balance</b>		<b><u>\$ 4,023,750</u></b>

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The credit balance of \$22,311 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					
<b>Revenue</b>																
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	-
<b>Total International Contributions</b>		<b>79,065</b>	<b>17,855</b>	<b>17,855</b>	<b>17,855</b>	<b>17,855</b>	<b>17,855</b>	<b>17,855</b>	<b>17,855</b>	<b>17,856</b>	<b>17,856</b>	<b>17,856</b>	<b>-</b>	<b>257,618</b>	<b>257,618</b>	<b>-</b>
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	164,108	-	11,249,653	11,178,803	70,850
Late filing fees for Form 499A	(2)	(2,600)	(100)	900	600	(9,600)	(500)	200	100	(800)	(600)	(100)	101,800	89,300	80,000	9,300
Interest income	(3)	7,270	7,028	6,843	5,644	4,059	1,431	1,102	1,003	896	821	821	2,500	39,418	30,000	9,418
<b>Total revenue</b>		<b>9,690,928</b>	<b>188,297</b>	<b>188,907</b>	<b>188,819</b>	<b>178,702</b>	<b>184,388</b>	<b>183,527</b>	<b>179,728</b>	<b>181,946</b>	<b>183,762</b>	<b>182,685</b>	<b>104,300</b>	<b>11,635,989</b>	<b>11,546,421</b>	<b>89,568</b>
<b>Expenses</b>																
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	240,833	243,333	2,901,721	2,919,996	18,275
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	314,585	314,585	319,585	3,794,685	3,835,020	40,335
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	6,271	6,500	75,478	78,000	2,522
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	1,791	3,166	37,302	38,000	698
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)	(1,465)	3,333	3,023	40,000	36,977
<b>Total expenses</b>		<b>610,749</b>	<b>654,276</b>	<b>657,411</b>	<b>595,748</b>	<b>587,274</b>	<b>605,221</b>	<b>591,920</b>	<b>592,536</b>	<b>592,364</b>	<b>591,355</b>	<b>590,415</b>	<b>1,159,735</b>	<b>7,829,004</b>	<b>8,611,652</b>	<b>782,648</b>
<b>Net revenue (expenses)</b>		<b>9,080,179</b>	<b>(465,979)</b>	<b>(468,504)</b>	<b>(406,929)</b>	<b>(408,572)</b>	<b>(420,833)</b>	<b>(408,393)</b>	<b>(412,808)</b>	<b>(410,418)</b>	<b>(407,593)</b>	<b>(407,730)</b>	<b>(1,055,435)</b>	<b>3,806,985</b>	<b>2,934,769</b>	<b>872,216</b>
<b>Opening fund balance</b>		<b>(838,670)</b>	<b>8,241,509</b>	<b>7,775,530</b>	<b>7,307,026</b>	<b>6,900,097</b>	<b>6,491,525</b>	<b>6,070,692</b>	<b>5,662,299</b>	<b>5,249,491</b>	<b>4,839,073</b>	<b>4,431,480</b>	<b>4,023,750</b>	<b>(838,670)</b>	<b>(934,769)</b>	<b>96,099</b>
<b>Closing fund balance</b>		<b>8,241,509</b>	<b>7,775,530</b>	<b>7,307,026</b>	<b>6,900,097</b>	<b>6,491,525</b>	<b>6,070,692</b>	<b>5,662,299</b>	<b>5,249,491</b>	<b>4,839,073</b>	<b>4,431,480</b>	<b>4,023,750</b>	<b>2,968,315</b>	<b>2,968,315</b>	<b>2,000,000</b>	<b>968,315</b>
<b>Fund balance makeup:</b>																
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	2,023,750	968,315	968,315	-	-
		<b>8,241,509</b>	<b>7,775,530</b>	<b>7,307,026</b>	<b>6,900,097</b>	<b>6,491,525</b>	<b>6,070,692</b>	<b>5,662,299</b>	<b>5,249,491</b>	<b>4,839,073</b>	<b>4,431,480</b>	<b>4,023,750</b>	<b>2,968,315</b>	<b>2,968,315</b>	<b>2,000,000</b>	<b>968,315</b>

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**

<b>Budgeted fund balance at September 30, 2020 - contingency</b>	<b>\$ 2,000,000</b>
Increase in opening fund balance between budget period and actual	96,099
Additional billings over estimate from budget	70,850
Late filing fees (reversal) for Form 499A	9,300
Additional interest earned to date compared to budget	9,418
Somos - NANPA Administration - adjustment to actual from budget	18,275
Somos - NANPA Administration - transitions cost not expended	240,833
Somos - Pooling - adjustment to actual from budget	40,335
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	2,522
Bad debts - Adjustment to actual from budget	36,977
Carrier audits that will not be performed	200,000
Bank fees - Variance between actual and budget	698
<b>Forecasted fund balance at September 30, 2020</b>	<b>\$ 2,968,315</b>

**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 August 31, 2020

## **Deliverables Report**

### **Distributing invoices**

The monthly invoices for carriers were emailed/mailed on August 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 August 13<sup>th</sup> to all carriers with overdue balances. A total of 26 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 August, 6 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**

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. A change order has been submitted for work related to administration of collection of fees for the Reassigned Numbers Database.

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 September 2, 2020

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

**Quarterly Crosswalk reporting package** - submitted September 7, 2020

**Quarterly Treasury Report on Receivables** - submitted July 13, 2020

**July NAOWG report** - submitted August 12, 2020

### **Accounts Receivable**

In August, \$1,860.91 was received from Treasury for debts collected. This represents payments collected by Treasury from 16 carriers.

**CURRENT AND FORECASTED LIABILITIES**

NANP activity only

	<u>Current</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>
<b>NANPA Administration - SOMOS</b>	-	484,166	484,166	484,166	243,333	243,333	243,333
- Payment authorized by the FCC in August							
Aug-20		<u>\$ 240,833</u>					
<b>1K Block Pooling - SOMOS</b>	-	634,170	634,170	634,170	319,585	319,585	319,585
- Payment authorized by the FCC in August							
Aug-20		<u>\$ 314,585</u>					
<b>Welch LLP - Billing &amp; Collection Agent</b>	28,400	28,400	28,400	28,400	28,400	28,400	28,400
- Payment authorized by the FCC in August							
Jul-20		<u>\$ 28,400</u>					
- Authorization by the FCC has not been received for payment							
Aug-20			<u>\$ 28,400</u>				
<b>USAC - Data Collection Agent</b>	6,500	6,500	6,500	6,500	6,500	6,500	6,500
- Payment authorized by the FCC in August							
Jul-20		<u>\$ 6,271</u>					
- Authorization by the FCC has not been received for payment							
Aug-20		estimate	<u>\$ 6,500</u>				
<b>Carrier audits</b>	-	-	-	-	-	-	200,000
<b>Ernst &amp; Young LLP- Annual operations audit</b>	-	-	-	-	50,000	-	-
<b>Bank Fees</b>	-	3,166	3,167	3,167	3,167	3,167	3,167
<b>Total</b>	<u>34,900</u>	<u>1,156,402</u>	<u>1,156,403</u>	<u>1,156,403</u>	<u>650,985</u>	<u>600,985</u>	<u>800,985</u>

**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		
<b>NANP Activities</b>													
<b>Projected Revenue</b>													
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
<b>Total International Contributions</b>		<b>61,212</b>	<b>14,187</b>	<b>14,187</b>	<b>14,187</b>	<b>14,187</b>	<b>14,187</b>	<b>14,187</b>	<b>14,187</b>	<b>14,187</b>	<b>14,186</b>	<b>-</b>	<b>203,081</b>
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
<b>Total projected revenue</b>		<b>6,739,559</b>	<b>88,436</b>	<b>88,436</b>	<b>88,436</b>	<b>88,436</b>	<b>88,436</b>	<b>88,436</b>	<b>88,436</b>	<b>88,436</b>	<b>88,435</b>	<b>82,500</b>	<b>7,706,418</b>
<b>Projected Expenses</b>													
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
<b>Total projected expenses</b>		<b>1,159,737</b>	<b>1,159,737</b>	<b>654,319</b>	<b>604,319</b>	<b>804,318</b>	<b>604,318</b>	<b>604,318</b>	<b>604,317</b>	<b>604,317</b>	<b>604,317</b>	<b>604,317</b>	<b>8,612,652</b>
<b>Projected Net revenue (expenses)</b>		<b>5,579,822</b>	<b>( 1,071,301)</b>	<b>( 565,883)</b>	<b>( 515,883)</b>	<b>( 715,882)</b>	<b>( 515,882)</b>	<b>( 515,882)</b>	<b>( 515,881)</b>	<b>( 515,881)</b>	<b>( 515,882)</b>	<b>( 521,817)</b>	<b>( 906,234)</b>
<b>Projected Opening fund</b>		<b>2,968,315</b>	<b>8,548,137</b>	<b>7,476,836</b>	<b>6,910,953</b>	<b>6,395,070</b>	<b>5,679,188</b>	<b>5,163,306</b>	<b>4,647,424</b>	<b>4,131,542</b>	<b>3,615,661</b>	<b>3,099,780</b>	<b>2,583,898</b>
<b>Projected NANP Closing fund balance</b>		<b>8,548,137</b>	<b>7,476,836</b>	<b>6,910,953</b>	<b>6,395,070</b>	<b>5,679,188</b>	<b>5,163,306</b>	<b>4,647,424</b>	<b>4,131,542</b>	<b>3,615,661</b>	<b>3,099,780</b>	<b>2,583,898</b>	<b>2,062,081</b>
<b>Projected NANP Fund balance makeup:</b>													
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)		6,548,137	5,476,836	4,910,953	4,395,070	3,679,188	3,163,306	2,647,424	2,131,542	1,615,661	1,099,780	583,898	62,081
		<b>8,548,137</b>	<b>7,476,836</b>	<b>6,910,953</b>	<b>6,395,070</b>	<b>5,679,188</b>	<b>5,163,306</b>	<b>4,647,424</b>	<b>4,131,542</b>	<b>3,615,661</b>	<b>3,099,780</b>	<b>2,583,898</b>	<b>2,062,081</b>

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**

<b>Carrier contributions</b>	(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
<b>RND costs paid</b>	(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)
<b>Projected Net Revenue (RND)</b>		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)	-
<b>Opening balance (RND)</b>		-	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	-	-
<b>Closing balance (RND)</b>		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