

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

To Numbering Administration Oversight Working Group

November 11, 2020

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

Assets

Cash in bank - NANP	\$ 9,425,891	
Cash in bank - RND	<u>5,029,509</u>	\$ 14,455,400
Receivables		
Receivable from US Carriers	278,371	
Refunds due back to US Carriers (on Redlight/overpayment)	(38,408)	
Receivable from Canada	-	
Receivable from Caribbean countries	11,356	
Receivables forwarded to Treasury for collection	75,484	
Allowance for uncollectible accounts	<u>(185,200)</u>	141,603
RND receivable		<u>305</u>
Total assets		14,597,308
Less: Accrued liabilities		
Welch LLP	28,400	
Data Collection Agent - USAC	<u>6,500</u>	(34,900)
RND fees repayable to carriers		<u>(5,232,874)</u>
Fund balance		<u>\$ 9,329,534</u>

There are credit balances of \$38,408 included in the accounts receivable balance which represents overpayments from carriers. Approximately \$13,396 cannot be refunded because companies are on red light status. The remaining \$25,012 is due to overpayments received in September and October. Refunds for overpayments will be processed in November and December for those companies not on red light status.

6,104 invoices were emailed and 309 invoices were mailed on September 14.

The RND fees repayable to carriers represents the amount invoiced to carriers in September 2020. This fee is expected to be repaid once the Reassigned Numbers database (RND) is operational.

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

		Actual	Forecasted										Total	Budget	Variance between forecasted results and budget at Sept 30/21	
		Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21				Sep-21
Revenue																
International Contributions																
Canada	(1)	28,374	14,187	14,187	14,187	14,187	14,187	14,187	14,187	14,187	14,187	14,186	-	170,243	170,243	-
Caribbean countries	(1)	32,838	-	-	-	-	-	-	-	-	-	-	-	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	14,187	14,186	-	203,081	203,081	-
Domestic Contributions - US carriers	(1)	6,413,528	104,136	104,136	104,136	104,136	104,136	104,136	104,136	104,136	104,135	104,135	-	7,454,886	7,393,337	61,549
Late filing fees for Form 499A	(2)	400	-	-	-	-	-	-	-	-	-	-	80,000	80,400	80,000	400
Interest income	(3)	1,631	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	29,131	30,000	(869)
Total revenue		6,476,771	120,823	120,823	120,823	120,823	120,823	120,823	120,823	120,823	120,822	120,821	82,500	7,767,498	7,706,418	61,080
Expenses																
NANPA Administration - Somos	(4)(a)	240,833	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	243,333	2,917,496	2,919,996	2,500
NANPA Administration - transition costs	(4)(b)	-	240,833	240,833	240,833	-	-	-	-	-	-	-	-	722,499	481,666	(240,833)
1K Block Pooling - Somos	(5)(a)	314,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	319,585	3,830,020	3,835,020	5,000
1K Block Pooling - Transition Costs	(5)(b)	-	314,585	314,585	314,585	-	-	-	-	-	-	-	-	943,755	629,170	(314,585)
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)	6,296	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	77,796	78,000	204
Annual Operations Audit	(8)	-	-	50,000	-	-	-	-	-	-	-	-	-	50,000	50,000	-
Bank Charges	(9)	4,710	3,167	3,167	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166	3,166	39,543	38,000	(1,543)
Carrier Audits	(10)	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	200,000	-
Bad debt expense (recovery)	(11)	39,500	3,334	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	76,166	40,000	(36,166)
Total expenses		634,324	1,159,737	1,209,737	1,159,737	804,318	604,318	604,318	604,318	604,317	604,317	604,317	604,317	9,198,075	8,612,652	(585,423)
Net revenue (expenses)		5,842,447	(1,038,914)	(1,088,914)	(1,038,914)	(683,495)	(483,495)	(483,495)	(483,495)	(483,494)	(483,495)	(483,496)	(521,817)	(1,430,577)	(906,234)	(524,343)
Opening fund balance		3,487,087	9,329,534	8,290,620	7,201,706	6,162,792	5,479,297	4,995,802	4,512,307	4,028,812	3,545,318	3,061,823	2,578,327	3,487,087	2,906,234	580,853
Closing fund balance		9,329,534	8,290,620	7,201,706	6,162,792	5,479,297	4,995,802	4,512,307	4,028,812	3,545,318	3,061,823	2,578,327	2,056,510	2,056,510	2,000,000	56,510
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)		7,329,534	6,290,620	5,201,706	4,162,792	3,479,297	2,995,802	2,512,307	2,028,812	1,545,318	1,061,823	578,327	56,510	56,510	-	-
		9,329,534	8,290,620	7,201,706	6,162,792	5,479,297	4,995,802	4,512,307	4,028,812	3,545,318	3,061,823	2,578,327	2,056,510	2,056,510	2,000,000	56,510

See Assumptions and Reconciliation to Budget on following page

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

Reconciliation of forecast to budget

Budgeted fund balance at September 30, 2021 - contingency	\$ 2,000,000
Increase in opening fund balance between budget period and actual	580,853
Additional billings over estimate from budget	61,549
Late filing fees (reversal) for Form 499A	400
Additional interest earned to date compared to budget	(869)
Somos - NANPA Administration - adjustment to actual from budget	2,500
Somos - NANPA Administration - transitions costs from September	(240,833)
Somos - Pooling - adjustment to actual from budget	5,000
Somos - Pooling - transition costs not expended from September	(314,585)
Data Collection fees - Adjustment to actual from budget	204
Bad debts - Adjustment to actual from budget	(36,166)
Carrier audits that will not be performed	-
Bank fees - Variance between actual and budget	(1,543)
Forecasted fund balance at September 30, 2021	\$ 2,056,510

Assumptions:

- (1) The US carrier contributions for the period from October 2020 to September 2021 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 expired Oct 31/20. Monthly costs are estimated based on the current contract.
- (4)(b) This is an additional three months of Somos NANPA Administration transitional costs if a new administrator is awarded provided in the budget. One month carried over from prior year.
- (5)(a) The 1K Block Pooling Administration contract with Somos expire Oct 31/20. Monthly costs are estimated based on the current contract.
- (5)(b) This is an additional three months of Somos 1K Block Pooling transitional costs if a new administrator is awarded as budgeted. One month carried over from prior year.
- (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 October 31, 2020

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on October 13th. Payment is due November 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 October 14th to all carriers with overdue balances. A total of 2,168 demand notices and statements of account were sent out. This is higher than prior year (2019 - 1,535).

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 October, 904 calls and 1381 emails were received (2019 - 359 calls and 956 emails). 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. Approximately 50% of the calls were from companies making payment by credit card over the phone.

Staffing Changes

All staff have been working remotely since March 15, 2020 due to Covid-19. The staff member that was on medical leave has returned full time.

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. These extensions expired October 31, 2020. 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 is commencing on November 16, 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 November 3, 2020

Quarterly Report on Fund Performance and Statement of Financial Position - submitted October 9, 2020

Quarterly Crosswalk reporting package - submitted October 7, 2020

Quarterly Treasury Report on Receivables - submitted October 19, 2020

September NAOWG report - submitted October 8, 2020

Accounts Receivable

In October, \$1,411.23 was received from Treasury for debts collected. This represents payments collected by Treasury from 10 carriers.

CURRENT AND FORECASTED LIABILITIES

NANP activity only

		<u>Current</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>
NANPA Administration - SOMOS		-	484,166	484,166	484,166	243,333	243,333	243,333
- Payment authorized by the FCC in October								
Oct-20	\$		<u>240,833</u>					
1K Block Pooling - SOMOS		-	634,170	634,170	634,170	319,585	319,585	319,585
- Payment authorized by the FCC in October								
Oct-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 October								
Sep-20	\$		<u>28,400</u>					
- Authorization by the FCC has not been received for payment								
Oct-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 October								
Sep-20	\$		<u>6,296</u>					
- Authorization by the FCC has not been received for payment								
Oct-20	estimate			<u>\$ 6,500</u>				
Carrier audits		-	-	-	-	200,000	-	-
Ernst & Young LLP- Annual operations audit		-	-	50,000	-	-	-	-
Bank Fees			3,167	3,167	3,167	3,167	3,167	3,167
Total		<u>34,900</u>	<u>1,156,403</u>	<u>1,206,403</u>	<u>1,156,403</u>	<u>800,985</u>	<u>600,985</u>	<u>600,985</u>

Reassigned Numbers Database (RND) Activities

Budgeted contributions		\$	<u>6,000,000</u>
Contributions Invoiced at Oct 31/20	(1)	\$	5,232,874
Monthly contributions to be received	(1)		846,195
Less: estimated uncollectible amounts	(2)		<u>(60,000.00)</u>
Anticipated contributions		\$	<u>6,019,069</u>

		Total	Sep-20	Oct-20
Contributions received to Oct 31/20		\$ <u>5,029,509</u>	<u>877,736</u>	<u>4,151,773</u>
Less expected costs:				
RND Administrator	(3)	-	-	-
B&C Agent fees	(4)	-	-	-
Audit fees	(5)	-	-	-
Bank fees	(6)	<u>305</u>	<u>-</u>	<u>305</u>
Total costs		<u>305</u>	<u>-</u>	<u>305</u>
Balance of funds available		\$ <u>5,029,204</u>		

Notes:

(1) This figure represents actual amounts billed to date. Additional amounts will be billed on a monthly basis to those carriers who opted to pay the fees monthly.

(2) An estimate of approximately 1% of amounts billed is anticipated to not be collected.

(3) This represents the amount to be paid to the RND administrator for the creation of the database.

(4) This represents additional fees for the B&C Agent to administer the RND collection of fees and payments. A change order has been approved at \$5000/mth starting October 2020 until April 2023.

(5) This represents additional audit fees that will be incurred to perform additional audit procedure on the collection and payment of the RND funds. This will be an annual cost until the program is completed

(6) This represents monthly bank fees incurred specifically for the RND account. Included in the bank fees is the cost to collateralize the bank account.

(7) Approximately \$97,146 of RND fees still unpaid at October 31, 2020.