

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

To Numbering Administration Oversight Working Group

January 11, 2021

NANPA FUND
STATEMENT OF FINANCIAL POSITION
December 31, 2020

Assets

Cash in bank - NANP	\$ 9,115,720	
Cash in bank - RND	<u>5,276,350</u>	\$ 14,392,070
Receivables		
Receivable from US Carriers	122,589	
Refunds due back to US Carriers (on Redlight/overpayment)	(56,247)	
Receivable from Canada	14,187	
Receivable from Caribbean countries	4,945	
Receivables forwarded to Treasury for collection	49,956	
Allowance for uncollectible accounts	<u>(130,800)</u>	4,630
RND receivable		<u>302,952</u>
Total assets		14,699,652
Less: Accrued liabilities		
Welch LLP	28,400	
SOMOS - NANPA & Pooling	679,078	
SOMOS - RND Administration Development	292,294	
Data Collection Agent - USAC	<u>6,500</u>	(1,006,272)
RND fees repayable to carriers		<u>(5,398,517)</u>
Fund balance		<u>\$ 8,294,863</u>

There are credit balances of \$56,247 included in the accounts receivable balance. Approximately \$10,096 cannot be refunded because companies are on red light status. The remaining \$46,152 is due to credits issued from September to December. Refund checks for overpayments received from September to November were issued in December for those companies that were not on red light status. Refunds for credits resulting from credit notes will be issued in February for companies not on red light status.

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

The contract for the new numbering administrator was awarded. It came into effect December 1, 2020 and is for a 5 year term with 3 optional extension periods.

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

		Actual			Forecasted										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	Total	Budget	
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	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	14,186	-	203,081	203,081	-
Domestic Contributions - US carriers																
	Late filing fees for Form 499A	(2)	400	(10,200)	(1,000)	-	-	-	-	-	-	-	80,000	69,200	80,000	(10,800)
	Interest income	(3)	1,631	1,410	1,960	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	27,501	30,000	(2,499)
Total revenue			6,476,771	109,736	121,648	120,823	120,823	120,823	120,823	120,823	120,822	120,821	82,500	7,757,236	7,706,418	50,818
Expenses																
NANPA Administration - Somos																
	1K Block Pooling - Somos	(4)(b)	314,585	314,585	-	-	-	-	-	-	-	-	-	629,170	639,170	10,000
NANPA and Pooling Administration																
	-Transition and development	(5)(a)	-	-	679,078	679,078	679,078	-	-	-	-	-	-	2,037,234	1,110,836	(926,398)
	-Administration	(5)(b)	-	-	-	-	578,778	578,778	578,778	578,778	578,778	578,778	578,778	4,051,446	5,629,180	1,577,734
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	340,800	-
	Data Collection Agent	(7)	6,296	6,258	6,259	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	77,313	78,000	687
	Annual Operations Audit	(8)	-	-	-	50,000	-	-	-	-	-	-	-	50,000	50,000	-
	Bank Charges	(9)	4,710	10,051	3,189	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166	46,449	38,000	(8,449)
	Carrier Audits	(10)	-	-	-	-	200,000	-	-	-	-	-	-	200,000	200,000	-
	Bad debt expense (recovery)	(11)	39,500	(54,599)	3,601	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	18,500	40,000	21,500
Total expenses			634,324	545,528	720,527	770,479	920,478	620,178	620,178	620,178	620,177	620,177	620,177	7,932,578	8,612,652	680,074
Net revenue (expenses)			5,842,447	(435,792)	(598,879)	(649,656)	(799,655)	(499,355)	(499,355)	(499,355)	(499,354)	(499,355)	(537,677)	(175,342)	(906,234)	730,892
Opening fund balance			3,487,087	9,329,534	8,893,742	8,294,863	7,645,207	6,845,552	6,346,197	5,846,842	5,347,487	4,848,133	4,348,778	3,849,422	3,487,087	580,853
Closing fund balance			9,329,534	8,893,742	8,294,863	7,645,207	6,845,552	6,346,197	5,846,842	5,347,487	4,848,133	4,348,778	3,849,422	3,311,745	2,000,000	1,311,745
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	-
	Surplus (deficit)		7,329,534	6,893,742	6,294,863	5,645,207	4,845,552	4,346,197	3,846,842	3,347,487	2,848,133	2,348,778	1,849,422	1,311,745	1,311,745	-
			9,329,534	8,893,742	8,294,863	7,645,207	6,845,552	6,346,197	5,846,842	5,347,487	4,848,133	4,348,778	3,849,422	3,311,745	2,000,000	

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	64,117
Late filing fees (reversal) for Form 499A	(10,800)
Additional interest earned to date compared to budget	(2,499)
Somos - NANPA Administration - adjustment to actual from budget	5,000
Somos - Pooling - adjustment to actual from budget	10,000
Somos - Transition and development costs	(926,398)
Somos - Administration	1,577,734
Data Collection fees - Adjustment to actual from budget	687
Bad debts - Adjustment to actual from budget	21,500
Carrier audits that will not be performed	-
Bank fees - Variance between actual and budget	(8,449)
Forecasted fund balance at September 30, 2021	\$ 3,311,745

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. A one month extension at the same rate was exercised for November 2020.
- (4)(b) The 1K Block Pooling Administration contract with Somos expire Oct 31/20. A one month extension at the same rate was exercised for the month of November 2020.
- (5)(a) This is the cost for NANP and Pooling Administration transition and development costs per contract awarded, for Dec 1, 2020 - Feb 28, 2021
- (5)(b) This is the cost for NANP and Pooling Administration per contract awarded, for Mar 1, 2021 to Nov 30, 2025.
- (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 December 31, 2020

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on December 11th. Payment is due January 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 December 14th to all carriers with overdue balances. A total of 631 demand notices and statements of account were sent out. This is higher than prior year (2019 - 528).

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 December, 105 calls and 30 emails were received (2019 - 34 calls and 97 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 and making payment by credit card.

Staffing Changes

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

The Somos extension contracts expired October 31, 2020. A new contract was awarded in December 2020. It allows for a 3-month transition and development period from Dec 1, 2020 to Feb 28, 2021 and a 57-month administration period from Mar 1, 2021 to Nov 30, 2025 and 3 one-year extensions ending November 30, 2028.

Status of Audits

FCC Audit: The FCC audit for fiscal 2020 is completed. 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.

Independent Audit: The independent audit by Ernst & Young LLP of the financial statements and specified procedures commenced November 16th, 2020.

IPERIA: A kick off meeting for the audit for fiscal year 2021 was held on January 8, 2021.

Deliverable Reports Submission Dates

Monthly SSF 224 report - submitted January 4, 2021

Quarterly Report on Fund Performance and Statement of Financial Position - submitted January 11, 2021

Quarterly Crosswalk reporting package - submitted January 11, 2021

Quarterly Treasury Report on Receivables - due by January 19, 2021

November NAOWG report - submitted December 9, 2020

Accounts Receivable

In December, \$306.11 was received from Treasury for debts collected. This represents payments collected by Treasury from 2 carriers.

Reassigned Numbers Database (RND) Activities

Budgeted contributions		<u>\$ 6,000,000</u>
Contributions Invoiced at Dec 31/20	(1)	\$ 5,398,517
Monthly contributions to be received	(1)	<u>676,956</u>
Anticipated contributions		<u>\$ 6,075,473</u>

Actual Total to Date	Actual				Anticipated for 2021										
	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Total	
Contributions received to Dec 31/20	\$ 5,287,007	877,736	4,151,773	119,387	138,111	84,620	84,620	84,620	84,620	84,620	84,620	84,620	84,620	84,620	6,048,587
Less expected costs:															
RND Administrator	(2) 292,294	-	-	-	292,294	292,294	292,294	292,294	292,294	292,294					1,753,764
B&C Agent fees	(3) 10,000	-	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	55,000
Audit fees	(4) -	-	-	-		8,000									8,000
Bank fees	(5) 658	-	305	186	167	200	200	200	200	200	200	200	200	200	2,458
Total costs	<u>302,952</u>	<u>-</u>	<u>305</u>	<u>5,186</u>	<u>297,461</u>	<u>305,494</u>	<u>297,494</u>	<u>297,494</u>	<u>297,494</u>	<u>297,494</u>	<u>5,200</u>	<u>5,200</u>	<u>5,200</u>	<u>5,200</u>	<u>1,819,222</u>

Balance of funds available \$ 4,984,055

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

and payments. A change order has been approved at \$5000/mth starting October 2020 until April 2023.

(4) 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

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