

**Billing and Collection Agent Report  
For period ending February 28, 2021**

**To Numbering Administration Oversight Working Group**

**March 4, 2021**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
February 28, 2021**

**Assets**

Cash in bank - NANP	\$ 7,680,534	
Cash in bank - RND	<u>4,846,846</u>	\$ 12,527,380
Receivables		
Receivable from US Carriers	215,172	
Refunds due back to US Carriers (on Redlight/overpayment)	(30,128)	
Receivable from Canada	-	
Receivable from Caribbean countries	5,002	
Receivables forwarded to Treasury for collection	125,386	
Allowance for uncollectible accounts	<u>(129,400)</u>	186,032
RND receivable		<u>906,304</u>
<b>Total assets</b>		<b>13,619,716</b>
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>(5,566,844)</u>
<b>Fund balance</b>		<b><u>\$ 7,046,600</u></b>

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There are credit balances of \$30,128 included in the accounts receivable balance. Approximately \$4,200 cannot be refunded because companies are no longer in business or can be found. These balances will be written off in the future. The remaining balance is mainly due to credit balances that cannot be refunded because the carrier is in 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.

**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	
<b>Revenue</b>																
International Contributions																
	(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	-	
	(1)	32,838	-	-	-	-	-	-	-	-	-	-	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>	<b>203,081</b>	<b>-</b>	
Domestic Contributions - US carriers																
	(1)	6,413,528	104,339	106,501	103,960	103,417	104,136	104,136	104,136	104,136	104,135	104,135	-	7,456,559	7,393,337	63,222
Late filing fees for Form 499A		(2)	400	(10,200)	(1,000)	(600)	(1,700)	-	-	-	-	-	80,000	66,900	80,000	(13,100)
Interest income		(3)	1,631	1,410	1,960	1,273	1,129	2,500	2,500	2,500	2,500	2,500	2,500	24,903	30,000	(5,097)
<b>Total revenue</b>		<b>6,476,771</b>	<b>109,736</b>	<b>121,648</b>	<b>118,820</b>	<b>117,033</b>	<b>120,823</b>	<b>120,823</b>	<b>120,823</b>	<b>120,823</b>	<b>120,822</b>	<b>120,821</b>	<b>82,500</b>	<b>7,751,443</b>	<b>7,706,418</b>	<b>45,025</b>
<b>Expenses</b>																
NANPA Administration - Somos																
	(4)(a)	240,833	240,833	-	-	-	-	-	-	-	-	-	-	481,666	486,666	5,000
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	6,299	6,392	6,500	6,500	6,500	6,500	6,500	6,500	77,004	78,000	996
Annual Operations Audit		(8)	-	-	-	50,000	-	-	-	-	-	-	-	50,000	50,000	-
Bank Charges		(9)	4,710	10,051	3,189	2,787	2,780	3,167	3,167	3,167	3,166	3,166	3,166	45,682	38,000	(7,682)
Carrier Audits		(10)	-	-	-	-	200,000	-	-	-	-	-	-	200,000	200,000	-
Bad debt expense (recovery)		(11)	39,500	(54,599)	3,601	3,287	(2,385)	3,333	3,333	3,333	3,333	3,333	3,333	12,735	40,000	27,265
<b>Total expenses</b>		<b>634,324</b>	<b>545,528</b>	<b>720,527</b>	<b>769,851</b>	<b>714,265</b>	<b>820,178</b>	<b>620,178</b>	<b>620,178</b>	<b>620,177</b>	<b>620,177</b>	<b>620,177</b>	<b>620,177</b>	<b>7,925,737</b>	<b>8,612,652</b>	<b>686,915</b>
<b>Net revenue (expenses)</b>		<b>5,842,447</b>	<b>( 435,792)</b>	<b>( 598,879)</b>	<b>( 651,031)</b>	<b>( 597,232)</b>	<b>( 699,355)</b>	<b>( 499,355)</b>	<b>( 499,355)</b>	<b>( 499,354)</b>	<b>( 499,355)</b>	<b>( 537,677)</b>	<b>( 174,294)</b>	<b>( 906,234)</b>	<b>731,940</b>	
<b>Opening fund balance</b>		<b>3,487,087</b>	<b>9,329,534</b>	<b>8,893,742</b>	<b>8,294,863</b>	<b>7,643,832</b>	<b>7,046,600</b>	<b>6,347,245</b>	<b>5,847,890</b>	<b>5,348,535</b>	<b>4,849,181</b>	<b>4,349,826</b>	<b>3,850,470</b>	<b>3,487,087</b>	<b>2,906,234</b>	<b>580,853</b>
<b>Closing fund balance</b>		<b>9,329,534</b>	<b>8,893,742</b>	<b>8,294,863</b>	<b>7,643,832</b>	<b>7,046,600</b>	<b>6,347,245</b>	<b>5,847,890</b>	<b>5,348,535</b>	<b>4,849,181</b>	<b>4,349,826</b>	<b>3,850,470</b>	<b>3,312,793</b>	<b>3,312,793</b>	<b>2,000,000</b>	<b>1,312,793</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)		7,329,534	6,893,742	6,294,863	5,643,832	5,046,600	4,347,245	3,847,890	3,348,535	2,849,181	2,349,826	1,850,470	1,312,793	1,312,793	-	-
		<u>9,329,534</u>	<u>8,893,742</u>	<u>8,294,863</u>	<u>7,643,832</u>	<u>7,046,600</u>	<u>6,347,245</u>	<u>5,847,890</u>	<u>5,348,535</u>	<u>4,849,181</u>	<u>4,349,826</u>	<u>3,850,470</u>	<u>3,312,793</u>	<u>3,312,793</u>	<u>2,000,000</u>	<u>-</u>

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**

<b>Budgeted fund balance at September 30, 2021 - contingency</b>	<b>\$ 2,000,000</b>
Increase in opening fund balance between budget period and actual	580,853
Additional billings over estimate from budget	63,222
Late filing fees (reversal) for Form 499A	(13,100)
Additional interest earned to date compared to budget	(5,097)
Somos - NANPA Administration - adjustment to actual from budget	5,000
Somos - NANPA Administration - transitions costs from September	-
Somos - Pooling - adjustment to actual from budget	10,000
Somos - Pooling - transition costs not expended from September	-
Somos - Transition and development costs	(926,398)
Somos - Administration	1,577,734
Data Collection fees - Adjustment to actual from budget	996
Bad debts - Adjustment to actual from budget	27,265
Carrier audits that will not be performed	-
Bank fees - Variance between actual and budget	(7,682)
<b>Forecasted fund balance at September 30, 2021</b>	<b>\$ 3,312,793</b>

**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 October 31, 2020. A one month extension at the same rate was exercised for November 2020.
- (4)(b) The 1K Block Pooling Administration contract with Somos expire October 31, 2020. 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 December 1, 2020 - February 28, 2021
- (5)(b) This is the cost for NANP and Pooling Administration per contract awarded - for March 1, 2021 to November 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 actual cost.
- (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 February 28, 2021

## **Deliverables Report**

### **Distributing invoices**

The monthly invoices for carriers were emailed/mailed on February 12th. Payment is due March 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 February 16th to all carriers with overdue balances. A total of 31 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 January, 19 calls and 27 emails were received (2020 - 20 calls and 49 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 16, 2020. Finalized audit reports were received January 14, 2021

**IPERIA:** Audit document requests required by February 3, 2021 were submitted to the auditors by the due date.

### **Deliverable Reports Submission Dates**

**Monthly SSF 224 report** - submitted March 2, 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** - submitted January 21, 2021

**December NAOWG report** - submitted February 4, 2021

### **Accounts Receivable**

In February, we received \$4,232.91 from Treasury for delinquents debts collected. These payments were from 36 companies.

**CURRENT AND FORECASTED LIABILITIES**

**NANP activity only**

	<u>Current</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>
<b>NANP and Pooling Administration</b>	679,078	578,778	578,778	578,778	578,778	578,778	578,778
- Authorization by the FCC has not been received for payment							
Feb-21				\$ 679,078			
<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 January							
Jan-21				\$ 28,400			
- Authorization by the FCC has not been received for payment							
Feb-21				\$ 28,400			
<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 January							
Jan-21				\$ 6,392			
- Authorization by the FCC has not been received for payment							
Feb-21			estimate	\$ 6,500			
<b>Carrier audits</b>	-	200,000	-	-	-	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>	-	-	-	-	-	-	-
<b>Bank Fees</b>	-	3,167	3,167	3,167	3,167	3,167	3,167
<b>Total</b>	<u>713,978</u>	<u>816,845</u>	<u>616,845</u>	<u>616,845</u>	<u>616,845</u>	<u>616,845</u>	<u>616,845</u>

## Reassigned Numbers Database (RND) Activities

Budgeted contributions		<u>\$ 6,000,000</u>
Contributions Invoiced at Jan 31/21	(1)	\$ 5,566,844
Monthly contributions to be received	(1)	<u>507,717</u>
Anticipated contributions		<u>\$ 6,074,561</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 Feb 28/21	\$ 5,460,856	877,736	4,151,773	119,387	138,111	89,225	84,624	84,620	84,620	84,620	84,620	84,620	84,620	84,620	6,053,196
Less expected costs:															
RND Administrator	(2) 584,588	-	-	-	292,294	292,294	-	292,294	292,294	292,294					1,461,470
B&C Agent fees	(3) 20,000	-	-	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) 8,400	-	-	-	-	-	8,400								8,400
Bank fees	(5) 1,022	-	305	186	167	184	180	200	200	200	200	200	200	200	2,422
Total costs	<u>614,010</u>	<u>-</u>	<u>305</u>	<u>5,186</u>	<u>297,461</u>	<u>297,478</u>	<u>13,580</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>1,527,292</u>
<b>Balance of funds available</b>	<b><u>\$ 4,846,846</u></b>														

### 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.

(3) 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.

(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.