

**Billing and Collection Agent Report
For period ending January 31, 2021**

To Numbering Administration Oversight Working Group

February 4, 2021

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
January 31, 2021**

Assets

| | | |
|---|------------------|----------------------------|
| Cash in bank - NANP | \$ 7,863,441 | |
| Cash in bank - RND | <u>4,775,802</u> | \$ 12,639,243 |
| Receivables | | |
| Receivable from US Carriers | 26,408 | |
| Refunds due back to US Carriers (on Redlight/overpayment) | (60,984) | |
| Receivable from Canada | - | |
| Receivable from Caribbean countries | 4,982 | |
| Receivables forwarded to Treasury for collection | 134,790 | |
| Allowance for uncollectible accounts | <u>(133,200)</u> | (28,004) |
| RND receivable | | <u>600,430</u> |
| Total assets | | 13,211,669 |
| Less: Accrued liabilities | | |
| Welch LLP | 28,400 | |
| Ernst & Young LLP- Annual operations audit | 50,000 | |
| Data Collection Agent - USAC | <u>6,500</u> | (84,900) |
| RND fees repayable to carriers | | <u>(5,482,937)</u> |
| Fund balance | | <u>\$ 7,643,832</u> |

There are credit balances of \$60,984 included in the accounts receivable balance. Approximately \$10,096 cannot be refunded because companies are on red light status. The remaining \$50,888 is due to credits issued from September to January and double payments made by the carriers. Refunds will be issued in February for companies not 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 | |
|--------------------------------------|--------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|
| | | 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 | between forecasted results and budget at Sept 30/21 |
| Revenue | | | | | | | | | | | | | | | | |
| 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 | - | |
| | | <u>61,212</u> | <u>14,187</u> | <u>14,187</u> | <u>14,187</u> | <u>14,187</u> | <u>14,187</u> | <u>14,187</u> | <u>14,187</u> | <u>14,187</u> | <u>14,186</u> | <u>-</u> | <u>203,081</u> | <u>203,081</u> | <u>-</u> | |
| Domestic Contributions - US carriers | | | | | | | | | | | | | | | | |
| | (1) | 6,413,528 | 104,339 | 106,501 | 103,960 | 104,136 | 104,136 | 104,136 | 104,136 | 104,136 | 104,135 | 104,135 | - | 7,457,278 | 7,393,337 | 63,941 |
| | (2) | 400 | (10,200) | (1,000) | (600) | - | - | - | - | - | - | - | 80,000 | 68,600 | 80,000 | (11,400) |
| | (3) | 1,631 | 1,410 | 1,960 | 1,273 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 26,274 | 30,000 | (3,726) |
| | | <u>6,476,771</u> | <u>109,736</u> | <u>121,648</u> | <u>118,820</u> | <u>120,823</u> | <u>120,823</u> | <u>120,823</u> | <u>120,823</u> | <u>120,823</u> | <u>120,822</u> | <u>120,821</u> | <u>82,500</u> | <u>7,755,233</u> | <u>7,706,418</u> | <u>48,815</u> |
| Expenses | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | | |
| | (5)(a) | - | - | 679,078 | 679,078 | 679,078 | - | - | - | - | - | - | - | 2,037,234 | 1,110,836 | (926,398) |
| | (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 | | | | | | | | | | | | | | | | |
| | (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 | - |
| | (7) | 6,296 | 6,258 | 6,259 | 6,299 | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 | 77,112 | 78,000 | 888 |
| | (8) | - | - | - | 50,000 | - | - | - | - | - | - | - | - | 50,000 | 50,000 | - |
| | (9) | 4,710 | 10,051 | 3,189 | 2,787 | 3,167 | 3,167 | 3,167 | 3,167 | 3,166 | 3,166 | 3,166 | 3,166 | 46,069 | 38,000 | (8,069) |
| | (10) | - | - | - | - | - | 200,000 | - | - | - | - | - | - | 200,000 | 200,000 | - |
| | (11) | 39,500 | (54,599) | 3,601 | 3,287 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 18,453 | 40,000 | 21,547 |
| | | <u>634,324</u> | <u>545,528</u> | <u>720,527</u> | <u>769,851</u> | <u>720,478</u> | <u>820,178</u> | <u>620,178</u> | <u>620,178</u> | <u>620,177</u> | <u>620,177</u> | <u>620,177</u> | <u>620,177</u> | <u>7,931,950</u> | <u>8,612,652</u> | <u>680,702</u> |
| | | 5,842,447 | (435,792) | (598,879) | (651,031) | (599,655) | (699,355) | (499,355) | (499,355) | (499,354) | (499,355) | (499,356) | (537,677) | (176,717) | (906,234) | 729,517 |
| | | <u>3,487,087</u> | <u>9,329,534</u> | <u>8,893,742</u> | <u>8,294,863</u> | <u>7,643,832</u> | <u>7,044,177</u> | <u>6,344,822</u> | <u>5,845,467</u> | <u>5,346,112</u> | <u>4,846,758</u> | <u>4,347,403</u> | <u>3,848,047</u> | <u>3,487,087</u> | <u>2,906,234</u> | <u>580,853</u> |
| | | 9,329,534 | 8,893,742 | 8,294,863 | 7,643,832 | 7,044,177 | 6,344,822 | 5,845,467 | 5,346,112 | 4,846,758 | 4,347,403 | 3,848,047 | 3,310,370 | 3,310,370 | 2,000,000 | 1,310,370 |
| Fund balance makeup: | | | | | | | | | | | | | | | | |
| | | 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 | - |
| | | 7,329,534 | 6,893,742 | 6,294,863 | 5,643,832 | 5,044,177 | 4,344,822 | 3,845,467 | 3,346,112 | 2,846,758 | 2,347,403 | 1,848,047 | 1,310,370 | 1,310,370 | - | - |
| | | <u>9,329,534</u> | <u>8,893,742</u> | <u>8,294,863</u> | <u>7,643,832</u> | <u>7,044,177</u> | <u>6,344,822</u> | <u>5,845,467</u> | <u>5,346,112</u> | <u>4,846,758</u> | <u>4,347,403</u> | <u>3,848,047</u> | <u>3,310,370</u> | <u>3,310,370</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

| | |
|---|---------------------|
| 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 | 63,941 |
| Late filing fees (reversal) for Form 499A | (11,400) |
| Additional interest earned to date compared to budget | (3,726) |
| 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 | 888 |
| Bad debts - Adjustment to actual from budget | 21,547 |
| Carrier audits that will not be performed | - |
| Bank fees - Variance between actual and budget | (8,069) |
| | |
| Forecasted fund balance at September 30, 2021 | \$ 3,310,370 |

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 expires 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 January 31, 2021

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on January 12th. Payment is due February 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 January 13th to all carriers with overdue balances. A total of 44 demand notices and statements of account were sent out. This is lower than prior month as all carriers with balances overdue from the September 2020 annual invoicing were sent to Treasury for collections on January 12th.

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 February 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 January 11, 2021

Accounts Receivable

In January we did not receive any payments from Treasury.

CURRENT AND FORECASTED LIABILITIES
NANP activity only

| | <u>Current</u> | <u>Feb-21</u> | <u>Mar-21</u> | <u>Apr-21</u> | <u>May-21</u> | <u>Jun-21</u> | <u>Jul-21</u> |
|--|----------------|-------------------|----------------|------------------|----------------|----------------|----------------|
| NANP and Pooling Administration | - | 679,078 | 578,778 | 578,778 | 578,778 | 578,778 | 578,778 |
| - Payment authorized by the FCC in January | | | | | | | |
| Dec-20 | | 679,078 | | | | | |
| Jan-21 | | <u>\$ 678,078</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 January | | | | | | | |
| Dec-20 | | <u>\$ 28,400</u> | | | | | |
| - Authorization by the FCC has not been received for payment | | | | | | | |
| Jan-21 | | | | <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 January | | | | | | | |
| Dec-20 | | <u>\$ 6,298</u> | | | | | |
| - Authorization by the FCC has not been received for payment | | | | | | | |
| Jan-21 | | 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>84,900</u> | <u>717,145</u> | <u>816,845</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 Dec 31/20 | (1) | \$ 5,482,937 |
| Monthly contributions to be received | (1) | <u>592,337</u> |
| Anticipated contributions | | <u>\$ 6,075,274</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 Jan 31/21 | \$ 5,376,232 | 877,736 | 4,151,773 | 119,387 | 138,111 | 89,225 | 84,620 | 84,620 | 84,620 | 84,620 | 84,620 | 84,620 | 84,620 | 84,620 | 6,053,192 |
| Less expected costs: | | | | | | | | | | | | | | | |
| RND Administrator | (2) 584,588 | - | - | - | 292,294 | 292,294 | 292,294 | 292,294 | 292,294 | 292,294 | | | | | 1,753,764 |
| B&C Agent fees | (3) 15,000 | - | - | 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 |
| Bank fees | (5) 842 | - | 305 | 186 | 167 | 184 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 2,442 |
| Total costs | <u>600,430</u> | <u>-</u> | <u>305</u> | <u>5,186</u> | <u>297,461</u> | <u>297,478</u> | <u>305,894</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>1,819,606</u> |
| Balance of funds available | <u>\$ 4,775,802</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) 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.