

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

To Numbering Administration Oversight Working Group

April 6, 2021

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

Assets

Cash in bank - NANP	\$ 6,784,911	
Cash in bank - RND	<u>4,257,244</u>	\$ 11,042,155
Receivables		
Receivable from US Carriers	27,282	
Refunds due back to US Carriers <i>(see note below)</i>	(36,338)	
Receivable from Canada	-	
Receivable from Caribbean countries	5,004	
Receivables forwarded to Treasury for collection	114,380	
Allowance for uncollectible accounts	<u>(119,600)</u>	(9,272)
RND receivable		<u>1,203,852</u>
Total assets		12,236,735
Less: Accrued liabilities		
Welch LLP	28,400	
SOMOS - NANPA & Pooling	-	
SOMOS - RND Administration Development	-	
Data Collection Agent - USAC	<u>6,500</u>	(34,900)
RND fees repayable to carriers		<u>(5,650,784)</u>
Fund balance		<u>\$ 6,551,051</u>

There are credit balances of \$36,338 included in the accounts receivable balance. Approximately \$4,200 cannot be refunded because companies are no longer in business or cannot 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 carriers are 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						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	14,186	-	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		(1)	6,413,528	104,339	106,501	103,960	103,417	104,000	104,136	104,136	104,136	104,135	104,135	-	7,456,423	7,393,337	63,086
Late filing fees for Form 499A		(2)	400	(10,200)	(1,000)	(600)	(1,700)	(1,600)	-	-	-	-	80,000	65,300	80,000	(14,700)	
Interest income		(3)	1,631	1,410	1,960	1,273	1,129	1,169	2,500	2,500	2,500	2,500	2,500	23,572	30,000	(6,428)	
Total revenue			6,476,771	109,736	121,648	118,820	117,033	117,756	120,823	120,823	120,823	120,822	120,821	82,500	7,748,376	7,706,418	41,958
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																	
-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	6,445	6,500	6,500	6,500	6,500	6,500	76,949	78,000	1,051	
Annual Operations Audit		(8)	-	-	-	50,000	-	-	-	-	-	-	-	50,000	50,000	-	
Bank Charges		(9)	4,710	10,051	3,189	2,787	2,780	2,439	3,167	3,167	3,166	3,166	3,166	44,954	38,000	(6,954)	
Carrier Audits		(10)	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000	
Bad debt expense (recovery)		(11)	39,500	(54,599)	3,601	3,287	(2,385)	(2,757)	3,333	3,333	3,333	3,333	3,333	6,645	40,000	33,355	
Total expenses			634,324	545,528	720,527	769,851	714,265	613,305	620,178	620,178	620,177	620,177	620,177	7,718,864	8,612,652	893,788	
Net revenue (expenses)			5,842,447	(435,792)	(598,879)	(651,031)	(597,232)	(495,549)	(499,355)	(499,355)	(499,354)	(499,355)	(499,356)	(537,677)	29,512	(906,234)	935,746
Opening fund balance			3,487,087	9,329,534	8,893,742	8,294,863	7,643,832	7,046,600	6,551,051	6,051,696	5,552,341	5,052,987	4,553,632	4,054,276	3,487,087	2,906,234	580,853
Closing fund balance			9,329,534	8,893,742	8,294,863	7,643,832	7,046,600	6,551,051	6,051,696	5,552,341	5,052,987	4,553,632	4,054,276	3,516,599	3,516,599	2,000,000	1,516,599
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	6,893,742	6,294,863	5,643,832	5,046,600	4,551,051	4,051,696	3,552,341	3,052,987	2,553,632	2,054,276	1,516,599	1,516,599	-	-
			9,329,534	8,893,742	8,294,863	7,643,832	7,046,600	6,551,051	6,051,696	5,552,341	5,052,987	4,553,632	4,054,276	3,516,599	3,516,599	2,000,000	1,516,599

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	63,086
Late filing fees (reversal) for Form 499A	(14,700)
Interest earned to date compared to budget	(6,428)
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	1,051
Bad debts - Adjustment to actual from budget	33,355
Carrier audits that will not be performed	200,000
Bank fees - Variance between actual and budget	(6,954)
Forecasted fund balance at September 30, 2021	\$ 3,516,599

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. The FCC cannot confirm whether any audits will be initiated between May and September 2021. Based on prior history, the amount provided for carrier audits is being returned to the surplus amount increasing the surplus by \$200,000 which will be used to offset next year's contribution requirements. If carrier audits cost should be incurred between May and September 2021, the cost will be paid out of the next funding year's contingency allowance.
- (11) The allowance covers all accounts considered potentially uncollectible at March 31, 2021

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on March 12th. Payment is due April 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 March 15th to all carriers with overdue balances. A total of 76 demand notices and statements of account were sent out. This is higher than last month. Companies that paid the NANP portion of their invoice through collection by Treasury are being sent statements for the RND fees still owing.

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 March, 12 calls and 29 emails were received (2020 - 10 calls and 23 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 April 5, 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

February NAOWG report - submitted March 4, 2021

Accounts Receivable

In March, we received \$4,506.16 from Treasury for delinquents debts collected. This represents payments from 47 companies.

Reassigned Numbers Database (RND) Activities

Budgeted contributions		<u>\$ 6,000,000</u>
Contributions Invoiced at Mar 31/21	(1)	\$ 5,650,784
Monthly contributions to be received	(1)	<u>423,098</u>
Anticipated contributions		<u>\$ 6,073,882</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 Mar 31/21	\$ 5,461,096	877,736	4,151,773	119,387	138,111	89,225	84,624	240	169,521	84,620	84,620	84,620	84,620	84,620	6,053,717
Less expected costs:															
RND Administrator	(2) 1,169,176	-	-	-	292,294	292,294	-	584,588	292,294	292,294					1,753,764
B&C Agent fees	(3) 25,000	-	-	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) 1,275	-	305	186	167	184	180	253	200	200	200	200	200	200	2,475
Total costs	1,203,851	-	305	5,186	297,461	297,478	13,580	589,841	297,494	297,494	5,200	5,200	5,200	5,200	1,819,639
Balance of funds available	<u>\$ 4,257,245</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 \$5,000/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 (net of interest earned) incurred specifically for the RND account. Included in the bank fees is the cost to collateralize the bank account.