

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

To Numbering Administration Oversight Working Group

September 1, 2021

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

Assets

Cash in bank - NANP	\$	4,686,671	
Cash in bank - RND		<u>2,767,851</u>	\$ 7,454,522
Receivables			
Receivable from US Carriers		3,275	
Refunds due back to US Carriers <i>(see note below)</i>		(29,555)	
Receivable from Canada		14,187	
Receivable from Caribbean countries		4,855	
Receivables forwarded to Treasury for collection		86,616	
Allowance for uncollectible accounts		<u>(83,400)</u>	(4,022)
RND receivable			<u>1,814,437</u>
Total assets			<u>9,264,937</u>
Less: Accrued liabilities			
Welch LLP		28,400	
SOMOS - NANPA & Pooling		578,778	
Data Collection Agent - USAC		<u>6,500</u>	(613,678)
RND fees repayable to carriers			<u>(4,588,460)</u>
Fund balance			<u>\$ 4,062,799</u>

There are credit balances of \$29,555 included in the accounts receivable balance. The balance is mainly due to credit balances that cannot be refunded because the carriers are in Red Light status or a credit was issued since the last check run in May.

The RND fees repayable to carriers represents amounts invoiced to carriers since September 2020 net of refunds of \$1,224,970 issued to carriers in July 2021. The remaining balance is expected to be repaid once the Reassigned Numbers database (RND) is operational.

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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	103,757	90,397	104,093	104,891	104,490	-	7,443,373	7,393,337	50,036
Late filing fees for Form 499A	(2)	400	(10,200)	(1,000)	(600)	(1,700)	(1,600)	-	(800)	(2,900)	(700)	(400)	80,000	60,500	80,000	(19,500)
Interest income	(3)	1,631	1,410	1,960	1,273	1,129	1,169	1,126	1,017	880	851	824	2,500	15,770	30,000	(14,230)
Total revenue		6,476,771	109,736	121,648	118,820	117,033	117,756	119,070	104,801	116,260	119,229	119,100	82,500	7,722,724	7,706,418	16,306
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	28,400	340,800	340,800	-
Data Collection Agent	(7)	6,296	6,258	6,259	6,299	6,392	6,445	6,390	6,385	6,366	6,370	6,439	6,500	76,399	78,000	1,601
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	2,453	2,247	2,150	2,153	2,107	3,166	40,232	38,000	(2,232)
Carrier Audits	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000
Bad debt expense (recovery)	(11)	39,500	(54,599)	3,601	3,287	(2,385)	(2,757)	(6,550)	(1,176)	(865)	(1,622)	(2,025)	50,000	24,409	40,000	15,591
Total expenses		634,324	545,528	720,527	769,851	714,265	613,305	609,471	614,634	614,829	614,079	613,699	666,844	7,731,356	8,612,652	881,296
Net revenue (expenses)		5,842,447	(435,792)	(598,879)	(651,031)	(597,232)	(495,549)	(490,401)	(509,833)	(498,569)	(494,850)	(494,599)	(584,344)	(8,632)	(906,234)	897,602
Opening fund balance		3,487,087	9,329,534	8,893,742	8,294,863	7,643,832	7,046,600	6,551,051	6,060,650	5,550,817	5,052,248	4,557,398	4,062,799	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	6,060,650	5,550,817	5,052,248	4,557,398	4,062,799	3,478,455	3,478,455	2,000,000	1,478,455
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	4,060,650	3,550,817	3,052,248	2,557,398	2,062,799	1,478,455	1,478,455	-	-
		<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>6,551,051</u>	<u>6,060,650</u>	<u>5,550,817</u>	<u>5,052,248</u>	<u>4,557,398</u>	<u>4,062,799</u>	<u>3,478,455</u>	<u>3,478,455</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	50,036
Late filing fees (reversal) for Form 499A	(19,500)
Interest earned to date compared to budget	(14,230)
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	1,601
Bad debts - Adjustment to actual from budget	15,591
Carrier audits that are anticipated not to be performed	200,000
Bank fees - Variance between actual and budget	(2,232)
Forecasted fund balance at September 30, 2021	\$ 3,478,455

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 August 31, 2021

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

Projection based on budget													Total	
Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22			
NANP Activities														
Projected Revenue														
International Contributions														
Canada	(1)	25,027	12,513	12,513	12,513	12,513	12,513	12,513	12,513	12,513	12,513	-	150,157	
Caribbean countries	(1)	29,043	-	-	-	-	-	-	-	-	-	-	29,043	
Total International Contributions		<u>54,070</u>	<u>12,513</u>	<u>12,513</u>	<u>12,513</u>	<u>12,513</u>	<u>12,513</u>	<u>12,513</u>	<u>12,513</u>	<u>12,513</u>	<u>12,513</u>	<u>-</u>	<u>179,200</u>	
Domestic Contributions - US carriers	(1)	4,963,718											4,963,718	
Late filing fees for Form 499A	(2)		-	-	-	-	-	-	-	-	-	80,000	80,000	
Interest income	(3)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000	
Total projected revenue		<u>5,019,038</u>	<u>13,763</u>	<u>13,763</u>	<u>13,763</u>	<u>13,763</u>	<u>13,763</u>	<u>13,763</u>	<u>13,763</u>	<u>13,763</u>	<u>13,763</u>	<u>81,250</u>	<u>5,237,918</u>	
Projected Expenses														
NANPA and Pooling Administration	(4)	581,695	581,695	581,695	581,695	581,695	581,695	581,695	581,694	581,694	581,694	581,694	6,980,336	
Billing and Collection														
Welch LLP	(5)	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	340,800	
Data Collection Agent	(6)	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	78,000	
Annual Operations Audit	(7)	-	-	51,000	-	-	-	-	-	-	-	-	51,000	
Bank Charges	(8)	3,334	3,334	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000	
Carrier Audits	(9)	-	-	-	-	200,000	-	-	-	-	-	-	200,000	
Bad debt expense (recovery)	(10)	40,000	-	-	-	-	-	-	-	-	-	-	40,000	
Total projected expenses		<u>659,929</u>	<u>619,929</u>	<u>670,929</u>	<u>619,929</u>	<u>819,928</u>	<u>619,928</u>	<u>619,928</u>	<u>619,928</u>	<u>619,927</u>	<u>619,927</u>	<u>619,927</u>	<u>7,730,136</u>	
Projected Net revenue (expenses)		<u>4,359,109</u>	<u>(606,166)</u>	<u>(657,166)</u>	<u>(606,166)</u>	<u>(806,165)</u>	<u>(606,165)</u>	<u>(606,165)</u>	<u>(606,165)</u>	<u>(606,164)</u>	<u>(606,164)</u>	<u>(606,164)</u>	<u>(538,677)</u>	<u>(2,492,218)</u>
Projected Opening fund		<u>3,478,455</u>	<u>7,837,564</u>	<u>7,231,398</u>	<u>6,574,232</u>	<u>5,968,066</u>	<u>5,161,901</u>	<u>4,555,736</u>	<u>3,949,571</u>	<u>3,343,406</u>	<u>2,737,242</u>	<u>2,131,078</u>	<u>1,524,914</u>	<u>3,478,455</u>
Projected NANP Closing fund balance		<u>7,837,564</u>	<u>7,231,398</u>	<u>6,574,232</u>	<u>5,968,066</u>	<u>5,161,901</u>	<u>4,555,736</u>	<u>3,949,571</u>	<u>3,343,406</u>	<u>2,737,242</u>	<u>2,131,078</u>	<u>1,524,914</u>	<u>986,237</u>	<u>986,237</u>
Projected NANP Fund balance makeup:														
Contingency		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Surplus		6,837,564	6,231,398	5,574,232	4,968,066	4,161,901	3,555,736	2,949,571	2,343,406	1,737,242	1,131,078	524,914	(13,763)	(13,763)
		<u>7,837,564</u>	<u>7,231,398</u>	<u>6,574,232</u>	<u>5,968,066</u>	<u>5,161,901</u>	<u>4,555,736</u>	<u>3,949,571</u>	<u>3,343,406</u>	<u>2,737,242</u>	<u>2,131,078</u>	<u>1,524,914</u>	<u>986,237</u>	<u>986,237</u>

See assumptions on following page

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

Assumptions:

- (1) The contributions for October 2021 - September 2022 are based on proposed billings.
- (2) These estimated 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 projections are estimates.
- (4) The numbering administration and pooling administration functions were combined into one 5-year contract that expires November 30, 2025. Monthly costs are based on the contract.
- (5) The cost of B&C Agent is based on the contract with Welch LLP
- (6) The expense for the Data Collection Agent is based on estimate of costs by USAC.
- (7) The cost of the annual operations audit is based on the cost of the prior year's history of billing from Ernst & Young LLP.
- (8) Bank fees are an expense to the Fund and are estimated based on prior years' history.
- (9) The budget allowed \$200,000 for carrier audits.
- (10) The bad debt expense covers all accounts considered potentially uncollectible for fees billed for the 2021-22 funding year.

Deliverables Report

Distributing invoices

The monthly invoices for carriers were emailed/mailed on July 12th. Payment is due August 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 August 16th to all carriers with overdue balances. A total of 17 demand notices and statements of account were sent out. This is comparable to last 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 July, 13 calls and 21 emails were received (2020 - 8 calls and 22 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 or queries about the RND payment received.

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 September 1, 2021

Quarterly Report on Fund Performance and Statement of Financial Position - not applicable this month

Quarterly Crosswalk reporting package - submitted July September 2, 2021

Quarterly Treasury Report on Receivables - not applicable this month

June NAOWG report - submitted August 24, 2021

Accounts Receivable

In August, we received \$2,924.29 from Treasury for delinquents debts collected. This represents payments from 7 companies.

Reassigned Numbers Database (RND) Activities

Budgeted contributions		<u>6,000,000</u>
Contributions Invoiced at July 31/21	(1)	5,903,118
Unpaid RND fees cancelled	(1) (a)	<u>(12,430)</u>
Anticipated contributions		<u>5,890,688</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 Aug 31/21	5,884,822	<u>877,736</u>	<u>4,151,773</u>	<u>119,387</u>	<u>138,111</u>	<u>89,225</u>	<u>84,624</u>	<u>240</u>	<u>169,521</u>	<u>84,870</u>	<u>169,335</u>	-	-	-	5,884,822
Refunds issued in July 2021															
Refunds applied directly to NANP fee	(152,617)	-	-	-	-	-	-	-	-	-	-	(75,213)	(77,404)	-	(152,617)
Refund checks issued to companies >\$500	(1,147,712)	-	-	-	-	-	-	-	-	-	-	(1,147,712)	-	-	(1,147,712)
Refund checks issued to deactivated filers	(2,205)	-	-	-	-	-	-	-	-	-	-	(2,205)	-	-	(2,205)
Contributions remaining	<u>4,582,288</u>	-	-	-	-	-	-	-	-	-	-	<u>(1,225,130)</u>	<u>(77,404)</u>	-	<u>(1,302,534)</u>
Less expected costs:															
RND Administrator	(2) 1,753,764	-	-	-	292,294	292,294	-	584,588	292,294	292,294	-	-	-	-	1,753,764
B&C Agent fees	(3) 50,000	-	-	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) 2,273	-	305	186	167	184	180	253	190	207	189	207	205	200	2,473
Total costs	<u>1,814,437</u>	-	<u>305</u>	<u>5,186</u>	<u>297,461</u>	<u>297,478</u>	<u>13,580</u>	<u>589,841</u>	<u>297,484</u>	<u>297,501</u>	<u>5,189</u>	<u>5,207</u>	<u>5,205</u>	<u>5,200</u>	<u>1,819,637</u>
Balance of funds available	<u>2,767,851</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.

(1) (a) This represents the cancellation of unpaid RND fees equal to the amount of the RND refund the company would have received in the first tranche repayment.

(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.