

**Billing and Collection Agent Report
For period ending September 30, 2021**

To Numbering Administration Oversight Working Group

October 6, 2021

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
September 30, 2021**

Assets

| | | |
|---|------------------|----------------------------|
| Cash in bank - NANP | \$ 6,859,418 | |
| Cash in bank - RND | <u>2,239,489</u> | \$ 9,098,907 |
| Receivables | | |
| Receivable from US Carriers | 2,388,257 | |
| Refunds due back to US Carriers <i>(see note below)</i> | (30,496) | |
| Receivable from Canada | - | |
| Receivable from Caribbean countries | 14,728 | |
| Receivables forwarded to Treasury for collection | 67,788 | |
| Allowance for uncollectible accounts | <u>(117,000)</u> | 2,323,277 |
| RND receivable | | <u>1,819,659</u> |
| Total assets | | 13,241,843 |
| Less: Accrued liabilities | | |
| Welch LLP | 28,400 | |
| SOMOS - NANPA & Pooling | 578,778 | |
| Data Collection Agent - USAC | <u>6,500</u> | (613,678) |
| Deferred revenue (2021/22 billings) | | (5,082,184) |
| RND fees repayable to carriers | | <u>(4,065,484)</u> |
| Fund balance | | <u>\$ 3,480,497</u> |

There are credit balances of \$30,495 included in the accounts receivable balance. The balance is mainly due to credit balances that either cannot be refunded because the carriers are in Red Light status or a credit note was issued or there is an overpayment on the account.

The RND fees repayable to carriers represents amounts invoiced to carriers since September 2020 net of refunded during the year. The remaining balance 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 | | | | | | | | | | | | | Total | Budget | Variance between actual 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 | 7,044 | 7,450,417 | 7,393,337 | 57,080 | |
| Late filing fees for Form 499A | (2) | 400 | (10,200) | (1,000) | (600) | (1,700) | (1,600) | - | (800) | (2,900) | (700) | (400) | 60,200 | 40,700 | 80,000 | (39,300) | |
| Interest income | (3) | 1,631 | 1,410 | 1,960 | 1,273 | 1,129 | 1,169 | 1,126 | 1,017 | 880 | 851 | 824 | 827 | 14,097 | 30,000 | (15,903) | |
| 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 | 68,071 | 7,708,295 | 7,706,418 | 1,877 | |
| 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 | 6,455 | 76,354 | 78,000 | 1,646 | |
| 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 | 2,525 | 39,591 | 38,000 | (1,591) | |
| 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) | 34,215 | 8,624 | 40,000 | 31,376 | |
| Total expenses | | 634,324 | 545,528 | 720,527 | 769,851 | 714,265 | 613,305 | 609,471 | 614,634 | 614,829 | 614,079 | 613,699 | 650,373 | 7,714,885 | 8,612,652 | 897,767 | |
| 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) | (582,302) | (6,590) | (906,234) | 899,644 | |
| 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 | 3,480,497 | 3,480,497 | 2,000,000 | 1,480,497 | |
| 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 | 1,480,497 | 1,480,497 | - | - | |
| | | <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>3,480,497</u> | <u>3,480,497</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 | 57,080 |
| Late filing fees (reversal) for Form 499A | (39,300) |
| Reduction of interest earned to date compared to budget | (15,903) |
| Somos - NANPA Administration - bridge contract- adjustment to actual from budget | 5,000 |
| Somos - Pooling -bridge contract- 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 | 1,646 |
| Bad debts - Adjustment to actual from budget | 31,376 |
| Carrier audits not performed | 200,000 |
| Bank fees - Variance between actual and budget | (1,591) |
| | |
| Actual fund balance at September 30, 2021 | \$ 3,480,497 |

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 September 30, 2021

NANP FUND
FORECATED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2021 TO SEPTEMBER 2022

| Projection based on budget | | | | | | | | | | | | | Total | Budget | |
|--|--------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| 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 | 12,513 | - | 150,157 | 150,157 |
| Caribbean countries | (1) | 29,043 | - | - | - | - | - | - | - | - | - | - | - | 29,043 | 29,043 |
| Total International Contributions | | 54,070 | 12,513 | 12,513 | 12,513 | 12,513 | 12,513 | 12,513 | 12,513 | 12,513 | 12,513 | 12,513 | - | 179,200 | 179,200 |
| Domestic Contributions - US carriers | (1) | 5,040,628 | | | | | | | | | | | - | 5,040,628 | 4,963,718 |
| Late filing fees for Form 499A | (2) | | - | - | - | - | - | - | - | - | - | - | 80,000 | 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 | 1,250 | 15,000 | 15,000 |
| Total projected revenue | | 5,095,948 | 13,763 | 13,763 | 13,763 | 13,763 | 13,763 | 13,763 | 13,763 | 13,763 | 13,763 | 13,763 | 81,250 | 5,314,828 | 5,237,918 |
| 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 | 581,694 | 6,980,336 | 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 | 28,400 | 340,800 | 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 | 6,500 | 78,000 | 78,000 |
| Annual Operations Audit | (7) | - | - | 51,000 | - | - | - | - | - | - | - | - | - | 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 | 3,333 | 40,000 | 40,000 |
| Carrier Audits | (9) | - | - | - | - | 200,000 | - | - | - | - | - | - | - | 200,000 | 200,000 |
| Bad debt expense (recovery) | (10) | - | - | - | - | - | - | - | - | - | - | - | 40,000 | 40,000 | 40,000 |
| Total projected expenses | | 619,929 | 619,929 | 670,929 | 619,929 | 819,928 | 619,928 | 619,928 | 619,928 | 619,927 | 619,927 | 619,927 | 659,927 | 7,730,136 | 7,730,136 |
| Projected Net revenue (expenses) | | 4,476,019 | (606,166) | (657,166) | (606,166) | (806,165) | (606,165) | (606,165) | (606,165) | (606,164) | (606,164) | (606,164) | (578,677) | (2,415,308) | (2,492,218) |
| Projected Opening fund | | 3,480,497 | 7,956,516 | 7,350,350 | 6,693,184 | 6,087,018 | 5,280,853 | 4,674,688 | 4,068,523 | 3,462,358 | 2,856,194 | 2,250,030 | 1,643,866 | 3,480,497 | 3,480,497 |
| Projected NANP Closing fund balance | | 7,956,516 | 7,350,350 | 6,693,184 | 6,087,018 | 5,280,853 | 4,674,688 | 4,068,523 | 3,462,358 | 2,856,194 | 2,250,030 | 1,643,866 | 1,065,189 | 1,065,189 | 988,279 |
| 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 | 1,000,000 | 1,000,000 |
| Surplus | | 6,956,516 | 6,350,350 | 5,693,184 | 5,087,018 | 4,280,853 | 3,674,688 | 3,068,523 | 2,462,358 | 1,856,194 | 1,250,030 | 643,866 | 65,189 | 65,189 | 65,189 |
| | | 7,956,516 | 7,350,350 | 6,693,184 | 6,087,018 | 5,280,853 | 4,674,688 | 4,068,523 | 3,462,358 | 2,856,194 | 2,250,030 | 1,643,866 | 1,065,189 | 1,065,189 | 1,065,189 |

Assumptions:

- (1) The contributions for October 2021 - September 2022 are based on actual 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 invoices for carriers were emailed/mailed on September 13th. Payment is due October 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 September 13th 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 September, 125 calls and 409 emails were received (2021 - 48 calls and 660 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 querie. In addition, many calls were received regarding the \$0 invoice received as a result of netting the RND creation cost refund against the NANP fee for 2021/22.

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 October 1, 2021

Quarterly Report on Fund Performance and Statement of Financial Position - October 6, 2021

Quarterly Crosswalk reporting package - submitted October 6, 2021

Quarterly Treasury Report on Receivables - due October 15, 2021

August NAOWG report - submitted September 1, 2021

Accounts Receivable

In September, we received \$1,321.76 from Treasury for delinquents debts collected. This represents payments from 8 companies.

Reassigned Numbers Database (RND) Activities

| | | |
|---------------------------|---------|------------------|
| Budgeted contributions | | <u>6,000,000</u> |
| Contributions Invoiced | (1) | 5,905,428 |
| Unpaid RND fees cancelled | (1) (a) | <u>(12,430)</u> |
| Anticipated contributions | | <u>5,892,998</u> |

| | Actual Total to Date | Actual | | | | | | | | | | | | Total | |
|--|-------------------------|----------------|------------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|--------------------|-----------------|----------------|--------------------|
| | | 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 |
| Contributions received to Aug 31/21 | 5,887,065 | <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> | <u>2,113</u> | <u>-</u> | <u>130</u> | <u>5,887,065</u> |
| Refunds issued | | | | | | | | | | | | | | | |
| Refunds applied directly to NANP fee | (681,897) | - | - | - | - | - | - | - | - | - | - | (77,258) | (77,471) | (527,168) | (681,897) |
| Refund checks returned- undeliverable | 3,897 | - | - | - | - | - | - | - | - | - | - | - | - | 3,897 | 3,897 |
| 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>4,059,148</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,227,175)</u> | <u>(77,471)</u> | <u>523,271</u> | <u>(1,827,917)</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) 55,000 | - | - | 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) 2,495 | - | 305 | 186 | 167 | 184 | 180 | 253 | 190 | 207 | 189 | 207 | 205 | 222 | 2,495 |
| Total costs | <u>1,819,659</u> | <u>-</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>5,222</u> | <u>1,819,659</u> |
| Balance of funds available | <u>2,239,489</u> | | | | | | | | | | | | | | |

Notes:

(1) This figure represents actual amounts billed to date.

(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.