

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

**To Numbering Administration Oversight Working Group**

**November 10, 2021**

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

**Assets**

Cash in bank - NANP	\$	8,593,257	
Cash in bank - RND		<u>2,234,690</u>	\$ 10,827,947
Receivables			
Receivable from US Carriers		89,153	
Refunds due back to US Carriers <i>(see note below)</i>		(55,549)	
Receivable from Canada		-	
Receivable from Caribbean countries		6,491	
Receivables forwarded to Treasury for collection		63,686	
Allowance for uncollectible accounts		<u>(121,800)</u>	(18,019)
RND receivable			<u>1,824,886</u>
<b>Total assets</b>			<b>12,634,814</b>
<b>Less: Accrued liabilities</b>			
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>(4,066,632)</u>
<b>Fund balance</b>			<b><u>\$ 7,954,504</u></b>

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There are credit balances of \$55,549 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 there is an overpayment on the account. Refund checks are expected to be issued in late November/early December.

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.

The annual invoices were sent out on September 13th. A total of 6,201 invoices were issued.

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

	Actual	Forecasted											Total	Budget	Variance between forecasted results and budget at Sept 30/22		
		Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22				Sep-22	
<b>Revenue</b>																	
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	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	12,513	-	179,200	179,200	-	
Domestic Contributions - US carriers (1)	5,040,124													5,040,124	4,963,718	76,406	
Late filing fees for Form 499A (2)	500	-	-	-	-	-	-	-	-	-	-	80,000		80,500	80,000	500	
Interest income (3)	1,289	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250		15,039	15,000	39	
<b>Total revenue</b>	<b>5,095,983</b>	<b>13,763</b>	<b>13,763</b>	<b>13,763</b>	<b>13,763</b>	<b>13,763</b>	<b>13,763</b>	<b>13,763</b>	<b>13,763</b>	<b>13,763</b>	<b>13,763</b>	<b>81,250</b>		<b>5,314,863</b>	<b>5,237,918</b>	<b>76,945</b>	
<b>Expenses</b>																	
NANPA and Pooling Administration (4)	578,778	581,695	581,695	581,695	581,695	581,695	581,695	581,695	581,694	581,694	581,694	581,694		6,977,419	6,980,336	2,917	
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)	6,401	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500		77,901	78,000	99	
Annual Operations Audit (7)	-	-	51,000	-	-	-	-	-	-	-	-	-		51,000	51,000	-	
Bank Charges (8)	3,597	3,334	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333		40,263	40,000	(263)	
Carrier Audits (9)	-	-	-	-	200,000	-	-	-	-	-	-	-		200,000	200,000	-	
Bad debt expense (recovery) (10)	4,800	-	-	-	-	-	-	-	-	-	-	40,000		44,800	40,000	(4,800)	
<b>Total expenses</b>	<b>621,976</b>	<b>619,929</b>	<b>670,929</b>	<b>619,929</b>	<b>819,928</b>	<b>619,928</b>	<b>619,928</b>	<b>619,928</b>	<b>619,927</b>	<b>619,927</b>	<b>619,927</b>	<b>659,927</b>		<b>7,732,183</b>	<b>7,730,136</b>	<b>(2,047)</b>	
<b>Net revenue (expenses)</b>	<b>4,474,007</b>	<b>( 606,166)</b>	<b>( 657,166)</b>	<b>( 606,166)</b>	<b>( 806,165)</b>	<b>( 606,165)</b>	<b>( 606,165)</b>	<b>( 606,165)</b>	<b>( 606,164)</b>	<b>( 606,164)</b>	<b>( 606,164)</b>	<b>( 578,677)</b>		<b>( 2,417,320)</b>	<b>( 2,492,218)</b>	<b>74,898</b>	
<b>Opening fund balance</b>	<b>3,480,497</b>	<b>7,954,504</b>	<b>7,348,338</b>	<b>6,691,172</b>	<b>6,085,006</b>	<b>5,278,841</b>	<b>4,672,676</b>	<b>4,066,511</b>	<b>3,460,346</b>	<b>2,854,182</b>	<b>2,248,018</b>	<b>1,641,854</b>		<b>3,480,497</b>	<b>3,492,218</b>	<b>(11,721)</b>	
<b>Closing fund balance</b>	<b>7,954,504</b>	<b>7,348,338</b>	<b>6,691,172</b>	<b>6,085,006</b>	<b>5,278,841</b>	<b>4,672,676</b>	<b>4,066,511</b>	<b>3,460,346</b>	<b>2,854,182</b>	<b>2,248,018</b>	<b>1,641,854</b>	<b>1,063,177</b>		<b>1,063,177</b>	<b>1,000,000</b>	<b>63,177</b>	
<b>Fund balance makeup:</b>																	
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 (deficit)	6,954,504	6,348,338	5,691,172	5,085,006	4,278,841	3,672,676	3,066,511	2,460,346	1,854,182	1,248,018	641,854	63,177		63,177	-		
	<u>7,954,504</u>	<u>7,348,338</u>	<u>6,691,172</u>	<u>6,085,006</u>	<u>5,278,841</u>	<u>4,672,676</u>	<u>4,066,511</u>	<u>3,460,346</u>	<u>2,854,182</u>	<u>2,248,018</u>	<u>1,641,854</u>	<u>1,063,177</u>		<u>1,063,177</u>	<u>1,000,000</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, 2022 - contingency</b>	<b>\$ 1,000,000</b>
Increase in opening fund balance between budget period and actual	(11,721)
Additional billings over estimate from budget	76,406
Late filing fees (reversal) for Form 499A	500
Interest earned - Variance between actual and budget	39
NANPA and Pooling - Variance between actual and budget	2,917
Data Collection fees - Variance between actual and budget	99
Bad debts - Variance between actual and budget	(4,800)
Carrier audits not performed	-
Bank fees - Variance between actual and budget	(263)
<b>Forecasted fund balance at September 30, 2022</b>	<b>\$ 1,063,177</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) The cost of NANPA and Pooling administration is based on the contract with Somos.
- (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 an allocation of costs by USAC.
- (7) The expense for the annual operations audit performed by Ernst & Young LLP is based on actual cost.
- (8) Bank fees are an expense to the Fund.
- (9) The budget allows \$200,000 for carrier audits.
- (10) The allowance covers all accounts considered potentially uncollectible at October 31, 2021

## **Deliverables Report**

### **Distributing invoices**

The invoices for carriers were emailed/mailed on October 12<sup>th</sup>. Payment is due November 12<sup>th</sup>.

### **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 October 13<sup>th</sup> to all carriers with overdue balances. A total of 948 demand notices and statements of account were sent out. This is much lower compared to the 2,168 demand notices and statements sent out in October 2020. This is due to many companies having \$0 balance invoices as a result of the RND creation cost refund being netted against the 2021 NANP fees.

### **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 October, 259 calls and 446 emails were received (2020 - 904 calls and 1381 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. 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**

All staff have been working remotely since March 15, 2020 due to Covid-19.

### **Status of Contracts**

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 NANPA, Pooling and RND administration contract was awarded in December 2020. It allowed 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 is ongoing. 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 is scheduled to start November 15, 2021.

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

### **Deliverable Reports Submission Dates**

**Monthly SSF 224 report** - submitted November 3, 2021

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

**Quarterly Crosswalk reporting package** - not applicable this month

**Quarterly Treasury Report on Receivables** - submitted October 19, 2021

**September NAOWG report** - submitted October 6, 2021

### **Accounts Receivable**

In October, we received \$1,139.79 from Treasury for delinquents debts collected. This represents payments from 7 companies.

## Reassigned Numbers Database (RND) Activities

Budgeted contributions	(6)	<u>6,000,000</u>
Contributions received	(1)	5,887,174
Contributions still receivable	(1) (a)	<u>5,188</u>
		<u>5,892,363</u>

	Actual Total to Date	Actual		Forecasted											Total Forecasted to Sept 2022	
		Cumulative Sept 2020 to Sept 2021	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22		
Contributions received to Oct 31/21	5,887,174	<u>5,887,065</u>	<u>109</u>	-	-	-	-	-	-	-	-	-	-	-	-	5,887,174
Refunds issued																
Refunds applied directly to NANP fee	(681,578)	(681,897)	319	-	-	-	-	-	-	-	-	-	-	-	-	(681,578)
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>4,059,577</u>	<u>(1,827,917)</u>	<u>319</u>	-	-	-	-	-	-	-	-	-	-	-	-	<u>(1,827,598)</u>
Less expected costs:																
RND Administrator	(2) 1,753,764	1,753,764	-													1,753,764
B&C Agent fees	(3) 60,000	55,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	115,000
Audit fees	(4) 8,400	8,400	-	-	-	8,400	-	-	-	-	-	-	-	-	-	16,800
Bank fees	(5) 2,723	2,495	228	200	200	200	200	200	200	200	200	200	200	200	200	4,923
Total costs	<u>1,824,887</u>	<u>1,819,659</u>	<u>5,228</u>	<u>5,200</u>	<u>5,200</u>	<u>13,600</u>	<u>5,200</u>	<u>5,200</u>	<u>5,200</u>	<u>5,200</u>	<u>5,200</u>	<u>5,200</u>	<u>5,200</u>	<u>5,200</u>	<u>5,200</u>	<u>1,890,487</u>
<b>Balance of funds available</b>	<b><u>2,234,690</u></b>															

### Notes:

(1) This figure represents actual amounts received to date

(1) (a) This represents RND fees still unpaid by carriers.

(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.

(6) The budget provided that \$6M of fees were to be collected for the creation of the RND. In June 2021 the FCC approved the refund of \$2M of the total fees invoiced as the cost of the creation of the RND were lower than was provided in the budget. As a result, the carriers who were paying their fees monthly had their portion applied against their July and August RND fee obligation. The effect of this resulted in these companies not having to continue the payment of RND fees for July and August. In addition to this, those carriers who had not yet paid their portion of the RND creation fee had their fees reversed in an amount equivalent to their applicable portion of the refund.