

**Billing and Collection Agent Report
For period ending January 31, 2022**

To Numbering Administration Oversight Working Group

February 8, 2022

NANPA FUND
STATEMENT OF FINANCIAL POSITION
January 31, 2022

Assets

Cash in bank - NANP	\$ 6,727,289	
Cash in bank - RND	<u>2,371,063</u>	\$ 9,098,352
Receivables		
Receivable from US Carriers	37,430	
Refunds due back to US Carriers <i>(see note below)</i>	(34,390)	
Receivable from Canada	-	
Receivable from Caribbean countries	6,428	
Receivables forwarded to Treasury for collection	99,653	
Allowance for uncollectible accounts	<u>(121,000)</u>	(11,880)
RND receivable		<u>1,716,134</u>
Total assets		10,802,607
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>(4,091,675)</u>
Fund balance		<u>\$ 6,097,254</u>

There are credit balances of \$34,391 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.

The RND fees repayable to carriers represents amounts invoiced to carriers since September 2020 net of amounts refunded.

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				
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)	5,040,124	70	3,766	(3,992)									5,039,968	4,963,718	76,250
Late filing fees for Form 499A (2)	500	4,600	6,500	(600)	-	-	-	-	-	-	-	80,000	91,000	80,000	11,000
Interest income (3)	1,289	1,252	1,172	1,129	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	14,842	15,000	(158)
Total revenue	5,095,983	18,435	23,951	9,050	13,763	13,763	13,763	13,763	13,763	13,763	13,763	81,250	5,325,010	5,237,918	87,092
Expenses															
NANPA and Pooling Administration (4)	578,778	578,778	584,429	578,778	581,695	581,695	581,695	581,695	581,694	581,694	581,694	581,694	6,974,319	6,980,336	6,017
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	6,574	6,426	6,556	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	77,957	78,000	43
Annual Operations Audit (7)	-	-	51,500	-	-	-	-	-	-	-	-	-	51,500	51,000	(500)
Bank Charges (8)	3,597	5,896	2,801	2,668	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	41,626	40,000	(1,626)
Carrier Audits (9)	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	200,000	-
Bad debt expense (recovery) (10)	4,800	(4,800)	3,177	703	-	-	-	-	-	-	-	40,000	43,880	40,000	(3,880)
Total expenses	621,976	614,848	676,733	617,105	819,928	619,928	619,928	619,928	619,927	619,927	619,927	659,927	7,730,082	7,730,136	54
Net revenue (expenses)	4,474,007	(596,413)	(652,782)	(608,055)	(806,165)	(606,165)	(606,165)	(606,165)	(606,164)	(606,164)	(606,164)	(578,677)	(2,405,072)	(2,492,218)	87,146
Opening fund balance	3,480,497	7,954,504	7,358,091	6,705,309	6,097,254	5,291,089	4,684,924	4,078,759	3,472,594	2,866,430	2,260,266	1,654,102	3,480,497	3,492,218	(11,721)
Closing fund balance	7,954,504	7,358,091	6,705,309	6,097,254	5,291,089	4,684,924	4,078,759	3,472,594	2,866,430	2,260,266	1,654,102	1,075,425	1,075,425	1,000,000	75,425
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 (deficit)	6,954,504	6,358,091	5,705,309	5,097,254	4,291,089	3,684,924	3,078,759	2,472,594	1,866,430	1,260,266	654,102	75,425	75,425	-	-
	<u>7,954,504</u>	<u>7,358,091</u>	<u>6,705,309</u>	<u>6,097,254</u>	<u>5,291,089</u>	<u>4,684,924</u>	<u>4,078,759</u>	<u>3,472,594</u>	<u>2,866,430</u>	<u>2,260,266</u>	<u>1,654,102</u>	<u>1,075,425</u>	<u>1,075,425</u>	<u>1,000,000</u>	<u>75,425</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, 2022 - contingency	\$ 1,000,000
Increase in opening fund balance between budget period and actual	(11,721)
Additional billings over estimate from budget	76,250
Late filing fees (reversal) for Form 499A	11,000
Interest earned - Variance between actual and budget	(158)
NANPA and Pooling - Variance between actual and budget	6,017
Data Collection fees - Variance between actual and budget	43
Annual operations audit - variance between actual and budget	(500)
Bad debts - Variance between actual and budget	(3,880)
Carrier audits not performed	-
Bank fees - Variance between actual and budget	(1,626)
Forecasted fund balance at September 30, 2022	\$ 1,075,425

Assumptions:

- (1) The US carrier contributions for the period from October 2021 to September 2022 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 January 31, 2022

Deliverables Report

Distributing invoices

The 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 61 demand notices and statements of account were sent out. This is lower compared to prior month as all carriers with balances overdue from the September 2021 annual invoicing were sent to Treasury for collections on January 10th.

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, 15 calls and 41 emails were received (Jan 2021 - 19 calls and 27 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.

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 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 was completed December 16th, 2021.

PIIA: The audit began November 18, 2021. Document requests will be submitted when requested.

Deliverable Reports Submission Dates

Monthly SSF 224 report - report was prepared February 2, 2022 but not submitted. The FCC indicated that the report was not required
Quarterly Report on Fund Performance and Statement of Financial Position - submitted January 6, 2022
Quarterly Crosswalk reporting package - submitted January 6, 2022
Quarterly Treasury Report on Receivables - submitted January 11, 2022
December NAOWG report - submitted January 6, 2022

Accounts Receivable

In January \$629.68 was received from Treasury for delinquents debts collected. This represents payments from 3 companies.

Reassigned Numbers Database (RND) Activities

Budgeted contributions	(6)	<u>6,000,000</u>
Contributions received	(1)	5,888,903
Contributions still receivable	(1) (a)	<u>4,203</u>
		<u>5,893,107</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 from carriers received	5,888,903	5,887,065	109	744	950	35	-	-	-	-	-	-	-	-	5,888,903
Repayment from Somos	<u>128,921</u>	-	-	-	<u>42,175</u>	<u>86,746</u>	-	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>432,532</u>
Total monies received	<u>6,017,825</u>	<u>5,887,065</u>	<u>109</u>	<u>744</u>	<u>43,125</u>	<u>86,781</u>	-	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>6,321,436</u>
Refunds issued															
Refunds applied directly to NANP fee	(679,833)	(681,897)	319	1,123	300	322	-	-	-	-	-	-	-	-	(679,833)
Refund checks returned- undeliverable/uncashed	32,949	3,897	-	25	-	29,027	-	-	-	-	-	-	-	-	32,949
Refund checks issued to companies >\$500	(1,147,712)	(1,147,712)	-	-	-	-	-	-	-	-	-	-	-	-	(1,147,712)
Refund checks issued to deactivated filers	<u>(7,112)</u>	<u>(2,205)</u>	-	<u>(4,907)</u>	-	-	-	-	-	-	-	-	-	-	<u>(7,112)</u>
Refunds issued	<u>(1,801,708)</u>	<u>(1,827,917)</u>	<u>319</u>	<u>3,759</u>	<u>300</u>	<u>29,349</u>	-	-	-	-	-	-	-	-	<u>(1,801,708)</u>
Less expected costs:															
RND Administrator	(2) 1,753,764	1,753,764	-	-	-	-	-	-	-	-	-	-	-	-	1,753,764
B&C Agent fees	(3) 75,000	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	115,000
Audit fees	(4) 12,900	8,400	-	-	4,500	-	-	-	-	-	-	-	-	-	12,900
Bank fees	(5) 3,391	2,495	228	210	231	227	200	200	200	200	200	200	200	200	4,991
Total costs	<u>1,845,055</u>	<u>1,819,659</u>	<u>5,228</u>	<u>5,210</u>	<u>9,731</u>	<u>5,227</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>1,886,655</u>
Balance of funds available		<u>2,371,063</u>													

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.