

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

**To Numbering Administration Oversight Working Group**

**September 7, 2022**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
August 31, 2022**

**Assets**

Cash in bank - NANP	\$ 2,562,051	
Cash in bank - RND	<u>2,640,054</u>	\$ 5,202,105
Receivables		
Receivable from US Carriers	40,757	
Refunds due back to US Carriers <i>(see note below)</i>	(57,056)	
Receivable from Canada	-	
Receivable from Caribbean countries	4,863	
Receivables forwarded to Treasury for collection	65,706	
Allowance for uncollectible accounts	<u>(96,900)</u>	(42,630)
RND receivable		<u>1,449,417</u>
<b>Total assets</b>		<b>6,608,892</b>
<b>Less: Accrued liabilities</b>		
Welch LLP	28,400	
SOMOS - NANPA & Pooling	578,778	
Data Collection Agent - USAC (July and August)	<u>13,294</u>	(620,472)
RND fees repayable to carriers		<u>(4,092,452)</u>
<b>Fund balance</b>		<b><u>\$ 1,895,968</u></b>

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The credit balances of \$57,056 included in the accounts receivable balance are mostly made up of amounts that cannot be refunded because the carriers are in Red Light status. Where possible, the credit balance will be applied to the September 2022 NANP annual invoice.

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			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	Total	Budget	
<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	-	150,157	150,157	-
Caribbean countries (1)	29,043	-	-	-	-	-	-	-	-	-	-	-	29,043	29,043	-
<b>Total International Contributions</b>	<b>54,070</b>	<b>12,513</b>	<b>12,513</b>	<b>12,513</b>	<b>12,513</b>	<b>12,513</b>	<b>12,513</b>	<b>12,513</b>	<b>12,513</b>	<b>12,513</b>	<b>12,513</b>	<b>-</b>	<b>179,200</b>	<b>179,200</b>	<b>-</b>
Domestic Contributions - US carriers (1)	5,040,124	70	3,766	(3,992)	(980)	614	(3,013)	3,787	794	(427)	621		5,041,364	4,963,718	77,646
Late filing fees for Form 499A (2)	500	4,600	6,500	(600)	400	1,600	800	5,800	1,700	-	2,400	80,000	103,700	80,000	23,700
Interest income (3)	1,289	1,252	1,172	1,129	880	927	939	694	625	556	1,184	1,250	11,897	15,000	(3,103)
<b>Total revenue</b>	<b>5,095,983</b>	<b>18,435</b>	<b>23,951</b>	<b>9,050</b>	<b>12,813</b>	<b>15,654</b>	<b>11,239</b>	<b>22,794</b>	<b>15,632</b>	<b>12,642</b>	<b>16,718</b>	<b>81,250</b>	<b>5,336,161</b>	<b>5,237,918</b>	<b>98,243</b>
<b>Expenses</b>															
NANPA and Pooling Administration (4)	578,778	578,778	584,429	578,778	578,778	578,778	578,778	578,778	578,778	584,738	578,778	581,694	6,959,863	6,980,336	20,473
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	6,604	6,685	6,618	6,521	6,784	6,769	6,794	6,500	79,232	78,000	(1,232)
Annual Operations Audit (7)	-	-	51,500	-	-	-	-	-	-	-	-	-	51,500	51,000	(500)
Bank Charges (8)	3,597	5,896	2,801	2,668	2,405	2,458	2,238	2,157	2,117	2,209	2,584	3,333	34,463	40,000	5,537
Carrier Audits (9)	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000
Bad debt expense (recovery) (10)	4,800	(4,800)	3,177	703	(5,496)	(3,299)	(1,882)	(900)	800	(2,294)	2,700	40,000	33,509	40,000	6,491
<b>Total expenses</b>	<b>621,976</b>	<b>614,848</b>	<b>676,733</b>	<b>617,105</b>	<b>610,691</b>	<b>613,022</b>	<b>614,152</b>	<b>614,956</b>	<b>616,879</b>	<b>619,822</b>	<b>619,256</b>	<b>659,927</b>	<b>7,499,367</b>	<b>7,730,136</b>	<b>230,769</b>
<b>Net revenue (expenses)</b>	<b>4,474,007</b>	<b>(596,413)</b>	<b>(652,782)</b>	<b>(608,055)</b>	<b>(597,878)</b>	<b>(597,368)</b>	<b>(602,913)</b>	<b>(592,162)</b>	<b>(601,247)</b>	<b>(607,180)</b>	<b>(602,538)</b>	<b>(578,677)</b>	<b>(2,163,206)</b>	<b>(2,492,218)</b>	<b>329,012</b>
<b>Opening fund balance</b>	<b>3,480,497</b>	<b>7,954,504</b>	<b>7,358,091</b>	<b>6,705,309</b>	<b>6,097,254</b>	<b>5,499,376</b>	<b>4,902,008</b>	<b>4,299,095</b>	<b>3,706,933</b>	<b>3,105,686</b>	<b>2,498,506</b>	<b>1,895,968</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>7,358,091</b>	<b>6,705,309</b>	<b>6,097,254</b>	<b>5,499,376</b>	<b>4,902,008</b>	<b>4,299,095</b>	<b>3,706,933</b>	<b>3,105,686</b>	<b>2,498,506</b>	<b>1,895,968</b>	<b>1,317,291</b>	<b>1,317,291</b>	<b>1,000,000</b>	<b>317,291</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	6,358,091	5,705,309	5,097,254	4,499,376	3,902,008	3,299,095	2,706,933	2,105,686	1,498,506	895,968	317,291	317,291	-	-
	<b>7,954,504</b>	<b>7,358,091</b>	<b>6,705,309</b>	<b>6,097,254</b>	<b>5,499,376</b>	<b>4,902,008</b>	<b>4,299,095</b>	<b>3,706,933</b>	<b>3,105,686</b>	<b>2,498,506</b>	<b>1,895,968</b>	<b>1,317,291</b>	<b>1,317,291</b>	<b>1,000,000</b>	<b>317,291</b>

See Assumptions and Reconciliation to Budget on following page

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

**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	77,646
Late filing fees (reversal) for Form 499A	23,700
Interest earned - Variance between actual and budget	(3,103)
NANPA and Pooling - Variance between actual and budget	20,473
Data Collection fees - Variance between actual and budget	(1,232)
Annual operations audit - variance between actual and budget	(500)
Bad debts - Variance between actual and budget	6,491
Carrier audits that are anticipated not to be performed	200,000
Bank fees - Variance between actual and budget	5,537
<b>Forecasted fund balance at September 30, 2022</b>	<b>\$ 1,317,291</b>

**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. The FCC cannot confirm whether any audits will be initiated between May and September 2022. 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 2022, the cost will be paid out of the next funding year's contingency allowance.
- (10) The allowance covers all accounts considered potentially uncollectible at August 31, 2022.

**NANP FUND  
FORECASTED STATEMENT OF CHANGES IN FUND  
BALANCE OCTOBER 2022 TO SEPTEMBER 2023**

Projection based on budget													Total	
Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23			
<b>NANP Activities</b>														
<b>Projected Revenue</b>														
International Contributions														
Canada	(1)	25,032	12,516	12,516	12,516	12,516	12,516	12,516	12,516	12,516	12,516	-	150,192	
Caribbean countries	(1)	29,358	-	-	-	-	-	-	-	-	-	-	29,358	
Total International Contributions		54,390	12,516	12,516	12,516	12,516	12,516	12,516	12,516	12,516	12,516	-	179,550	
Domestic Contributions - US carriers	(1)	7,167,225											7,167,225	
Late filing fees for Form 499A	(2)		-	-	-	-	-	-	-	-	-	80,000	80,000	
Interest income	(3)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	
<b>Total projected revenue</b>		<u>7,222,615</u>	<u>13,516</u>	<u>13,516</u>	<u>13,516</u>	<u>13,516</u>	<u>13,516</u>	<u>13,516</u>	<u>13,516</u>	<u>13,516</u>	<u>13,516</u>	<u>81,000</u>	<u>7,438,775</u>	
<b>Projected Expenses</b>														
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)	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	80,400	
Annual Operations Audit	(7)	-	-	53,000	-	-	-	-	-	-	-	-	53,000	
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	
<b>Total projected expenses</b>		<u>620,129</u>	<u>620,129</u>	<u>673,129</u>	<u>620,129</u>	<u>820,128</u>	<u>620,128</u>	<u>620,128</u>	<u>620,128</u>	<u>620,127</u>	<u>620,127</u>	<u>620,127</u>	<u>660,127</u>	<u>7,734,536</u>
<b>Projected Net revenue (expenses)</b>		<u>6,602,486</u>	<u>( 606,613)</u>	<u>( 659,613)</u>	<u>( 606,613)</u>	<u>( 806,612)</u>	<u>( 606,612)</u>	<u>( 606,612)</u>	<u>( 606,612)</u>	<u>( 606,611)</u>	<u>( 606,611)</u>	<u>( 606,611)</u>	<u>( 579,127)</u>	<u>( 295,761)</u>
<b>Projected Opening fund</b>		<u>1,317,291</u>	<u>7,919,777</u>	<u>7,313,164</u>	<u>6,653,551</u>	<u>6,046,938</u>	<u>5,240,326</u>	<u>4,633,714</u>	<u>4,027,102</u>	<u>3,420,490</u>	<u>2,813,879</u>	<u>2,207,268</u>	<u>1,600,657</u>	<u>1,317,291</u>
<b>Projected NANP Closing fund balance</b>		<u>7,919,777</u>	<u>7,313,164</u>	<u>6,653,551</u>	<u>6,046,938</u>	<u>5,240,326</u>	<u>4,633,714</u>	<u>4,027,102</u>	<u>3,420,490</u>	<u>2,813,879</u>	<u>2,207,268</u>	<u>1,600,657</u>	<u>1,021,530</u>	<u>1,021,530</u>
<b>Projected NANP 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	
Surplus		6,919,777	6,313,164	5,653,551	5,046,938	4,240,326	3,633,714	3,027,102	2,420,490	1,813,879	1,207,268	600,657	21,530	
		<u>7,919,777</u>	<u>7,313,164</u>	<u>6,653,551</u>	<u>6,046,938</u>	<u>5,240,326</u>	<u>4,633,714</u>	<u>4,027,102</u>	<u>3,420,490</u>	<u>2,813,879</u>	<u>2,207,268</u>	<u>1,600,657</u>	<u>1,021,530</u>	<u>1,021,530</u>

**Assumptions:**

- (1) The contributions for October 2022 - September 2023 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 current contract which expires April 30, 2023
- (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 2022-23 funding year.

## **Deliverables Report**

### **Distributing invoices**

The invoices for carriers were emailed/mailed on August 12<sup>th</sup>. Payment is due September 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 August 15<sup>th</sup> to all carriers with overdue balances. A total of 22 demand notices and statements of account were sent out. During the same month last year, 17 statements and demand notices were sent out.

### **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 August, 13 calls and 13 emails were received ( 2021 - 13 calls and 21 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.

### **Staffing**

There are no changes to staffing.

### **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 was 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 much from NANP this year since they are now reporting NANP as a disclosure entity in their footnotes instead of as a consolidated entity. A response was provided to the FCC auditors in August with respect to a query from them.

**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 were submitted when requested. Biweekly audit meetings are attended. The wrap up meeting for this audit was held at the end of June.

### **Deliverable Reports Submission Dates**

**Quarterly Report on Fund Performance and Statement of Financial Position** - submitted July 7, 2022

**Quarterly Crosswalk reporting package** - submitted July 7, 2022

**Quarterly Treasury Report on Receivables** - submitted July 12, 2022

**July NAOWG report** - submitted August 8, 2022

### **Accounts Receivable**

In August, \$810.47 was received from Treasury for delinquents debts collected. This represents payments from 2 companies.

## Reassigned Numbers Database (RND) Activities

Budgeted contributions	(6)	<u>6,000,000</u>
Contributions received	(1)	5,890,199
Contributions still receivable	(1) (a)	<u>2,906</u>
		<u>5,893,105</u>

	Actual												Forecasted		
	Actual Total to Date	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	Total Forecasted to Sept 2022
Contributions received from carriers	5,890,199	5,887,065	109	744	950	35	-	1,209	50	37	-	-	-	-	5,890,199
Repayment from Somos	432,532	-	-	-	42,175	86,746	-	86,746	43,373	43,373	43,373	43,373	43,373	43,373	475,905
<b>Total monies received</b>	<u>6,322,732</u>	<u>5,887,065</u>	<u>109</u>	<u>744</u>	<u>43,125</u>	<u>86,781</u>	<u>-</u>	<u>87,955</u>	<u>43,423</u>	<u>43,410</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>6,366,105</u>
Refunds issued															
Refunds applied directly to NANP fee	(678,774)	(681,897)	319	1,123	300	322	275	150	150	-	125	25	334	-	(678,774)
Refund checks returned- undeliverable/uncashed	33,619	3,897	-	25	-	29,027	-	-	-	670	-	-	-	-	33,619
Refund checks issued to companies >\$500	(1,147,712)	(1,147,712)	-	-	-	-	-	-	-	-	-	-	-	-	(1,147,712)
Refund checks issued to deactivated filers	(7,865)	(2,205)	-	(4,907)	-	-	-	-	-	-	(753)	-	-	-	(7,865)
<b>Refunds issued</b>	<u>(1,800,732)</u>	<u>(1,827,917)</u>	<u>319</u>	<u>(3,759)</u>	<u>300</u>	<u>29,349</u>	<u>275</u>	<u>150</u>	<u>150</u>	<u>670</u>	<u>(628)</u>	<u>25</u>	<u>334</u>	<u>-</u>	<u>(1,800,732)</u>
Less expected costs:															
RND Administrator	(2) 1,753,764	1,753,764	-	-	-	-	-	-	-	-	-	-	-	-	1,753,764
B&C Agent fees	(3) 110,000	55,000	5,000	5,000	5,000	5,000	5,000	-	10,000	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) 5,283	2,495	228	210	231	227	526	248	205	227	462	224	-	200	5,483
<b>Total costs</b>	<u>1,881,947</u>	<u>1,819,659</u>	<u>5,228</u>	<u>5,210</u>	<u>9,731</u>	<u>5,227</u>	<u>5,526</u>	<u>248</u>	<u>10,205</u>	<u>5,227</u>	<u>5,462</u>	<u>5,224</u>	<u>5,000</u>	<u>5,200</u>	<u>1,887,147</u>
<b>Balance of funds available</b>		<u><b>2,640,054</b></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.