

**Billing and Collection Agent Report
For period ending November 30, 2022**

To Numbering Administration Oversight Working Group

December 7, 2022

NANPA FUND
STATEMENT OF FINANCIAL POSITION
November 30, 2022

Assets

Cash in bank - NANP	\$ 7,394,824	
Cash in bank - RND	<u>2,726,788</u>	\$ 10,121,612
Receivables		
Receivable from US Carriers	151,808	
Refunds due back to US Carriers <i>(see note below)</i>	(76,372)	
Receivable from Canada	-	
Receivable from Caribbean countries	6,129	
Receivables forwarded to Treasury for collection	61,906	
Allowance for uncollectible accounts	<u>(113,600)</u>	29,871
RND receivable		<u>1,334,298</u>
Total assets		11,485,781
Less: Accrued liabilities		
Welch LLP	28,400	
SOMOS - NANPA & Pooling	578,778	
Data Collection Agent - USAC	<u>6,700</u>	(613,878)
RND fees repayable to carriers		<u>(4,064,107)</u>
 Fund balance		 <u>\$ 6,807,796</u>

There are credit balances of \$76,371 included in the accounts receivable balance. There are balances totalling \$37,372 that arose prior to September 2022 due to overpayments or credit notes that could not be applied to the September 2022 invoices. The balances will be refunded in December if the company is not on Red Light status. The remaining credit balance of approximately \$38,999 is due to overpayments or credit notes issued for September 2022 invoices.

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 2022 TO SEPTEMBER 2023**

		Actual		Forecasted									Total	Budget	Variance between forecasted results and budget at Sept 30/23	
		Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23				Sep-23
Revenue																
International Contributions																
Canada	(1)	25,032	12,516	12,516	12,516	12,516	12,516	12,516	12,516	12,516	12,516	12,516	-	150,192	150,192	-
Caribbean countries	(1)	29,358	-	-	-	-	-	-	-	-	-	-	-	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	12,516	-	179,550	179,550	-
Domestic Contributions - US carriers	(1)	6,606,485	62,280	61,271	61,271	61,271	61,271	61,271	61,271	61,271	61,271	61,271	-	7,220,204	7,167,225	52,979
Late filing fees for Form 499A	(2)	600	4,100										80,000	84,700	80,000	4,700
Interest income	(3)	4,561	6,609	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	21,170	12,000	9,170
Total revenue		6,666,036	85,505	74,787	74,787	74,787	74,787	74,787	74,787	74,787	74,787	81,000		7,505,624	7,438,775	66,849
Expenses																
NANPA and Pooling Administration	(4)	578,778	578,778	581,695	581,695	581,695	581,695	581,695	581,695	581,694	581,694	581,694	581,694	6,974,502	6,980,336	5,834
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)	7,028	6,865	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	80,893	80,400	(493)
Annual Operations Audit	(7)	-	-	53,000	-	-	-	-	-	-	-	-	-	53,000	53,000	-
Bank Charges	(8)	5,625	9,618	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	48,575	40,000	(8,575)
Carrier Audits	(9)	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	200,000	-
Bad debt expense (recovery)	(10)	(9,500)	(6,899)	-	-	-	-	-	-	-	-	40,000	-	23,601	40,000	16,399
Total expenses		610,331	616,762	673,129	620,129	820,128	620,128	620,128	620,128	620,127	620,127	620,127	660,127	7,721,371	7,734,536	13,165
Net revenue (expenses)		6,055,705	(531,257)	(598,342)	(545,342)	(745,341)	(545,341)	(545,341)	(545,341)	(545,340)	(545,340)	(545,340)	(579,127)	(215,747)	(295,761)	80,014
Opening fund balance		1,283,348	7,339,053	6,807,796	6,209,454	5,664,112	4,918,771	4,373,430	3,828,089	3,282,748	2,737,408	2,192,068	1,646,728	1,283,348	1,295,761	(12,413)
Closing fund balance		7,339,053	6,807,796	6,209,454	5,664,112	4,918,771	4,373,430	3,828,089	3,282,748	2,737,408	2,192,068	1,646,728	1,067,601	1,067,601	1,000,000	67,601
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)		6,339,053	5,807,796	5,209,454	4,664,112	3,918,771	3,373,430	2,828,089	2,282,748	1,737,408	1,192,068	646,728	67,601	67,601	-	-
		7,339,053	6,807,796	6,209,454	5,664,112	4,918,771	4,373,430	3,828,089	3,282,748	2,737,408	2,192,068	1,646,728	1,067,601	1,067,601	1,000,000	-

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

Budgeted fund balance at September 30, 2023 - contingency	\$ 1,000,000
Increase (decrease) in opening fund balance between budget period and actual	(12,413)
Additional billings over estimate from budget	52,979
Late filing fees (reversal) for Form 499A	4,700
Interest earned - variance between actual and budget	9,170
NANPA and Pooling - variance between actual and budget	5,834
Data Collection fees - variance between actual and budget	(493)
Annual operations audit - variance between actual and budget	-
Bad debts - variance between actual and budget	16,399
Carrier audits that are anticipated not to be performed	-
Bank fees - variance between actual and budget	(8,575)
Forecasted fund balance at September 30, 2023	\$ 1,067,601

Assumptions:

- (1) The US carrier contributions for the period from October 2022 to September 2023 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 current contract which expires April 30, 2023
- (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 as may be required under C.F.R 52.15 (k) and FCC Order FCC 00-42.
- (10) The allowance covers all accounts considered potentially uncollectible at November 30, 2022.

Deliverables Report

Distributing invoices

The invoices for carriers were emailed/mailed on November 11th. Payment is due December 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 November 14th to all carriers with overdue balances. A total of 370 demand notices and statements of account were sent out. During the same month last year, 494 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 November, 24 calls and 116 emails were received (2021 - 25 calls and 109 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 November with respect to a query from them.

Independent Audit: The independent audit by Ernst & Young LLP of the financial statements and specified procedures for 2022F commenced November 14, 2022.

PIIA: The audit began December 1, 2022 with a kick off meeting. Document requests were submitted on December 5, 2022,. Biweekly audit meetings are being scheduled.

Deliverable Reports Submission Dates

Quarterly Report on Fund Performance and Statement of Financial Position - October 5, 2022

Quarterly Crosswalk reporting package - October 5, 2022

Quarterly Treasury Report on Receivables - October 12, 2022

October NAOWG report - submitted November 9, 2022

Accounts Receivable

In November, \$672.94 was received from Treasury for delinquents debts collected. This represents payments from 8 companies.

Reassigned Numbers Database (RND) Activities

Budgeted contributions	(6)	<u>6,000,000</u>
Contributions received	(1)	5,890,215
Contributions still receivable	(1) (a)	<u>2,870</u>
		<u>5,893,085</u>

	Actual			Forecasted											Total Forecasted to Sept 2023
	Actual Total to Date	Cumulative Sep 2020 to Sep 2022	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	
Contributions received from carriers	5,890,215	5,890,199	16	-	-	-	-	-	-	-	-	-	-	-	5,890,215
Repayment from Somos	562,651	475,905	-	86,746	43,373	43,373	43,373	43,373	43,373	43,373	43,373	43,373	43,373	43,373	996,381
Total monies received	<u>6,452,867</u>	<u>6,366,105</u>	<u>16</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>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>6,886,597</u>
Refunds issued															
Refunds applied directly to NANP fee	(707,174)	(707,174)	-	-	-	-	-	-	-	-	-	-	-	-	(707,174)
Refund checks returned- undeliverable/uncashed	33,619	33,619	-	-	-	-	-	-	-	-	-	-	-	-	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)	(7,865)	-	-	-	-	-	-	-	-	-	-	-	-	(7,865)
Refunds issued	<u>(1,829,132)</u>	<u>(1,829,132)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,829,132)</u>
Less expected costs:															
RND Administrator	(2) 1,753,764	1,753,764	-	-	-	-	-	-	-	-	-	-	-	-	1,753,764
B&C Agent fees	(3) 125,000	115,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	175,000
Audit fees	(4) 12,900	12,900	-	-	4,700	-	-	-	-	-	-	-	-	-	17,600
Bank fees	(5) 5,283	5,283	-	-	-	-	-	-	-	-	-	-	-	-	5,283
Total costs	<u>1,896,947</u>	<u>1,886,947</u>	<u>5,000</u>	<u>5,000</u>	<u>9,700</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>1,951,647</u>
Balance of funds available		<u>2,726,788</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.