

**Billing and Collection Agent Report
For period ending February 28, 2023**

☐ **To Numbering Administration Oversight Working Group**

March 3, 2023

NANPA FUND
STATEMENT OF FINANCIAL POSITION
February 28, 2023

Assets

Cash in bank - NANP	\$ 5,728,467	
Cash in bank - RND	<u>2,836,942</u>	\$ 8,565,409
Receivables		
Receivable from US Carriers	99,082	
Refunds due back to US Carriers (<i>see note below</i>)	(62,420)	
Receivable from Canada	-	
Receivable from Caribbean countries	5,825	
Receivables forwarded to Treasury for collection	88,446	
Allowance for uncollectible accounts	<u>(116,800)</u>	14,133
RND receivable		<u>1,224,879</u>
Total assets		9,804,421
Less: Accrued liabilities		
Welch LLP	28,400	
SOMOS - NANPA & Pooling	578,778	
Data Collection Agent	<u>6,700</u>	(613,878)
RND fees repayable to carriers		<u>(4,064,692)</u>
Fund balance		<u>\$ 5,125,851</u>

There are credit balances of \$62,420 included in the accounts receivable balance. Refund cheques totalling \$6,706 were issued in February to companies that have been deactivated.

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	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	12,516	-	179,550	179,550	-
Domestic Contributions - US carriers (1)		6,606,485	62,280	53,516	68,476	54,162	61,271	61,271	61,271	61,271	61,271	61,271	61,271	-	7,212,545	7,167,225	45,320
Late filing fees for Form 499A (2)		600	4,100	300	1,000	(800)	-	-	-	-	-	-	80,000	85,200	80,000	5,200	
Interest income (3)		4,561	6,609	7,150	7,145	5,904	1,000	1,000	1,000	1,000	1,000	1,000	1,000	38,369	12,000	26,369	
Total revenue		6,666,036	85,505	73,482	89,137	71,782	74,787	74,787	74,787	74,787	74,787	74,787	81,000	7,515,664	7,438,775	76,889	
Expenses																	
NANPA and Pooling Administration (4)		578,778	578,778	585,684	578,778	578,778	581,695	581,695	581,695	581,694	581,694	581,694	581,694	581,694	6,972,657	6,980,336	7,679
Billing and Collection																	
	Welch LLP 28400	28,400	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	6,866	6,857	7,054	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	81,570	80,400	(1,170)
	Data Collection Agent (7)	-	-	54,000	-	-	-	-	-	-	-	-	-	-	54,000	53,000	(1,000)
	Bank Charges (8)	5,625	9,618	4,414	2,815	2,699	3,333	3,333	3,333	3,333	3,333	3,333	3,333	48,502	40,000	(8,502)	
	Carrier Audits (9)	-	-	-	-	-	200,000	-	-	-	-	-	-	200,000	200,000	-	
	Bad debt expense (recovery) (10)	(9,500)	(6,899)	6,701	6,300	(9,800)	-	-	-	-	-	-	40,000	26,802	40,000	13,198	
Total expenses		610,331	616,762	686,065	623,150	607,131	820,128	620,128	620,128	620,127	620,127	620,127	660,127	7,724,331	7,734,536	10,205	
Net revenue (expenses)		6,055,705	(531,257)	(612,583)	(534,013)	(535,349)	(745,341)	(545,341)	(545,341)	(545,340)	(545,340)	(545,340)	(579,127)	(208,667)	(295,761)	87,094	
Opening fund balance		1,283,348	7,339,053	6,807,796	6,195,213	5,661,200	5,125,851	4,380,510	3,835,169	3,289,828	2,744,488	2,199,148	1,653,808	1,283,348	1,295,761	(12,413)	
Closing fund balance		7,339,053	6,807,796	6,195,213	5,661,200	5,125,851	4,380,510	3,835,169	3,289,828	2,744,488	2,199,148	1,653,808	1,074,681	1,074,681	1,000,000	74,681	
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	5,195,213	4,661,200	4,125,851	3,380,510	2,835,169	2,289,828	1,744,488	1,199,148	653,808	74,681	74,681	-	-	
		7,339,053	6,807,796	6,195,213	5,661,200	5,125,851	4,380,510	3,835,169	3,289,828	2,744,488	2,199,148	1,653,808	1,074,681	1,074,681	1,000,000	74,681	

See Assumptions and Reconciliation to Budget on following page

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

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	45,320
Late filing fees (reversal) for Form 499A	5,200
Interest earned - variance between actual and budget	26,369
NANPA and Pooling - variance between actual and budget	7,679
Data Collection fees - variance between actual and budget	(1,170)
Annual operations audit - variance between actual and budget	(1,000)
Bad debts - variance between actual and budget	13,198
Carrier audits that are anticipated not to be performed	-
Bank fees - variance between actual and budget	(8,502)
Forecasted fund balance at September 30, 2023	\$ 1,074,681

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 February 28, 2023.

Deliverables Report

Distributing invoices

The invoices for carriers were emailed/mailed on February 12th. Payment is due March 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 February 13th to all carriers with overdue balances. A total of 13 demand notices and statements of account were sent out. During the same month last year, 43 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 February, 9 calls and 16 emails were received (2022 - 27 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. An audit kick-off meeting is scheduled for March 2023 for the 2023 fiscal audit.

Independent Audit: The independent audit by Ernst & Young LLP of the financial statements and specified procedures for 2022F was completed in December 2022. Audited statements were issued December 16, 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 attended by Welch.

Deliverable Reports Submission Dates

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

Quarterly Crosswalk reporting package - not applicable

Quarterly Treasury Report on Receivables - not applicable

January NAOWG report - submitted February 7, 2023

Accounts Receivable

In February, \$1,078.24 was received from Treasury for delinquents debts collected from 19 filers.

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						Cumulative 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	692,770	475,905	-	86,746	-	86,746	43,373	43,373	43,373	43,373	43,373	43,373	43,373	43,373	996,381
Total monies received	6,582,986	6,366,105	16	86,746	-	86,746	43,373	43,373	43,373	43,373	43,373	43,373	43,373	43,373	6,886,597
Refunds issued															
Refunds (applied) reversed directly to NANP fee	(706,820)	(707,174)	-	-	150	154	50	-	-	-	-	-	-	-	(706,820)
Refund checks returned- undeliverable/uncashed	34,051	33,619	-	-	432	-	-	-	-	-	-	-	-	-	34,051
Refund checks issued to companies >\$500	(1,147,712)	(1,147,712)	-	-	-	-	-	-	-	-	-	-	-	-	(1,147,712)
Refund checks issued to deactivated filers	(7,915)	(7,865)	-	-	-	-	(50)	-	-	-	-	-	-	-	(7,915)
Refunds issued	(1,828,396)	(1,829,132)	-	-	582	154	-	-	-	-	-	-	-	-	(1,828,396)
Less expected costs:															
RND Administrator	(2) 1,753,764	1,753,764	-	-	-	-	-	-	-	-	-	-	-	-	1,753,764
B&C Agent fees	(3) 140,000	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
Data Collection Agent	(4) 18,600	12,900	-	-	-	5,700	-	-	-	-	-	-	-	-	18,600
Bank fees	(5) 5,283	5,283	-	-	-	-	-	-	-	-	-	-	-	-	5,283
Total costs	1,917,647	1,886,947	5,000	5,000	5,000	10,700	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	1,952,647

Balance of funds available 2,836,942

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.