

**Billing and Collection Agent Report
For period ending May 31, 2023**

To Numbering Administration Oversight Working Group

NANPA FUND
STATEMENT OF FINANCIAL POSITION
May 31, 2023

Assets

Cash in bank - NANP	\$ 4,127,048	
Cash in bank - RND	<u>2,941,942</u>	\$ 7,068,990
Receivables		
Receivable from US Carriers	80,881	
Refunds due back to US Carriers (<i>see note below</i>)	(72,884)	
Receivable from Canada	-	
Receivable from other member countries	5,877	
Receivables forwarded to Treasury for collection	86,116	
Allowance for uncollectible accounts	<u>(95,800)</u>	4,190
RND receivable		<u>1,109,761</u>
Total assets		8,182,941
Less: Accrued liabilities		
Welch LLP	32,700	
SOMOS - NANPA & Pooling	578,778	
Data Collection Agent	<u>6,700</u>	(618,178)
RND fees repayable to carriers		<u>(4,054,648)</u>
Fund balance		<u>\$ 3,510,115</u>

There are credit balances of \$72,884 included in the accounts receivable balance.

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

The FCC has approved the repayment of approximately \$2M of creation costs from the RND fund. The repayment will be offset against the 2023 NANP obligation unless the service provider specifically requests repayment by check. In the case where the service provider does not have a 2023 NANP obligation, a refund check will be sent.

**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	-	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	-	179,550	179,550	-	
Domestic Contributions - US carriers		(1)	6,606,485	62,280	53,516	68,476	54,162	61,021	55,044	60,180	61,271	61,271	61,271	-	7,204,977	7,167,225	37,752
Late filing fees for Form 499A		(2)	600	4,100	300	1,000	(800)	300	2,700	900			80,000	89,100	80,000	9,100	
Interest income		(3)	4,561	6,609	7,150	7,145	5,904	6,076	6,217	5,490	1,000	1,000	1,000	1,000	53,152	12,000	41,152
Total revenue			6,666,036	85,505	73,482	89,137	71,782	79,913	76,477	79,086	74,787	74,787	74,787	81,000	7,526,779	7,438,775	88,004
Expenses																	
NANPA and Pooling Administration		(4)	578,778	578,778	585,684	578,778	578,778	578,778	578,778	578,778	581,694	581,694	581,694	581,694	6,963,906	6,980,336	16,430
Billing and Collection																	
	Welch LLP	(5)	28,400	28,400	28,400	28,400	28,400	28,400	28,400	32,700	32,700	97,700	32,700	32,700	427,300	340,800	(86,500)
	Data Collection Agent	(6)	7,028	6,865	6,866	6,857	7,054	6,934	7,069	6,916	6,700	6,700	6,700	6,700	82,389	80,400	(1,989)
	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	2,396	2,309	2,263	3,333	3,333	3,333	3,333	45,471	40,000	(5,471)
	Carrier Audits	(9)	-	-	-	-	-	-	-	-	-	-	200,000	200,000	200,000	-	
	Special refunds	(11)	-	-	-	-	-	-	-	333,000	370,000	-	-	703,000	-	(703,000)	
	Bad debt expense (recovery)	(10)	(9,500)	(6,899)	6,701	6,300	(9,800)	(800)	(1,509)	(200)	-	-	-	40,000	24,293	40,000	15,707
Total expenses			610,331	616,762	686,065	623,150	607,131	615,708	615,047	620,457	957,427	1,059,427	624,427	864,427	8,500,359	7,734,536	(765,823)
Net revenue (expenses)			6,055,705	(531,257)	(612,583)	(534,013)	(535,349)	(535,795)	(538,570)	(541,371)	(882,640)	(984,640)	(549,640)	(783,427)	(973,580)	(295,761)	(677,819)
Opening fund balance			1,283,348	7,339,053	6,807,796	6,195,213	5,661,200	5,125,851	4,590,056	4,051,486	3,510,115	2,627,475	1,642,835	1,093,195	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	4,590,056	4,051,486	3,510,115	2,627,475	1,642,835	1,093,195	309,768	309,768	1,000,000	(690,232)
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	3,590,056	3,051,486	2,510,115	1,627,475	642,835	93,195	(690,232)	(690,232)	-	
			7,339,053	6,807,796	6,195,213	5,661,200	5,125,851	4,590,056	4,051,486	3,510,115	2,627,475	1,642,835	1,093,195	309,768	309,768	1,000,000	-

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	37,752
Late filing fees (reversal) for Form 499A	9,100
Interest earned - variance between actual and budget	41,152
NANPA - variance between actual and budget	16,430
Data Collection fees - variance between actual and budget	(1,989)
Annual operations audit - variance between actual and budget	(1,000)
Bad debts - variance between actual and budget	15,707
Carrier audits that are anticipated not to be performed	-
Bank fees - variance between actual and budget	(5,471)
Billing & Collection fees - variance between actual and budget	(86,500)
Special refunds	(703,000)
Forecasted fund balance at September 30, 2023	\$ 309,768

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 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. Costs from May to September 2023 are based on a one year contract extension for NANP activities and special work.
- (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 47 C.F.R. §52.15(k) and FCC Order FCC 00-42. In prior years at the time of the budgetary process, this cost was reset to \$0 for the months May to September, redesignated to surplus which was carried over to the following budget year. This year, per FCC directive, the cost is to remain as an expense and not be reset to \$0; any unexpended amount will be returned to the surplus usable for budget period 2024/25.
- (10) The allowance covers all accounts considered potentially uncollectible at May 31, 2023.
- (11) The amounts on this line are an estimate budgeted to account for refunds that are due to providers who, through 2021, should not have been billed the \$25 minimum NANP fee and the associated \$100 late fee. The refunds due will be charged against the FY 22/23 contingency fund. The final cost to the fund may vary from the amounts on this line as the B&C Agent and the FCC continue to analyze the amounts previously collected and the appropriate refund process.

Deliverables Report

Distributing invoices

The invoices for carriers were emailed/mailed on May 12th. Payment is due June 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 May 15th 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 May, 4 calls and 22 emails were received (2022 - 10 calls and 18 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. The FCC approved a one year contract extension. The contract extension runs to April 30, 2024.

The NANPA and RNDAs administration contract was awarded in December 2020. It allowed for a 3-month transition and development period from December 1, 2020 to February 28, 2021 and a 57-month administration period from March 1, 2021 to November 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 - no longer required

Quarterly Crosswalk reporting package - required only for June and September quarter ends

Quarterly Treasury Report on Receivables - April 11, 2023

April NAOWG report - revised report submitted May 18, 2023

Accounts Receivable

In May, \$474.72 was received from Treasury for delinquents debts collected from 6 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	822,889	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	6,713,105	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	(706,745)	(707,174)	-	-	150	154	50	-	25	50	-	-	-	-	(706,745)
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	(18,109)	(7,865)	-	-	-	-	(50)	(10,194)	-	-	-	-	-	-	(18,109)
Refunds issued	(1,838,515)	(1,829,132)	-	-	582	154	-	10,194	25	50	-	-	-	-	(1,838,515)
Less expected costs:															
RND Administrator	(2) 1,753,764	1,753,764	-	-	-	-	-	-	-	-	-	-	-	-	1,753,764
B&C Agent fees	(3) 155,000	115,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	1,200	1,200	1,200	1,200	159,800
Data Collection Agent	(4) 18,600	12,900	-	-	-	5,700	-	-	-	-	-	-	-	-	18,600
Bank fees	(5) 5,283	5,283	-	-	-	-	-	-	-	-	-	-	-	-	5,283
Total costs	1,932,647	1,886,947	5,000	5,000	5,000	10,700	5,000	5,000	5,000	5,000	1,200	1,200	1,200	1,200	1,937,447

Balance of funds available 2,941,942

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 RNDA 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. Costs from May to September 2023 are based on a one year contract extension.

(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.