

**Billing and Collection Agent Report
For period ending September 30, 2023**

To Numbering Administration Oversight Working Group

NANPA FUND
STATEMENT OF FINANCIAL POSITION
September 30, 2023

Assets

Cash in bank - NANP		5,138,385
Cash in bank - RND	\$	1,121,106
Receivables		
Receivable from US Carriers	4,310,252	
Refunds due back to US Carriers <i>(see note below)</i>	(202,181)	
Receivable from Canada	-	
Receivable from other member countries	34,830	
Receivables forwarded to Treasury for collection	37,036	
Allowance for uncollectible accounts	<u>(82,000)</u>	4,097,937
RND receivable		<u>941,069</u>
Total assets		11,298,497
Less: Accrued liabilities		
Welch LLP	32,700	
SOMOS - NANPA & Pooling	578,778	
Data Collection Agent	<u>6,700</u>	(618,178)
Deferred revenue (2023-24 billings)		(7,796,266)
RND fees repayable to carriers		<u>(2,063,474)</u>
Fund balance		<u>\$ 820,579</u>

Of the \$249,582 credit balance owing to US carriers at August 31, \$164,775 related to special refunds owing to companies that are considered inactive or are on red light status. The remaining balance of \$84,807 is due to overpayments on accounts. In September, credit balances were applied to the 2023/24 invoices where possible. In total, \$48,336 of credit balances were applied - approximately \$12,495 of special refund balances and the remainder was prior overpayments on account. The credit balance of \$202,181 at the end of September consists of approximately \$152,275 relating to the special project and the remainder of \$49,906 of old and new overpayments on account.

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

The FCC-approved repayment of \$2M of creation costs from the RND fund were offset against the 2023 NANP obligation, unless the service provider specifically requested repayment by check. Refund checks were sent to 101 service providers that did not have a 2023 NANP obligation for a total of \$17951. Refunds could not be issued for 84 service providers amounting to \$3,537

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

Actual													Total	Budget	Variance between actual 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	53,516	68,476	54,162	61,021	55,044	60,180	61,327	60,780	60,745	705	7,204,721	7,167,225	37,496	
Late filing fees for Form 499A	(2)	600	4,100	300	1,000	(800)	300	2,700	900	1,200	200	(900)	47,200	56,800	80,000	(23,200)	
Interest income	(3)	4,561	6,609	7,150	7,145	5,904	6,076	6,217	5,490	5,033	4,502	3,398	4,752	66,837	12,000	54,837	
Total revenue		6,666,036	85,505	73,482	89,137	71,782	79,913	76,477	79,086	80,076	77,998	75,759	52,657	7,507,908	7,438,775	69,133	
Expenses																	
NANPA and Pooling Administration	(4)	578,778	578,778	585,684	578,778	578,778	578,778	578,778	578,778	578,778	585,916	578,778	578,778	6,959,380	6,980,336	20,956	
Billing and Collection																	
Welch LLP	(5)	28,400	28,400	28,400	28,400	28,400	28,400	28,400	32,700	32,700	32,700	97,700	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	7,279	7,007	6,987	7,060	83,922	80,400	(3,522)	
Annual Operations Audit	(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	2,850	2,011	1,925	1,906	40,831	40,000	(831)	
Carrier Audits	(9)	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000	
Special refunds	(11)	-	-	-	-	-	-	-	-	434,650	-	-	-	434,650	-	(434,650)	
Bad debt expense (recovery)	(10)	(9,500)	(6,899)	6,701	6,300	(9,800)	(800)	(1,509)	(200)	(41,699)	-	-	28,000	(29,406)	40,000	69,406	
Total expenses		610,331	616,762	686,065	623,150	607,131	615,708	615,047	620,457	1,014,558	627,634	685,390	648,444	7,970,677	7,734,536	(236,141)	
Net revenue (expenses)		6,055,705	(531,257)	(612,583)	(534,013)	(535,349)	(535,795)	(538,570)	(541,371)	(934,482)	(549,636)	(609,631)	(595,787)	(462,769)	(295,761)	(167,008)	
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	2,575,633	2,025,997	1,416,366	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	2,575,633	2,025,997	1,416,366	820,579	820,579	1,000,000	(179,421)	
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	1,575,633	1,025,997	416,366	(179,421)	(179,421)	-	-	
		7,339,053	6,807,796	6,195,213	5,661,200	5,125,851	4,590,056	4,051,486	3,510,115	2,575,633	2,025,997	1,416,366	820,579	820,579	1,000,000	(179,421)	

See Assumptions and Reconciliation to Budget on following page

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

Reconciliation of actual 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	37,496
Late filing fees (reversal) for Form 499A	(23,200)
Interest earned - variance between actual and budget	54,837
NANPA - variance between actual and budget	20,956
Data Collection fees - variance between actual and budget	(3,522)
Annual operations audit - variance between actual and budget	(1,000)
Bad debts - variance between actual and budget	69,406
Carrier audits that are anticipated not to be performed	200,000
Bank fees - variance between actual and budget	(831)
Billing & Collection fees - variance between actual and budget	(86,500)
Special refunds	(434,650)
Actual fund balance at September 30, 2023	\$ 820,579

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 September 30, 2023.
- (11) This amounts is 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.

**NANP FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2023 TO SEPTEMBER 2024**

Projection based on budget													Total	
Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24			
NANP Activities														
Projected Revenue														
International Contributions														
Canada	(1)	25,048	12,524	12,524	12,524	12,524	12,524	12,524	12,524	12,523	12,523	-	150,286	
Caribbean countries	(1)	29,356	-	-	-	-	-	-	-	-	-	-	29,356	
Total International Contributions		54,404	12,524	12,524	12,524	12,524	12,524	12,524	12,524	12,523	12,523	-	179,642	
Domestic Contributions - US carriers	(1)	7,806,305	51,919	51,919	51,919	51,919	51,919	51,919	51,919	51,919	51,919	-	8,325,495	
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	40,000	40,000	
Interest income	(3)	5,834	5,834	5,834	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	70,000	
Total projected revenue		<u>7,866,543</u>	<u>70,277</u>	<u>70,277</u>	<u>70,277</u>	<u>70,276</u>	<u>70,276</u>	<u>70,276</u>	<u>70,276</u>	<u>70,275</u>	<u>70,275</u>	<u>45,833</u>	<u>8,615,137</u>	
Projected Expenses														
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														
Billing and Collection Agent	(5)	32,700	32,700	32,700	32,700	32,700	40,800	32,700	32,700	32,700	32,700	32,700	400,500	
Data Collection Agent	(6)	6,934	6,934	6,934	6,934	6,934	6,934	6,934	6,934	6,934	6,934	6,934	83,208	
Annual Operations Audit	(7)	-	-	56,000	-	-	-	-	-	-	-	-	56,000	
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)	-	-	-	-	-	-	-	-	-	-	30,000	30,000	
Total projected expenses		<u>624,663</u>	<u>624,663</u>	<u>680,663</u>	<u>624,663</u>	<u>624,662</u>	<u>624,662</u>	<u>632,762</u>	<u>624,662</u>	<u>624,661</u>	<u>624,661</u>	<u>854,661</u>	<u>7,790,044</u>	
Projected Net revenue (expenses)		<u>7,241,880</u> (	<u>554,386</u> (	<u>610,386</u> (	<u>554,386</u> (	<u>554,386</u> (	<u>554,386</u> (	<u>562,486</u> (	<u>554,386</u> (	<u>554,385</u> (	<u>554,386</u> (	<u>554,386</u> (	<u>808,828</u>)
Projected Opening fund		<u>820,579</u>	<u>8,062,459</u>	<u>7,508,073</u>	<u>6,897,687</u>	<u>6,343,301</u>	<u>5,788,915</u>	<u>5,234,529</u>	<u>4,672,043</u>	<u>4,117,657</u>	<u>3,563,272</u>	<u>3,008,886</u>	<u>2,454,500</u>	<u>820,579</u>
Projected NANP Closing fund balance		<u>8,062,459</u>	<u>7,508,073</u>	<u>6,897,687</u>	<u>6,343,301</u>	<u>5,788,915</u>	<u>5,234,529</u>	<u>4,672,043</u>	<u>4,117,657</u>	<u>3,563,272</u>	<u>3,008,886</u>	<u>2,454,500</u>	<u>1,645,672</u>	<u>1,645,672</u>
Projected NANP 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	
Surplus		7,062,459	6,508,073	5,897,687	5,343,301	4,788,915	4,234,529	3,672,043	3,117,657	2,563,272	2,008,886	1,454,500	645,672	
		<u>8,062,459</u>	<u>7,508,073</u>	<u>6,897,687</u>	<u>6,343,301</u>	<u>5,788,915</u>	<u>5,234,529</u>	<u>4,672,043</u>	<u>4,117,657</u>	<u>3,563,272</u>	<u>3,008,886</u>	<u>2,454,500</u>	<u>1,645,672</u>	<u>1,645,672</u>

Assumptions:

- (1) The contributions for October 2023 - September 2024 are based on actual 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, 2024
- (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 2023-24 funding year.

Deliverables Report

Distributing invoices

The invoices for carriers were emailed/mailed on September 12th. Payment is due October 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 September 13th to all carriers with overdue balances. A total of 18 demand notices and statements of account were sent out. During the same month last year, 14 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 September, 94 calls and 325 emails were received (2022 - 67 calls and 312 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, asking how to make a payment or about the credit note and refund check received re the special refund process.

Staffing

A new bookkeeper joined the team in mid September.

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 RNDA 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 2023F is scheduled to start mid November 2023.

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 - July 13, 2023

Quarterly Treasury Report on Receivables - July 13, 2023

July NAOWG report - September 7, 2023

Accounts Receivable

In September, \$400.77 was received from Treasury for delinquents debts collected from 2 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>1,293</u>
		<u>5,891,508</u>

	Actual													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	<u>996,381</u>	<u>475,905</u>	-	<u>86,746</u>	-	<u>86,746</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	-	<u>86,746</u>	<u>43,373</u>	<u>43,373</u>	<u>996,381</u>
Total monies received	<u>6,886,597</u>	<u>6,366,105</u>	<u>16</u>	<u>86,746</u>	-	<u>86,746</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	-	<u>86,746</u>	<u>43,373</u>	<u>43,373</u>	<u>6,886,597</u>
Refunds issued															
Refunds (applied) reversed directly to NANP fee	(2,673,898)	(707,174)	-	-	150	154	50	-	25	50	10,625	-	-	(1,977,778)	(2,673,898)
Refund checks returned- undeliverable/uncashed	38,785	33,619	-	-	432	-	-	-	-	-	-	175	-	4,559	38,785
Refund checks issued to companies >\$500	(1,151,107)	(1,147,712)	-	-	-	-	-	-	-	-	-	-	-	(3,395)	(1,151,107)
Refund checks issued to deactivated filers	<u>(41,823)</u>	<u>(7,865)</u>	-	-	-	-	(50)	(10,194)	-	-	-	(9,157)	-	(14,557)	(41,823)
Refunds issued	<u>(3,828,043)</u>	<u>(1,829,132)</u>	-	-	<u>582</u>	<u>154</u>	-	<u>10,194</u>	<u>25</u>	<u>50</u>	<u>10,625</u>	<u>(8,982)</u>	-	<u>(1,991,171)</u>	<u>(3,828,043)</u>
Less expected costs:															
RND Administrator	(2)	1,753,764	1,753,764	-	-	-	-	-	-	-	-	-	-	-	1,753,764
B&C Agent fees	(3)	159,800	115,000	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)	<u>5,283</u>	<u>5,283</u>	-	-	-	-	-	-	-	-	-	-	-	<u>5,283</u>
Total costs		<u>1,937,447</u>	<u>1,886,947</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>10,700</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,937,447</u>

Balance of funds available 1,121,106

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. 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.