

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

To Numbering Administration Oversight Working Group

NANPA FUND
STATEMENT OF FINANCIAL POSITION
October 31, 2023

Assets

Cash in bank - NANP	\$	8,823,115
Cash in bank - RND		1,163,285
Receivables		
Receivable from US Carriers	114,004	
Refunds due back to US Carriers <i>(see note below)</i>	(206,633)	
Receivable from Canada	-	
Receivable from other member countries	7,178	
Receivables forwarded to Treasury for collection	36,406	
Allowance for uncollectible accounts	<u>(77,500)</u>	(126,545)
RND receivable		<u>898,896</u>
Total assets		10,758,751
Less: Accrued liabilities		
Welch LLP	32,700	
SOMOS - NANPA & Pooling	578,778	
Data Collection Agent	<u>6,934</u>	(618,412)
RND fees repayable to carriers		<u>(2,062,902)</u>
Fund balance	\$	<u><u>8,077,437</u></u>

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. In October, refund checks relating to the special refunds were issued to 42 service providers. The credit balance at the end of October of \$206,633 consists of approximately \$146,700 relating to the special project and the remainder balance of \$59,933 relates to overpayments or non-special credit notes on account

There were 5,531 invoices issued in September for the annual fees.

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

		Actual	Forecasted										Total	Budget	Variance between forecasted results and budget at Sept 30/24		
		Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24				Sep-24	
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	12,523	-	150,285	150,285	-	
Caribbean countries	(1)	29,356	-	-	-	-	-	-	-	-	-	-	-	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	12,523	-	179,641	179,641	-	
Domestic Contributions - US carriers	(1)	7,807,999	51,919	51,919	51,919	51,919	51,919	51,919	51,919	51,919	51,919	51,919	-	8,327,189	8,265,905	61,284	
Late filing fees for Form 499A	(2)	3,600											40,000	43,600	40,000	3,600	
Interest income	(3)	11,000	5,834	5,834	5,834	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	75,166	70,000	5,166	
Total revenue		7,877,003	70,277	70,277	70,277	70,276	70,276	70,276	70,276	70,275	70,275	70,275	45,833	8,625,596	8,555,546	70,050	
Expenses																	
NANPA Administration	(4)	578,778	581,695	581,695	581,695	581,695	581,695	581,695	581,695	581,694	581,694	581,694	581,694	6,977,419	6,980,336	2,917	
Billing and Collection																	
Welch LLP	(5)	32,700	32,700	32,700	32,700	32,700	32,700	40,800	32,700	32,700	32,700	32,700	32,700	400,500	400,500	-	
Data Collection Agent	(6)	7,185	6,934	6,934	6,934	6,934	6,934	6,934	6,934	6,934	6,934	6,934	6,934	83,459	83,208	(251)	
Annual Operations Audit	(7)	-	-	56,000	-	-	-	-	-	-	-	-	-	56,000	56,000	-	
Bank Charges	(8)	5,982	3,334	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	42,648	40,000	(2,648)	
Carrier Audits	(9)	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000	200,000	-	
Bad debt expense (recovery)	(10)	(4,500)	-	-	-	-	-	-	-	-	-	-	30,000	25,500	30,000	4,500	
Total expenses		620,145	624,663	680,663	624,663	624,662	624,662	632,762	624,662	624,661	624,661	624,661	854,661	7,785,526	7,790,044	4,518	
Net revenue (expenses)		7,256,858	(554,386)	(610,386)	(554,386)	(554,386)	(554,386)	(562,486)	(554,386)	(554,386)	(554,386)	(554,386)	(808,828)	840,070	765,502	74,568	
Opening fund balance		820,579	8,077,437	7,523,051	6,912,665	6,358,279	5,803,893	5,249,507	4,687,021	4,132,635	3,578,249	3,023,863	2,469,477	820,579	234,498	586,081	
Closing fund balance		8,077,437	7,523,051	6,912,665	6,358,279	5,803,893	5,249,507	4,687,021	4,132,635	3,578,249	3,023,863	2,469,477	1,660,649	1,660,649	1,000,000	660,649	
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)		7,077,437	6,523,051	5,912,665	5,358,279	4,803,893	4,249,507	3,687,021	3,132,635	2,578,249	2,023,863	1,469,477	660,649	660,649	-	-	
		8,077,437	7,523,051	6,912,665	6,358,279	5,803,893	5,249,507	4,687,021	4,132,635	3,578,249	3,023,863	2,469,477	1,660,649	1,660,649	1,000,000	660,649	

See Assumptions and Reconciliation to Budget on following page

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

Reconciliation of forecasted to budget

Budgeted fund balance at September 30, 2024 - contingency	\$ 1,000,000
Increase (decrease) in opening fund balance between budget period and actual	586,081
Additional billings over estimate from budget	61,284
Late filing fees (reversal) for Form 499A	3,600
Interest earned - variance between actual and budget	5,166
NANPA - variance between actual and budget	2,917
Data Collection fees - variance between actual and budget	(251)
Annual operations audit - variance between actual and budget	-
Bad debts - variance between actual and budget	4,500
Carrier audits that are anticipated not to be performed	-
Bank fees - variance between actual and budget	(2,648)
Billing & Collection fees - variance between actual and budget	-
Forecasted fund balance at September 30, 2024	\$ 1,660,649

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 relates to interest earned on the bank balances and on overdue service provider accounts.
- (4) The cost of NANPA administration is based on the contract with Somos.
- (5) The cost of B&C Agent is based on the one year contract extension which expires April 30, 2024.
- (6) The expense for the Data Collection Agent is based on an allocation of costs by USAC.
- (7) The expense represents the estimated cost of the annual operations audit performed by Ernst & Young LLP.
- (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.
- (10) The allowance covers all accounts considered potentially uncollectible at October 31, 2023.

Deliverables Report

Distributing invoices

The invoices for carriers were emailed/mailed on October 12th. Payment is due November 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 October 13th to all carriers with overdue balances. A total of 1,125 demand notices and statements of account were sent out. During the same month last year, 1,267 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 October, 253 calls and 614 emails were received (2022 - 284 calls and 478 emails). Most queries related to the following: requesting copies of invoices, making changes to their email billing address, notification about closing their business, asking what the invoice was for, asking how to make a payment, asking about the credit note and refund check received re the special refund process.

Staffing

A new bookkeeper joined the team in mid September and a new manager started transitioning onto the NANP B&C agent team.

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. Audit representation and legal letters were provided as requested in October and November 2023.

Independent Audit: The independent audit by Ernst & Young LLP of the financial statements and specified procedures for 2023 fiscal year is scheduled to start November 13, 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. **This audit has been completed**

Deliverable Reports Submission Dates

Quarterly Crosswalk reporting package - October 10, 2023

Quarterly Treasury Report on Receivables - October 12, 2023

September NAOWG report - October 10, 2023

Accounts Receivable

In October, \$130.99 was received from Treasury for delinquents debts collected from two 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		Forecasted											Cumulative Forecasted to Sept 2024	
	Actual Total to Date	Cumulative Sept 2020 to Sept 2023	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24		Sep-24
Contributions received from carriers	5,890,215	5,890,215	-	-	-	-	-	-	-	-	-	-	-	-	5,890,215
Repayment from Somos	<u>1,039,754</u>	<u>996,381</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>43,373</u>	<u>43,373</u>	<u>1,516,857</u>
Total monies received	<u>6,929,970</u>	<u>6,886,597</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>43,373</u>	<u>43,373</u>	<u>7,407,073</u>
Refunds issued															
Refunds (applied) reversed directly to NANP fee	(2,673,892)	(2,673,898)	6	-	-	-	-	-	-	-	-	-	-	-	(2,673,892)
Refund checks returned- undeliverable/uncashed	38,785	38,785	-	-	-	-	-	-	-	-	-	-	-	-	38,785
Refund checks issued to companies >\$500	(1,151,107)	(1,151,107)	-	-	-	-	-	-	-	-	-	-	-	-	(1,151,107)
Refund checks issued to deactivated filers	<u>(41,823)</u>	<u>(41,823)</u>	-	-	-	-	-	-	-	-	-	-	-	-	<u>(41,823)</u>
Refunds issued	<u>(3,828,037)</u>	<u>(3,828,043)</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,828,037)</u>
Less expected costs:															
RND Administrator	(2) 1,753,764	1,753,764	-	-	-	-	-	-	-	-	-	-	-	-	1,753,764
B&C Agent fees	(3) 161,000	159,800	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	174,200
Audit fees	(4) 18,600	18,600	-	-	-	5,850	-	-	-	-	-	-	-	-	24,450
Bank fees	(5) 5,283	5,283	-	-	-	-	-	-	-	-	-	-	-	-	5,283
Total costs	<u>1,938,647</u>	<u>1,937,447</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>7,050</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,957,697</u>
Balance of funds available		<u>1,163,285</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. Costs from May 2023 to April 2024 are based on a one year contract extension. Costs over April 2024 are estimated based on the 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.

In 2023, the FCC approved the second tranche repayment of \$2M. The refund was done via an offset against the 2023 annual NANP fees. The carriers who did not have a 2023 NANP obligation were sent a refund check, subject to the red light rules.