

**Billing and Collection Agent Report
For period ending September 30, 2024**

To Numbering Administration Oversight Working Group

NANPA FUND
STATEMENT OF FINANCIAL POSITION
September 30, 2024

Assets

Cash in bank - NANP	\$	5,582,170
Cash in bank - RND		1,574,112
Receivables		
Receivable from US Carriers	3,139,283	
Refunds due back to US Carriers <i>(see note below)</i>	(228,717)	
Receivable from Canada	10	
Receivable from other member countries	16,878	
Receivables forwarded to Treasury for collection	41,433	
Allowance for uncollectible accounts	<u>(88,000)</u>	2,880,887
RND receivable		<u>482,128</u>
Total assets		10,519,297
Less: Accrued liabilities		
Welch LLP	32,700	
SOMOS - NANPA & Pooling	578,778	
EY LLP - audit	59,500	
Data Collection Agent	<u>6,934</u>	(677,912)
Deferred revenue (2024/25 billings)		(5,899,058)
RND fees repayable to carriers		<u>(2,057,579)</u>
NANP Fund balance	\$	<u>1,884,748</u>

The credit balance of \$228,717 at the end of September consists of approximately \$180,924 relating to the special project and the remainder of \$47,793 relates to overpayments or non-special credit notes on account. Credit balances outstanding at the end of August were applied to the 2024/25 NANP invoice issued in September. In total, \$4,558 relating to the special refunds and \$23,111 was applied from prior overpayments or non special credit notes was applied to the 2024/25 NANP invoices.

There were 5,695 invoices issued on September 12th for the 2024/25 NANP fees.

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

Actual													Total	Budget	Variance between actual 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	12,524	12,524	12,521	-	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	12,524	12,524	12,521	-	179,641	179,641	-		
Domestic Contributions - US carriers (1)	7,807,999	51,716	48,168	52,022	45,862	51,714	57,705	25,273	49,082	52,465	60,478	839	8,303,323	8,265,905	37,418		
Late filing fees for Form 499A (2)	3,600	(100)	3,000	100	(100)	-	1,100	300	2,600	2,200	1,800	42,700	57,200	40,000	17,200		
Interest income (3)	11,000	12,012	11,149	10,347	8,844	9,643	7,643	7,285	6,238	5,820	4,966	4,291	99,238	70,000	29,238		
Total revenue	7,877,003	76,152	74,841	74,993	67,130	73,881	78,972	45,382	70,444	73,009	79,765	47,830	8,639,402	8,555,546	83,856		
Expenses																	
NANPA Administration (4)	578,778	578,778	578,778	587,183	578,778	578,778	578,778	578,778	578,778	578,778	578,778	578,778	6,953,741	6,980,336	26,595		
Billing and Collection																	
Welch LLP (5)	32,700	32,700	32,700	32,700	32,700	32,700	40,800	20,000	20,000	20,000	32,700	32,700	362,400	400,500	38,100		
Data Collection Agent (6)	7,185	7,153	7,088	7,080	7,208	7,506	6,422	7,246	7,186	7,181	7,181	7,219	85,655	83,208	(2,447)		
Annual Operations Audit (7)	-	-	-	-	-	-	-	-	-	-	-	59,500	59,500	56,000	(3,500)		
Bank Charges (8)	5,982	13,040	3,384	2,802	8,046	2,623	2,533	2,581	2,350	2,261	2,158	3,480	51,240	40,000	(11,240)		
Carrier Audits (9)	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000		
Bad debt expense (recovery) (10)	(4,500)	(3,300)	2,700	6,500	(12,100)	(8,600)	-	200	(100)	(100)	1,300	24,000	6,000	30,000	24,000		
Total expenses	620,145	628,371	624,650	636,265	614,632	613,007	628,533	608,805	608,214	608,120	622,117	705,677	7,518,536	7,790,044	271,508		
Net revenue (expenses)	7,256,858	(552,219)	(549,809)	(561,272)	(547,502)	(539,126)	(549,561)	(563,423)	(537,770)	(535,111)	(542,352)	(657,847)	1,120,866	765,502	355,364		
Opening fund balance	763,879	8,020,737	7,468,518	6,918,709	6,357,437	5,809,935	5,270,809	4,721,248	4,157,825	3,620,055	3,084,944	2,542,592	763,879	234,498	529,381		
Closing fund balance	8,020,737	7,468,518	6,918,709	6,357,437	5,809,935	5,270,809	4,721,248	4,157,825	3,620,055	3,084,944	2,542,592	1,884,745	1,884,745	1,000,000	884,745		
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)	7,020,737	6,468,518	5,918,709	5,357,437	4,809,935	4,270,809	3,721,248	3,157,825	2,620,055	2,084,944	1,542,592	884,745	884,745	-	-		
	8,020,737	7,468,518	6,918,709	6,357,437	5,809,935	5,270,809	4,721,248	4,157,825	3,620,055	3,084,944	2,542,592	1,884,745	1,884,745	1,000,000	884,745		

See Assumptions and Reconciliation to Budget on following page

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

Reconciliation of actual to budget

Budgeted fund balance at September 30, 2024 - contingency	\$ 1,000,000
Increase (decrease) in opening fund balance between budget period and actual	529,381
Additional billings over estimate from budget	37,418
Late filing fees (reversal) for Form 499A	17,200
Interest earned - variance between actual and budget	29,238
NANPA - variance between actual and budget	26,595
Data Collection fees - variance between actual and budget	(2,447)
Annual operations audit - variance between actual and budget	(3,500)
Bad debts - variance between actual and budget	24,000
Carrier audits that are anticipated not to be performed	200,000
Bank fees - variance between actual and budget	(11,240)
Billing & Collection fees - variance between actual and budget	38,100
Actual fund balance at September 30, 2024	\$ 1,884,745

Assumptions:

- (1) The US carrier contributions for the period from October 2023 to September 2024 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 from October 2023 to April 2024 is based on the one year contract extension which expired April 30, 2024. The costs for the period May 2024 to July 2024 is based on a contract extension of three months plus 3 one month options. The costs for the period August 2024 and September 2024 is based on the current contract which expires July 31, 2029.
- (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 September 30, 2024.

**NANP FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2024 TO SEPTEMBER 2025**

Projection based on budget													Total	
Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25			
NANP Activities														
Projected Revenue														
International Contributions														
Canada	(1)	25,062	12,531	12,531	12,531	12,531	12,531	12,531	12,531	12,531	12,531	-	150,372	
Caribbean countries	(1)	29,312	-	-	-	-	-	-	-	-	-	-	29,312	
Total International Contributions		54,374	12,531	12,531	12,531	12,531	12,531	12,531	12,531	12,531	12,531	-	179,684	
Domestic Contributions - US carriers	(1)	5,943,994	86,779	86,779	86,779	86,779	86,779	86,779	86,779	86,779	86,779	-	6,811,784	
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	55,000	55,000	
Interest income	(3)	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,000	
Total projected revenue		6,006,368	107,310	107,310	107,310	107,310	107,310	107,310	107,310	107,310	107,310	63,000	7,142,468	
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	32,700	32,700	32,700	32,700	32,700	32,700	392,400	
Data Collection Agent	(6)	7,416	7,416	7,416	7,416	7,417	7,417	7,417	7,417	7,417	7,417	7,417	89,000	
Annual Operations Audit	(7)	-	-	-	-	-	-	-	-	-	-	59,000	59,000	
Bank Charges	(8)	4,166	4,166	4,166	4,166	4,167	4,167	4,167	4,167	4,167	4,167	4,167	50,000	
Carrier Audits	(9)	-	-	-	-	-	-	-	-	-	-	200,000	200,000	
Bad debt expense (recovery)	(10)	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,666	1,666	1,666	1,666	20,000	
Total projected expenses		627,644	627,644	627,644	627,644	627,646	627,646	627,646	627,646	627,644	627,644	886,644	7,790,736	
Projected Net revenue (expenses)		5,378,724 (520,334) (520,334) (520,334) (520,336) (520,336) (520,336) (520,336) (520,334) (520,334) (520,334) (823,644) (648,268)
Projected Opening fund		1,884,745	7,263,469	6,743,135	6,222,801	5,702,467	5,182,131	4,661,795	4,141,459	3,621,123	3,100,789	2,580,455	2,060,121	1,884,745
Projected NANP Closing fund balance		7,263,469	6,743,135	6,222,801	5,702,467	5,182,131	4,661,795	4,141,459	3,621,123	3,100,789	2,580,455	2,060,121	1,236,477	1,236,477
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		6,263,469	5,743,135	5,222,801	4,702,467	4,182,131	3,661,795	3,141,459	2,621,123	2,100,789	1,580,455	1,060,121	236,477	
		7,263,469	6,743,135	6,222,801	5,702,467	5,182,131	4,661,795	4,141,459	3,621,123	3,100,789	2,580,455	2,060,121	1,236,477	

Assumptions:

- (1) The contributions for October 2024 - September 2025 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 contract which covers the period August 1, 2024 to July 31, 2029.
- (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 2024-25 funding year.

Deliverables Report

Distributing invoices

The invoices for carriers were emailed/mailed on September 12th. Payment is due October 15th.

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 21 demand notices and statements of account were sent out. During the same period last year, 18 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, 73 calls and 433 emails were received (2023 - 67 calls and 312 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.

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 ran to April 30, 2024. An extension for a 3 month period with 3 one month option periods covering the period from May 1, 2024 to October 31, 2024 was approved by the FCC. A new contract for a 3 year period from August 1, 2024 to July 31, 2027 plus 2 one-year extensions ending July 31, 2029 was awarded to Welch LLP in July 2024.

The NANPA and RND 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 since NANP is reported as a disclosure entity in their footnotes instead of as a consolidated entity. One request received that was due in early August which was addressed by the due date.

Independent Audit: The independent audit by Ernst & Young LLP of the financial statements and specified procedures for 2024 fiscal year is scheduled to start the last week of November 2024.

PIA (Payment Integrity Act) Performance Audit: The audit began December 6, 2023 with a kick off meeting. Biweekly audit meetings were attended by Welch. Documents requested were submitted to the auditors on December 13, 2023.

Deliverable Reports Submission Dates

Quarterly Crosswalk reporting package - due October 10

Quarterly Treasury Report on Receivables - due October 25

August NAOWG report - submitted September 9, 2024

Accounts Receivable

In September, \$0 was received from Treasury for delinquents debt collected.

Reassigned Numbers Database (RND) Activities

Budgeted contributions	(6)	<u>6,000,000</u>
Contributions received	(1)	5,890,303
Contributions still receivable	(1) (a)	<u>1,293</u>
		<u>5,891,596</u>
Balance to be repaid to carriers		<u>2,057,579</u>
Balance due from SOMOS		<u>482,128</u>

	Actual														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	5,890,303	5,890,215	-	-	88	-	-	-	-	-	-	-	-	-	5,890,303
Repayment from SOMOS	1,473,484	996,381	43,373	-	43,373	86,746	43,373	43,373	43,373	-	86,746	43,373	-	43,373	1,473,484
Total monies received	<u>7,363,788</u>	<u>6,886,597</u>	<u>43,373</u>	<u>-</u>	<u>43,461</u>	<u>86,746</u>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>-</u>	<u>86,746</u>	<u>43,373</u>	<u>-</u>	<u>43,373</u>	<u>7,363,788</u>
Refunds issued															
Refunds (applied) reversed directly to NANP fee	(2,669,568)	(2,673,898)	6	(572)	(25)	-	-	-	531	29	4,923	78	20	(660)	(2,669,568)
Refund checks returned- undeliverable/uncashed	45,470	38,785	-	125	0	-	2,250	-	3,552	-	-	516	242	-	45,470
Refund checks issued to companies >\$500	(1,154,016)	(1,151,107)	-	-	(780)	-	-	-	-	-	-	-	(2,129)	-	(1,154,016)
Refund checks issued to deactivated filers	(55,953)	(41,823)	-	-	-	-	(352)	-	-	(2,882)	(650)	-	(10,246)	-	(55,953)
Refunds issued	<u>(3,834,067)</u>	<u>(3,828,043)</u>	<u>6</u>	<u>(447)</u>	<u>(805)</u>	<u>-</u>	<u>1,898</u>	<u>-</u>	<u>4,083</u>	<u>(2,853)</u>	<u>4,273</u>	<u>594</u>	<u>(12,113)</u>	<u>(660)</u>	<u>(3,834,067)</u>
Less expected costs:															
RND Administrator	(2)	1,753,764	-	-	-	-	-	-	-	-	-	-	-	-	1,753,764
B&C Agent fees	(3)	172,111	159,800	1,200	1,200	1,200	1,200	1,200	1,200	1,200	700	700	-	1,311	172,111
Audit fees	(4)	24,450	18,600	-	-	-	5,850	-	-	-	-	-	-	-	24,450
Bank fees	(5)	5,283	5,283	-	-	-	-	-	-	-	-	-	-	-	5,283
Total costs		<u>1,955,608</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>700</u>	<u>700</u>	<u>-</u>	<u>1,311</u>	<u>1,955,608</u>
Balance of funds available		<u>1,574,112</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 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 2023 to April 2024 are based on a one year contract extension. Costs from April 2024 to July 2024 are based on the 3 month extension plus 3 optional months. The costs for the period August 2024 and September 2024 is based on the current contract which expires July 31, 2029.

(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.