

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

To Numbering Administration Oversight Working Group

NANPA FUND
STATEMENT OF FINANCIAL POSITION
June 30, 2024

Assets

Cash in bank - NANP		\$	4,440,632
Cash in bank - RND			1,501,556
Receivables			
Receivable from US Carriers	79,782		
Refunds due back to US Carriers <i>(see note below)</i>	(280,152)		
Receivable from Canada	-		
Receivable from other member countries	7,425		
Receivables forwarded to Treasury for collection	42,251		
Allowance for uncollectible accounts	<u>(62,800)</u>		(213,494)
RND receivable			<u>566,862</u>
Total assets			<u>6,295,556</u>
Less: Accrued liabilities			
Welch LLP	20,000		
SOMOS - NANPA & Pooling	578,778		
Data Collection Agent	<u>6,934</u>		(605,712)
RND fees repayable to carriers			<u>(2,069,789)</u>
NANP Fund balance		\$	<u><u>3,620,055</u></u>

The credit balance of \$280,152 at the end of June consists of approximately \$167,305 relating to the special project and the remainder of \$112,847 relates to overpayments or non-special credit notes on account

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	12,524	12,523	12,522	-	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	12,523	12,522	-	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	51,919	51,919	-	8,293,379	8,265,905	27,474
Late filing fees for Form 499A	(2)	3,600	(100)	3,000	100	(100)	-	1,100	300	2,600			40,000	50,500	40,000	10,500
Interest income	(3)	11,000	12,012	11,149	10,347	8,844	9,643	7,643	7,285	6,238	5,833	5,833	5,833	101,660	70,000	31,660
Total revenue		7,877,003	76,152	74,841	74,993	67,130	73,881	78,972	45,382	70,444	70,275	70,274	45,833	8,625,180	8,555,546	69,634
Expenses																
NANPA Administration	(4)	578,778	578,778	578,778	587,183	578,778	578,778	578,778	578,778	578,778	581,694	581,694	581,694	6,962,489	6,980,336	17,847
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	32,300	72,800	402,100	400,500	(1,600)
Data Collection Agent	(6)	7,185	7,153	7,088	7,080	7,208	7,506	6,422	7,246	7,186	6,934	6,934	6,934	84,876	83,208	(1,668)
Annual Operations Audit	(7)	-	-	56,700	-	-	-	-	-	-	-	-	-	56,700	56,000	(700)
Bank Charges	(8)	5,982	13,040	3,384	2,802	8,046	2,623	2,533	2,581	2,350	3,333	3,333	3,333	53,340	40,000	(13,340)
Carrier Audits	(9)	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000	200,000	-
Bad debt expense (recovery)	(10)	(4,500)	(3,300)	2,700	6,500	(12,100)	(8,600)	-	200	(100)	-	-	30,000	10,800	30,000	19,200
Total expenses		620,145	628,371	681,350	636,265	614,632	613,007	628,533	608,805	608,214	611,961	624,261	894,761	7,770,305	7,790,044	19,739
Net revenue (expenses)		7,256,858	(552,219)	(606,509)	(561,272)	(547,502)	(539,126)	(549,561)	(563,423)	(537,770)	(541,686)	(553,987)	(848,928)	854,875	765,502	89,373
Opening fund balance		820,579	8,077,437	7,525,218	6,918,709	6,357,437	5,809,935	5,270,809	4,721,248	4,157,825	3,620,055	3,078,369	2,524,382	820,579	234,498	586,081
Closing fund balance		8,077,437	7,525,218	6,918,709	6,357,437	5,809,935	5,270,809	4,721,248	4,157,825	3,620,055	3,078,369	2,524,382	1,675,454	1,675,454	1,000,000	675,454
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	6,525,218	5,918,709	5,357,437	4,809,935	4,270,809	3,721,248	3,157,825	2,620,055	2,078,369	1,524,382	675,454	675,454	-	
		8,077,437	7,525,218	6,918,709	6,357,437	5,809,935	5,270,809	4,721,248	4,157,825	3,620,055	3,078,369	2,524,382	1,675,454	1,675,454	1,000,000	

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	27,474
Late filing fees (reversal) for Form 499A	10,500
Interest earned - variance between actual and budget	31,660
NANPA - variance between actual and budget	17,847
Data Collection fees - variance between actual and budget	(1,668)
Annual operations audit - variance between actual and budget	(700)
Bad debts - variance between actual and budget	19,200
Carrier audits that are anticipated not to be performed	-
Bank fees - variance between actual and budget	(13,340)
Billing & Collection fees - variance between actual and budget	(1,600)
Forecasted fund balance at September 30, 2024	\$ 1,675,454

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 September 2024 is based on a contract extension of three months plus 3 one month options.
- (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 June 30, 2024.

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

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	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	12,531	-	179,684
Domestic Contributions - US carriers	(1)	6,766,776	-	-	-	-	-	-	-	-	-	-	-	6,766,776
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	8,000	96,000
Total projected revenue		6,829,150	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531	63,000	7,097,460
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	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	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	4,167	50,000
Carrier Audits	(9)	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000
Bad debt expense (recovery)	(10)	-	-	-	-	-	-	-	-	-	-	-	20,000	20,000
Total projected expenses		625,977	625,977	684,977	625,977	625,979	625,979	625,979	625,979	625,978	625,978	625,978	845,978	7,790,736
Projected Net revenue (expenses)		6,203,173	(605,446)	(664,446)	(605,446)	(605,448)	(605,448)	(605,448)	(605,448)	(605,447)	(605,447)	(605,447)	(782,978)	(693,276)
Projected Opening fund		1,675,454	7,878,627	7,273,181	6,608,735	6,003,289	5,397,841	4,792,393	4,186,945	3,581,497	2,976,050	2,370,603	1,765,156	1,675,454
Projected NANP Closing fund balance		7,878,627	7,273,181	6,608,735	6,003,289	5,397,841	4,792,393	4,186,945	3,581,497	2,976,050	2,370,603	1,765,156	982,178	982,178
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	1,000,000
Surplus		6,878,627	6,273,181	5,608,735	5,003,289	4,397,841	3,792,393	3,186,945	2,581,497	1,976,050	1,370,603	765,156	(17,822)	(17,822)
		7,878,627	7,273,181	6,608,735	6,003,289	5,397,841	4,792,393	4,186,945	3,581,497	2,976,050	2,370,603	1,765,156	982,178	982,178

Assumptions:

- (1) The contributions for October 2024 - September 2025 are based on projected 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 administraion 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 extension which expired 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 2024-25 funding year.

Deliverables Report

Distributing invoices

The invoices for carriers were emailed/mailed on June 12th. Payment is due July 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 June 13th to all carriers with overdue balances. A total of 24 demand notices and statements of account were sent out. During the same period last year, 22 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 June, 7 calls and 31 emails were received (2023 - 2 calls and 16 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

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.

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 since NANP is reported as a disclosure entity in their footnotes instead of as a consolidated entity. No requests have been received for fiscal year 2024 yet.

Independent Audit: The independent audit by Ernst & Young LLP of the financial statements and specified procedures for 2023 fiscal year commenced November 13, 2023. Audited financial statements and special procedures audit report were issued on January 9, 2024.

PIIA (*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 by July 11th

Quarterly Treasury Report on Receivables - due by July 17th

May NAOWG report - submitted June 11, 2024

Accounts Receivable

In June, \$911.36 was received from Treasury for delinquents debts collected from 9 companies.

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>2,064,739</u>
Balance due from SOMOS		<u>566,862</u>

		Actual										Forecasted			
	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	Cumulative Forecasted to Sept 2024
Contributions received from carriers	5,890,303	5,890,215	-	-	88	-	-	-	-	-	-	-	-	-	5,890,303
Repayment from SOMOS	<u>1,386,738</u>	<u>996,381</u>	<u>43,373</u>	-	<u>43,373</u>	<u>86,746</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>43,373</u>	<u>1,516,857</u>
Total monies received	<u>7,277,042</u>	<u>6,886,597</u>	<u>43,373</u>	-	<u>43,461</u>	<u>86,746</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>43,373</u>	<u>7,407,161</u>
Refunds issued															
Refunds (applied) reversed directly to NANP fee	(2,669,006)	(2,673,898)	6	(572)	(25)	-	-	-	531	29	4,923	-	-	-	(2,669,006)
Refund checks returned- undeliverable/uncashed	44,712	38,785	-	125	0	-	2,250	-	3,552	-	-	-	-	-	44,712
Refund checks issued to companies >\$500	(1,151,887)	(1,151,107)	-	-	(780)	-	-	-	-	-	-	-	-	-	(1,151,887)
Refund checks issued to deactivated filers	<u>(45,707)</u>	<u>(41,823)</u>	-	-	-	-	(352)	-	-	(2,882)	(650)	-	-	-	<u>(45,707)</u>
Refunds issued	<u>(3,821,888)</u>	<u>(3,828,043)</u>	<u>6</u>	<u>(447)</u>	<u>(805)</u>	-	<u>1,898</u>	-	<u>4,083</u>	<u>(2,853)</u>	<u>4,273</u>	-	-	-	<u>(3,821,888)</u>
Less expected costs:															
RND Administrator	(2)	1,753,764	1,753,764	-	-	-	-	-	-	-	-	-	-	-	1,753,764
B&C Agent fees	(3)	170,100	159,800	1,200	1,200	1,200	1,200	1,200	1,200	1,200	700	700	700	3,900	175,400
Audit fees	(4)	24,450	18,600	-	-	-	5,850	-	-	-	-	-	-	-	24,450
Bank fees	(5)	<u>5,283</u>	<u>5,283</u>	-	-	-	-	-	-	-	-	-	-	-	<u>5,283</u>
Total costs		<u>1,953,597</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>700</u>	<u>3,900</u>	<u>1,958,897</u>

Balance of funds available 1,501,556

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 September 20204 are based on the 3 month extension plus 3 optional months.
- (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 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.