

**Billing and Collection Agent Report
For period ending January 31, 2025**

To Numbering Administration Oversight Working Group

NANPA FUND
STATEMENT OF FINANCIAL POSITION
January 31, 2025

Assets

| | | | |
|---|----|-----------------|----------------------------|
| Cash in bank - NANP | \$ | | 6,531,159 |
| Cash in bank - RND | | | 1,790,921 |
| Receivables | | | |
| Receivable from US Carriers | | 113,223 | |
| Refunds due back to US Carriers <i>(see note below)</i> | | (236,828) | |
| Receivable from Canada | | - | |
| Receivable from other member countries | | 8,620 | |
| Receivables forwarded to Treasury for collection | | 63,665 | |
| Allowance for uncollectible accounts | | <u>(83,200)</u> | (134,520) |
| RND receivable | | | <u>267,707</u> |
| Total assets | | | 8,455,267 |
| Less: Accrued liabilities | | | |
| Welch LLP | | 32,700 | |
| SOMOS - NANPA & Pooling | | 601,822 | |
| EY LLP - audit | | 59,500 | |
| Data Collection Agent | | <u>4,167</u> | (698,189) |
| RND fees repayable to carriers | | | <u>(2,059,806)</u> |
| NANP Fund balance | | | <u>\$ 5,697,272</u> |

The credit balance of \$236,828 at the end of January consists of approximately \$180,724 relating to the special project and the remainder of \$56,104 relates to overpayments or non-special credit notes on account.

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

| | | Actual | | | | Forecasted | | | | | | | Total | Budget | Variance between forecasted results and budget at Sept 30/25 | | |
|--|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|----------------|--------|
| | | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | | | | Sep-25 | |
| 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 | 12,531 | - | 150,372 | 150,372 | - |
| | Caribbean countries (1) | 29,312 | - | - | - | - | - | - | - | - | - | - | - | - | 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 | 12,531 | - | 179,684 | 179,684 | - |
| Domestic Contributions - US carriers (1) | | 5,945,435 | 86,598 | 87,992 | 87,840 | 86,779 | 86,779 | 86,779 | 86,779 | 86,779 | 86,779 | 86,779 | 86,779 | - | 6,815,318 | 6,766,776 | 48,542 |
| Late filing fees for Form 499A (2) | | 400 | 1,100 | 1,200 | 1,100 | - | - | - | - | - | - | - | 55,000 | 58,800 | 55,000 | 3,800 | |
| Interest income (3) | | 8,193 | 7,076 | 6,179 | 4,841 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 90,289 | 96,000 | (5,711) | |
| Total revenue | | 6,008,402 | 107,305 | 107,902 | 106,312 | 107,310 | 107,310 | 107,310 | 107,310 | 107,310 | 107,310 | 107,310 | 63,000 | 7,144,091 | 7,097,460 | 46,631 | |
| Expenses | | | | | | | | | | | | | | | | | |
| NANPA Administration (4) | | 578,778 | 578,778 | 603,440 | 577,160 | 581,695 | 581,695 | 581,695 | 581,695 | 581,694 | 581,694 | 581,694 | 581,694 | 6,991,712 | 6,980,336 | (11,376) | |
| Billing and Collection | | | | | | | | | | | | | | | | | |
| | Welch LLP (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 | 392,400 | - | |
| | Data Collection Agent (6) | 4,402 | 7,153 | 7,116 | 7,231 | 7,417 | 7,417 | 7,417 | 7,417 | 7,417 | 7,417 | 7,417 | 7,417 | 85,238 | 89,000 | 3,762 | |
| Annual Operations Audit (7) | | - | - | - | - | - | - | - | - | - | - | - | 59,000 | 59,000 | 59,000 | - | |
| Bank Charges (8) | | 9,127 | 11,803 | 3,495 | 2,912 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 60,673 | 50,000 | (10,673) | |
| Carrier Audits (9) | | - | - | - | - | - | - | - | - | - | - | - | 200,000 | 200,000 | 200,000 | - | |
| Bad debt expense (recovery) (10) | | (5,000) | (5,800) | 7,500 | (1,500) | 1,667 | 1,667 | 1,667 | 1,667 | 1,666 | 1,666 | 1,666 | 1,666 | 8,532 | 20,000 | 11,468 | |
| Total expenses | | 620,007 | 624,634 | 654,251 | 618,503 | 627,646 | 627,646 | 627,646 | 627,646 | 627,644 | 627,644 | 627,644 | 886,644 | 7,797,555 | 7,790,736 | (6,819) | |
| Net revenue (expenses) | | 5,388,395 | (517,329) | (546,349) | (512,191) | (520,336) | (520,336) | (520,336) | (520,336) | (520,334) | (520,334) | (520,334) | (823,644) | (653,464) | (693,276) | 39,812 | |
| Opening fund balance | | 1,884,746 | 7,273,141 | 6,755,812 | 6,209,463 | 5,697,272 | 5,176,936 | 4,656,600 | 4,136,264 | 3,615,928 | 3,095,594 | 2,575,260 | 2,054,926 | 1,884,746 | 1,693,276 | 191,470 | |
| Closing fund balance | | 7,273,141 | 6,755,812 | 6,209,463 | 5,697,272 | 5,176,936 | 4,656,600 | 4,136,264 | 3,615,928 | 3,095,594 | 2,575,260 | 2,054,926 | 1,231,282 | 1,231,282 | 1,000,000 | 231,282 | |
| 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) | 6,273,141 | 5,755,812 | 5,209,463 | 4,697,272 | 4,176,936 | 3,656,600 | 3,136,264 | 2,615,928 | 2,095,594 | 1,575,260 | 1,054,926 | 231,282 | 231,282 | - | - | |
| | | 7,273,141 | 6,755,812 | 6,209,463 | 5,697,272 | 5,176,936 | 4,656,600 | 4,136,264 | 3,615,928 | 3,095,594 | 2,575,260 | 2,054,926 | 1,231,282 | 1,231,282 | 1,000,000 | - | |

See Assumptions and Reconciliation to Budget on following page

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

Reconciliation of forecasted to budget

| | |
|--|---------------------|
| Budgeted fund balance at September 30, 2025 - contingency | \$ 1,000,000 |
| Increase (decrease) in opening fund balance between budget period and actual | 191,470 |
| Additional billings over estimate from budget | 48,542 |
| Late filing fees (reversal) for Form 499A | 3,800 |
| Interest earned - variance between actual and budget | (5,711) |
| NANPA - variance between actual and budget | (11,376) |
| Data Collection fees - variance between actual and budget | 3,762 |
| Annual operations audit - variance between actual and budget | - |
| Bad debts - variance between actual and budget | 11,468 |
| Carrier audits that are anticipated not to be performed | - |
| Bank fees - variance between actual and budget | (10,673) |
| Billing & Collection fees - variance between actual and budget | - |
| Forecasted fund balance at September 30, 2025 | \$ 1,231,282 |

Assumptions:

- (1) The US carrier contributions for the period from October 2024 to September 2025 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 current contract.
- (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 January 31, 2025.

Deliverables Report

Distributing invoices

The invoices for carriers were emailed/mailed on January 10th. Payment is due February 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 were emailed/mailed on January 6th to the companies in the FEMA disaster designated areas affected by Hurricane Helene and Milton. Demand notices and statements of account were emailed/mailed on January 13th to all carriers with overdue balances. A total of 130 demand notices and statements of account were sent out. During the same period last year, 35 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 Excel file including the date, Filer ID, nature of query, name of person making the request, who responded to the query and the resolution date. In January, 6 calls and 41 emails were received (2024 - 19 calls and 46 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/credit note was for, and asking how to make a payment, asking about the 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 July 2024. The contract is for a 3 year period from August 1, 2024 to July 31, 2027 plus 2 one-year extensions ending July 31, 2029.

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. The audit for fiscal year 2026 has not commenced.

Independent Audit: The independent audit by Ernst & Young LLP of the financial statements and specified procedures for 2024 fiscal year commenced on November 18, 2024. Final audit reports were issued January 8, 2025.

PIIA (Payment Integrity Act) Performance Audit: The audit began December 12th with a kick off meeting. Biweekly audit meetings will be attended by Welch. The majority of the documents requested were submitted on December 11th.

Deliverable Reports Submission Dates

Quarterly Crosswalk reporting package - not applicable for this month

Quarterly Treasury Report on Receivables - submitted January 20, 2025

December NAOWG report - submitted January 9, 2025

Accounts Receivable

In January, \$267.63 was received from Treasury for delinquents debt collected from one filer.

Reassigned Numbers Database (RND) Activities

| | | |
|----------------------------------|---------|------------------|
| Budgeted contributions | (6) | <u>6,000,000</u> |
| Contributions received | (1) | 5,890,418 |
| Contributions still receivable | (1) (a) | <u>1,177</u> |
| | | <u>5,891,595</u> |
| Balance to be repaid to carriers | | <u>2,059,806</u> |
| Balance due from SOMOS | | <u>267,707</u> |

| | Actual Total to Date | Actual | | | | | Forecasted | | | | | | | | Cumulative Forecasted to Sept 2025 | |
|---|----------------------|-----------------------------------|------------------|---------------|------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|------------------------------------|-----------|
| | | Cumulative Sept 2020 to Sept 2024 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | | |
| Contributions received from carriers | 5,890,418 | 5,890,303 | - | - | - | 115 | - | - | - | - | - | - | - | - | - | 5,890,418 |
| Repayment from SOMOS | 1,690,349 | 1,473,484 | 86,746 | 86,746 | - | 43,373 | 43,373 | 43,373 | 43,373 | 43,373 | 43,373 | 43,373 | 18,453 | - | 1,969,040 | |
| Total monies received | <u>7,580,767</u> | <u>7,363,787</u> | <u>86,746</u> | <u>86,746</u> | <u>-</u> | <u>43,488</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>18,453</u> | <u>-</u> | <u>7,859,458</u> | |
| Refunds issued | | | | | | | | | | | | | | | | |
| Refunds (applied) reversed directly to NANP fee | (2,669,475) | (2,669,568) | 46 | - | 47 | - | - | - | - | - | - | - | - | - | (2,669,475) | |
| Refund checks returned- undeliverable/uncashed | 47,650 | 45,470 | 1,855 | - | 325 | - | - | - | - | - | - | - | - | - | 47,650 | |
| Refund checks issued to companies >\$500 | (1,154,016) | (1,154,016) | - | - | - | - | - | - | - | - | - | - | - | - | (1,154,016) | |
| Refund checks issued to deactivated filers | (55,953) | (55,953) | - | - | - | - | - | - | - | - | - | - | - | - | (55,953) | |
| Refunds issued | <u>(3,831,794)</u> | <u>(3,834,067)</u> | <u>1,901</u> | <u>-</u> | <u>372</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,831,794)</u> | |
| Less expected costs: | | | | | | | | | | | | | | | | |
| RND Administrator | (2) | 1,753,764 | 1,753,764 | - | - | - | - | - | - | - | - | - | - | - | 1,753,764 | |
| B&C Agent fees | (3) | 174,555 | 172,111 | 611 | 611 | 611 | 611 | 611 | 611 | 611 | 611 | 611 | 611 | 611 | 179,443 | |
| Audit fees | (4) | 24,450 | 24,450 | - | - | - | - | 6,100 | - | - | - | - | - | - | 30,550 | |
| Bank fees | (5) | 5,283 | 5,283 | - | - | - | - | - | - | - | - | - | - | - | 5,283 | |
| Total costs | | <u>1,958,052</u> | <u>1,955,608</u> | <u>611</u> | <u>611</u> | <u>611</u> | <u>611</u> | <u>6,711</u> | <u>611</u> | <u>611</u> | <u>611</u> | <u>611</u> | <u>611</u> | <u>611</u> | <u>1,969,040</u> | |
| Balance of funds available | | <u>1,790,921</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 from April 2024 to July 2024 are based on the 3 month extension. The costs for the periods after August 2024 is based on the current base contract which runs to July 31, 2027.

(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 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.