

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

NANPA FUND
STATEMENT OF FINANCIAL POSITION
December 31, 2025

Assets

Cash in bank - NANP	\$ 7,481,797	
Cash in bank - RND	249,902	
Receivables		
Receivable from US Carriers	130,588	
Refunds due back to US Carriers <i>(see note below)</i>	(211,666)	
Receivable from Canada	-	
Receivable from other member countries	10,294	
Receivables forwarded to Treasury for collection - see Note 1	40,893	
Allowance for uncollectible accounts	<u>(91,000)</u>	(120,891)
RND advance on payment of future administrative expenses		<u>(5,416)</u>
Total assets		7,605,392
Less: Accrued liabilities		
Welch LLP	32,700	
E&Y Audit	62,500	
SOMOS - NANPA & Pooling	643,587	
Data Collection Agent	<u>7,390</u>	(746,177)
RND fees repayable to carriers		<u>(244,486)</u>
NANP Fund balance		<u>\$ 6,614,729</u>

The credit balance of \$211,665 at the end of December consists of approximately \$165,396 relating to the special project and the remainder of \$46,269 relates to overpayments or non-special credit notes on account. In December, 125 refund checks were issued totalling \$13,853.86. These checks were mainly for duplicate payments received for the 2025 NANP fees.

The RND advance on future expenses is to be drawn down on a monthly basis for the B&C Agent fees related to RND administration. This covers B&C Agent fees through to July 2026. Any additional administrative costs (audit fees and bank fees) will be funded by Somos as they occur.

Note 1: Receivables forwarded to U.S. Treasury for collection activity

Balance, November 30, 2025	42,395	
Balances sent to Treasury in Dec 2025 (invoices due in July 2025) (1 carrier debt)	127	
Balances returned from Treasury due to payment, recalls and adjustments	<u>(1,629)</u>	
Balance, December 31, 2025		<u>40,893</u>

NANP FUND
STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2025 TO SEPTEMBER 2026

		Actual			Forecasted									Total	Budget	Variance between forecasted results and budget at Sept 30/26	
		Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26				
Revenue																	
International Contributions																	
Canada	(1)	26,210	13,105	13,105	13,105	13,105	13,106	13,106	13,106	13,106	13,106	13,106	13,106	-	157,266	157,266	-
Caribbean countries	(1)	30,527	-	-	-	-	-	-	-	-	-	-	-	-	30,527	30,527	-
Total International Contributions		56,737	13,105	13,105	13,105	13,105	13,106	-	187,793	187,793	-						
Domestic Contributions - US carriers	(1)	6,780,687	101,056	101,267	100,174	100,174	100,174	100,174	100,174	100,174	100,174	100,174	100,174	-	7,784,402	7,719,853	64,549
Late filing fees for Form 499A	(2)	3,500	4,400	1,900	-	-	-	-	-	-	-	-	-	50,000	59,800	50,000	9,800
Interest income	(3)	4,688	3,012	2,035	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	54,735	60,000	(5,265)
Total revenue		6,845,612	121,573	118,307	118,279	118,279	118,280	55,000	8,086,730	8,017,646	69,084						
Expenses																	
NANPA Administration	(4)	581,053	581,053	598,710	601,659	601,659	601,659	601,659	601,659	601,659	601,659	601,659	601,659	601,655	7,175,743	7,184,526	8,783
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	32,700	392,400	392,400	-
Data Collection Agent	(6)	10,648	7,292	7,451	7,390	7,390	7,390	7,390	7,390	7,390	7,390	7,390	7,390	7,390	91,901	88,680	(3,221)
Annual Operations Audit	(7)	-	-	-	-	-	-	-	-	-	-	-	-	62,500	62,500	62,500	-
Bank Charges	(8)	9,852	15,266	4,474	4,166	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	67,094	50,000	(17,094)
Carrier Audits	(9)	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000	200,000	-
Bad debt expense (recovery)	(10)	14,300	(11,000)	975	1,667	1,667	1,667	1,667	1,667	1,666	1,666	1,666	1,666	1,666	19,274	20,000	726
Total expenses		648,553	625,311	644,310	647,582	647,583	647,583	647,583	647,583	647,582	647,582	647,582	647,582	910,078	8,008,912	7,998,106	(10,806)
Net revenue (expenses)		6,197,060	(503,738)	(526,003)	(529,303)	(529,304)	(529,303)	(529,303)	(529,303)	(529,302)	(529,302)	(529,302)	(529,302)	(855,078)	77,819	19,540	58,279
Opening fund balance		1,447,410	7,644,470	7,140,732	6,614,729	6,085,426	5,556,122	5,026,819	4,497,516	3,968,213	3,438,911	2,909,609	2,380,307	1,447,410	1,230,460	216,950	
Closing fund balance		7,644,470	7,140,732	6,614,729	6,085,426	5,556,122	5,026,819	4,497,516	3,968,213	3,438,911	2,909,609	2,380,307	1,525,229	1,525,229	1,250,000	275,229	
Fund balance makeup:																	
Contingency		1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	
Surplus (deficit)		6,394,470	5,890,732	5,364,729	4,835,426	4,306,122	3,776,819	3,247,516	2,718,213	2,188,911	1,659,609	1,130,307	275,229	275,229	-	-	
		7,644,470	7,140,732	6,614,729	6,085,426	5,556,122	5,026,819	4,497,516	3,968,213	3,438,911	2,909,609	2,380,307	1,525,229	1,525,229	1,250,000	275,229	

See Assumptions and Reconciliation to Budget on following page

NANP FUND
STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2025 TO SEPTEMBER 2026

Reconciliation of forecast to budget

Budgeted fund balance at September 30, 2026 - contingency	\$ 1,250,000
Increase (decrease) in opening fund balance between budget period and actual	216,950
Additional billings over estimate from budget	64,549
Late filing fees (reversal) for Form 499A	9,800
Interest earned - variance between actual and budget	(5,265)
NANPA - variance between actual and budget	8,783
Data Collection fees - variance between actual and budget	(3,221)
Annual operations audit - variance between actual and budget	-
Bad debts - variance between actual and budget	726
Carrier audits that are anticipated not to be performed	-
Bank fees - variance between actual and budget	(17,094)
Billing & Collection fees - variance between actual and budget	-
Forecasted fund balance at September 30, 2026	\$ 1,525,229

Assumptions:

- (1) The US carrier contributions for the period from October 2025 to September 2026 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. Effective March 1, 2025 to November 30, 2028 there is an additional cost approved by the FCC for NPAC reports
- (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 December 31, 2025.

Deliverables Report

Distributing invoices

The invoices for carriers were emailed/mailed on December 12th. Payment is due January 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 December 15th to all carriers with overdue balances. A total of 375 demand notices and statements of account were sent out. During the same period last year, 425 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 December, 15 calls and 58 emails were received (2024 - 12 calls and 60 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, asking how to make a payment and why do they have to pay into the NANP.

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 the financial statements instead of as a consolidated entity. The kick-off meeting for the audit for fiscal year 2025 was on March 20, 2025 and was attended by Welch. A final management representation letter was submitted on December 2, 2025 as requested.

Independent Audit: The independent audit by Ernst & Young LLP of the financial statements and specified procedures for 2025 commenced on November 17, 2025. Final reports expected in January.

PIIA (Payment Integrity Act) Performance Audit: The audit began December 15, 2025. Biweekly audit meetings will be attended by Welch. All of the document requests were submitted the week of January 5, 2026 prior to the due date of January 12, 2026.

Deliverable Reports Submission Dates

Quarterly Crosswalk reporting package - not applicable for this month

Quarterly Treasury Report on Receivables - due January 31, 2026

November NANP B&C Agent report - submitted December 9, 2025

Accounts Receivable

In November, \$27.26 was received from Treasury for delinquent debts collected from 1 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>-</u>
		<u>5,890,418</u>
Balance to be repaid to carriers		<u>244,486</u>
Funds received from SOMOS to cover future admin costs		<u>5,416</u>

	Actual Total to Date	Actual				Forecasted									Cumulative Forecasted to Sept 2026	
		Cumulative Sept 2020 to Sept 2025	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26		
Contributions received from carriers	5,890,418	5,890,418	-	-	-	-	-	-	-	-	-	-	-	-	-	5,890,418
Repayment from SOMOS	<u>1,976,379</u>	<u>1,976,379</u>	-	-	-	-	-	-	-	-	-	-	-	-	-	<u>1,976,379</u>
Total monies received	<u>7,866,797</u>	<u>7,866,797</u>	-	-	-	-	-	-	-	-	-	-	-	-	-	<u>7,866,797</u>
Refunds issued																
Refunds (applied) reversed directly to NANP fee	(4,430,342)	(4,341,619)	-	(59,119)	(29,603)	(29,547)	(29,547)	(29,547)	(29,547)	(29,547)	(29,547)	(29,547)	(29,547)	-	(4,666,718)	
Refund checks returned- undeliverable/uncashed	48,705	48,293	-	412	-	-	-	-	-	-	-	-	-	-	48,705	
Refund checks issued to companies	(1,205,753)	(1,205,710)	-	(43)	-	-	-	-	-	-	-	-	-	-	(1,205,753)	
Refund checks issued to deactivated filers	<u>(58,548)</u>	<u>(58,548)</u>	-	-	-	-	-	-	-	-	-	-	-	-	<u>(58,548)</u>	
Refunds issued	<u>(5,645,938)</u>	<u>(5,557,584)</u>	-	<u>(58,751)</u>	<u>(29,603)</u>	<u>(29,547)</u>	<u>- 29,547</u>	<u>- 29,547</u>	<u>- 29,547</u>	<u>(29,547)</u>	<u>(29,547)</u>	<u>(29,547)</u>	<u>(29,547)</u>	-	<u>(5,882,314)</u>	
Less expected costs:																
RND Administrator	(2) 1,753,764	1,753,764	-	-	-	-	-	-	-	-	-	-	-	-	1,753,764	
B&C Agent fees	(3) 181,276	178,832	-	-	2,444	611	611	611	611	611	611	611	611	611	186,775	
Audit fees	(4) 30,550	30,550	-	-	-	6,100	-	-	-	-	-	-	-	-	36,650	
Bank fees	(5) 5,367	5,283	-	-	84	-	-	-	-	-	-	-	-	-	5,367	
Total costs	<u>1,970,957</u>	<u>1,968,429</u>	-	-	<u>2,528</u>	<u>6,711</u>	<u>611</u>	<u>611</u>	<u>1,982,556</u>							
Balance of funds available		<u>249,902</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.

In 2025, the FCC approved the final repayment of the RND of the balance. The refund was done via an offset against the 2025 NANP fees. The carriers who did not have a 2025 NANP obligation were mailed a refund check on September 24, 2025