

**Billing and Collection Agent Report  
For period ending August 31, 2012**

**To NANC**

**September 12, 2012**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2012**

**Assets**

Cash Balance in bank account	\$	3,132,062
Receivable from US Carriers		400,344
Receivable from Canada		-
Receivable from Caribbean countries		3,629
Receivables forwarded to FCC for collection (Over 90 days)		103,014
Allowance for uncollectible accounts		<u>(199,000)</u>
		307,987
Prepaid maintenance contract		<u>-</u>
<b>Total assets</b>		<b>3,440,049</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b><u>(541,169)</u></b>
<b>Fund balance</b>		<b><u>\$ 2,898,880</u></b>

**Makeup of Accrued Liabilities** (see following page for additional details)

Welch LLP	23,443
NEUSTAR Pooling 1K Block	181,615
NEUSTAR Pooling - pANI administration	54,237
NEUSTAR NANP Administration	276,207
Data Collection Agent - USAC	<u>5,667</u>
	<u>\$ 541,169</u>

\*\*\*\*\*

**NANPA FUND  
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE  
JULY 2012 TO JUNE 2013**

	Actual		Budgeted										Total	Budget	Variance between forecasted results and budget at June 30/13	
	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13				
<b>Revenue</b>																
International Contributions																
Canada (1)	13,106	6,553	6,553	6,553	6,553	6,553	6,553	6,553	6,553	6,552	6,552	6,552	-	78,633	78,633	-
Caribbean countries (1)	16,290	-	-	-	-	-	-	-	-	-	-	-	-	16,290	16,290	-
Total International Contributions	29,396	6,553	6,553	6,553	6,553	6,553	6,553	6,553	6,552	6,552	6,552	6,552	-	94,923	94,923	-
Domestic Contributions - US carriers (1)	2,813,096	229,900	238,988	238,988	238,988	238,988	238,988	238,988	238,988	238,988	238,988	238,988	-	5,193,888	5,139,392	54,496
Late filing fees for Form 499A (2)	1,900	(3,100)	-	-	-	-	-	-	-	-	-	-	85,000	83,800	85,000	(1,200)
Interest income (3)	1,017	589	500	500	500	500	500	500	500	500	500	500	500	6,606	6,000	606
<b>Total revenue</b>	<b>2,845,409</b>	<b>233,942</b>	<b>246,041</b>	<b>246,041</b>	<b>246,041</b>	<b>246,041</b>	<b>246,041</b>	<b>246,041</b>	<b>246,040</b>	<b>246,040</b>	<b>246,040</b>	<b>246,040</b>	<b>85,500</b>	<b>5,379,217</b>	<b>5,325,315</b>	<b>53,902</b>
<b>Expenses</b>																
NANPA Administration (4), (7)	276,207	276,207	276,207	276,207	276,207	276,207	276,207	276,207	276,207	276,207	160,804	160,804	160,804	2,968,275	1,632,000	1,336,275
1K Block Pooling Administration (4), (8)	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	2,179,368	2,179,368	-
pANI (9)	74,935	54,237	9,973	9,973	9,973	9,973	9,973	9,972	9,972	9,972	9,972	9,972	9,972	228,897	214,260	14,637
Billing and Collection																
Welch LLP (4)	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,444	281,317	281,317	-
Data Collection Agent (5)	5,042	4,518	5,667	5,667	5,667	5,667	5,667	5,667	5,666	5,666	5,666	5,666	5,666	66,226	68,000	(1,774)
Annual Operations Audit (6)	-	-	40,000	-	-	-	-	-	-	-	-	-	-	40,000	40,000	-
Bank Charges (10)	1,471	5,795	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	26,516	23,100	3,416
Carrier Audits (11)	-	-	-	-	-	-	-	300,000	-	-	-	-	-	300,000	300,000	-
Bad debt expense (12)	310	21,532	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	12,110	40,000	(27,890)
<b>Total expenses</b>	<b>563,022</b>	<b>524,282</b>	<b>542,163</b>	<b>502,163</b>	<b>502,162</b>	<b>502,162</b>	<b>502,162</b>	<b>802,161</b>	<b>502,160</b>	<b>386,757</b>	<b>386,757</b>	<b>386,758</b>	<b>386,758</b>	<b>6,102,709</b>	<b>4,778,045</b>	<b>1,324,664</b>
<b>Net revenue (expenses)</b>	<b>2,282,387</b>	<b>(290,340)</b>	<b>(296,122)</b>	<b>(256,122)</b>	<b>(256,121)</b>	<b>(256,121)</b>	<b>(256,121)</b>	<b>(556,120)</b>	<b>(256,120)</b>	<b>(140,717)</b>	<b>(140,717)</b>	<b>(301,258)</b>	<b>(723,492)</b>	<b>547,270</b>	<b>(1,270,762)</b>	
<b>Opening fund balance</b>	<b>906,833</b>	<b>3,189,220</b>	<b>2,898,880</b>	<b>2,602,758</b>	<b>2,346,636</b>	<b>2,090,515</b>	<b>1,834,394</b>	<b>1,578,273</b>	<b>1,022,153</b>	<b>766,033</b>	<b>625,316</b>	<b>484,599</b>	<b>484,599</b>	<b>906,833</b>	<b>952,730</b>	<b>(45,897)</b>
<b>Closing fund balance</b>	<b>3,189,220</b>	<b>2,898,880</b>	<b>2,602,758</b>	<b>2,346,636</b>	<b>2,090,515</b>	<b>1,834,394</b>	<b>1,578,273</b>	<b>1,022,153</b>	<b>766,033</b>	<b>625,316</b>	<b>484,599</b>	<b>183,341</b>	<b>183,341</b>	<b>183,341</b>	<b>1,500,000</b>	<b>(1,316,659)</b>
<b>Fund balance makeup:</b>																
Contingency	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	-
Surplus	1,689,220	1,398,880	1,102,758	846,636	590,515	334,394	78,273	(477,847)	733,967	874,684	(1,015,401)	(1,316,659)	(1,316,659)	-	-	-
	<b>3,189,220</b>	<b>2,898,880</b>	<b>2,602,758</b>	<b>2,346,636</b>	<b>2,090,515</b>	<b>1,834,394</b>	<b>1,578,273</b>	<b>1,022,153</b>	<b>766,033</b>	<b>625,316</b>	<b>484,599</b>	<b>183,341</b>	<b>183,341</b>	<b>183,341</b>	<b>1,500,000</b>	<b>-</b>

**Assumptions:**

- (1) The US carrier contributions for the period from July 2012 to June 2013 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 projections are estimates
- (4) The cost for 1K Block Pooling is based on the contract in force up to August 15, 2012.  
The cost of NANPA Administration is based on the new contract.  
The cost of B&C Agent is based on the interim contract with Welch LLP in force until December 31, 2012.
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2012 calendar year.
- (6) The cost for the annual operations audit performed by Ernst & Young is \$40,000.
- (7) No commentary
- (8) No commentary
- (9) The cost of ongoing permanent pANI administration is an estimate.
- (10) Bank fees are an expense to the Fund.
- (11) The budget allowed \$300,000 for carrier audits.
- (12) The allowance covers all accounts considered potentially uncollectible at August 31, 2012. This will be covered by the contingency allowance.

**Reconciliation of forecast at June 30, 2013 to budget**

<b>Budgeted fund balance at June 30/13 - contingency</b>	<b>1,500,000</b>
Increase in fund balance between budget period (February 2012) and June 2012	(45,897)
Additional billings over estimate from budget	54,496
Late filing fees (reversal) for Form 499A	(1,200)
Over estimate of interest earned to date compared to budget	606
NANP Admin - difference between budget and actual contract awarded	(1,336,275)
NANP Admin - change orders issued	-
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	1,774
Bad debts not budgeted for	27,890
Pooling change orders	(16,237)
Carrier audits that will not be performed	-
Permanent pANI	1,600
Bank fees to be covered by Fund under new B&C Agent interim contract	(3,416)
<b>Forecasted fund balance at June 30/13</b>	<b>183,341</b>

**CURRENT AND FORECASTED LIABILITIES**

	<b>Current Aug-12</b>	<b>Sep-12</b>	<b>Oct-12</b>	<b>Nov-12</b>	<b>Dec-12</b>	<b>Jan-13</b>	<b>Feb-13</b>
<b>NEUSTAR - NANPA Administration contract</b>	276,207	276,207	276,207	276,207	276,207	276,207	276,207
- Payment authorized by the FCC in August July 2012			276,207				
- Authorization by the FCC has not been received for payment August 2012			\$ 276,207				
			<u>-</u>				
			<u>\$ 276,207</u>				
<b>NEUSTAR - Block Pooling contract</b>	181,615	181,614	181,614	181,614	181,614	181,614	181,614
- Payment authorized by the FCC in August July 2012			\$ 181,615				
- Authorization by the FCC has not been received for payment August 2012			\$ 181,615				
			<u>-</u>				
			<u>\$ 181,615</u>				
<b>Welch LLP - Billing &amp; Collection Agent</b>	23,443	23,443	23,443	23,443	23,443	23,443	23,443
- Payment authorized by the FCC in August July 2012			23,443				
- Authorization by the FCC has not been received for payment August 2012			\$ 23,443				
			<u>-</u>				
			<u>\$ 23,443</u>				
<b>USAC - Data Collection Agent</b>	5,667	5,667	5,667	5,667	5,667	5,667	5,667
- Payment authorized by the FCC in August June 2012			4,290				
July 2012			4,518				
- Authorization by the FCC has not been received for payment August 2012			\$ 5,667				
			<u>-</u>				
			<u>\$ 5,667</u>				
<b>Carrier audits</b>	-	-	-	-	-	-	300,000
<b>Ernst &amp; Young LLP- Annual operations audit</b>	-	40,000	-	-	-	-	-
			<u>\$ -</u>				
<b>NEUSTAR - pANI administration</b>	54,237	9,973	9,973	9,973	9,973	9,973	9,973
- Payment authorized by the FCC in August July 2012			74,934				
- Authorization by the FCC has not been received for payment August 2012			\$ 54,237				
			<u>-</u>				
			<u>\$ 54,237</u>				
<b>Bank Fees</b>		1,925	1,925	1,925	1,925	1,925	1,925
<b>Total</b>	<u>541,169</u>	<u>538,829</u>	<u>498,829</u>	<u>498,829</u>	<u>498,829</u>	<u>498,829</u>	<u>798,829</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly and annual invoices for carriers were mailed by July 12, 2012

## **Processing Payments**

Payment information from the lockbox service at Mellon Bank is received every Monday for the prior week's deposits. The deposit information is recorded on either Monday or Tuesday each week.

## **Late/Absent Payments**

Statements were mailed August 8, 2012.

## **FCC Red Light Notices**

The new process for red light is now in effect. 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. A payment from the FCC was received on July 31 in the amount of \$1,977.10 representing payments from 11 carriers.

## **Helpdesk Queries**

All queries are directed to a helpdesk voice mailbox. The information is transferred to an Access database. The date, nature of call, name of caller, Filer ID, who responded and on what date and the resolution is tracked. Calls are responded usually within 3 business days. 157 calls were received in August. Most calls were questions about the invoice received, the late filing fee, how to pay, request for copies of invoices, change of address, they are out of business or requesting a W9 and about the date of the invoice.

## **Staffing Changes**

Nothing new to report.

## **Contract Renewal**

The contract expired October 1, 2009. Welch LLP is on the USGSA list. Welch LLP received a 5 month interim contract which will cover the period from August 1, 2012 to December 31, 2012.

## **Accounts Receivable**

We have recalled all debt previously sent to the FCC for collections. We are setting up the database to track the debt that has previously been sent to Treasury and for future debt submissions to Treasury. We are in the process of reconciling the debt at Treasury to our records.