

**Billing and Collection Agent Report  
For period ending 8 YW'a VYf ' ' % 201&**

**To NANC**

**January 15, 2013**

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

**Assets**

Cash Balance in bank account	\$	2,142,309
Receivable from US Carriers		327,636
Receivable from Canada		-
Receivable from Caribbean countries		3,590
Receivables forwarded to Treasury for collection		92,223
Allowance for uncollectible accounts		<u>(212,500)</u>
		<u>210,949</u>
<b>Total assets</b>		<b>2,353,258</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b><u>(567,630)</u></b>
<b>Fund balance</b>		<b><u><u>\$ 1,785,628</u></u></b>

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

Welch LLP	23,443
Ernst & Young LLP - audit fee	40,000
NEUSTAR Pooling 1K Block	181,614
NEUSTAR Pooling - pANI administration	15,166
NEUSTAR NANP Administration	297,486
Data Collection Agent - USAC	<u>9,921</u>
	<u><u>\$ 567,630</u></u>

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**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	6,552	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	-	94,923	94,923	-
Domestic Contributions - US carriers (1)	2,813,096	229,900	237,022	239,136	238,943	232,489	238,988	238,988	238,988	238,988	238,988	-	5,185,526	5,139,392	46,134
Late filing fees for Form 499A (2)	1,900	(3,100)	3,000	-	(400)	(6,800)	-	-	-	-	-	85,000	79,600	85,000	(5,400)
Interest income (3)	1,017	589	1,093	759	767	653	500	500	500	500	500	500	7,878	6,000	1,878
<b>Total revenue</b>	<b>2,845,409</b>	<b>233,942</b>	<b>247,668</b>	<b>246,448</b>	<b>245,863</b>	<b>232,895</b>	<b>246,041</b>	<b>246,041</b>	<b>246,040</b>	<b>246,040</b>	<b>246,040</b>	<b>85,500</b>	<b>5,367,927</b>	<b>5,325,315</b>	<b>42,612</b>
<b>Expenses</b>															
NANPA Administration (4), (7)	276,207	276,207	278,756	279,757	276,207	297,486	276,207	276,207	276,207	160,804	160,804	160,804	2,995,653	1,632,000	1,363,653
1K Block Pooling Administration (4), (8)	181,614	197,851	181,614	181,614	181,614	190,009	181,614	181,614	181,614	181,614	181,614	181,614	2,204,000	2,179,368	24,632
pANI (9)	74,935	38,000	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	180,645	214,260	(33,615)
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	23,444	281,317	281,317	-
Data Collection Agent (5)	5,042	4,518	4,445	4,420	4,268	4,255	5,667	5,667	5,666	5,666	5,666	5,666	60,946	68,000	(7,054)
Annual Operations Audit (6)	-	-	40,000	-	-	-	-	-	-	-	-	-	40,000	40,000	-
Bank Charges (10)	1,471	5,795	4,424	4,099	3,905	3,492	1,925	1,925	1,925	1,925	1,925	1,925	34,736	23,100	11,636
Carrier Audits (11)	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000	300,000	-
Bad debt expense (12)	310	-	21,532	(24,632)	(991)	13,014	-	11,750	3,333	3,333	3,333	3,333	23,681	40,000	(16,319)
<b>Total expenses</b>	<b>563,022</b>	<b>524,282</b>	<b>564,085</b>	<b>499,113</b>	<b>509,222</b>	<b>513,706</b>	<b>498,960</b>	<b>798,960</b>	<b>498,959</b>	<b>383,556</b>	<b>383,556</b>	<b>383,557</b>	<b>6,120,978</b>	<b>4,778,045</b>	<b>1,342,933</b>
<b>Net revenue (expenses)</b>	<b>2,282,387</b>	<b>(290,340)</b>	<b>(316,417)</b>	<b>(252,665)</b>	<b>(263,359)</b>	<b>(280,811)</b>	<b>(252,919)</b>	<b>(552,919)</b>	<b>(252,919)</b>	<b>(137,516)</b>	<b>(137,516)</b>	<b>(298,057)</b>	<b>753,051</b>	<b>547,270</b>	<b>(1,300,321)</b>
<b>Opening fund balance</b>	<b>906,833</b>	<b>3,189,220</b>	<b>2,898,880</b>	<b>2,582,463</b>	<b>2,329,798</b>	<b>2,066,439</b>	<b>1,785,628</b>	<b>1,532,709</b>	<b>979,790</b>	<b>726,871</b>	<b>589,355</b>	<b>451,839</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>2,582,463</b>	<b>2,329,798</b>	<b>2,066,439</b>	<b>1,785,628</b>	<b>1,532,709</b>	<b>979,790</b>	<b>726,871</b>	<b>589,355</b>	<b>451,839</b>	<b>153,782</b>	<b>153,782</b>	<b>1,500,000</b>	<b>(1,346,218)</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	-
Surplus	1,689,220	1,398,880	1,082,463	829,798	566,439	285,628	32,709	(520,210)	(773,129)	(910,645)	(1,048,161)	(1,346,218)	(1,346,218)	-	-
	<b>3,189,220</b>	<b>2,898,880</b>	<b>2,582,463</b>	<b>2,329,798</b>	<b>2,066,439</b>	<b>1,785,628</b>	<b>1,532,709</b>	<b>979,790</b>	<b>726,871</b>	<b>589,355</b>	<b>451,839</b>	<b>153,782</b>	<b>153,782</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 a contract extension in force up to February 14, 2013.  
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 estimated cost for the annual operations audit performed by Ernst & Young LLP is \$40,000.
- (7) No commentary
- (8) No commentary
- (9) The cost of ongoing permanent pANI administration is based on a 6-month fixed fee of \$40,628
- (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 December 31, 2012.

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

<b>Budgeted fund balance at June 30/13 - contingency</b>	<b>1,500,000</b>
Decrease in fund balance between budget period (February 2012) and June 2012	(45,897)
Additional billings over estimate from budget	46,134
Late filing fees (reversal) for Form 499A	(5,400)
Underestimate of interest earned to date compared to budget	1,878
NANP Admin - difference between budget and actual contract awarded	(1,344,663)
NANP Admin - change orders issued	(18,990)
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	7,054
Bad debts - Adjustment to actual from budget	16,319
Pooling change orders	(24,632)
Carrier audits that will not be performed	-
Permanent pANI - Adjustment to actual from budget	33,615
Bank fees - Adjustment to actual from budget	(11,636)
<b>Forecasted fund balance at June 30/13</b>	<b>153,782</b>

**CURRENT AND FORECASTED LIABILITIES**

	<b>Current</b>						
	<b>Dec-12</b>	<b>Jan-13</b>	<b>Feb-13</b>	<b>Mar-13</b>	<b>Apr-13</b>	<b>May-13</b>	<b>Jun-13</b>
<b>NEUSTAR - NANPA Administration contract</b>	297,486	276,207	276,207	276,207	160,804	160,804	160,804
- Payment authorized by the FCC in December November 2012			276,207				
- Authorization by the FCC has not been received for payment December 2012 Change order #21 and #22				\$ 278,496			
				<u>18,990</u>			
				<u>\$ 297,486</u>			
<b>NEUSTAR - Block Pooling contract</b>	190,009	181,614	181,614	181,614	181,614	181,614	181,614
- Payment authorized by the FCC in December November 2012			\$ 181,614				
- Authorization by the FCC has not been received for payment December 2012 Change Order #21				\$ 181,614			
				<u>8,395.00</u>			
				<u>\$ 190,009</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 December November 2012			23,443				
- Authorization by the FCC has not been received for payment December 2012				\$ 23,443			
				<u>-</u>			
				<u>\$ 23,443</u>			
<b>USAC - Data Collection Agent</b>	9,921	5,667	5,667	5,666	5,666	5,666	5,666
- Payment authorized by the FCC in December							
- Authorization by the FCC has not been received for payment November 2012 December 2012				4,254			
				<u>\$ 5,667</u>			
				<u>\$ 9,921</u>			
<b>Carrier audits</b>	-	-	300,000	-	-	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>	40,000	-	-	-	-	-	-
-Authorization by the FCC has not been received for payment Audit fee accrual for the 2011/2012 fiscal audit							
				<u>\$ 40,000</u>			
<b>NEUSTAR - pANI administration</b>	6,771	6,771	6,771	6,771	6,771	6,771	6,771
- Payment authorized by the FCC in December November 2012			6,771				
- Authorization by the FCC has not been received for payment December 2012				\$ 6,771			
				<u>-</u>			
				<u>\$ 6,771</u>			
<b>Bank Fees</b>		1,925	1,925	1,925	1,925	1,925	1,925
<b>Total</b>	<u>567,630</u>	<u>495,627</u>	<u>795,627</u>	<u>495,626</u>	<u>380,223</u>	<u>380,223</u>	<u>380,223</u>

# **Deliverables Report**

## **Distributing invoices**

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

## **Processing Payments**

Payment information from the lockbox service at Mellon Bank is now downloaded on a daily basis. The deposit information is recorded daily.

## **Late/Absent Payments**

Statements were mailed November 12, 2012. We started collection calls in October to carriers with outstanding balances.

## **FCC Red Light Notices**

The new process for the 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.

## **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 returned usually within 3 business days. 10 calls were received in December. 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 and a 3 month transition which will cover the period from August 1, 2012 to March 31, 2013

## **Accounts Receivable**

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.