

**Billing and Collection Agent Report  
For period ending February 28, 2010**

**To NANC**

**March 4, 2010**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
FEBRUARY 28, 2010**

**Assets**

Cash Balance in bank account		\$ 2,817,240
Receivable from US Carriers	149,988	
Receivable from Canada	5,912	
Receivable from Caribbean countries	2,427	
Receivables forwarded to FCC for collection (Over 90 days)	322,031	
Allowance for uncollectible accounts	<u>(353,000)</u>	127,358
Prepaid maintenance contract		<u>4,800</u>
<b>Total assets</b>		<b>2,949,398</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b><u>(688,301)</u></b>
 <b>Fund balance</b>		 <b><u>\$ 2,261,097</u></b>

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

Welch LLP	37,913	
NEUSTAR Pooling 1K Block Pooling Expenses	376,996	
NEUSTAR Admin Expenses	261,816	
Data Collection Agent - USAC	<u>11,576</u>	
	<u>\$ 688,301</u>	

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**Other items of note**

The budget for the funding period July 2010 to June 2011 was approved by the NANC on February 18, 2010.

**NANPA FUND  
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE  
JULY 2009 TO JUNE 2010**

	Actual								Budgeted				Total	Budget	Variance between forecasted balance at June 30/10 and budget	
	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10				
<b>Revenue</b>																
International Contributions																
Canada	(1)	11,828	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	-	70,948	70,948	-	
Caribbean countries	(1)	14,467	-	-	-	-	-	-	-	-	-	-	14,467	14,467	-	
Total International Contributions		26,295	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	-	85,415	85,415	-	
Domestic Contributions - US carriers	(1)	1,524,170	151,995	105,690	108,557	104,682	122,555	105,392	109,046	108,738	108,738	108,738	2,658,301	2,487,497	170,804	
Late filing fees for Form 499A	(2)	( 4,550)	-	( 1,800)	1,700	( 3,400)	4,100	( 6,700)	200	-	-	115,000	104,550	115,000	( 10,450)	
Interest income	(3)	163	246	1,161	1,417	1,410	1,392	993	856	167	167	167	8,306	2,000	6,306	
<b>Total revenue</b>		<b>1,546,078</b>	<b>158,153</b>	<b>110,963</b>	<b>117,586</b>	<b>108,604</b>	<b>133,959</b>	<b>105,597</b>	<b>116,014</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>2,856,572</b>	<b>2,689,912</b>	<b>166,660</b>	
<b>Expenses</b>																
NANPA Administration	(4), (8)	122,883	122,309	131,876	177,304	122,743	129,567	128,500	133,316	131,833	131,833	131,833	1,595,830	1,475,600	120,230	
1K Block Pooling Administration	(4), (7)	189,373	200,156	215,254	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	2,301,265	2,263,289	37,976	
pANI	(9)	-	-	-	-	-	-	-	-	-	-	-	-	200,000	( 200,000)	
Billing and Collection																
Welch LLP	(4)	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	238,800	238,800	-	
Data Collection Agent	(5)	4,183	9,456	6,532	3,915	4,231	3,405	4,545	2,580	4,450	4,450	4,450	56,647	53,400	3,247	
Annual Operations Audit	(6)	-	-	34,000	-	-	-	-	-	-	-	-	34,000	34,000	-	
Carrier Audits	(10)	-	-	-	-	-	-	-	-	-	-	-	-	700,000	( 700,000)	
Bad debt expense	(11)	27,606	-	37,216	-	2,416	( 6,684)	20,336	-	-	-	-	80,890	-	80,890	
<b>Total expenses</b>		<b>363,945</b>	<b>351,821</b>	<b>444,778</b>	<b>389,617</b>	<b>337,788</b>	<b>334,686</b>	<b>361,779</b>	<b>344,294</b>	<b>344,681</b>	<b>344,681</b>	<b>344,681</b>	<b>4,307,432</b>	<b>4,965,089</b>	<b>(657,657)</b>	
<b>Net revenue (expenses)</b>		<b>1,182,133</b>	<b>( 193,668)</b>	<b>( 333,815)</b>	<b>( 272,031)</b>	<b>( 229,184)</b>	<b>( 200,727)</b>	<b>( 256,182)</b>	<b>( 228,280)</b>	<b>( 229,864)</b>	<b>( 229,864)</b>	<b>( 229,864)</b>	<b>( 229,514)</b>	<b>( 2,275,177)</b>	<b>824,317</b>	
<b>Opening fund balance</b>		<b>2,792,851</b>	<b>3,974,984</b>	<b>3,781,316</b>	<b>3,447,501</b>	<b>3,175,470</b>	<b>2,946,286</b>	<b>2,745,559</b>	<b>2,489,377</b>	<b>2,261,097</b>	<b>2,031,233</b>	<b>1,801,369</b>	<b>1,571,505</b>	<b>2,792,851</b>	<b>1,775,177</b>	<b>17,674</b>
<b>Closing fund balance</b>		<b>3,974,984</b>	<b>3,781,316</b>	<b>3,447,501</b>	<b>3,175,470</b>	<b>2,946,286</b>	<b>2,745,559</b>	<b>2,489,377</b>	<b>2,261,097</b>	<b>2,031,233</b>	<b>1,801,369</b>	<b>1,571,505</b>	<b>1,341,991</b>	<b>500,000</b>	<b>841,991</b>	
<b>Fund balance makeup:</b>																
Contingency		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	
Surplus		3,474,984	3,281,316	2,947,501	2,675,470	2,446,286	2,245,559	1,989,377	1,761,097	1,531,233	1,301,369	1,071,505	841,991	841,991	-	
		<u>3,974,984</u>	<u>3,781,316</u>	<u>3,447,501</u>	<u>3,175,470</u>	<u>2,946,286</u>	<u>2,745,559</u>	<u>2,489,377</u>	<u>2,261,097</u>	<u>2,031,233</u>	<u>1,801,369</u>	<u>1,571,505</u>	<u>1,341,991</u>	<u>500,000</u>	<u>841,991</u>	

**Assumptions:**

- (1) The US carrier contributions for the period from July 2009 to June 2010 and the International carrier revenue is 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 expenses for the NANPA Administration, 1K Block Pooling and Welch LLP are based on contracts in force.  
The contract with Welch LLP expires September 30, 2009. A six month extension until March 31, 2010 under the same terms has been exercised. The expense for B&C Agent for April 2010 to June 2010 is based on the current contract.
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2009 calendar year.
- (6) The contract for the annual operations audit has been awarded to Ernst & Young. The cost is \$34,000.
- (7) The March forecasted amount includes the forecasted monthly billing of \$188,498.
- (8) The March forecasted amount includes the forecasted monthly billing of \$131,833
- (9) Interim p-ANNI administration is now covered under the new Pooling contract. \$200,000 has been allowed for the cost of permanent pANI in 2009/10. No change order has been issued. There has been no further action regarding this matter so the \$200,000 has been removed from the forecast.
- (10) The budget allowed \$700,000 for carrier audits. There will not be any performed in the remaining period January to June 2010.
- (11) The allowance covers all accounts considered potentially uncollectible at February 28, 2010. This will be covered by the contingency allowance.

**Reconciliation of Forecast at June 30, 2010 to Budget**

<b>Budgeted fund balance at June 30/10 - contingency</b>	<b>500,000</b>
Increase in fund balance between budget period (March 2009) and June 2009	17,674
Additional billings over estimate from budget	170,804
Late filing fees (reversal) for Form 499A - 2009	(10,450)
Additional interest earned to date compared to budget	6,306
NANP Admin - difference between budget and actual contact awarded after budget period	(120,230)
NANP - change orders	-
Data Collection fees - Adjustment to actual from budget	(3,247)
Bad debts not budgeted for	(80,890)
Pooling change orders	(37,976)
Carrier audits that will not be performed	700,000
Permanent pANI that will not be expended prior to June 30th.	200,000
<b>Fund balance at June 30/09</b>	<b>1,341,991</b>

**NANPA FUND  
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE  
JULY 2010 TO SEPTEMBER 2010**

Projection								
	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11
<b>Projected Revenue</b>								
International Contributions								
Canada	(1) 6,670	6,670	6,670	6,670	6,670	6,670	6,670	6,670
Caribbean countries	(1) 16,403	-	-	-	-	-	-	-
Total International Contributions	23,073	6,670	6,670	6,670	6,670	6,670	6,670	6,670
Domestic Contributions - US carriers	(1) 2,227,808	180,691	180,691	180,691	180,691	180,691	180,691	180,691
Late filing fees for Form 499A	(2) -	-	-	-	-	-	-	-
Interest income	(3) 1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<b>Total projected revenue</b>	<u>2,251,881</u>	<u>188,361</u>	<u>188,361</u>	<u>188,361</u>	<u>188,361</u>	<u>188,361</u>	<u>188,361</u>	<u>188,361</u>
<b>Projected Expenses</b>								
NANPA Administration	(4) 131,000	166,000	191,000	131,000	131,000	131,000	131,000	131,000
1K Block Pooling Administration	(5) 188,498	186,934	185,365	185,365	185,365	185,365	185,365	185,365
pANI	(6) 16,666	16,666	16,666	16,666	16,666	16,666	16,666	16,666
Billing and Collection								
Welch LLP	(7) 19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
Data Collection Agent	(8) 4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Annual Operations Audit	(9) -	-	36,000	-	-	-	-	-
Carrier Audits	(10) -	-	-	-	-	-	-	700,000
Bad debt expense (recovery)	(11) -	-	70,000	-	-	-	-	-
<b>Total projected expenses</b>	<u>360,564</u>	<u>394,000</u>	<u>523,431</u>	<u>357,431</u>	<u>357,431</u>	<u>357,431</u>	<u>357,431</u>	<u>1,057,431</u>
<b>Projected Net revenue (expenses)</b>	<u>1,891,317</u>	<u>( 205,639)</u>	<u>( 335,070)</u>	<u>( 169,070)</u>	<u>( 169,070)</u>	<u>( 169,070)</u>	<u>( 169,070)</u>	<u>( 869,070)</u>
<b>Projected Opening fund balance</b>	<u>1,341,991</u>	<u>3,233,308</u>	<u>3,027,669</u>	<u>2,692,599</u>	<u>2,523,529</u>	<u>2,354,459</u>	<u>2,185,389</u>	<u>2,016,319</u>
<b>Projected Closing fund balance</b>	<u>3,233,308</u>	<u>3,027,669</u>	<u>2,692,599</u>	<u>2,523,529</u>	<u>2,354,459</u>	<u>2,185,389</u>	<u>2,016,319</u>	<u>1,147,249</u>
<b>Projected Fund balance makeup:</b>								
Contingency	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Surplus	2,733,308	2,527,669	2,192,599	2,023,529	1,854,459	1,685,389	1,516,319	647,249
	<u>3,233,308</u>	<u>3,027,669</u>	<u>2,692,599</u>	<u>2,523,529</u>	<u>2,354,459</u>	<u>2,185,389</u>	<u>2,016,319</u>	<u>1,147,249</u>

**Assumptions:**

- (1) The contributions for July 2010 - January 2011 are estimated based on the budget for 2010/11
- (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 of NANPA Administration is based on contract in force until January 8, 2011.
- (5) The expense for the 1K Block Pooling is based on the contract in force.
- (6) Interim p-ANNI administration is now covered under the new Pooling contract. \$200,000 has been allowed for the cost of permanent pANI in 2010/11. No change order has been issued.
- (7) The cost of B&C Agent is based on the cost of the expired Welch LLP contract.
- (8) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2010 calendar year.
- (9) The cost of the annual operations audit is based on the cost of the prior year's audit.
- (10) The budget allowed \$700,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible. This will be covered by the contingency allowance

**NANPA FUND  
CURRENT AND FORECASTED LIABILITIES**

	Current							
	<u>Feb-10</u>	<u>Mar-10</u>	<u>Apr-10</u>	<u>May-10</u>	<u>Jun-10</u>	<u>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>
<b>NEUSTAR - NANPA Administration contract</b>	261,816	131,833	131,833	131,833	131,833	131,000	166,000	191,000
- Authorization by the FCC has not been received for payment								
January 2010	\$ 128,500							
February 2010	133,316							
	<u>-</u>							
	<u>\$ 261,816</u>							
<b>NEUSTAR - Block Pooling contract</b>	376,996	188,498	188,498	188,498	188,498	188,498	186,934	185,365
- Authorization by the FCC has not been received for payment								
January 2010	\$ 188,498							
February 2010	188,498							
	<u>376,996</u>							
<b>Welch LLP - Billing &amp; Collection Agent</b>	37,913	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Authorization by the FCC has not been received for payment								
January 2010	\$ 18,013							
February 2010	19,900							
	<u>37,913</u>							
<b>USAC - Data Collection Agent</b>	11,576	4,450	4,450	4,450	4,450	4,500	4,500	4,500
- Authorization by the FCC has not been received for payment								
December 2009	4,546							
January 2010	2,580							
February 2010 (estimate)	4,450							
	<u>11,576</u>							
<b>Carrier audits</b>	-	-	-	-	-	-	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>	-	-	-	-	-	-	-	36,000
Accrual for 2010/11 audit fee	<u>\$ -</u>							
<b>NEUSTAR - pANI administration</b>	<u>\$ -</u>	-	-	-	-	16,666	16,666	16,666
<b>Total</b>	<u>688,301</u>	<u>344,681</u>	<u>344,681</u>	<u>344,681</u>	<u>344,681</u>	<u>360,564</u>	<u>394,000</u>	<u>453,431</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were mailed February 12, 2010

## **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**

Statement of accounts were sent out for new receivable balances under 90 days old.

## **FCC Red Light Notices**

There were no payments received from the FCC in February. 380 delinquent accounts were sent to the FCC for collection and submission to the Red Light site. The total value of the delinquent accounts sent to the FCC amounted to \$39,029.78. Additional submissions will be done in March 2010.

## **Complaints/Queries**

All queries are directed to a 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. 7 calls were received in February. Most calls were questions about the statement received, who is NANP, why should they fund NANP, the company is out of business, change of address and request for copies of invoices.

## **Staffing Changes**

Nothing new to report.

## **Contract Renewal**

The FCC has not started this process yet. The contract expires October 1, 2009. Welch LLP is on the USGSA list. Welch LLP received a 6 month bridge extension with the same terms as the current contract. Nothing new to report.

## **Accounts Receivable**

The old receivables are gradually being cleared up as USAC identifies and verifies companies that are inactive. We have received procedures from the FCC as to how to apply for approval to write off debt. This has to be done on an individual carrier basis. The FCC has to approve each request for write off.

We have prepared our first write-off package in November for one carrier. This was sent to the FCC where the OMD office has to approve the write-off. We have not had a response from the OMD office. Once we know that the package was prepared correctly we will start the process of preparing other write-off packages.