

**Billing and Collection Agent Report
For period ending February 28, 2013**

To NANC

March 13, 2013

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
FEBRUARY 28, 2013**

Assets

Cash Balance in bank account	\$	1,528,980
Receivable from US Carriers		332,905
Receivable from Canada		6,553
Receivable from Caribbean countries		3,563
Receivables forwarded to Treasury for collection		89,613
Allowance for uncollectible accounts		(199,000)
		233,634
Total assets		1,762,614
Less: Accrued liabilities (see below for makeup)		(509,806)
Fund balance		<u>\$ 1,252,808</u>

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

Welch LLP	23,443
NEUSTAR Pooling 1K Block and pANI administration	204,381
NEUSTAR NANP Administration	276,315
Data Collection Agent - USAC	5,667
	\$ 509,806

**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			
Revenue															
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	232,754	233,792	238,988	238,988	238,988	-	5,174,096	5,139,392	34,704
Late filing fees for Form 499A (2)	1,900	(3,100)	3,000	-	(400)	(6,800)	(900)	300	-	-	-	85,000	79,000	85,000	(6,000)
Interest income (3)	1,017	589	1,093	759	767	653	480	355	500	500	500	500	7,713	6,000	1,713
Total revenue	2,845,409	233,942	247,668	246,448	245,863	232,895	238,887	241,000	246,040	246,040	246,040	85,500	5,355,732	5,325,315	30,417
Expenses															
NANPA Administration (4), (7)	276,207	276,207	278,756	279,757	276,207	297,486	277,173	276,315	276,207	160,804	160,804	160,804	2,996,727	1,632,000	1,364,727
1K Block Pooling & pANI Administration (4), (8), (9)	256,549	235,851	188,385	188,385	188,385	196,780	197,509	204,382	188,385	188,385	188,385	188,385	2,409,766	2,393,628	16,138
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	4,488	4,488	5,666	5,666	5,666	5,666	58,588	68,000	(9,412)
Annual Operations Audit (6)	-	-	40,000	-	-	-	1,800	-	-	-	-	-	41,800	40,000	1,800
Bank Charges (10)	1,471	5,795	4,424	4,099	3,905	3,492	2,510	3,153	1,925	1,925	1,925	1,925	36,549	23,100	13,449
Carrier Audits (11)	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	(300,000)
Bad debt expense (12)	310	(21,532)	24,632	(991)	13,014	(11,750)	3,200	(9,197)	3,333	3,333	3,333	3,333	11,018	40,000	(28,982)
Total expenses	563,022	524,282	564,085	499,113	509,222	513,706	510,123	502,584	498,959	383,556	383,556	383,557	5,835,765	4,778,045	1,057,720
Net revenue (expenses)	2,282,387	(290,340)	(316,417)	(252,665)	(263,359)	(280,811)	(271,236)	(261,584)	(252,919)	(137,516)	(137,516)	(298,057)	(480,033)	547,270	(1,027,303)
Opening fund balance	906,833	3,189,220	2,898,880	2,582,463	2,329,798	2,066,439	1,785,628	1,514,392	1,252,808	999,889	862,373	724,857	906,833	952,730	(45,897)
Closing fund balance	3,189,220	2,898,880	2,582,463	2,329,798	2,066,439	1,785,628	1,514,392	1,252,808	999,889	862,373	724,857	426,800	426,800	1,500,000	1,073,200
Fund balance makeup:															
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	14,392	(247,192)	(500,111)	(637,627)	(775,143)	(1,073,200)	(1,073,200)	-	-
	3,189,220	2,898,880	2,582,463	2,329,798	2,066,439	1,785,628	1,514,392	1,252,808	999,889	862,373	724,857	426,800	426,800	1,500,000	-

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 June 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 March 31, 2013.
- (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. The FCC has indicated that they do not anticipate any audits being performed prior to June 2013.
- (12) The allowance covers all accounts considered potentially uncollectible at February 28, 2013.

Reconciliation of forecast at June 30, 2013 to budget

Budgeted fund balance at June 30/13 - contingency	1,500,000
Decrease in fund balance between budget period (February 2012) and June 2012	(45,897)
Additional billings over estimate from budget	34,704
Late filing fees (reversal) for Form 499A	(6,000)
Underestimate of interest earned to date compared to budget	1,713
NANP Admin - difference between budget and actual contract awarded	(1,345,737)
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	9,412
Bad debts - Adjustment to actual from budget	28,982
Pooling and p-ANI - adjustment to actual from budget	30,260
Pooling change orders	(46,398)
Carrier audits that will not be performed	300,000
Operations Audit - Adjustment to actual from budget	(1,800)
Bank fees - Adjustment to actual from budget	(13,449)
Forecasted fund balance at June 30/13	426,800

CURRENT AND FORECASTED LIABILITIES

		Current						
		Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
NEUSTAR - NANPA Administration contract		276,315	276,207	160,804	160,804	160,804	184,168	184,168
- Payment authorized by the FCC in February January 2013	277,173							
- Authorization by the FCC has not been received for payment February 2013	<u>\$ 276,315</u>							
NEUSTAR - Block Pooling and pANI Administration contract		204,381	188,385	188,385	188,385	188,385	188,385	188,385
- Payment authorized by the FCC in February January 2013	\$ 188,385							
Contract modification #22	9,124							
- Authorization by the FCC has not been received for payment February 2013	<u>\$ 191,739</u>							
Change order #22	<u>12,642</u>							
	<u>\$ 204,381</u>							
Welch LLP - Billing & Collection Agent		23,443	23,443	23,443	23,443	23,443	23,444	23,444
- Payment authorized by the FCC in February January 2013	23,443							
- Authorization by the FCC has not been received for payment February 2013	<u>\$ 23,443</u>							
USAC - Data Collection Agent		5,667	5,666	5,666	5,666	5,666	4,750	4,750
- Payment authorized by the FCC in February January 2013	4,488							
- Authorization by the FCC has not been received for payment February 2013	<u>\$ 5,667</u>							
Carrier audits		-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit		-	-	-	-	-	-	-
- Payment authorized by the FCC in February Audit fee for the 2011/2012 fiscal audit	41,800							
Bank Fees			1,925	1,925	1,925	1,925	3,000	3,000
Total		<u>509,806</u>	<u>495,626</u>	<u>380,223</u>	<u>380,223</u>	<u>380,223</u>	<u>403,747</u>	<u>403,747</u>

Deliverables Report

Distributing invoices

The monthly and annual invoices for carriers were mailed by February 12, 2013.

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 February 8, 2013. We are continuing with collection calls 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. 15 calls were received in February. 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 creating a program that will let us batch process debt so that delinquent debt can be uploaded to Treasury.