

**Billing and Collection Agent Report  
For period ending January 31, 2011**

**To NANC**

**February 3, 2011**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
January 31, 2011**

**Assets**

Cash Balance in bank account		\$ 2,694,604
Receivable from US Carriers	264,223	
Receivable from Canada	6,670	
Receivable from Caribbean countries	2,270	
Receivables forwarded to FCC for collection (Over 90 days)	344,917	
Allowance for uncollectible accounts	<u>(412,000)</u>	206,080
Prepaid maintenance contract		<u>1,141</u>
<b>Total assets</b>		<b>2,901,825</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b><u>(752,752)</u></b>
<b>Fund balance</b>		<b><u>\$ 2,149,073</u></b>

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

Welch LLP	60,300	
NEUSTAR Pooling 1K Block Pooling Expenses	370,731	
NEUSTAR Admin Expenses	257,518	
Ernst& Young LLP	36,000	
Data Collection Agent - USAC	<u>28,203</u>	
	<u>\$ 752,752</u>	

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**Other items of note**

The cost for the proposed change order for permanent pANI is \$1,040,906.

**NANPA FUND  
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE  
JULY 2010 TO JUNE 2011**

	Actual						Budgeted						Total	Budget	Variance between forecasted balance at June 30/11 and budget	
	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11				
<b>Revenue</b>																
International Contributions																
Canada	(1)	13,339	6,670	6,670	6,670	6,670	6,670	6,670	6,669	6,669	6,669	-	80,036	80,036	-	
Caribbean countries	(1)	16,403	-	-	-	-	-	-	-	-	-	-	16,403	16,403	-	
Total International Contributions		29,742	6,670	6,670	6,670	6,670	6,670	6,670	6,669	6,669	6,669	-	96,439	96,439		
Domestic Contributions - US carriers	(1)	2,241,497	179,293	188,748	186,209	186,448	187,670	186,515	187,629	187,629	187,629	-	4,106,896	4,034,718	72,178	
Late filing fees for Form 499A	(2)	( 100)	( 9,700)	1,600.00	200.00	( 2,600)	( 600)	( 2,100)				115,000	101,700	115,000	( 13,300)	
Interest income	(3)	1,128	1,267	1,439	1,062	979	1,092	795	1,000	1,000	1,000	1,000	12,762	12,000	762	
<b>Total revenue</b>		<b>2,272,267</b>	<b>177,530</b>	<b>198,457</b>	<b>194,141</b>	<b>191,497</b>	<b>194,832</b>	<b>191,880</b>	<b>195,299</b>	<b>195,298</b>	<b>195,298</b>	<b>116,000</b>	<b>4,317,797</b>	<b>4,258,157</b>	<b>59,640</b>	
<b>Expenses</b>																
NANPA Administration	(4), (7)	139,465	130,353	130,041	186,342	131,742	141,617	128,968	131,000	131,000	131,000	131,000	131,000	1,643,528	1,667,000	( 23,472)
1K Block Pooling Administration	(4), (8)	188,498	186,932	194,735	185,365	199,247	185,365	185,365	185,365	185,365	185,365	185,365	185,365	2,252,332	2,229,082	23,250
pANI	(9)	-	-	-	-	-	-	-	50,000	50,000	50,000	50,000	50,000	200,000	200,000	
Billing and Collection																
Welch LLP	(4)	21,359	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100	242,459	238,800	3,659
Data Collection Agent	(5)	3,707	3,636	3,706	4,289	7,193	6,704	9,806	4,500	4,500	4,500	4,500	4,500	61,541	54,000	7,541
Annual Operations Audit	(6)	-	-	36,000	-	-	-	-	-	-	-	-	-	36,000	36,000	
Bank Charges	(10)	1,426	4,170	1,741	1,605	1,867	1,670	1,393	-	-	-	-	-	13,872	-	13,872
Carrier Audits	(11)	-	-	-	-	-	-	-	-	-	-	-	-	-	700,000	( 700,000)
Bad debt expense	(12)	44,293	( 9,977)	( 3,473)	20,280.00	( 6,614)	-	( 1,831)	-	-	-	-	-	42,678	-	42,678
<b>Total expenses</b>		<b>398,748</b>	<b>335,214</b>	<b>382,850</b>	<b>417,981</b>	<b>353,535</b>	<b>355,456</b>	<b>343,801</b>	<b>340,965</b>	<b>390,965</b>	<b>390,965</b>	<b>390,965</b>	<b>390,965</b>	<b>4,492,410</b>	<b>5,124,882</b>	<b>(632,472)</b>
<b>Net revenue (expenses)</b>		<b>1,873,519</b>	<b>( 157,684)</b>	<b>( 184,393)</b>	<b>( 223,840)</b>	<b>( 162,038)</b>	<b>( 160,624)</b>	<b>( 151,921)</b>	<b>( 145,666)</b>	<b>( 195,667)</b>	<b>( 195,667)</b>	<b>( 195,667)</b>	<b>( 274,965)</b>	<b>( 174,613)</b>	<b>( 866,725)</b>	<b>692,112</b>
<b>Opening fund balance</b>		<b>1,316,054</b>	<b>3,189,573</b>	<b>3,031,889</b>	<b>2,847,496</b>	<b>2,623,656</b>	<b>2,461,618</b>	<b>2,300,994</b>	<b>2,149,073</b>	<b>2,003,407</b>	<b>1,807,740</b>	<b>1,612,073</b>	<b>1,416,406</b>	<b>1,316,054</b>	<b>1,366,725</b>	<b>( 50,671)</b>
<b>Closing fund balance</b>		<b>3,189,573</b>	<b>3,031,889</b>	<b>2,847,496</b>	<b>2,623,656</b>	<b>2,461,618</b>	<b>2,300,994</b>	<b>2,149,073</b>	<b>2,003,407</b>	<b>1,807,740</b>	<b>1,612,073</b>	<b>1,416,406</b>	<b>1,141,441</b>	<b>500,000</b>	<b>641,441</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		2,689,573	2,531,889	2,347,496	2,123,656	1,961,618	1,800,994	1,649,073	1,503,407	1,307,740	1,112,073	916,406	641,441	641,441	-	
		<b>3,189,573</b>	<b>3,031,889</b>	<b>2,847,496</b>	<b>2,623,656</b>	<b>2,461,618</b>	<b>2,300,994</b>	<b>2,149,073</b>	<b>2,003,407</b>	<b>1,807,740</b>	<b>1,612,073</b>	<b>1,416,406</b>	<b>1,141,441</b>	<b>500,000</b>	<b>500,000</b>	

**Assumptions:**

- (1) The US carrier contributions for the period from July 2010 to June 2011 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 expense for 1K Block Pooling is based on the contract in force.  
The cost of NANPA Administration is based on contract in force until January 8, 2011.  
The cost of B&C Agent is based on the interim contract with Welch LLP in force until January 31, 2011.
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2010 calendar year.
- (6) The cost for the annual operations audit performed by Ernst & Young is \$36,000.
- (7) No commentary for February.
- (8) No commentary for February
- (9) Interim p-ANI administration is now covered under the new Pooling contract. \$200,000 has been allowed for the cost of permanent pANI in 2010/11. A proposed change order was submitted to the FCC at the end of January 2011.
- (10) Bank fees are an expense to the Fund as per the new interim contract for the Billing and Collection Agent effective April 1, 2010.
- (11) The budget allowed \$700,000 for carrier audits. The FCC has indicated that this will not be spent this funding year.
- (12) The allowance covers all accounts considered potentially uncollectible at January 31, 2011. This will be covered by the contingency allowance.

**Reconciliation of Forecast at June 30, 2011 to Budget**

<b>Budgeted fund balance at June 30/11 - contingency</b>	<b>500,000</b>
Decrease in fund balance between budget period (February 2010) and June 2010	(50,671)
Additional billings over estimate from budget	72,178
Late filing fees (reversal) for Form 499A - 2009	(13,300)
Additional interest earned to date compared to budget	762
NANP Admin - difference between budget and actual contract awarded after budget period	30,846
NANP Admin - change orders issued	(7,374)
Additional billings from B & C Agent due to renewal of contract	(3,659)
Data Collection fees - Adjustment to actual from budget	(7,541)
Bad debts not budgeted for	(42,678)
Pooling change orders	(23,250)
Carrier audits that will not be performed	700,000
Permanent pANI that will not be expended prior to June 30th.	-
Bank fees to be covered by Fund under new B&C Agent contract	(13,872)
<b>Forecasted Fund balance at June 30/11</b>	<b>1,141,441</b>

**NANPA FUND  
CURRENT AND FORECASTED LIABILITIES**

	Current <u>Jan-11</u>	<u>Feb-11</u>	<u>Mar-11</u>	<u>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>	<u>Jul-11</u>	<u>Aug-11</u>
<b>NEUSTAR - NANPA Administration contract</b>	257,518	131,000	131,000	131,000	131,000	131,000	131,000	131,000
- Payment authorized by the FCC on Dec 7/10, received by Welch Dec22/10								
November 2010	131,212							
Change order #19	529							
Amendment #25	6,845							
- Authorization by the FCC has not been received for payment								
December 2010	\$ 128,550							
January 2011	128,968							
	<u>-</u>							
	<u>\$ 257,518</u>							
<b>NEUSTAR - Block Pooling contract</b>	370,731	185,365	185,365	185,365	185,365	185,365	185,365	183,550
- Payment authorized by the FCC on Dec 7/10, received by Welch Dec22/10								
November 2010	\$ 185,365							
Changer order #11	13,882							
	3,590							
	2,238							
- Authorization by the FCC has not been received for payment								
December 2010	\$ 185,365							
January 2011	\$ 185,366							
	<u>-</u>							
	<u>\$ 370,731</u>							
<b>Welch LLP - Billing &amp; Collection Agent</b>	60,300	20,100	20,100	20,100	20,100	20,100	20,100	20,100
- Payment authorized by the FCC on Dec 7/10, received by Welch Dec22/10								
October 2010	20,100							
- Authorization by the FCC has not been received for payment								
November 2010	\$ 20,100							
December 2010	\$ 20,100							
January 2011	20,100							
	<u>\$ 60,300</u>							
<b>USAC - Data Collection Agent</b>	28,203	4,500	4,500	4,500	4,500	4,500	4,500	4,500
- Authorization by the FCC has not been received for payment								
October 2010	7,193							
November 2010	6,704							
December 2010	9,806							
January 2011 (estimate)	4,500							
	<u>\$ 28,203</u>							
<b>Carrier audits</b>	-	-	-	-	-	-	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>	36,000	-	-	-	-	-	-	-
- Authorization by the FCC has not been received for payment								
December 2010	<u>\$ 36,000</u>							
<b>NEUSTAR - pANI administration</b>	\$ -	-	-	50,000	50,000	50,000	50,000	50,000
<b>Total</b>	<u>752,752</u>	<u>340,965</u>	<u>390,965</u>	<u>390,965</u>	<u>390,965</u>	<u>390,965</u>	<u>390,965</u>	<u>389,150</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were mailed January 12, 2011.

## **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 of account were sent out for receivable balances under 90 days old on January 3, 2011.

## **FCC Red Light Notices**

120 delinquent accounts sent to the FCC for collection and submission to the Red Light Site. There were conversion problems during January. There were no payments received from the FCC. Access to the Red Light Site has been restored.

## **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. 10 calls were received in January in response to the mail out of statement of accounts. Most calls were questions about the invoice received, who is NANP, complaints about the late filing penalty for filing the Form 499A late, why should they fund NANP, the company is out of business, change of address, how to pay and request for copies of invoices.

## **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 6 month interim contract with the same terms as the expired contract including the contract amendment. The interim contract is for a period from August 1, 2010 to January 31, 2011. The interim contract has been extended to July 31, 2011.

## **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.

19 write off packages were prepared and sent to the FCC in July requesting approval for write off. FCC has not approved these yet. An additional 8 write off packages were prepared and sent to the FCC in September. Approval has not been received yet.