

**Billing and Collection Agent Report
For period ending January 31, 2013**

To NANC

February 7, 2013

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
JANUARY 31, 2013**

Assets

Cash Balance in bank account	\$	1,835,564
Receivable from US Carriers		344,296
Receivable from Canada		-
Receivable from Caribbean countries		3,601
Receivables forwarded to Treasury for collection		92,223
Allowance for uncollectible accounts		<u>(215,700)</u>
		<u>224,420</u>
Total assets		2,059,984
Less: Accrued liabilities (see below for makeup)		<u>(545,592)</u>
Fund balance		<u><u>\$ 1,514,392</u></u>

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

Welch LLP	23,443
Ernst & Young LLP - audit fee	41,800
NEUSTAR Pooling 1K Block	190,738
NEUSTAR Pooling - pANI administration	6,771
NEUSTAR NANP Administration	277,173
Data Collection Agent - USAC	<u>5,667</u>
	<u><u>\$ 545,592</u></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				
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	238,988	238,988	238,988	238,988	-	5,179,292	5,139,392	39,900	
Late filing fees for Form 499A (2)	1,900	(3,100)	3,000	-	(400)	(6,800)	(900)	-	-	-	-	85,000	78,700	85,000	(6,300)	
Interest income (3)	1,017	589	1,093	759	767	653	480	500	500	500	500	500	7,858	6,000	1,858	
Total revenue	2,845,409	233,942	247,668	246,448	245,863	232,895	238,887	246,041	246,040	246,040	246,040	85,500	5,360,773	5,325,315	35,458	
Expenses																
NANPA Administration (4), (7)	276,207	276,207	278,756	279,757	276,207	297,486	277,173	276,207	276,207	160,804	160,804	160,804	2,996,619	1,632,000	1,364,619	
1K Block Pooling Administration (4), (8)	181,614	197,851	181,614	181,614	181,614	190,009	190,738	181,614	181,614	181,614	181,614	181,614	2,213,124	2,179,368	33,756	
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	4,488	5,667	5,666	5,666	5,666	5,666	59,767	68,000	(8,233)	
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	1,925	1,925	1,925	1,925	1,925	35,321	23,100	12,221	
Carrier Audits (11)	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	(300,000)	
Bad debt expense (12)	310	-	21,532	(24,632)	(13,014)	11,750	3,200	3,333	3,333	3,333	3,333	3,333	23,548	40,000	(16,452)	
Total expenses	563,022	524,282	564,085	499,113	509,222	513,706	510,123	498,960	498,959	383,556	383,556	383,557	5,832,141	4,778,045	1,054,096	
Net revenue (expenses)	2,282,387	(290,340)	(316,417)	(252,665)	(263,359)	(280,811)	(271,236)	(252,919)	(252,919)	(137,516)	(137,516)	(298,057)	471,368	547,270	(1,018,638)	
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	1,261,473	1,008,554	871,038	733,522	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	1,261,473	1,008,554	871,038	733,522	435,465	435,465	1,500,000	(1,064,535)	
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	(238,527)	(491,446)	(628,962)	(766,478)	(1,064,535)	(1,064,535)	-	-	
	3,189,220	2,898,880	2,582,463	2,329,798	2,066,439	1,785,628	1,514,392	1,261,473	1,008,554	871,038	733,522	435,465	435,465	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 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 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 January 31, 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	39,900
Late filing fees (reversal) for Form 499A	(6,300)
Underestimate of interest earned to date compared to budget	1,858
NANP Admin - difference between budget and actual contract awarded	(1,345,629)
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	8,233
Bad debts - Adjustment to actual from budget	16,452
Pooling change orders	(33,756)
Carrier audits that will not be performed	300,000
Permanent pANI - Adjustment to actual from budget	33,615
Operations Audit - Adjustment to actual from budget	(1,800)
Bank fees - Adjustment to actual from budget	(12,221)
Forecasted fund balance at June 30/13	435,465

CURRENT AND FORECASTED LIABILITIES

	Current						
	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>
NEUSTAR - NANPA Administration contract	277,173	276,207	276,207	160,804	160,804	160,804	160,804
- Payment authorized by the FCC in January							
December 2012	278,496						
Change order #21 and #22	18,990						
- Authorization by the FCC has not been received for payment							
January 2013	<u>\$ 277,173</u>						
NEUSTAR - Block Pooling contract	190,738	181,614	181,614	181,614	181,614	181,614	181,614
- Payment authorized by the FCC in January							
December 2012	\$ 181,614						
Change Order #21	8,395						
- Authorization by the FCC has not been received for payment							
January 2013	\$ 181,614						
Contract modification #22	<u>9,124</u>						
	<u>\$ 190,738</u>						
Welch LLP - Billing & Collection Agent	23,443	23,443	23,443	23,443	23,443	23,443	23,444
- Payment authorized by the FCC in January							
December 2012	23,443						
- Authorization by the FCC has not been received for payment							
January 2013	<u>\$ 23,443</u>						
USAC - Data Collection Agent	5,667	5,667	5,666	5,666	5,666	5,666	5,666
- Payment authorized by the FCC in January							
November 2012	4,254						
December 2012	4,488						
- Authorization by the FCC has not been received for payment							
January 2013	<u>\$ 5,667</u>						
Carrier audits	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	41,800	-	-	-	-	-	-
-Authorization by the FCC has not been received for payment							
Audit fee accrual for the 2011/2012 fiscal audit	<u>\$ 41,800</u>						
NEUSTAR - pANI administration	6,771	6,771	6,771	6,771	6,771	6,771	6,771
- Payment authorized by the FCC in January							
December 2012	6,771						
- Authorization by the FCC has not been received for payment							
January 2013	<u>\$ 6,771</u>						
Bank Fees		1,925	1,925	1,925	1,925	1,925	1,925
Total	<u>545,592</u>	<u>495,627</u>	<u>495,626</u>	<u>380,223</u>	<u>380,223</u>	<u>380,223</u>	<u>380,224</u>

Deliverables Report

Distributing invoices

The monthly and annual invoices for carriers were mailed by January 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 January 10, 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. 19 calls were received in January. 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.