

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

**To NANC
August 24, 2011**

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

Assets

Cash Balance in bank account		\$ 3,383,713
Receivable from US Carriers	461,913	
Receivable from Canada	-	
Receivable from Caribbean countries	15,061	
Receivables forwarded to FCC for collection (Over 90 days)	375,203	
Allowance for uncollectible accounts	<u>(450,700)</u>	401,477
Prepaid maintenance contract		<u>1,141</u>
Total assets		3,786,331
Less: Accrued liabilities (see below for makeup)		<u>(419,141)</u>
 Fund balance		 <u>\$ 3,367,190</u>

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

Welch LLP	22,784	
NEUSTAR Pooling 1K Block	185,365	
NEUSTAR Pooling - pANI administration	74,935	
NEUSTAR NANP Administration	131,142	
Data Collection Agent - USAC	<u>4,915</u>	
	<u>\$ 419,141</u>	

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2011 TO JUNE 2012**

	Actual	Budgeted											Total	Budget	Variance between forecasted results and budget at June 30/12		
		Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12				Jun-12	
Revenue																	
International Contributions																	
Canada	(1)	13,117	6,558	6,558	6,558	6,558	6,559	6,559	6,559	6,559	6,559	6,559	-	78,703	78,703	-	
Caribbean countries	(1)	16,241	-	-	-	-	-	-	-	-	-	-	-	16,241	16,241	-	
Total International Contributions		29,358	6,558	6,558	6,558	6,558	6,559	6,559	6,559	6,559	6,559	-	94,944	94,944			
Domestic Contributions - US carriers	(1)	2,545,663	218,081	218,081	218,081	218,081	218,081	218,081	218,081	218,081	218,081		4,726,473	4,620,882	105,591		
Late filing fees for Form 499A	(2)	100	-	-	-	-	-	-	-	-	-	115,000	115,100	115,000	100		
Interest income	(3)	927	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,927	12,000	73		
Total revenue		2,576,048	225,639	225,639	225,639	225,639	225,640	225,640	225,640	225,640	225,640	116,000	4,948,444	4,842,826	105,618		
Expenses																	
NANPA Administration	(4), (7)	131,142	201,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	1,642,142	1,642,000	142	
1K Block Pooling Administration	(4), (8)	185,365	183,490	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	2,184,995	2,184,995		
pANI	(9)	74,935	74,935	74,935	74,935	74,935	74,935	74,935	74,935	74,935	74,935	74,935	74,935	899,220	747,472	151,748	
Billing and Collection																	
Welch LLP	(4)	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784	273,408	241,200	32,208	
Data Collection Agent	(5)	4,276	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	58,363	59,000	637		
Annual Operations Audit	(6)	-	-	38,000	-	-	-	-	-	-	-	-	-	38,000	38,000		
Bank Charges	(10)	1,331	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,131	21,600	469	
Carrier Audits	(11)	-	-	-	-	-	-	300,000	-	-	-	-	-	300,000	300,000		
Bad debt expense	(12)	7	-	-	-	-	-	-	-	-	-	-	7	-	7		
Total expenses		419,840	488,926	455,050	417,050	417,050	417,050	717,050	417,050	417,050	417,050	417,050	5,417,266	5,234,267	182,999		
Net revenue (expenses)		2,156,208	(263,287)	(229,411)	(191,411)	(191,411)	(191,410)	(191,410)	(491,410)	(191,410)	(191,410)	(191,410)	(301,050)	(468,822)	(391,441)	(77,381)	
Opening fund balance		1,210,982	3,367,190	3,103,903	2,874,492	2,683,081	2,491,670	2,300,260	2,108,850	1,617,440	1,426,030	1,234,620	1,043,210	1,210,982	1,141,441	69,541	
Closing fund balance		3,367,190	3,103,903	2,874,492	2,683,081	2,491,670	2,300,260	2,108,850	1,617,440	1,426,030	1,234,620	1,043,210	742,160	742,160	750,000	7,840	
Fund balance makeup:																	
Contingency		750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000		
Surplus		2,617,190	2,353,903	2,124,492	1,933,081	1,741,670	1,550,260	1,358,850	867,440	676,030	484,620	293,210	(7,840)	(7,840)	-		
		<u>3,367,190</u>	<u>3,103,903</u>	<u>2,874,492</u>	<u>2,683,081</u>	<u>2,491,670</u>	<u>2,300,260</u>	<u>2,108,850</u>	<u>1,617,440</u>	<u>1,426,030</u>	<u>1,234,620</u>	<u>1,043,210</u>	<u>742,160</u>	<u>742,160</u>	<u>750,000</u>		

Assumptions:

- (1) The US carrier contributions for the period from July 2011 to June 2012 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, 2012.
The cost of B&C Agent is based on the interim contract with Welch LLP in force until January 31, 2012.
- (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 \$38,000.
- (7) No commentary
- (8) No commentary
- (9) There was a change order approved for permanent pANI approve on June 17, 2011 for \$1,040,905.42. This will be billed on a prorated basis over the remaining term of the 1K Block Pooling contract. The opening surplus has \$167,858 which was earmarked for pANI payments in March to June 2011 which was not paid during that period. This funds for this was carried over into the current funding period.
- (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 July 31, 2011. This will be covered by the contingency allowance.

Reconciliation of forecast at June 30, 2012 to budget

Budgeted fund balance at June 30/12 - contingency	750,000
Increase in fund balance between budget period (February 2011) and June 2011	69,541
Additional billings over estimate from budget	105,591
Late filing fees (reversal) for Form 499A	100
Over estimate of interest earned to date compared to budget	(73)
NANP Admin - difference between budget and actual contract due to variable travel costs	(142)
NANP Admin - change orders issued	-
Additional billings from B & C Agent due to renewal of contract	(32,208)
Data Collection fees - Adjustment to actual from budget	637
Bad debts not budgeted for	(7)
Pooling change orders	-
Carrier audits that will not be performed	-
Permanent pANI that was expected to be paid during March - June 2011. See note 9.	(151,748)
Bank fees to be covered by Fund under new B&C Agent interim contract	469
Forecasted fund balance at June 30/12	742,160

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current <u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>
NEUSTAR - NANPA Administration contract	131,142	201,000	131,000	131,000	131,000	131,000	131,000	131,000
- Payment authorized by the FCC on July 7/11, received by Welch July 7/11								
June 2011	129,487							
- Authorization by the FCC has not been received for payment								
July 2011	\$ 131,142							
	<u>-</u>							
	<u>\$ 131,142</u>							
NEUSTAR - Block Pooling contract	185,365	183,490	181,614	181,614	181,614	181,614	181,614	181,614
- Payment authorized by the FCC on July 7/11, received by Welch July 7/11								
June 2011	\$ 185,365							
- Authorization by the FCC has not been received for payment								
July 2011	\$ 185,365							
	<u>-</u>							
	<u>\$ 185,365</u>							
Welch LLP - Billing & Collection Agent	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784
- Payment authorized by the FCC on July 12/11, received by Welch July 12/11								
June 2011	22,784							
- Authorization by the FCC has not been received for payment								
July 2011	\$ 22,784							
	<u>-</u>							
	<u>\$ 22,784</u>							
USAC - Data Collection Agent	4,915	4,917	4,917	4,917	4,917	4,917	4,917	4,917
- Payment authorized by the FCC on July 19/11, received by Welch July 19/11								
June 2011	4,276							
- Authorization by the FCC has not been received for payment								
July 2011 (estimate)	4,915							
	<u>-</u>							
	<u>\$ 4,915</u>							
Carrier audits	-	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	-	-	38,000	-	-	-	-	-
NEUSTAR - pANI administration	74,935	74,935	74,935	74,935	74,935	74,935	74,935	74,935
- Payment authorized by the FCC on July 7/11, received by Welch July 7/11								
June 2011	32,142							
- Authorization by the FCC has not been received for payment								
July 2011	\$ 74,935							
Bank Fees		1,800	1,800	1,800	1,800	1,800	1,800	1,800
Total	<u>419,141</u>	<u>488,926</u>	<u>455,050</u>	<u>417,050</u>	<u>417,050</u>	<u>417,050</u>	<u>417,050</u>	<u>417,050</u>

Deliverables Report

Distributing invoices

The monthly and annual invoices for carriers were mailed July 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

Statement of accounts were not mailed out. Prior experience has shown that carriers double pay the invoice issued in June and the statement issued at the beginning of July. Statements were mailed out in August.

FCC Red Light Notices

There were no delinquent accounts sent to the FCC for collection and submission to the Red Light Site. There was not payment received from the FCC this month.

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 responded usually within 3 business days. 66 calls were received in July. Most calls were questions about the invoice received, the late filing fee, how to pay, request for copies of invoices, change of address and requesting a W9.

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 which will cover the period from August 1, 2011 to January 31, 2012.

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.