

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

**To NANC  
April 8, 2011**

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

**Assets**

Cash Balance in bank account	\$	2,001,942
Receivable from US Carriers		214,902
Receivable from Canada		6,670
Receivable from Caribbean countries		2,280
Receivables forwarded to FCC for collection (Over 90 days)		380,749
Allowance for uncollectible accounts		<u>(416,700)</u>
		187,901
Prepaid maintenance contract		<u>1,141</u>
<b>Total assets</b>		<b>2,190,984</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b><u>(369,084)</u></b>
<b>Fund balance</b>	<b>\$</b>	<b><u>1,821,900</u></b>

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

Welch LLP		22,784
NEUSTAR Pooling 1K Block Pooling Expenses		205,257
NEUSTAR Admin Expenses		130,934
Data Collection Agent - USAC		<u>10,109</u>
	<b>\$</b>	<b><u>369,084</u></b>

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**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	6,670	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	6,670	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	187,469	187,247	187,629	187,629	-	4,106,354	4,034,718	71,636
Late filing fees for Form 499A	(2)	( 100)	( 9,700)	1,600.00	200.00	( 2,600)	( 600)	( 2,100)	( 500)	( 300)			115,000	100,900	115,000	( 14,100)
Interest income	(3)	1,128	1,267	1,439	1,062	979	1,092	795	504	449	1,000	1,000	1,000	11,715	12,000	- 285
<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>194,143</b>	<b>194,065</b>	<b>195,298</b>	<b>195,298</b>	<b>116,000</b>	<b>4,315,408</b>	<b>4,258,157</b>	<b>57,251</b>
<b>Expenses</b>																
NANPA Administration	(4), (7)	139,465	130,353	130,041	186,342	131,742	141,617	128,968	131,075	130,934	131,000	131,000	131,000	1,643,537	1,667,000	( 23,463)
1K Block Pooling Administration	(4), (8)	188,498	186,932	194,735	185,365	199,247	185,365	185,365	185,365	205,257	185,365	185,365	185,365	2,272,224	2,229,082	43,142
pANI	(9)	-	-	-	-	-	-	-	-	-	100,000	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	22,784	22,784	22,794	22,794	22,794	255,909	238,800	17,109
Data Collection Agent	(5)	3,707	3,636	3,706	4,289	7,193	6,704	9,806	3,419	5,609	4,500	4,500	4,500	61,569	54,000	7,569
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	2,056	1,398	-	-	-	17,326	-	17,326
Carrier Audits	(11)	-	-	-	-	-	-	-	-	-	-	-	-	-	700,000	( 700,000)
Bad debt expense	(12)	44,293	( 9,977)	( 3,473)	20,280.00	( 6,614)	-	( 1,831)	-	4,700	-	-	-	47,378	-	47,378
<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>344,699</b>	<b>370,682</b>	<b>443,659</b>	<b>393,659</b>	<b>393,659</b>	<b>4,533,943</b>	<b>5,124,882</b>	<b>(590,939)</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>( 150,556)</b>	<b>( 176,617)</b>	<b>( 248,361)</b>	<b>( 198,361)</b>	<b>( 277,659)</b>	<b>( 218,535)</b>	<b>( 866,725)</b>	<b>648,190</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>1,998,517</b>	<b>1,821,900</b>	<b>1,573,539</b>	<b>1,375,178</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>1,998,517</b>	<b>1,821,900</b>	<b>1,573,539</b>	<b>1,375,178</b>	<b>1,097,519</b>	<b>1,097,519</b>	<b>500,000</b>	<b>597,519</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	1,498,517	1,321,900	1,073,539	875,178	597,519	597,519	-	-
		<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>1,998,517</b>	<b>1,821,900</b>	<b>1,573,539</b>	<b>1,375,178</b>	<b>1,097,519</b>	<b>1,097,519</b>	<b>500,000</b>	<b>-</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 July 8, 2011.  
The cost of B&C Agent is based on the interim contract with Welch LLP in force until July 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 April
- (8) No commentary for April.
- (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 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 March 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	71,636
Late filing fees (reversal) for Form 499A - 2009	(14,100)
Additional interest earned to date compared to budget	(285)
NANP Admin - difference between budget and actual contract awarded after budget period	32,619
NANP Admin - change orders issued	(9,156)
Additional billings from B & C Agent due to renewal of contract	(17,109)
Data Collection fees - Adjustment to actual from budget	(7,569)
Bad debts not budgeted for	(47,378)
Pooling change orders	(43,142)
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	(17,326)
<b>Forecasted Fund balance at June 30/11</b>	<b>1,097,519</b>

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

Projection												
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
<b>Projected Revenue</b>												
International Contributions												
Canada	(1)	6,559	6,559	6,559	6,559	6,559	6,559	6,558	6,558	6,558	6,558	6,558
Caribbean countries	(1)	16,241	-	-	-	-	-	-	-	-	-	-
Total International Contributions		22,800	6,559	6,559	6,559	6,559	6,559	6,558	6,558	6,558	6,558	6,558
Domestic Contributions - US carriers	(1)	2,620,882	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	-
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	115,000
Interest income	(3)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<b>Total projected revenue</b>		<u>2,644,682</u>	<u>207,559</u>	<u>207,559</u>	<u>207,559</u>	<u>207,559</u>	<u>207,559</u>	<u>207,558</u>	<u>207,558</u>	<u>207,558</u>	<u>207,558</u>	<u>122,558</u>
<b>Projected Expenses</b>												
NANPA Administration	(4)	131,000	201,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000
1K Block Pooling Administration	(5)	185,365	183,490	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614
pANI	(6)	62,289	62,289	62,289	62,289	62,289	62,289	62,289	62,289	62,289	62,289	62,289
Billing and Collection												
Welch LLP	(7)	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784
Data Collection Agent	(8)	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917
Annual Operations Audit	(9)	-	-	38,000	-	-	-	-	-	-	-	-
Bank Charges	(10)	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Carrier Audits	(11)	-	-	-	-	-	-	300,000	-	-	-	-
Bad debt expense (recovery)	(12)	-	-	70,000	-	-	-	-	-	-	-	-
<b>Total projected expenses</b>		<u>408,155</u>	<u>476,280</u>	<u>512,404</u>	<u>404,404</u>	<u>404,404</u>	<u>404,404</u>	<u>704,404</u>	<u>404,404</u>	<u>404,404</u>	<u>404,404</u>	<u>404,404</u>
<b>Projected Net revenue (expenses)</b>		<u>2,236,527</u>	<u>( 268,721)</u>	<u>( 304,845)</u>	<u>( 196,845)</u>	<u>( 196,845)</u>	<u>( 196,845)</u>	<u>( 496,846)</u>	<u>( 196,846)</u>	<u>( 196,846)</u>	<u>( 196,846)</u>	<u>( 281,846)</u>
<b>Projected Opening fund balance</b>		<u>1,097,519</u>	<u>3,334,046</u>	<u>3,065,325</u>	<u>2,760,480</u>	<u>2,563,635</u>	<u>2,366,790</u>	<u>2,169,945</u>	<u>1,973,100</u>	<u>1,476,254</u>	<u>1,279,408</u>	<u>1,082,562</u>
<b>Projected Closing fund balance</b>		<u>3,334,046</u>	<u>3,065,325</u>	<u>2,760,480</u>	<u>2,563,635</u>	<u>2,366,790</u>	<u>2,169,945</u>	<u>1,973,100</u>	<u>1,476,254</u>	<u>1,279,408</u>	<u>1,082,562</u>	<u>885,716</u>
<b>Projected Fund balance makeup:</b>												
Contingency		750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	603,870
Surplus		2,584,046	2,315,325	2,010,480	1,813,635	1,616,790	1,419,945	1,223,100	726,254	529,408	332,562	-
		<u>3,334,046</u>	<u>3,065,325</u>	<u>2,760,480</u>	<u>2,563,635</u>	<u>2,366,790</u>	<u>2,169,945</u>	<u>1,973,100</u>	<u>1,476,254</u>	<u>1,279,408</u>	<u>1,082,562</u>	<u>603,870</u>

**Assumptions:**

- (1) The contribution for July 2011 - June 2012 is based on estimated required billings per the draft budget.
- (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 July 8, 2011.
- (5) The expense for the 1K Block Pooling is based on the contract in force.
- (6) The cost of permanent pANI administration has been proposed via change order #19 at a total cost of \$1,040,906 which would be spread out over the remaining term of the 1K Pooling contract.
- (7) The cost of B&C Agent is based on the cost of the interim Welch LLP contract.
- (8) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2011 calendar year.
- (9) The cost of the annual operations audit is based on the cost of the prior year's history of billing from Ernst & Young LLP
- (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. This will be covered by the contingency allowance

**NANPA FUND  
CURRENT AND FORECASTED LIABILITIES**

	Current <u>Mar-11</u>	<u>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>
<b>NEUSTAR - NANPA Administration contract</b>	130,934	131,000	131,000	131,000	131,000	131,000	131,000	131,000
- Payment authorized by the FCC on March 14/11, received by Welch March 17/11								
February 2011	129,293							
Change Order #20	1,782							
- Authorization by the FCC has not been received for payment								
March 2011	\$ 130,934							
	-							
	<u>\$ 130,934</u>							
<b>NEUSTAR - Block Pooling contract</b>	205,257	185,365	185,365	185,365	185,365	183,490	181,614	181,614
- Payment authorized by the FCC on March 14/11, received by Welch March 17/11								
February 2011	\$ 185,365							
- Authorization by the FCC has not been received for payment								
March 2011	\$ 185,365							
Change order #16	\$ 18,110							
Change order #18	1,782.00							
	<u>\$ 205,257</u>							
<b>Welch LLP - Billing &amp; Collection Agent</b>	22,784	22,794	22,794	22,794	22,794	22,794	22,794	22,794
- Payment authorized by the FCC on March 14/11, received by Welch March 17/11								
February 2011	22,784							
- Authorization by the FCC has not been received for payment								
March 2011	\$ 22,784							
	-							
	<u>\$ 22,784</u>							
<b>USAC - Data Collection Agent</b>	10,109	4,500	4,500	4,500	4,917	4,917	4,917	4,917
- Payment authorized by the FCC on Feb 23/11, received by Welch March 4/11								
January 2011	3,419							
- Authorization by the FCC has not been received for payment								
February 2011	5,194							
March 2011 (estimate)	4,915							
	-							
	<u>\$ 10,109</u>							
<b>Carrier audits</b>	-	-	-	-	-	-	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>	-	-	-	-	-	-	-	-
- Payment authorized by the FCC on Jan 11/11, received by Welch Feb 10/11								
December 2010	36,000							
	\$ -							
<b>NEUSTAR - pANI administration</b>	\$ -	-	100,000	50,000	50,000	62,289	62,289	62,289
<b>Total</b>	<u>369,084</u>	<u>443,659</u>	<u>393,659</u>	<u>393,659</u>	<u>406,365</u>	<u>404,490</u>	<u>402,614</u>	<u>402,614</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were mailed March 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 March 2, 2011.

## **FCC Red Light Notices**

270 delinquent accounts sent to the FCC for collection and submission to the Red Light Site. There were no payments received from the FCC.

## **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. 5 calls were received in February. Most calls were questions about the invoice received, how to pay, request for copies of invoices 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 as the expired contract including the contract amendment. 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.