

**Billing and Collection Agent Report
For period ending November 30, 2010**

To NANC

December 6, 2010

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2010**

Assets

Cash Balance in bank account	\$	2,998,902
Receivable from US Carriers		272,670
Receivable from Canada		6,670
Receivable from Caribbean countries		2,259
Receivables forwarded to FCC for collection (Over 90 days)		346,055
Allowance for uncollectible accounts		<u>(414,000)</u>
		213,654
Prepaid maintenance contract		<u>7,363</u>
Total assets		3,219,918
Less: Accrued liabilities (see below for makeup)		<u>(758,300)</u>
Fund balance	\$	<u>2,461,618</u>

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

Welch LLP	60,300
NEUSTAR Pooling 1K Block Pooling Expenses	384,612
NEUSTAR Admin Expenses	261,406
Ernst& Young LLP	36,000
Data Collection Agent - USAC	<u>15,982</u>
	\$ <u>758,300</u>

Other items of note

The fieldwork for the operational audit was completed by Ernst & Young LLP in November. Financial statements are expected to be issued in December.

There were two change orders issued by NeuStar in November for a total cost of \$14,411.13

**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				
Revenue																
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	187,629	187,629	187,629	187,629	187,629	-	4,107,969	4,034,718	73,251	
Late filing fees for Form 499A	(2)	(100)	(9,700)	1,600.00	200.00	(2,600)	-	-	-	-	-	115,000	104,400	115,000	(10,600)	
Interest income	(3)	1,128	1,267	1,439	1,062	979	1,000	1,000	1,000	1,000	1,000	1,000	12,875	12,000	875	
Total revenue		2,272,267	177,530	198,457	194,141	191,497	195,299	195,299	195,299	195,298	195,298	116,000	4,321,683	4,258,157	63,526	
Expenses																
NANPA Administration	(4), (7)	139,465	130,353	130,041	186,342	131,742	131,000	131,000	131,000	131,000	131,000	131,000	131,000	1,634,943	1,667,000	(32,057)
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)	-	-	-	-	-	100,002	16,667	16,667	16,666	16,666	16,666	16,666	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	242,459	238,800	3,659	
Data Collection Agent	(5)	3,707	3,636	3,706	4,289	7,193	4,500	4,500	4,500	4,500	4,500	4,500	54,031	54,000	31	
Annual Operations Audit	(6)	-	-	36,000	-	-	-	-	-	-	-	-	36,000	36,000		
Bank Charges	(10)	1,426	4,170	1,741	1,605	1,867	-	-	-	-	-	-	10,809	-	10,809	
Carrier Audits	(11)	-	-	-	-	-	-	-	700,000	-	-	-	700,000	700,000		
Bad debt expense	(12)	44,293	(9,977)	(3,473)	20,280.00	(6,614)	-	-	-	-	-	-	44,509	-	44,509	
Total expenses		398,748	335,214	382,850	417,981	353,535	440,967	357,632	1,057,632	357,631	357,631	357,631	5,175,083	5,124,882	50,201	
Net revenue (expenses)		1,873,519	(157,684)	(184,393)	(223,840)	(162,038)	(245,668)	(162,333)	(862,333)	(162,333)	(162,333)	(162,333)	(241,631)	(853,400)	(866,725)	13,325
Opening fund balance		1,316,054	3,189,573	3,031,889	2,847,496	2,623,656	2,461,618	2,215,950	2,053,617	1,191,284	1,028,951	866,618	704,285	1,316,054	1,366,725	(50,671)
Closing fund balance		3,189,573	3,031,889	2,847,496	2,623,656	2,461,618	2,215,950	2,053,617	1,191,284	1,028,951	866,618	704,285	462,654	462,654	500,000	37,346
Fund balance makeup:																
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	1,715,950	1,553,617	691,284	528,951	366,618	204,285	(37,346)	(37,346)	-	
		<u>3,189,573</u>	<u>3,031,889</u>	<u>2,847,496</u>	<u>2,623,656</u>	<u>2,461,618</u>	<u>2,215,950</u>	<u>2,053,617</u>	<u>1,191,284</u>	<u>1,028,951</u>	<u>866,618</u>	<u>704,285</u>	<u>462,654</u>	<u>462,654</u>	<u>500,000</u>	

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.
- (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 estimated at \$36,000.
- (7) No commentary for December
- (8) No commentary for December
- (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. No change order has been issued.
- (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.
- (12) The allowance covers all accounts considered potentially uncollectible at November 30, 2010. This will be covered by the contingency allowance.

Reconciliation of Forecast at June 30, 2011 to Budget

Budgeted fund balance at June 30/11 - contingency	500,000
Decrease in fund balance between budget period (February 2010) and June 2010	(50,671)
Additional billings over estimate from budget	73,251
Late filing fees (reversal) for Form 499A - 2009	(10,600)
Additional interest earned to date compared to budget	875
NANP Admin - difference between budget and actual contract awarded after budget period	32,586
NANP Admin - change orders issued	(529)
Additional billings from B & C Agent due to renewal of contract	(3,659)
Data Collection fees - Adjustment to actual from budget	(31)
Bad debts not budgeted for	(44,509)
Pooling change orders	(23,250)
Carrier audits that will not be performed	-
Permanent pANi that will not be expended prior to June 30th.	-
Bank fees to be covered by Fund under new B&C Agent contract	(10,809)
Forecasted Fund balance at June 30/11	462,654

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
NEUSTAR - NANPA Administration contract	261,406	131,000	131,000	131,000	131,000	131,000	131,000	131,000
- Authorization by the FCC has not been received for payment								
October 2010	\$ 129,665							
November 2010	131,212							
Change order #19	529							
	<u>\$ 261,406</u>							
NEUSTAR - Block Pooling contract	185,365	185,365	185,365	185,365	185,365	185,365	185,365	185,365
- Authorization by the FCC has not been received for payment								
October 2010	\$ 185,365							
November 2010	\$ 185,365							
Changer order #11	\$ 13,882							
	<u>\$ 384,612</u>							
Welch LLP - Billing & Collection Agent	60,300	20,100	20,100	20,100	20,100	20,100	20,100	20,100
- Authorization by the FCC has not been received for payment								
September 2010	\$ 20,100							
October 2010	\$ 20,100							
November 2010	20,100							
	<u>\$ 60,300</u>							
USAC - Data Collection Agent	15,982	4,500	4,500	4,500	4,500	4,500	4,500	4,500
- Authorization by the FCC has not been received for payment								
September 2010	4,289							
October 2010	7,193							
October 2010 (estimate)	4,500							
	<u>\$ 15,982</u>							
Carrier audits	-	-	-	-	700,000	-	-	-
Ernst & Young LLP- Annual operations audit	36,000	-	-	-	-	-	-	-
Accrual for 2010/11 audit fee	<u>\$ 36,000</u>							
NEUSTAR - pANI administration	<u>\$ -</u>	100,002	16,667	16,667	16,666	16,666	16,666	16,666
Total	<u>559,053</u>	<u>440,967</u>	<u>357,632</u>	<u>357,632</u>	<u>1,057,631</u>	<u>357,631</u>	<u>357,631</u>	<u>357,631</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were mailed November 12, 2010

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 sent out for receivable balances under 90 days old on December 2, 2010.

FCC Red Light Notices

No delinquent accounts sent to the FCC for collection and submission to the Red Light Site. There were no payments received from the FCC. Access to the Red Light Site continues to be restricted due to system conversion at 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. 9 calls were received in November 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.

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.