

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

To NANC

November 10, 2011

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

Assets

Cash Balance in bank account	\$	2,819,975
Receivable from US Carriers		283,442
Receivable from Canada		6,559
Receivable from Caribbean countries		2,831
Receivables forwarded to FCC for collection (Over 90 days)		338,582
Allowance for uncollectible accounts		<u>(386,000)</u>
		245,414
Prepaid maintenance contract		<u>-</u>
Total assets		3,065,389
Less: Accrued liabilities (see below for makeup)		<u>(450,608)</u>
Fund balance	\$	<u>2,614,781</u>

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

Welch LLP	20,100
NEUSTAR Pooling 1K Block	181,615
NEUSTAR Pooling - pANI administration	74,934
NEUSTAR NANP Administration	131,044
Data Collection Agent - USAC	4,915
External Fund audit	<u>38,000</u>
	<u>\$ 450,608</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	6,559	-	94,944	94,944	-
Domestic Contributions - US carriers	(1)	2,545,663	219,948	212,188	218,319	217,343	217,343	217,343	217,343	217,343	217,343	217,343	-	4,717,519	4,620,882	96,637
Late filing fees for Form 499A	(2)	100	(5,800)	(17,900)	1,900.00								115,000	93,300	115,000	(21,700)
Interest income	(3)	927	804	849	405	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,985	12,000	- 1,015
Total revenue		<u>2,576,048</u>	<u>221,510</u>	<u>201,695</u>	<u>227,182</u>	<u>224,901</u>	<u>224,902</u>	<u>224,902</u>	<u>224,902</u>	<u>224,902</u>	<u>224,902</u>	<u>224,902</u>	<u>116,000</u>	<u>4,916,748</u>	<u>4,842,826</u>	<u>73,922</u>
Expenses																
NANPA Administration	(4), (7)	131,142	185,409	130,226	160,156	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	1,654,933	1,642,000	12,933
1K Block Pooling Administration	(4), (8)	185,365	183,489	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,615	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	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100	243,884	241,200	2,684
Data Collection Agent	(5)	4,276	4,512	4,266	4,239	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	56,629	59,000	(2,371)
Annual Operations Audit	(6)	-	-	38,000	-	-	-	-	-	-	-	-	-	38,000	38,000	-
Bank Charges	(10)	1,331	4,347	2,280	1,845	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	24,203	21,600	2,603
Carrier Audits	(11)	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000	300,000	-
Bad debt expense	(12)	7	56,306.00	(29,738)	9,126.00	-	-	-	-	-	-	-	-	35,701	-	35,701
Total expenses		<u>419,840</u>	<u>529,098</u>	<u>421,683</u>	<u>452,015</u>	<u>414,366</u>	<u>414,366</u>	<u>414,366</u>	<u>714,366</u>	<u>414,366</u>	<u>414,366</u>	<u>414,367</u>	<u>414,366</u>	<u>5,437,565</u>	<u>5,234,267</u>	<u>203,298</u>
Net revenue (expenses)		<u>2,156,208</u>	<u>(307,588)</u>	<u>(219,988)</u>	<u>(224,833)</u>	<u>(189,465)</u>	<u>(189,464)</u>	<u>(189,464)</u>	<u>(489,464)</u>	<u>(189,464)</u>	<u>(189,464)</u>	<u>(189,465)</u>	<u>(298,366)</u>	<u>(520,817)</u>	<u>(391,441)</u>	<u>(129,376)</u>
Opening fund balance		<u>1,210,982</u>	<u>3,367,190</u>	<u>3,059,602</u>	<u>2,839,614</u>	<u>2,614,781</u>	<u>2,425,316</u>	<u>2,235,852</u>	<u>2,046,388</u>	<u>1,556,924</u>	<u>1,367,460</u>	<u>1,177,996</u>	<u>988,531</u>	<u>1,210,982</u>	<u>1,141,441</u>	<u>69,541</u>
Closing fund balance		<u>3,367,190</u>	<u>3,059,602</u>	<u>2,839,614</u>	<u>2,614,781</u>	<u>2,425,316</u>	<u>2,235,852</u>	<u>2,046,388</u>	<u>1,556,924</u>	<u>1,367,460</u>	<u>1,177,996</u>	<u>988,531</u>	<u>690,165</u>	<u>690,165</u>	<u>750,000</u>	<u>59,835</u>
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	2,309,602	2,089,614	1,864,781	1,675,316	1,485,852	1,296,388	806,924	617,460	427,996	238,531	(59,835)	(59,835)	-	-
		<u>3,367,190</u>	<u>3,059,602</u>	<u>2,839,614</u>	<u>2,614,781</u>	<u>2,425,316</u>	<u>2,235,852</u>	<u>2,046,388</u>	<u>1,556,924</u>	<u>1,367,460</u>	<u>1,177,996</u>	<u>988,531</u>	<u>690,165</u>	<u>690,165</u>	<u>750,000</u>	<u>59,835</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 October 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	96,637
Late filing fees (reversal) for Form 499A	(21,700)
Over estimate of interest earned to date compared to budget	(1,015)
NANP Admin - difference between budget and actual contract due to variable travel costs	(42,740)
NANP Admin - change orders issued	29,807
Additional billings from B & C Agent due to renewal of contract	(2,684)
Data Collection fees - Adjustment to actual from budget	2,371
Bad debts not budgeted for	(35,701)
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	(2,603)
Forecasted fund balance at June 30/12	690,165

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

**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
Projected Revenue												
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)	2,493,440	218,555	218,555	218,555	218,555	218,554	218,554	218,554	218,554	218,554	-
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
Total projected revenue		<u>2,517,240</u>	<u>226,114</u>	<u>226,114</u>	<u>226,114</u>	<u>226,114</u>	<u>226,113</u>	<u>226,112</u>	<u>226,112</u>	<u>226,112</u>	<u>226,112</u>	<u>122,558</u>
Projected Expenses												
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)	74,174	74,174	74,174	74,174	74,174	74,174	74,174	74,174	74,174	74,174	74,174
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	-	-	-	-	-	-	-	-
Total projected expenses		<u>420,040</u>	<u>488,165</u>	<u>524,289</u>	<u>416,289</u>	<u>416,289</u>	<u>416,289</u>	<u>716,289</u>	<u>416,289</u>	<u>416,289</u>	<u>416,289</u>	<u>416,289</u>
Projected Net revenue (expenses)		<u>2,097,200</u>	<u>(262,051)</u>	<u>(298,175)</u>	<u>(190,175)</u>	<u>(190,175)</u>	<u>(190,176)</u>	<u>(190,176)</u>	<u>(490,177)</u>	<u>(190,177)</u>	<u>(190,177)</u>	<u>(293,731)</u>
Projected Opening fund balance		<u>690,165</u>	<u>2,787,365</u>	<u>2,525,314</u>	<u>2,227,139</u>	<u>2,036,964</u>	<u>1,846,789</u>	<u>1,656,613</u>	<u>1,466,437</u>	<u>976,260</u>	<u>786,083</u>	<u>595,906</u>
Projected Closing fund balance		<u>2,787,365</u>	<u>2,525,314</u>	<u>2,227,139</u>	<u>2,036,964</u>	<u>1,846,789</u>	<u>1,656,613</u>	<u>1,466,437</u>	<u>976,260</u>	<u>786,083</u>	<u>595,906</u>	<u>405,729</u>
Projected Fund balance makeup:												
Contingency		750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	595,906	405,729	111,998
Surplus		2,037,365	1,775,314	1,477,139	1,286,964	1,096,789	906,613	716,437	226,260	36,083	-	-
		<u>2,787,365</u>	<u>2,525,314</u>	<u>2,227,139</u>	<u>2,036,964</u>	<u>1,846,789</u>	<u>1,656,613</u>	<u>1,466,437</u>	<u>976,260</u>	<u>786,083</u>	<u>595,906</u>	<u>405,729</u>

Assumptions:

- (1) The contribution for July 2011 - June 2012 is based on actual required 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 of NANPA Administration is based on contract in force until January 8, 2012.
- (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 expiring January 31, 2012.
- (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>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>
NEUSTAR - NANPA Administration contract	131,044	131,000	131,000	131,000	131,000	131,000	131,000	131,000
- Payment authorized by the FCC in October September 2011	130,226							
- Authorization by the FCC has not been received for payment October 2011	\$ 131,044							
	<u>-</u>							
	<u>\$ 131,044</u>							
NEUSTAR - Block Pooling contract	181,615	181,614	181,614	181,614	181,614	181,614	181,614	181,615
- Payment authorized by the FCC in October September 2011	\$ 181,615							
- Authorization by the FCC has not been received for payment October 2011	\$ 181,615							
	<u>-</u>							
	<u>\$ 181,615</u>							
Welch LLP - Billing & Collection Agent	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100
- Payment authorized by the FCC in October September 2011	20,100							
- Authorization by the FCC has not been received for payment October 2011	\$ 20,100							
	<u>-</u>							
	<u>\$ 20,100</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 in October September 2011	4,239							
- Authorization by the FCC has not been received for payment October 2011 (estimate)	4,915							
	<u>-</u>							
	<u>\$ 4,915</u>							
Carrier audits	-	-	-		300,000	-	-	-
Ernst & Young LLP- Annual operations audit	38,000	-	-	-	-	-	-	-
- Authorization by the FCC has not been received for payment Audit fee for the 2010/11 fiscal audit (accrual)	\$ 38,000							
NEUSTAR - pANI administration	74,934	74,935	74,935	74,935	74,935	74,935	74,935	74,935
- Payment authorized by the FCC in October September 2011	74,935							
- Authorization by the FCC has not been received for payment October 2011	\$ 74,934							
Bank Fees		1,800	1,800	1,800	1,800	1,800	1,800	1,800
Total	<u>450,608</u>	<u>414,366</u>	<u>414,366</u>	<u>414,366</u>	<u>714,366</u>	<u>414,366</u>	<u>414,366</u>	<u>414,367</u>

Deliverables Report

Distributing invoices

The monthly and annual invoices for carriers were mailed by October 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 mailed on October 7, 2011

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. 16 calls were received in October. 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 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.

USAC with the approval of the FCC is deactivating FCC Filer ID for companies who have not filed a Form 499A in many years and USAC has not been able to contact the companies. These companies likely no longer exist. As a result we are in the process of reversing prior year fees. These have been discounted in prior years as uncollectible so it will not impact on the current year financial balance.

