

**Billing and Collection Agent Report  
For period ending September 30, 2009**

**To NANC**

**October 8, 2009**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2009**

**Assets**

Cash Balance in bank account	\$	3,641,376
Dreyfus Government Cash Management Fund		-
Receivable from US Carriers	325,880	
Receivable from Canada	5,912	
Receivable from Caribbean countries	2,395	
Receivables forwarded to FCC for collection (Over 90 days)	227,260	
Allowance for uncollectible accounts	<u>(345,000)</u>	216,447
Prepaid maintenance contract		58442
Interest receivable		<u>-</u>
<b>Total assets</b>		<b>3,916,265</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b><u>(468,764)</u></b>
<b>Fund balance</b>	<b>\$</b>	<b><u><u>3,447,501</u></u></b>

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

Welch LLP	18,210	
NEUSTAR Pooling 1K Block Pooling Expenses	215,254	
NEUSTAR Admin Expenses	190,318	
Data Collection Agent - USAC	10,982	
External Fund audit	<u>34,000</u>	
	<u>\$</u>	<u><u>468,764</u></u>

\*\*\*\*\*

**Other items of note**

The collateralization of the bank accounts was completed on September 14, 2009.

A contract for Welch LLP was extended for 6 months from October 1, 2009 to March 31, 2010. Terms and conditions remain the same as the current contract.

**NANPA FUND  
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE  
JULY 2009 TO JUNE 2010**

	Actual			Budgeted								Total	Budget	Variance between forecasted balance at June 30/10 and budget			
	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10				Jun-10		
<b>Revenue</b>																	
International Contributions																	
Canada	(1)	11,828	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	-	70,948	70,948	-	-
Caribbean countries	(1)	14,467	-	-	-	-	-	-	-	-	-	-	-	14,467	14,467	-	-
Total International Contributions		26,295	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	-	85,415	85,415		
Domestic Contributions - US carriers	(1)	1,524,170	151,995	105,690	108,738	108,738	108,738	108,738	108,738	108,738	108,738	108,738		2,651,759	2,487,497		164,262
Late filing fees for Form 499A	(2)	( 4,550)	-	( 1,800)									115,000	108,650	115,000	(	6,350)
Interest income	(3)	163	246	1,161	167	167	167	167	167	167	167	167	167	3,073	2,000		1,073
<b>Total revenue</b>		<b>1,546,078</b>	<b>158,153</b>	<b>110,963</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>115,167</b>	<b>2,848,897</b>	<b>2,689,912</b>		<b>158,985</b>
<b>Expenses</b>																	
NANPA Administration	(4), (8)	122,883	122,309	131,876	123,300	123,300	123,300	131,833	131,833	131,833	131,833	131,833	131,833	1,537,966	1,475,600		62,366
1K Block Pooling Administration	(4), (7)	189,373	200,156	215,254	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	2,301,265	2,263,289		37,976
pANI	(9)	-	-	-	66,664	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	200,000	200,000		
Billing and Collection																	
Welch LLP	(4)	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	238,800	238,800		-
Data Collection Agent	(5)	4,183	9,456	6,532	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	60,221	53,400		6,821
Annual Operations Audit	(6)	-	-	34,000	-	-	-	-	-	-	-	-	-	34,000	34,000		
Carrier Audits	(10)	-	-	-	-	-	-	-	700,000	-	-	-	-	700,000	700,000		
Bad debt expense	(11)	27,606	-	37,216	-	-	-	-	-	-	-	-	-	64,822	-		64,822
<b>Total expenses</b>		<b>363,945</b>	<b>351,821</b>	<b>444,778</b>	<b>402,812</b>	<b>352,815</b>	<b>352,815</b>	<b>361,348</b>	<b>1,061,348</b>	<b>361,348</b>	<b>361,348</b>	<b>361,348</b>	<b>361,348</b>	<b>5,137,074</b>	<b>4,965,089</b>		<b>171,985</b>
<b>Net revenue (expenses)</b>		<b>1,182,133</b>	<b>( 193,668)</b>	<b>( 333,815)</b>	<b>( 287,995)</b>	<b>( 237,998)</b>	<b>( 237,998)</b>	<b>( 246,531)</b>	<b>( 946,531)</b>	<b>( 246,531)</b>	<b>( 246,531)</b>	<b>( 246,531)</b>	<b>( 246,531)</b>	<b>( 2,288,177)</b>	<b>( 2,275,177)</b>		<b>( 13,000)</b>
<b>Opening fund balance</b>		<b>2,792,851</b>	<b>3,974,984</b>	<b>3,781,316</b>	<b>3,447,501</b>	<b>3,159,506</b>	<b>2,921,508</b>	<b>2,683,510</b>	<b>2,436,979</b>	<b>1,490,448</b>	<b>1,243,917</b>	<b>997,386</b>	<b>750,855</b>	<b>2,792,851</b>	<b>1,775,177</b>		<b>17,674</b>
<b>Closing fund balance</b>		<b>3,974,984</b>	<b>3,781,316</b>	<b>3,447,501</b>	<b>3,159,506</b>	<b>2,921,508</b>	<b>2,683,510</b>	<b>2,436,979</b>	<b>1,490,448</b>	<b>1,243,917</b>	<b>997,386</b>	<b>750,855</b>	<b>504,674</b>	<b>504,674</b>	<b>500,000</b>		<b>4,674</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		3,474,984	3,281,316	2,947,501	2,659,506	2,421,508	2,183,510	1,936,979	990,448	743,917	497,386	250,855	4,674	4,674	-		
		<u>3,974,984</u>	<u>3,781,316</u>	<u>3,447,501</u>	<u>3,159,506</u>	<u>2,921,508</u>	<u>2,683,510</u>	<u>2,436,979</u>	<u>1,490,448</u>	<u>1,243,917</u>	<u>997,386</u>	<u>750,855</u>	<u>504,674</u>	<u>504,674</u>	<u>500,000</u>		

**Assumptions:**

- (1) The US carrier contributions for the period from July 2009 to June 2010 and the International carrier revenue is 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 expenses for the NANPA Administration, 1K Block Pooling and Welch LLP are based on contracts in force.  
The contract with Welch LLP expires September 30, 2009. A six month extension until March 31, 2010 under the same terms has been exercised. The expense for B&C Agent for April 2010 to June 2010 is based on the current contract.
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2009 calendar year.
- (6) The contract for the annual operations audit has been awarded to Ernst & Young. The cost will be \$34,000.
- (7) The October forecasted amount includes the forecasted monthly billing of \$188,498.
- (8) The October forecasted amount includes the forecasted monthly billing of \$123,300.
- (9) Interim p-ANNI administration is now covered under the new Pooling contract. \$200,000 has been allowed for the cost of permanent pANI in 2009/10. No change order has been issued.
- (10) The budget allowed \$700,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible at September 30, 2009. This will be covered by the contingency allowance.

**Reconciliation of Forecast at June 30, 2010 to Budget**

<b>Budgeted fund balance at June 30/10 - contingency</b>	<b>500,000</b>
Increase in fund balance between budget period (March 2009) and June 2009	17,674
Additional billings over estimate from budget	164,262
Late filing fees (reversal) for Form 499A - 2009	(6,350)
Additional interest earned to date compared to budget	1,073
NANP Admin - difference between budget and actual contact awarded after budget period	(62,366)
NANP - change orders	-
Data Collection fees - Adjustment to actual from budget	(6,821)
Bad debts not budgeted for	(64,822)
Pooling change orders	(37,976)
<b>Fund balance at June 30/09</b>	<b>504,674</b>

**NANPA FUND  
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE  
JULY 2010 TO SEPTEMBER 2010**

Projection		
Jul-10	Aug-10	Sep-10

**Projected Revenue**

International Contributions				
Canada	(1)	5,912	5,912	5,912
Caribbean countries	(1)	<u>14,467</u>	-	-
Total International Contributions		20,379	5,912	5,912
Domestic Contributions - US carriers	(1)	2,730,174	113,064	113,064
Late filing fees for Form 499A	(2)	-	-	-
Interest income	(3)	<u>500</u>	<u>500</u>	<u>500</u>
<b>Total projected revenue</b>		<u>2,751,053</u>	<u>119,476</u>	<u>119,476</u>

**Projected Expenses**

NANPA Administration	(4)	131,000	131,000	131,000
1K Block Pooling Administration	(5)	188,498	188,936	188,498
pANI	(6)	16,666	16,666	16,666
Billing and Collection				
Welch LLP	(7)	19,900	19,900	19,900
Data Collection Agent	(8)	4,450	4,450	4,450
Annual Operations Audit	(9)	-	-	-
Carrier Audits	(10)	-	-	-
Bad debt expense (recovery)	(11)	-	-	-
<b>Total projected expenses</b>		<u>360,514</u>	<u>360,952</u>	<u>360,514</u>
<b>Projected Net revenue (expenses)</b>		<b>2,390,539</b>	<b>( 241,476)</b>	<b>( 241,038)</b>
<b>Projected Opening fund balance</b>		<u>504,674</u>	<u>2,895,213</u>	<u>2,653,737</u>
<b>Projected Closing fund balance</b>		<u><b>2,895,213</b></u>	<u><b>2,653,737</b></u>	<u><b>2,412,699</b></u>

**Projected Fund balance makeup:**

Contingency		500,000	500,000	500,000
Surplus		<u>2,395,213</u>	<u>2,153,737</u>	<u>1,912,699</u>
		<u>2,895,213</u>	<u>2,653,737</u>	<u>2,412,699</u>

**Assumptions:**

- (1) The contributions for July 2010 - September 2010 are estimated based on billings for 2009/10.
- (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 December 8, 2010.
- (5) The expense for the 1K Block Pooling is based on the contract in force.
- (6) Interim p-ANNI administration is now covered under the new Pooling contract. \$200,000
- (7) The cost of B&C Agent is based on the cost of the expired Welch LLP contract.
- (8) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2009 calendar year.
- (9) The cost of the annual operations audit is based on the cost of the prior year's audit.
- (10) The budget allowed \$700,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible. This will be covered by the contingency allowance

**NANPA FUND  
CURRENT AND FORECASTED LIABILITIES**

	Current <u>Sep-09</u>	<u>Oct-09</u>	<u>Nov-09</u>	<u>Dec-09</u>	<u>Jan-10</u>	<u>Feb-10</u>	<u>Mar-10</u>	<u>Apr-10</u>
<b>NEUSTAR - NANPA Administration contract</b>	190,318	123,300	123,300	123,300	131,833	131,833	131,833	131,833
- Payment authorized by the FCC on Aug 14/09, received by Welch Sept 9/09 July 2009	122,883							
- Payment authorized by the FCC on Sept 2/09, received by Welch Sept 9/09 August 2009	122,309							
- Authorization by the FCC has not been received for payment September 2009 Maintenance contracts	\$ 121,300 <u>69,018</u> \$ 190,318							
<b>NEUSTAR - Block Pooling contract</b>	215,254	188,498	188,498	188,498	188,498	188,498	188,498	188,498
- Payment authorized by the FCC on Aug 14/09, received by Welch Sept 9/09 July 2009	189,374							
- Payment authorized by the FCC on Sept 2/09, received by Welch Sept 9/09 August 1-14, 2009	94,686.87							
August 15-31, 2009	94,248.94							
Change order #7	11,220							
- Authorization by the FCC has not been received for payment September 2009 Change order #5	\$ 188,498 <u>26,756</u> \$ 215,254							
<b>Welch LLP - Billing &amp; Collection Agent</b>	18,210	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on Aug 14/09, received by Welch Sept 9/09 July 2009	19,900							
- Payment authorized by the FCC on Sept 2/09, received by Welch Sept 9/09 August 2009	14,853							
- Authorization by the FCC has not been received for payment September 2009	\$ 18,210							
<b>USAC - Data Collection Agent</b>	10,982	4,450	4,450	4,450	4,450	4,450	4,450	4,450
- Payment authorized by the FCC on Sept 2/09, received by Welch Sept 9/09 July 2009	9,456							
- Authorization by the FCC has not been received for payment August 2009 September 2009 (estimate)	6,532 <u>4,450</u> \$ 10,982							
<b>Carrier audits</b>	-	-	-	-	-	700,000	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b> Accrual for 2008/09 audit fee based on RFP quote	\$ 34,000	-	-	-	-	-	-	-
<b>NEUSTAR - pANI administration</b>	\$ -	66,664	16,666	16,667	16,667	16,667	16,667	16,667
<b>Total</b>	434,764	402,812	352,814	352,815	361,348	1,061,348	361,348	361,348

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were mailed September 12, 2009.

## **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 printed at the end of September along with a letter of late payment. Total statements sent was 1,258.

## **FCC Red Light Notices**

The FCC collected and remitted to NANP \$4,072.23 representing 34 delinquent carrier payments.

## **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. 54 calls were received in September. Most calls were questions about the statement received, who is NANP, why should they fund NANP and request for copies of invoices.

## **Staffing Changes**

Nothing new to report.

## **Contract Renewal**

The FCC has not started this process yet. The contract expires October 1, 2009. Welch LLP is on the USGSA list. Welch LLP received a 6 month bridge extension with the same terms as the current contract.

## **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.

We have started the process of clearing up the old the old inactive accounts. We posed some questions to the FCC at the end of February. The response received did not resolve our issues. The FCC is asking for information about the carrier that we do not have access to. USAC, as DCIA, has the information required by the FCC. This matter still remains unresolved.