

**Billing and Collection Agent Report  
For period ending September 30, 2011**

**To B & C Working Group**

**October 12, 2011**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
September 30, 2011**

**Assets**

Cash Balance in bank account		\$ 2,996,618
Receivable from US Carriers	366,437	
Receivable from Canada	6,559	
Receivable from Caribbean countries	2,855	
Receivables forwarded to FCC for collection (Over 90 days)	346,823	
Allowance for uncollectible accounts	<u>(459,000)</u>	263,674
Prepaid maintenance contract		<u>29,112</u>
<b>Total assets</b>		<b>3,289,404</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b><u>(449,790)</u></b>
<b>Fund balance</b>		<b><u><u>\$ 2,839,614</u></u></b>

**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	130,226	
Data Collection Agent - USAC	4,915	
External Fund audit	<u>38,000</u>	
	<u>\$ 449,790</u>	

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**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				
<b>Revenue</b>																
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	217,343	217,343	217,343	217,343	217,343	217,343	217,343	217,343		4,716,543	4,620,882	95,661
Late filing fees for Form 499A	(2)	100	( 5,800)	( 17,900)	-	-	-	-	-	-	-	-	115,000	91,400	115,000	( 23,600)
Interest income	(3)	927	804	849	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,580	12,000	- 420
<b>Total revenue</b>		<b>2,576,048</b>	<b>221,510</b>	<b>201,695</b>	<b>224,901</b>	<b>224,901</b>	<b>224,902</b>	<b>224,902</b>	<b>224,902</b>	<b>224,902</b>	<b>224,902</b>	<b>224,902</b>	<b>116,000</b>	<b>4,914,467</b>	<b>4,842,826</b>	<b>71,641</b>
<b>Expenses</b>																
NANPA Administration	(4), (7)	131,142	185,409	130,226	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	1,625,777	1,642,000	( 16,223)
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	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	57,307	59,000	( 1,693)
Annual Operations Audit	(6)	-	-	38,000	-	-	-	-	-	-	-	-	-	38,000	38,000	
Bank Charges	(10)	1,331	4,347	2,280	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	24,158	21,600	2,558
Carrier Audits	(11)	-	-	-	-	-	-	300,000	-	-	-	-	-	300,000	300,000	
Bad debt expense	(12)	7	56,306.00	( 29,738)	-	-	-	-	-	-	-	-	-	26,575	-	26,575
<b>Total expenses</b>		<b>419,840</b>	<b>529,098</b>	<b>421,683</b>	<b>414,366</b>	<b>414,366</b>	<b>414,366</b>	<b>414,366</b>	<b>714,366</b>	<b>414,366</b>	<b>414,366</b>	<b>414,367</b>	<b>414,366</b>	<b>5,399,916</b>	<b>5,234,267</b>	<b>165,649</b>
<b>Net revenue (expenses)</b>		<b>2,156,208</b>	<b>( 307,588)</b>	<b>( 219,988)</b>	<b>( 189,465)</b>	<b>( 189,465)</b>	<b>( 189,464)</b>	<b>( 189,464)</b>	<b>( 489,464)</b>	<b>( 189,464)</b>	<b>( 189,464)</b>	<b>( 189,465)</b>	<b>( 298,366)</b>	<b>( 485,449)</b>	<b>( 391,441)</b>	<b>( 94,008)</b>
<b>Opening fund balance</b>		<b>1,210,982</b>	<b>3,367,190</b>	<b>3,059,602</b>	<b>2,839,614</b>	<b>2,650,149</b>	<b>2,460,684</b>	<b>2,271,220</b>	<b>2,081,756</b>	<b>1,592,292</b>	<b>1,402,828</b>	<b>1,213,364</b>	<b>1,023,899</b>	<b>1,210,982</b>	<b>1,141,441</b>	<b>69,541</b>
<b>Closing fund balance</b>		<b>3,367,190</b>	<b>3,059,602</b>	<b>2,839,614</b>	<b>2,650,149</b>	<b>2,460,684</b>	<b>2,271,220</b>	<b>2,081,756</b>	<b>1,592,292</b>	<b>1,402,828</b>	<b>1,213,364</b>	<b>1,023,899</b>	<b>725,533</b>	<b>725,533</b>	<b>750,000</b>	<b>- 24,467</b>
<b>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	750,000	750,000	750,000	750,000	
Surplus		2,617,190	2,309,602	2,089,614	1,900,149	1,710,684	1,521,220	1,331,756	842,292	652,828	463,364	273,899	( 24,467)	( 24,467)	-	
		<u>3,367,190</u>	<u>3,059,602</u>	<u>2,839,614</u>	<u>2,650,149</u>	<u>2,460,684</u>	<u>2,271,220</u>	<u>2,081,756</u>	<u>1,592,292</u>	<u>1,402,828</u>	<u>1,213,364</u>	<u>1,023,899</u>	<u>725,533</u>	<u>725,533</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 September, 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	95,661
Late filing fees (reversal) for Form 499A	(23,600)
Over estimate of interest earned to date compared to budget	(420)
NANP Admin - difference between budget and actual contract due to variable travel costs	(13,584)
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	1,693
Bad debts not budgeted for	(26,575)
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	(2,558)
<b>Forecasted fund balance at June 30/12</b>	<b>725,533</b>

**NANPA FUND  
CURRENT AND FORECASTED LIABILITIES**

	Current <u>Sep-11</u>	<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>
<b>NEUSTAR - NANPA Administration contract</b>	130,226	131,000	131,000	131,000	131,000	131,000	131,000	131,000
- Payment authorized by the FCC in September August 2011	130,791							
- Authorization by the FCC has not been received for payment September 2011	\$ 130,226							
	<u>-</u>							
	<u>\$ 130,226</u>							
<b>NEUSTAR - Block Pooling contract</b>	181,615	181,614	181,614	181,614	181,614	181,614	181,614	181,614
- Payment authorized by the FCC in September August 2011	\$ 183,489							
- Authorization by the FCC has not been received for payment September 2011	\$ 181,615							
	<u>-</u>							
	<u>\$ 181,615</u>							
<b>Welch LLP - Billing &amp; Collection Agent</b>	20,100	20,100	20,100	20,100	20,100	20,100	20,100	20,100
- Payment authorized by the FCC in September August 2011	20,100							
- Authorization by the FCC has not been received for payment September 2011	\$ 20,100							
	<u>-</u>							
	<u>\$ 20,100</u>							
<b>USAC - Data Collection Agent</b>	4,915	4,917	4,917	4,917	4,917	4,917	4,917	4,917
- Payment authorized by the FCC in September August 2011	4,267							
- Authorization by the FCC has not been received for payment September 2011 (estimate)	4,915							
	<u>-</u>							
	<u>\$ 4,915</u>							
<b>Carrier audits</b>	-	-	-	-	-	300,000	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>	38,000	-	-	-	-	-	-	-
- Authorization by the FCC has not been received for payment Audit fee for the 2010/11 fiscal audit (accrual)	\$ 38,000							
<b>NEUSTAR - pANI administration</b>	74,934	74,935	74,935	74,935	74,935	74,935	74,935	74,935
- Payment authorized by the FCC in September August 2011	74,935							
- Authorization by the FCC has not been received for payment September 2011	\$ 74,934							
<b>Bank Fees</b>		1,800	1,800	1,800	1,800	1,800	1,800	1,800
<b>Total</b>	<u>449,790</u>	<u>414,366</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>

# **Deliverables Report**

## **Distributing invoices**

The monthly and annual invoices for carriers were mailed September 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 September 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. 40 calls were received in August. 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.