

**Billing and Collection Agent Report  
For period ending February 29, 2012**

**To NANC**

**March 6, 2012**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
February 29, 2012**

**Assets**

Cash Balance in bank account		\$ 2,050,602
Receivable from US Carriers	264,408	
Receivable from Canada	6,559	
Receivable from Caribbean countries	2,854	
Receivables forwarded to FCC for collection (Over 90 days)	162,413	
Allowance for uncollectible accounts	<u>(232,000)</u>	204,234
Prepaid maintenance contract		<u>-</u>
<b>Total assets</b>		<b>2,254,836</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b><u>(417,710)</u></b>
 <b>Fund balance</b>		 <b><u>\$ 1,837,126</u></b>

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

Welch LLP		23,443
NEUSTAR Pooling 1K Block		181,615
NEUSTAR Pooling - pANI administration		74,934
NEUSTAR NANP Administration		128,500
Data Collection Agent - USAC		<u>9,218</u>
		<b><u>\$ 417,710</u></b>

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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	218,319	217,489	215,412	214,788	217,851	217,343	217,343	217,343	-	4,713,687	4,620,882	92,805	
Late filing fees for Form 499A (2)	100 (	5,800) (	17,900)	1,900.00 (	10,000)	600 (	7,900)	1,800	-	-	-	115,000	77,800	115,000 (	37,200)	
Interest income (3)	927	804	849	405	355	471	402	272	1,000	1,000	1,000	1,000	8,485	12,000	3,515	
<b>Total revenue</b>	<b>2,576,048</b>	<b>221,510</b>	<b>201,695</b>	<b>227,182</b>	<b>214,402</b>	<b>223,042</b>	<b>213,849</b>	<b>226,482</b>	<b>224,902</b>	<b>224,902</b>	<b>224,902</b>	<b>116,000</b>	<b>4,894,916</b>	<b>4,842,826</b>	<b>52,090</b>	
<b>Expenses</b>																
NANPA Administration (4), (7)	131,142	185,409	130,226	160,156	129,794	129,224	128,795	128,500	131,000	131,000	131,000	131,000	1,647,246	1,642,000	5,246	
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	23,443	23,443	23,443	23,443	23,443	260,599	241,200	19,399	
Data Collection Agent (5)	4,276	4,512	4,266	4,239	4,226	4,323	4,313	4,303	4,917	4,917	4,917	4,917	54,126	59,000 (	4,874)	
Annual Operations Audit (6)	-	-	38,000	-	-	-	-	-	-	-	-	-	38,000	38,000	-	
Bank Charges (10)	1,331	4,347	2,280	1,845	2,222	1,356	1,425	2,305	1,800	1,800	1,800	1,800	24,311	21,600	2,711	
Carrier Audits (11)	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000 (	300,000)	
Bad debt expense (12)	7	56,306.00 (	29,738)	9,126	16,596 (	5,262) (	6,553) (	76)	-	-	-	-	40,406	-	40,406	
<b>Total expenses</b>	<b>419,840</b>	<b>529,098</b>	<b>421,683</b>	<b>452,015</b>	<b>429,487</b>	<b>406,290</b>	<b>404,629</b>	<b>415,024</b>	<b>417,709</b>	<b>417,709</b>	<b>417,710</b>	<b>417,709</b>	<b>5,148,903</b>	<b>5,234,267</b>	<b>(85,364)</b>	
<b>Net revenue (expenses)</b>	<b>2,156,208 (</b>	<b>307,588) (</b>	<b>219,988) (</b>	<b>224,833) (</b>	<b>215,085) (</b>	<b>183,248) (</b>	<b>190,780) (</b>	<b>188,542) (</b>	<b>192,807) (</b>	<b>192,807) (</b>	<b>192,808) (</b>	<b>301,709) (</b>	<b>253,987) (</b>	<b>391,441)</b>	<b>137,454</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>2,614,781</b>	<b>2,399,696</b>	<b>2,216,448</b>	<b>2,025,668</b>	<b>1,837,126</b>	<b>1,644,319</b>	<b>1,451,512</b>	<b>1,258,704</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>2,614,781</b>	<b>2,399,696</b>	<b>2,216,448</b>	<b>2,025,668</b>	<b>1,837,126</b>	<b>1,644,319</b>	<b>1,451,512</b>	<b>1,258,704</b>	<b>956,995</b>	<b>956,995</b>	<b>750,000</b>	<b>206,995</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	1,864,781	1,649,696	1,466,448	1,275,668	1,087,126	894,319	701,512	508,704	956,995	206,995	-	-	
	3,367,190	3,059,602	2,839,614	2,614,781	2,399,696	2,216,448	2,025,668	1,837,126	1,644,319	1,451,512	1,258,704	956,995	956,995	750,000	-	

**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 February 29, 2012.
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2011 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. FCC indicated that there will be no audit performed before July 2012.
- (12) The allowance covers all accounts considered potentially uncollectible at February 29, 2012. This will be covered by the contingency allowance.

**Reconciliation of forecast at June 30, 2012 to budget**

<b>Budgeted fund balance at June 30/12 - contingency</b>	<b>750,000</b>
Increase in fund balance between budget period (February 2011) and June 2011	69,541
Additional billings over estimate from budget	92,805
Late filing fees (reversal) for Form 499A	(37,200)
Over estimate of interest earned to date compared to budget	(3,515)
NANP Admin - difference between budget and actual contract due to variable travel costs	24,561
NANP Admin - change orders issued	(29,807)
Additional billings from B & C Agent due to renewal of contract	(19,399)
Data Collection fees - Adjustment to actual from budget	4,874
Bad debts not budgeted for	(40,406)
Pooling change orders	-
Carrier audits that will not be performed	300,000
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	(2,711)
<b>Forecasted fund balance at June 30/12</b>	<b>956,995</b>

**CURRENT AND FORECASTED LIABILITIES**

		<u>Current</u>						
		<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>	<u>Jul-12</u>	<u>Aug-12</u>
<b>NEUSTAR - NANPA Administration contract</b>		128,500	131,000	131,000	131,000	131,000	131,000	131,000
- Payment authorized by the FCC in February January 2012	128,795							
- Authorization by the FCC has not been received for payment February 2012		\$ 128,500						
		<u>-</u>						
		<u>\$ 128,500</u>						
<b>NEUSTAR - Block Pooling contract</b>		181,615	181,614	181,614	181,615	181,614	181,614	181,614
- Payment authorized by the FCC in February January 2012	\$ 181,615							
- Authorization by the FCC has not been received for payment February 2012		\$ 181,615						
		<u>-</u>						
		<u>\$ 181,615</u>						
<b>Welch LLP - Billing &amp; Collection Agent</b>		23,443	23,443	23,443	23,443	23,443	23,443	23,443
- Payment authorized by the FCC in February January 2012	20,100							
- Authorization by the FCC has not been received for payment February 2012		\$ 23,443						
		<u>-</u>						
		<u>\$ 23,443</u>						
<b>USAC - Data Collection Agent</b>		9,218	4,917	4,917	4,917	4,917	5,667	56,667
- Authorization by the FCC has not been received for payment January 2012		\$ 4,303						
February 2012		4,915						
		<u>-</u>						
		<u>\$ 9,218</u>						
<b>Carrier audits</b>		-	-	-	-	-	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>		-	-	-	-	-	-	-
- Payment authorized by the FCC in February Audit fee for the 2010/11 fiscal audit	38,000							
		<u>\$ -</u>						
<b>NEUSTAR - pANI administration</b>		74,934	74,935	74,935	74,935	74,935	74,935	44,586
- Payment authorized by the FCC in February January 2011	74,934							
- Authorization by the FCC has not been received for payment February 2012		\$ 74,934						
<b>Bank Fees</b>			1,800	1,800	1,800	1,800	1,925	1,925
<b>Total</b>		<u>417,710</u>	<u>417,709</u>	<u>417,709</u>	<u>417,710</u>	<u>417,709</u>	<u>418,584</u>	<u>439,235</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly and annual invoices for carriers were mailed by February 12, 2012

## **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 February 6, 2012.

## **FCC Red Light Notices**

There were no delinquent accounts sent to the FCC for collection and submission to the Red Light Site. Payments totalling \$182.97 were 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. 10 calls were received in February. 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 or 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 which will cover the period from February 1, 2012 to July 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.