

**Billing and Collection Agent Report  
For period ending January 31, 2010**

**To NANC**

**February 2, 2010**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
JANUARY 31, 2010**

**Assets**

Cash Balance in bank account		\$ 2,711,946
Receivable from US Carriers	173,555	
Receivable from Canada	5,912	
Receivable from Caribbean countries	2,427	
Receivables forwarded to FCC for collection (Over 90 days)	289,630	
Allowance for uncollectible accounts	<u>(353,000)</u>	118,524
Prepaid maintenance contract		<u>4,800</u>
<b>Total assets</b>		<b>2,835,270</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b><u>(345,893)</u></b>
 <b>Fund balance</b>		 <b><u>\$ 2,489,377</u></b>

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

Welch LLP	19,900	
NEUSTAR Pooling 1K Block Pooling Expenses	188,498	
NEUSTAR Admin Expenses	128,500	
Data Collection Agent - USAC	<u>8,995</u>	
	<u>\$ 345,893</u>	

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**Other items of note**

The budget process is ongoing. The goal is to have a budget finalized in time for the February NANC meeting.

During January, the savings account earned an average rate of return of 0.375%

**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	108,557	104,682	122,555	105,392	108,738	108,738	108,738	108,738		2,657,993	2,487,497	170,496
Late filing fees for Form 499A	(2)	( 4,550)	-	( 1,800)	1,700	( 3,400)	4,100	( 6,700)					115,000	104,350	115,000	( 10,650)
Interest income	(3)	163	246	1,161	1,417	1,410	1,392	993	167	167	167	167	167	7,617	2,000	5,617
<b>Total revenue</b>		<b>1,546,078</b>	<b>158,153</b>	<b>110,963</b>	<b>117,586</b>	<b>108,604</b>	<b>133,959</b>	<b>105,597</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>115,167</b>	<b>2,855,375</b>	<b>2,689,912</b>	<b>165,463</b>
<b>Expenses</b>																
NANPA Administration	(4), (8)	122,883	122,309	131,876	177,304	122,743	129,567	128,500	131,833	131,833	131,833	131,833	131,833	1,594,347	1,475,600	118,747
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)	-	-	-	-	-	-	-	-	-	-	-	-	-	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	3,915	4,231	3,405	4,545	4,450	4,450	4,450	4,450	4,450	58,517	53,400	5,117
Annual Operations Audit	(6)	-	-	34,000	-	-	-	-	-	-	-	-	-	34,000	34,000	-
Carrier Audits	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	700,000	( 700,000)
Bad debt expense	(11)	27,606	-	37,216	-	2,416	( 6,684)	20,336	-	-	-	-	-	80,890	-	80,890
<b>Total expenses</b>		<b>363,945</b>	<b>351,821</b>	<b>444,778</b>	<b>389,617</b>	<b>337,788</b>	<b>334,686</b>	<b>361,779</b>	<b>344,681</b>	<b>344,681</b>	<b>344,681</b>	<b>344,681</b>	<b>344,681</b>	<b>4,307,819</b>	<b>4,965,089</b>	<b>(657,270)</b>
<b>Net revenue (expenses)</b>		<b>1,182,133</b>	<b>( 193,668)</b>	<b>( 333,815)</b>	<b>( 272,031)</b>	<b>( 229,184)</b>	<b>( 200,727)</b>	<b>( 256,182)</b>	<b>( 229,864)</b>	<b>( 229,864)</b>	<b>( 229,864)</b>	<b>( 229,864)</b>	<b>( 229,514)</b>	<b>( 1,452,444)</b>	<b>( 2,275,177)</b>	<b>822,733</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>3,175,470</b>	<b>2,946,286</b>	<b>2,745,559</b>	<b>2,489,377</b>	<b>2,259,513</b>	<b>2,029,649</b>	<b>1,799,785</b>	<b>1,569,921</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>3,175,470</b>	<b>2,946,286</b>	<b>2,745,559</b>	<b>2,489,377</b>	<b>2,259,513</b>	<b>2,029,649</b>	<b>1,799,785</b>	<b>1,569,921</b>	<b>1,340,407</b>	<b>1,340,407</b>	<b>500,000</b>	<b>840,407</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	500,000
Surplus		3,474,984	3,281,316	2,947,501	2,675,470	2,446,286	2,245,559	1,989,377	1,759,513	1,529,649	1,299,785	1,069,921	840,407	840,407	-	-
		<u>3,974,984</u>	<u>3,781,316</u>	<u>3,447,501</u>	<u>3,175,470</u>	<u>2,946,286</u>	<u>2,745,559</u>	<u>2,489,377</u>	<u>2,259,513</u>	<u>2,029,649</u>	<u>1,799,785</u>	<u>1,569,921</u>	<u>1,340,407</u>	<u>1,340,407</u>	<u>500,000</u>	<u>-</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 is \$34,000.
- (7) The February forecasted amount includes the forecasted monthly billing of \$188,498.
- (8) The February forecasted amount includes the forecasted monthly billing of \$131,833
- (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. There has been no further action regarding this matter so the \$200,000 has been removed from the forecast.
- (10) The budget allowed \$700,000 for carrier audits. There will not be any performed in the remaining period January to June 2010.
- (11) The allowance covers all accounts considered potentially uncollectible at January 31, 2010. 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	170,496
Late filing fees (reversal) for Form 499A - 2009	(10,650)
Additional interest earned to date compared to budget	5,617
NANP Admin - difference between budget and actual contact awarded after budget period	(118,747)
NANP - change orders	-
Data Collection fees - Adjustment to actual from budget	(5,117)
Bad debts not budgeted for	(80,890)
Pooling change orders	(37,976)
Carrier audits that will not be carried out	700,000
Permanent pANI that will not be finalized prior to June 30th.	200,000
<b>Fund balance at June 30/09</b>	<b>1,340,407</b>

**NANPA FUND  
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE  
JULY 2010 TO JANUARY 2011**

Projection							
	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11
<b>Projected Revenue</b>							
International Contributions							
Canada	(1) 5,912	5,912	5,912	5,912	5,912	5,912	5,912
Caribbean countries	(1) 14,467	-	-	-	-	-	-
Total International Contributions	20,379	5,912	5,912	5,912	5,912	5,912	5,912
Domestic Contributions - US carriers	(1) 2,730,174	113,064	113,064	113,064	113,064	113,064	113,064
Late filing fees for Form 499A	(2) -	-	-	-	-	-	-
Interest income	(3) 500	500	500	500	500	500	500
<b>Total projected revenue</b>	<u>2,751,053</u>	<u>119,476</u>	<u>119,476</u>	<u>119,476</u>	<u>119,476</u>	<u>119,476</u>	<u>119,476</u>
<b>Projected Expenses</b>							
NANPA Administration	(4) 131,000	131,000	131,000	131,000	131,000	131,000	131,000
1K Block Pooling Administration	(5) 188,498	186,932	185,365	185,365	185,365	188,498	188,498
pANI	(6) 16,666	16,666	16,666	16,666	16,666	16,666	16,666
Billing and Collection							
Welch LLP	(7) 19,900	19,900	19,900	19,900	19,900	19,900	19,900
Data Collection Agent	(8) 4,450	4,450	4,450	4,450	4,450	4,450	4,450
Annual Operations Audit	(9) -	-	-	-	-	-	-
Carrier Audits	(10) -	-	-	-	-	-	-
Bad debt expense (recovery)	(11) -	-	70,000	-	-	-	-
<b>Total projected expenses</b>	<u>360,514</u>	<u>358,948</u>	<u>427,381</u>	<u>357,381</u>	<u>357,381</u>	<u>360,514</u>	<u>360,514</u>
<b>Projected Net revenue (expenses)</b>	<u>2,390,539</u>	<u>( 239,472)</u>	<u>( 307,905)</u>	<u>( 237,905)</u>	<u>( 237,905)</u>	<u>( 241,038)</u>	<u>( 241,038)</u>
<b>Projected Opening fund balance</b>	<u>1,340,407</u>	<u>3,730,946</u>	<u>3,491,474</u>	<u>3,183,569</u>	<u>2,945,664</u>	<u>2,707,759</u>	<u>2,466,721</u>
<b>Projected Closing fund balance</b>	<u>3,730,946</u>	<u>3,491,474</u>	<u>3,183,569</u>	<u>2,945,664</u>	<u>2,707,759</u>	<u>2,466,721</u>	<u>2,225,683</u>
<b>Projected Fund balance makeup:</b>							
Contingency	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Surplus	3,230,946	2,991,474	2,683,569	2,445,664	2,207,759	1,966,721	1,725,683
	<u>3,730,946</u>	<u>3,491,474</u>	<u>3,183,569</u>	<u>2,945,664</u>	<u>2,707,759</u>	<u>2,466,721</u>	<u>2,225,683</u>

**Assumptions:**

- (1) The contributions for July 2010 - January 2011 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 has been allowed for the cost of permanent pANI in 2009/10. No change order has been issued.
- (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							
		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10
<b>NEUSTAR - NANPA Administration contract</b>		128,500	131,833	131,833	131,833	131,833	131,833	131,000	131,000
- Payment authorized by the FCC on Dec 22/09, received by Welch Dec 22/09 November 2009	122,743								
- Payment authorized by the FCC on Jan 14/10, received by Welch Jan 25/10 Maintenance contracts December 2009	6,551 124,108								
- Authorization by the FCC has not been received for payment January 2010		\$ 128,500							
		<u>\$ 128,500</u>							
<b>NEUSTAR - Block Pooling contract</b>		188,498	188,498	188,498	188,498	188,498	188,498	188,498	186,932
- Payment authorized by the FCC on Dec 22/09, received by Welch Dec 22/09 November 2009	188,498								
- Payment authorized by the FCC on Jan 14/10, received by Welch Jan 25/10 December 2009	188,498.00								
- Authorization by the FCC has not been received for payment January 2010		\$ 188,498							
		-							
		<u>\$ 188,498</u>							
<b>Welch LLP - Billing &amp; Collection Agent</b>		19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on Dec 22/09, received by Welch Dec 22/09 November 2009	18,277								
- Payment authorized by the FCC on Jan 14/10, received by Welch Jan 25/10 December 2009	19,900								
- Authorization by the FCC has not been received for payment January 2010		\$ 19,900							
		-							
		<u>\$ 19,900</u>							
<b>USAC - Data Collection Agent</b>		8,995	4,450	4,450	4,450	4,450	4,450	4,450	4,450
- Payment authorized by the FCC on Dec 22/09, received by Welch Dec 22/09 November 2009	3,405								
- Authorization by the FCC has not been received for payment December 2009 January 2010 (estimate)		4,545 4,450							
		<u>\$ 8,995</u>							
<b>Carrier audits</b>		-	-	-	-	-	-	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>		-	-	-	-	-	-	-	-
- Payment authorized by the FCC on Jan 14/10, received by Welch Jan 25/10 Audit fee for the 2008/09 fiscal audit	34,000								
<b>NEUSTAR - pANI administration</b>		\$ -	-	-	-	-	-	16,666	16,666
<b>Total</b>		<u>345,893</u>	<u>344,681</u>	<u>344,681</u>	<u>344,681</u>	<u>344,681</u>	<u>344,681</u>	<u>360,514</u>	<u>358,948</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were mailed January 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 new receivable balances under 90 days old.

## **FCC Red Light Notices**

There were no payments received from the FCC in January. 232 delinquent accounts were sent to the FCC for collection and submission to the Red Light site. The total value of the delinquent accounts sent to the FCC amounted to \$27,245.06. Additional submissions will be done in February 2010.

## **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. 18 calls were received in January. Most calls were questions about the statement received, who is NANP, why should they fund NANP, the company is out of business, change of address 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 prepared our first write-off package in November for one carrier. This was sent to the FCC where the OMD office has to approve the write-off. We have not had a response from the OMD office. Once we know that the package was prepared correctly we will start the process of preparing other write-off packages.