

**Billing and Collection Agent Report
For period ending June 30, 2012**

To NANC

July 11, 2012

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012**

Assets

Cash Balance in bank account		\$ 1,338,590
Receivable from US Carriers	2,628,187	
Receivable from Canada	6,553	
Receivable from Caribbean countries	19,171	
Receivables forwarded to FCC for collection (Over 90 days)	146,837	
Allowance for uncollectible accounts	<u>(221,800)</u>	2,578,948
Prepaid maintenance contract		<u>-</u>
Total assets		3,917,538
Less: Accrued liabilities (see below for makeup)		(418,475)
Deferred revenue billed in June for July 2012 to June 2013 funding period		<u>(2,592,230)</u>
 Fund balance		 <u>\$ 906,833</u>

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		129,294
Data Collection Agent - USAC		<u>9,189</u>
		<u>\$ 418,475</u>

The estimated surplus used in the budget calculations was \$952,730. Actual surplus is \$906,833.

Invoices were mailed on June 17, 2012. Duplicate invoices were mailed June 27 correcting the date format on the invoices from dd/mm/yyyy to mm/dd/yyyy.

The NANP Administration contract was awarded to NEUSTAR. The effect of the new contract for the upcoming year is reflected in the 2012/13 forecasted figures.

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

Actual													Total	Budget	Variance between actual 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	217,489	215,412	214,788	217,851	217,602	217,475	206,189	(825)	4,702,099	4,620,882	81,217	
Late filing fees for Form 499A	(2)	100	(5,800)	(17,900)	1,900.00	(10,000)	600	(7,900)	1,800	1,200	500	(400)	82,900	47,000	115,000	(68,000)	
Interest income	(3)	927	804	849	405	355	471	402	272	246	259	213	550	5,753	12,000	(6,247)	
Total revenue		2,576,048	221,510	201,695	227,182	214,402	223,042	213,849	226,482	225,607	224,793	212,561	82,625	4,849,796	4,842,826	6,970	
Expenses																	
NANPA Administration	(4), (7)	131,142	185,409	130,226	160,156	129,794	129,224	128,795	128,500	130,082	131,667	131,531	129,294	1,645,820	1,642,000	3,820	
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	4,325	4,745	5,140	4,274	52,942	59,000	(6,058)	
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	1,533	1,503	2,234	1,538	23,919	21,600	2,319	
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)	(1,586)	(1,000)	(18,500)	29,130.00	48,450	-	48,450	
Total expenses		419,840	529,098	421,683	452,015	429,487	406,290	404,629	415,024	414,346	416,907	400,398	444,228	5,153,945	5,234,267	(80,322)	
Net revenue (expenses)		2,156,208	(307,588)	(219,988)	(224,833)	(215,085)	(183,248)	(190,780)	(188,542)	(188,739)	(192,114)	(187,837)	(361,603)	304,149	391,441	87,292	
Opening fund balance		1,210,982	3,367,190	3,059,602	2,839,614	2,614,781	2,399,696	2,216,448	2,025,668	1,837,126	1,648,387	1,456,273	1,268,436	1,210,982	1,141,441	69,541	
Closing fund balance		3,367,190	3,059,602	2,839,614	2,614,781	2,399,696	2,216,448	2,025,668	1,837,126	1,648,387	1,456,273	1,268,436	906,833	906,833	750,000	156,833	
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	1,649,696	1,466,448	1,275,668	1,087,126	898,387	706,273	518,436	156,833	156,833	-	-	
		3,367,190	3,059,602	2,839,614	2,614,781	2,399,696	2,216,448	2,025,668	1,837,126	1,648,387	1,456,273	1,268,436	906,833	906,833	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 July 8, 2012.
The cost of B&C Agent is based on the interim contract with Welch LLP in force until July 31, 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. The funds for this were 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 June 30, 2012. This will be covered by the contingency allowance.

Reconciliation of actual at June 30, 2012 to budget

Budgeted fund balance at June 30/12 - contingency	750,000
Increase in fund balance between budget period (February 2012) and June 2012	69,541
Additional billings over estimate from budget	81,217
Late filing fees (reversal) for Form 499A	(68,000)
Over estimate of interest earned to date compared to budget	(6,247)
NANP Admin - difference between budget and actual contract due to variable travel costs	25,987
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	6,058
Bad debts not budgeted for	(48,450)
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	(2,319)
Actual fund balance at June 30/12	906,833

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2012 TO JUNE 2013**

Projection												
	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Projected Revenue												
International Contributions												
Canada	(1)	13,106	6,553	6,553	6,553	6,553	6,553	6,553	6,552	6,552	6,552	-
Caribbean countries	(1)	16,289	-	-	-	-	-	-	-	-	-	-
Total International Contributions		29,395	6,553	6,553	6,553	6,553	6,553	6,553	6,552	6,552	6,552	-
Domestic Contributions - US carriers	(1)	2,808,472	238,988	238,988	238,988	238,988	238,988	238,988	238,988	238,988	238,988	-
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	85,000
Interest income	(3)	500	500	500	500	500	500	500	500	500	500	500
Total projected revenue		2,838,367	246,041	246,041	246,041	246,041	246,041	246,041	246,040	246,040	246,040	85,500
Projected Expenses												
NANPA Administration	(4)	276,207	276,207	276,207	276,207	276,207	276,207	276,207	276,207	160,804	160,804	160,804
1K Block Pooling Administration	(5)	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614
pANI	(6)	74,935	39,600	9,973	9,973	9,973	9,973	9,972	9,972	9,972	9,972	9,972
Billing and Collection												
Welch LLP	(7)	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443
Data Collection Agent	(8)	5,667	5,667	5,667	5,667	5,667	5,667	5,667	5,666	5,666	5,666	5,666
Annual Operations Audit	(9)	-	-	40,000	-	-	-	-	-	-	-	-
Bank Charges	(10)	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925
Carrier Audits	(11)	-	-	-	-	-	-	300,000	-	-	-	-
Bad debt expense (recovery)	(12)	3,334	3,334	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333
Total projected expenses		567,125	531,790	542,163	502,163	502,162	502,162	802,161	502,160	386,757	386,757	386,757
Projected Net revenue (expenses)		2,271,242	(285,749)	(296,122)	(256,122)	(256,121)	(256,121)	(556,120)	(256,120)	(140,717)	(140,717)	(301,257)
Projected Opening fund balance		906,833	3,178,075	2,892,326	2,596,204	2,340,082	2,083,961	1,827,840	1,571,719	1,015,599	759,479	618,762
Projected Closing fund balance		3,178,075	2,892,326	2,596,204	2,340,082	2,083,961	1,827,840	1,571,719	1,015,599	759,479	618,762	478,045
Projected Fund balance makeup:												
Contingency		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Surplus		1,678,075	1,392,326	1,096,204	840,082	583,961	327,840	71,719	(484,400.99)	(740,521)	(881,238)	(1,323,212)
		<u>3,178,075</u>	<u>2,892,326</u>	<u>2,596,204</u>	<u>2,340,082</u>	<u>2,083,961</u>	<u>1,827,840</u>	<u>1,571,719</u>	<u>1,015,599</u>	<u>759,479</u>	<u>618,762</u>	<u>478,045</u>

Assumptions:

- (1) The contribution for July 2012 - June 2013 is based on actual billings.
- (2) These estimated 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 NANP administration is based on the new contract with NEUSTAR.
- (5) This contract expires Aug 14/12 and will be up for recompete. The expense for the 1K Block Pooling is based on the current contract.
- (6) The cost of permanent pANI administration is based on the final 1.5 months of billings for change order #19 plus the ongoing pANI for 10.5 months
- (7) The cost of B&C Agent is based on the interim contract with Welch LLP in force until July 31, 2012.
- (8) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2012 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

CURRENT AND FORECASTED LIABILITIES

	Current						
	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
NEUSTAR - NANPA Administration contract	129,294	276,207	276,207	276,207	276,207	276,207	276,207
- Payment authorized by the FCC in June May 2012			131,531				
- Authorization by the FCC has not been received for payment June 2012			\$ 129,294				
			-				
			<u>\$ 129,294</u>				
NEUSTAR - Block Pooling contract	181,615	181,614	181,614	181,614	181,614	181,614	181,614
- Payment authorized by the FCC in June May 2012			\$ 181,615				
- Authorization by the FCC has not been received for payment June 2012			\$ 181,615				
			-				
			<u>\$ 181,615</u>				
Welch LLP - Billing & Collection Agent	23,443	23,443	23,443	23,443	23,443	23,443	23,443
- Payment authorized by the FCC in June May 2012			23,443				
- Authorization by the FCC has not been received for payment June 2012			\$ 23,443				
			-				
			<u>\$ 23,443</u>				
USAC - Data Collection Agent	9,189	5,667	5,667	5,667	5,667	5,667	5,667
- Authorization by the FCC has not been received for payment May 2012			\$ 4,274				
June 2012			4,915				
			<u>\$ 9,189</u>				
Carrier audits	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	-	-	-	40,000	-	-	-
			<u>\$ -</u>				
NEUSTAR - pANI administration	74,934	74,935	39,600	9,973	9,973	9,973	9,973
- Payment authorized by the FCC in June May 2012			74,934				
- Authorization by the FCC has not been received for payment June 2012			\$ 74,934				
Bank Fees		1,925	1,925	1,925	1,925	1,925	1,925
Total	<u>418,475</u>	<u>563,791</u>	<u>528,456</u>	<u>538,829</u>	<u>498,829</u>	<u>498,829</u>	<u>498,829</u>

Deliverables Report

Distributing invoices

The monthly and annual invoices for carriers were mailed by June 17, 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

Statements were mailed April 24, 2012 with Final Demand letters. Overdue amounts will be sent to Treasury using the new delinquent collection process.

FCC Red Light Notices

The new process for red light is now in effect. At a minimum an updated red light report is posted to the FCC server for processing once a week. When required, additional updates are posted. A payment from the FCC was received on July 3 in the amount of \$1,977.10 representing payments from 11 carriers.

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. 114 calls were received in June. 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 and about the date of the invoice.

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

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 for all except one was received. One of the submissions was lost so it was resent for approval.