

**Billing and Collection Agent Report
For period ending March 31, 2013**

To NANC

April 5, 2013

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2013**

Assets

Cash Balance in bank account	\$	1,263,145
Receivable from US Carriers		325,648
Receivable from Canada		6,552
Receivable from Caribbean countries		3,470
Receivables forwarded to Treasury for collection		89,252
Allowance for uncollectible accounts		<u>(187,000)</u>
		<u>237,922</u>
Total assets		1,501,067
Less: Accrued liabilities (see below for makeup)		<u>(500,408)</u>
Fund balance		<u><u>\$ 1,000,659</u></u>

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

Welch LLP	23,443
NEUSTAR Pooling 1K Block and pANI administration	195,091
NEUSTAR NANP Administration	276,207
Data Collection Agent - USAC	<u>5,667</u>
	<u>\$ 500,408</u>

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

	Actual									Budgeted			Total	Budget	Variance between forecasted results and budget at June 30/13	
	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13				
Revenue																
International Contributions																
Canada (1)	13,106	6,553	6,553	6,553	6,553	6,553	6,553	6,553	6,552	6,552	6,552	-	78,633	78,633	-	
Caribbean countries (1)	16,290	-	-	-	-	-	-	-	-	-	-	-	16,290	16,290	-	
Total International Contributions	29,396	6,553	6,553	6,553	6,553	6,553	6,553	6,553	6,552	6,552	6,552	-	94,923	94,923	-	
Domestic Contributions - US carriers (1)	2,813,096	229,900	237,022	239,136	238,943	232,489	232,754	233,792	236,213	238,988	238,988	-	5,171,321	5,139,392	31,929	
Late filing fees for Form 499A (2)	1,900	(3,100)	3,000	-	(400)	(6,800)	(900)	300	1,200	-	-	85,000	80,200	85,000	(4,800)	
Interest income (3)	1,017	589	1,093	759	767	653	480	355	509	500	500	500	7,722	6,000	1,722	
Total revenue	2,845,409	233,942	247,668	246,448	245,863	232,895	238,887	241,000	244,474	246,040	246,040	85,500	5,354,166	5,325,315	28,851	
Expenses																
NANPA Administration (4), (7)	276,207	276,207	278,756	279,757	276,207	297,486	277,173	276,315	276,207	160,804	160,804	160,804	2,996,727	1,632,000	1,364,727	
1K Block Pooling & pANI Administration (4), (8), (9)	256,549	235,851	188,385	188,385	188,385	196,780	197,509	204,382	195,091	188,385	188,385	188,385	2,416,472	2,393,628	22,844	
Billing and Collection																
Welch LLP (4)	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	28,336	28,336	28,336	295,995	281,317	14,678	
Data Collection Agent (5)	5,042	4,518	4,445	4,420	4,268	4,255	4,488	4,488	4,457	5,666	5,666	5,666	57,379	68,000	(10,621)	
Annual Operations Audit (6)	-	-	40,000	-	-	-	1,800	-	-	-	-	-	41,800	40,000	1,800	
Bank Charges (10)	1,471	5,795	4,424	4,099	3,905	3,492	2,510	3,153	3,110	1,925	1,925	1,925	37,734	23,100	14,634	
Carrier Audits (11)	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	(300,000)	
Bad debt expense (12)	310	21,532	24,632	(991)	13,014	11,750	3,200	9,197	5,685	3,333	3,333	3,333	2,000	40,000	(38,000)	
Total expenses	563,022	524,282	564,085	499,113	509,222	513,706	510,123	502,584	496,623	388,449	388,449	388,449	5,848,107	4,778,045	1,070,062	
Net revenue (expenses)	2,282,387	(290,340)	(316,417)	(252,665)	(263,359)	(280,811)	(271,236)	(261,584)	(252,149)	(142,409)	(142,409)	(302,949)	(493,941)	547,270	(1,041,211)	
Opening fund balance	906,833	3,189,220	2,898,880	2,582,463	2,329,798	2,066,439	1,785,628	1,514,392	1,252,808	1,000,659	858,250	715,841	906,833	952,730	(45,897)	
Closing fund balance	3,189,220	2,898,880	2,582,463	2,329,798	2,066,439	1,785,628	1,514,392	1,252,808	1,000,659	858,250	715,841	412,892	412,892	1,500,000	1,087,108	
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	1,500,000	1,500,000	1,500,000	-	
Surplus	1,689,220	1,398,880	1,082,463	829,798	566,439	285,628	14,392	(247,192)	(499,341)	(641,750)	(784,159)	(1,087,108)	(1,087,108)	-	-	
	3,189,220	2,898,880	2,582,463	2,329,798	2,066,439	1,785,628	1,514,392	1,252,808	1,000,659	858,250	715,841	412,892	412,892	1,500,000	-	

Assumptions:

- (1) The US carrier contributions for the period from July 2012 to June 2013 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 cost for 1K Block Pooling is based on a contract extension in force up to June 14, 2013.
The cost of NANPA Administration is based on the new contract.
The cost of B&C Agent is based on the interim contract with Welch LLP in force until November 30, 2013
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2012 calendar year.
- (6) The estimated cost for the annual operations audit performed by Ernst & Young LLP is \$40,000.
- (7) No commentary
- (8) No commentary
- (9) The cost of ongoing permanent pANI administration is based on a 6-month fixed fee of \$40,628
- (10) Bank fees are an expense to the Fund.
- (11) The budget allowed \$300,000 for carrier audits. The FCC has indicated that they do not anticipate any audits being performed prior to June 2013.
- (12) The allowance covers all accounts considered potentially uncollectible at March 31, 2013.

Reconciliation of forecast at June 30, 2013 to budget

Budgeted fund balance at June 30/13 - contingency	1,500,000
Decrease in fund balance between budget period (February 2012) and June 2012	(45,897)
Additional billings over estimate from budget	31,929
Late filing fees (reversal) for Form 499A	(4,800)
Underestimate of interest earned to date compared to budget	1,722
NANP Admin - difference between budget and actual contract awarded	(1,345,737)
NANP Admin - change orders issued	(18,990)
Additional billings from B & C Agent due to renewal of contract	(14,678)
Data Collection fees - Adjustment to actual from budget	10,621
Bad debts - Adjustment to actual from budget	38,000
Pooling and p-ANI - adjustment to actual from budget	23,554
Pooling change orders	(46,398)
Carrier audits that will not be performed	300,000
Operations Audit - Adjustment to actual from budget	(1,800)
Bank fees - Adjustment to actual from budget	(14,634)
Forecasted fund balance at June 30/13	412,892

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2013 TO JUNE 2014**

Projection												
	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Projected Revenue												
International Contributions												
Canada	(1)	17,748	8,874	8,874	8,873	8,873	8,873	8,873	8,873	8,873	8,873	-
Caribbean countries	(1)	22,112	-	-	-	-	-	-	-	-	-	-
Total International Contributions		39,860	8,874	8,874	8,873	8,873	8,873	8,873	8,873	8,873	8,873	-
Domestic Contributions - US carriers	(1)	3,460,288	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	-
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	85,000
Interest income	(3)	666	666	666	666	667	667	667	667	667	667	667
Total projected revenue		3,500,814	249,540	249,540	249,539	249,540	249,540	249,540	249,540	249,540	249,540	85,667
Projected Expenses												
NANPA Administration	(4)	289,966	174,550	174,550	174,550	174,550	174,549	174,549	174,549	174,549	174,549	174,549
1K Block Pooling and pANI Administration	(5)	188,385	188,385	188,385	188,385	188,385	188,385	188,385	188,385	188,385	188,385	188,385
Billing and Collection												
Welch LLP	(6)	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336
Data Collection Agent	(7)	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750
Annual Operations Audit	(8)	-	-	42,000	-	-	-	-	-	-	-	-
Bank Charges	(9)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Carrier Audits	(10)	-	-	-	-	-	-	300,000	-	-	-	-
Bad debt expense (recovery)	(11)	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		517,771	402,355	444,355	402,355	402,354	402,353	702,353	402,353	402,353	402,353	402,353
Projected Net revenue (expenses)		2,983,043	(152,815)	(194,815)	(152,816)	(152,814)	(152,814)	(152,813)	(452,813)	(152,813)	(152,813)	(316,686)
Projected Opening fund balance		412,892	3,395,935	3,243,120	3,048,305	2,895,489	2,742,675	2,589,861	2,437,048	1,984,235	1,831,422	1,678,609
Projected Closing fund balance		3,395,935	3,243,120	3,048,305	2,895,489	2,742,675	2,589,861	2,437,048	1,984,235	1,831,422	1,678,609	1,525,796
Projected Fund balance makeup:												
Contingency		1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Surplus		2,145,935	1,993,120	1,798,305	1,645,489	1,492,675	1,339,861	1,187,048	734,235.00	581,422	428,609	275,796
		<u>3,395,935</u>	<u>3,243,120</u>	<u>3,048,305</u>	<u>2,895,489</u>	<u>2,742,675</u>	<u>2,589,861</u>	<u>2,437,048</u>	<u>1,984,235</u>	<u>1,831,422</u>	<u>1,678,609</u>	<u>1,525,796</u>

Assumptions:

- (1) The contribution for July 2013 - June 2014 is based on budgeted required 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 contract awarded in 2012. The contract expires in July 2017. An additional amount of \$115,416 is allowed for to cover the cost of a contract modification #2
- (5) The cost for 1K Block Pooling Administration is based on the contract extension that expires June 14/13. Ongoing pANI costs are based on the interim contract extension in place that expires June 14/13
- (6) The cost of B&C Agent is based on the interim contract with Welch LLP in force until November 30, 2013.
- (7) The expense for the Data Collection Agent is based on estimate of costs by USAC.
- (8) The cost of the annual operations audit is based on the cost of the prior year's history of billing from Ernst & Young LLP.
- (9) Bank fees are an expense to the Fund and are estimated based on prior years' history.
- (10) The budget allowed \$300,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible. This will be covered by the contingency allowance.

CURRENT AND FORECASTED LIABILITIES

	Current						
	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>
NEUSTAR - NANPA Administration contract	276,207	160,804	160,804	160,804	289,966	174,550	174,550
- Payment authorized by the FCC in March February 2013	276,315						
- Authorization by the FCC has not been received for payment March 2013	<u>\$ 276,207</u>						
NEUSTAR - Block Pooling and pANI Administration contract	195,091	188,385	188,385	188,385	188,385	188,385	188,385
- Payment authorized by the FCC in March February 2013	\$ 191,739						
Change order #22	12,642						
- Authorization by the FCC has not been received for payment March 2013	<u>\$ 195,091</u>						
Welch LLP - Billing & Collection Agent	23,443	28,336	28,336	28,336	28,336	28,336	28,336
- Payment authorized by the FCC in March February 2013	23,443						
- Authorization by the FCC has not been received for payment March 2013	<u>\$ 23,443</u>						
USAC - Data Collection Agent	5,667	5,666	5,666	5,666	4,750	4,750	4,750
- Payment authorized by the FCC in March February	4,457						
- Authorization by the FCC has not been received for payment March 2013	<u>\$ 5,667</u>						
Carrier audits	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	-	-	-	-	-	-	-
Bank Fees		1,925	1,925	1,925	3,000	3,000	3,000
Total	<u>500,408</u>	<u>385,116</u>	<u>385,116</u>	<u>385,116</u>	<u>514,437</u>	<u>399,021</u>	<u>399,021</u>

Deliverables Report

Distributing invoices

The monthly and annual invoices for carriers were mailed by March 12, 2013.

Processing Payments

Payment information from the lockbox service at Mellon Bank is now downloaded on a daily basis. The deposit information is recorded daily.

Late/Absent Payments

Statements were mailed March 5, 2013. We are continuing with collection calls to carriers with outstanding balances.

FCC Red Light Notices

The new process for the 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.

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 returned usually within 3 business days. 12 calls were received in March. 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 an 8 month interim contract which includes a 21/2 month transition which will cover the period from April 1, 2013 to November 30, 2013.

Accounts Receivable

We are creating a program that will let us batch process debt so that delinquent debt can be uploaded to Treasury. During the month 4 submissions were made to receive approval to write off uncollectible debt. We have received approval for three submissions with the fourth one pending. We will be making additional submissions in April.