

**Billing and Collection Agent Report
For period ending May 31, 2011**

**To NANC
June 13, 2011**

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
May 31, 2011**

Assets

Cash Balance in bank account		\$ 1,677,914
Receivable from US Carriers	197,487	
Receivable from Canada	6,670	
Receivable from Caribbean countries	2,105	
Receivables forwarded to FCC for collection (Over 90 days)	379,109	
Allowance for uncollectible accounts	<u>(415,900)</u>	169,471
Prepaid maintenance contract		<u>1,141</u>
Total assets		1,848,526
Less: Accrued liabilities (see below for makeup)		<u>(343,481)</u>
 Fund balance		 <u>\$ 1,505,045</u>

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

Welch LLP		22,784
NEUSTAR Pooling 1K Block Pooling Expenses		185,365
NEUSTAR Admin Expenses		130,417
Data Collection Agent - USAC		<u>4,915</u>
		<u>\$ 343,481</u>

The proposed contribution factor and budget for the period July 2011 to June 2012 was submitted to the FCC on May 2, 2011 for its approval. The proposed contribution factor is 0.000022. The Public Notice was issued on May 16, 2011. It was deemed approved 14 days later.

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

	Actual											Budgeted	Total	Budget	Variance between forecasted balance at June 30/11 and budget		
	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11					
Revenue																	
International Contributions																	
Canada	(1)	13,339	6,670	6,670	6,670	6,670	6,670	6,670	6,670	6,669	6,669	6,669	-	80,036	80,036	-	
Caribbean countries	(1)	16,403	-	-	-	-	-	-	-	-	-	-	-	16,403	16,403	-	
Total International Contributions		29,742	6,670	6,670	6,670	6,670	6,670	6,670	6,670	6,669	6,669	6,669	-	96,439	96,439		
Domestic Contributions - US carriers	(1)	2,241,497	179,293	188,748	186,209	186,448	187,670	186,515	187,469	187,247	185,900	177,936	-	4,094,932	4,034,718	60,214	
Late filing fees for Form 499A	(2)	(100)	(9,700)	1,600.00	200.00	(2,600)	(600)	(2,100)	(500)	(300)	1,100	800	115,000	102,800	115,000	(12,200)	
Interest income	(3)	1,128	1,267	1,439	1,062	979	1,092	795	504	449	382	377	1,000	10,474	12,000	- 1,526	
Total revenue		2,272,267	177,530	198,457	194,141	191,497	194,832	191,880	194,143	194,065	194,051	185,782	116,000	4,304,645	4,258,157	46,488	
Expenses																	
NANPA Administration	(4), (7)	139,465	130,353	130,041	186,342	131,742	141,617	128,968	131,075	130,934	136,790	130,417	131,000	1,648,744	1,667,000	(18,256)	
1K Block Pooling Administration	(4), (8)	188,498	186,932	194,735	185,365	199,247	185,365	185,365	185,365	205,257	185,365	185,365	185,365	2,272,224	2,229,082	43,142	
pANI	(9)	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000	200,000		
Billing and Collection																	
Welch LLP	(4)	21,359	20,100	20,100	20,100	20,100	20,100	20,100	22,784	22,784	22,784	22,784	22,784	255,879	238,800	17,079	
Data Collection Agent	(5)	3,707	3,636	3,706	4,289	7,193	6,704	9,806	3,419	5,609	6,281	4,695	4,500	63,545	54,000	9,545	
Annual Operations Audit	(6)	-	-	36,000	-	-	-	-	-	-	-	-	-	36,000	36,000		
Bank Charges	(10)	1,426	4,170	1,741	1,605	1,867	1,670	1,393	2,056	1,398	1,386	1,621	-	20,333	-	20,333	
Carrier Audits	(11)	-	-	-	-	-	-	-	-	-	-	-	-	-	700,000	(700,000)	
Bad debt expense	(12)	44,293	(9,977)	(3,473)	20,280.00	(6,614)	-	(1,831)	-	4,700	-	800.00	-	46,578	-	46,578	
Total expenses		398,748	335,214	382,850	417,981	353,535	355,456	343,801	344,699	370,682	352,606	344,082	543,649	4,543,303	5,124,882	(581,579)	
Net revenue (expenses)		1,873,519	(157,684)	(184,393)	(223,840)	(162,038)	(160,624)	(151,921)	(150,556)	(176,617)	(158,555)	(158,300)	(427,649)	(238,658)	(866,725)	628,067	
Opening fund balance		1,316,054	3,189,573	3,031,889	2,847,496	2,623,656	2,461,618	2,300,994	2,149,073	1,998,517	1,821,900	1,663,345	1,505,045	1,316,054	1,366,725	(50,671)	
Closing fund balance		3,189,573	3,031,889	2,847,496	2,623,656	2,461,618	2,300,994	2,149,073	1,998,517	1,821,900	1,663,345	1,505,045	1,077,396	1,077,396	500,000	577,396	
Fund balance makeup:																	
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		
Surplus		2,689,573	2,531,889	2,347,496	2,123,656	1,961,618	1,800,994	1,649,073	1,498,517	1,321,900	1,163,345	1,005,045	577,396	577,396	-		
		3,189,573	3,031,889	2,847,496	2,623,656	2,461,618	2,300,994	2,149,073	1,998,517	1,821,900	1,663,345	1,505,045	1,077,396	1,077,396	500,000		

Assumptions:

- (1) The US carrier contributions for the period from July 2010 to June 2011 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, 2011.
The cost of B&C Agent is based on the interim contract with Welch LLP in force until July 31, 2011.
- (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 \$36,000.
- (7) No commentary for June
- (8) No commentary for June
- (9) Interim p-ANI administration is now covered under the new Pooling contract. \$200,000 has been allowed for the cost of permanent pANI in 2010/11. A change order was submitted to the FCC at the end of January 2011.
- (10) Bank fees are an expense to the Fund.
- (11) The budget allowed \$700,000 for carrier audits. The FCC has indicated that this will not be spent this funding year.
- (12) The allowance covers all accounts considered potentially uncollectible at May 31, 2011. This will be covered by the contingency allowance.

Reconciliation of Forecast at June 30, 2011 to Budget

Budgeted fund balance at June 30/11 - contingency	500,000
Decrease in fund balance between budget period (February 2010) and June 2010	(50,671)
Additional billings over estimate from budget	60,214
Late filing fees (reversal) for Form 499A	(12,200)
Over estimate of interest earned to date compared to budget	(1,526)
NANP Admin - difference between budget and actual contract awarded after budget period	27,412
NANP Admin - change orders issued	(9,156)
Additional billings from B & C Agent due to renewal of contract	(17,079)
Data Collection fees - Adjustment to actual from budget	(9,545)
Bad debts not budgeted for	(46,578)
Pooling change orders	(43,142)
Carrier audits that will not be performed	700,000
Permanent pANI that will not be expended prior to June 30th.	-
Bank fees to be covered by Fund under new B&C Agent interim contract	(20,333)
Forecasted Fund balance at June 30/11	1,077,396

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

Projection												
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Projected Revenue												
International Contributions												
Canada	(1)	6,559	6,559	6,559	6,559	6,559	6,559	6,558	6,558	6,558	6,558	6,558
Caribbean countries	(1)	16,241	-	-	-	-	-	-	-	-	-	-
Total International Contributions		22,800	6,559	6,559	6,559	6,559	6,559	6,558	6,558	6,558	6,558	6,558
Domestic Contributions - US carriers	(1)	2,493,440	218,555	218,555	218,555	218,555	218,554	218,554	218,554	218,554	218,554	-
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	115,000
Interest income	(3)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total projected revenue		<u>2,517,240</u>	<u>226,114</u>	<u>226,114</u>	<u>226,114</u>	<u>226,113</u>	<u>226,113</u>	<u>226,112</u>	<u>226,112</u>	<u>226,112</u>	<u>226,112</u>	<u>122,558</u>
Projected Expenses												
NANPA Administration	(4)	131,000	201,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000
1K Block Pooling Administration	(5)	185,365	183,490	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614
pANI	(6)	62,289	62,289	62,289	62,289	62,289	62,289	62,289	62,289	62,289	62,289	62,289
Billing and Collection												
Welch LLP	(7)	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784
Data Collection Agent	(8)	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917
Annual Operations Audit	(9)	-	-	38,000	-	-	-	-	-	-	-	-
Bank Charges	(10)	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Carrier Audits	(11)	-	-	-	-	-	-	300,000	-	-	-	-
Bad debt expense (recovery)	(12)	-	-	70,000	-	-	-	-	-	-	-	-
Total projected expenses		<u>408,155</u>	<u>476,280</u>	<u>512,404</u>	<u>404,404</u>	<u>404,404</u>	<u>404,404</u>	<u>704,404</u>	<u>404,404</u>	<u>404,404</u>	<u>404,404</u>	<u>404,404</u>
Projected Net revenue (expenses)		<u>2,109,085</u>	<u>(250,166)</u>	<u>(286,290)</u>	<u>(178,290)</u>	<u>(178,290)</u>	<u>(178,291)</u>	<u>(478,292)</u>	<u>(178,292)</u>	<u>(178,292)</u>	<u>(178,292)</u>	<u>(281,846)</u>
Projected Opening fund balance		<u>1,077,396</u>	<u>3,186,481</u>	<u>2,936,315</u>	<u>2,650,025</u>	<u>2,471,735</u>	<u>2,293,445</u>	<u>2,115,154</u>	<u>1,936,863</u>	<u>1,458,571</u>	<u>1,280,279</u>	<u>1,101,987</u>
Projected Closing fund balance		<u>3,186,481</u>	<u>2,936,315</u>	<u>2,650,025</u>	<u>2,471,735</u>	<u>2,293,445</u>	<u>2,115,154</u>	<u>1,936,863</u>	<u>1,458,571</u>	<u>1,280,279</u>	<u>1,101,987</u>	<u>923,695</u>
Projected Fund balance makeup:												
Contingency		750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	641,849
Surplus		2,436,481	2,186,315	1,900,025	1,721,735	1,543,445	1,365,154	1,186,863	708,571	530,279	351,987	-
		<u>3,186,481</u>	<u>2,936,315</u>	<u>2,650,025</u>	<u>2,471,735</u>	<u>2,293,445</u>	<u>2,115,154</u>	<u>1,936,863</u>	<u>1,458,571</u>	<u>1,280,279</u>	<u>1,101,987</u>	<u>923,695</u>

Assumptions:

- (1) The contribution for July 2011 - June 2012 is based on actual required 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 of NANPA Administration is based on contract in force until July 8, 2011.
- (5) The expense for the 1K Block Pooling is based on the contract in force.
- (6) The cost of permanent pANI administration has been proposed via change order #19 at a total cost of \$1,040,906 which would be spread out over the remaining term of the 1K Pooling contract.
- (7) The cost of B&C Agent is based on the cost of the interim Welch LLP contract.
- (8) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2011 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

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
NEUSTAR - NANPA Administration contract	130,417	131,000	131,000	201,000	131,000	131,000	131,000	131,000
- Payment authorized by the FCC on May 3/11, received by Welch May 3/11								
April 2011	136,790							
- Authorization by the FCC has not been received for payment								
May 2011	\$ 130,417							
	<u>-</u>							
	<u>\$ 130,417</u>							
NEUSTAR - Block Pooling contract	185,365	185,365	185,365	183,490	181,614	181,614	181,614	181,614
- Payment authorized by the FCC on May 3/11, received by Welch May 3/11								
April 2011	\$ 185,365							
- Authorization by the FCC has not been received for payment								
May 2011	\$ 185,365							
	<u>-</u>							
	<u>\$ 185,365</u>							
Welch LLP - Billing & Collection Agent	22,784	22,784	22,784	22,784	22,784	22,784	22,784	22,784
- Payment authorized by the FCC on May 10/11, received by Welch May 10/11								
April 2011	22,784							
- Authorization by the FCC has not been received for payment								
May 2011	\$ 22,784							
	<u>-</u>							
	<u>\$ 22,784</u>							
USAC - Data Collection Agent	4,915	4,500	4,917	4,917	4,917	4,917	4,917	4,917
- Payment authorized by the FCC on May 18/11, received by Welch April 4/11								
March 2011	6,282							
April 2011	4,695							
- Authorization by the FCC has not been received for payment								
May 2011 (estimate)	4,915							
	<u>-</u>							
	<u>\$ 4,915</u>							
Carrier audits	-	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	-	-	-	-	38,000	-	-	-
NEUSTAR - pANI administration	<u>\$ -</u>	200,000	62,289	62,289	62,289	62,289	62,289	62,289
Bank Fees	-	-	1,800	1,800	1,800	1,800	1,800	1,800
Total	<u>343,481</u>	<u>543,649</u>	<u>408,155</u>	<u>476,280</u>	<u>442,404</u>	<u>404,404</u>	<u>404,404</u>	<u>404,404</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were mailed May 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 out for receivable balances under 90 days old on May 4, 2011.

FCC Red Light Notices

There were no delinquent accounts sent to the FCC for collection and submission to the Red Light Site. There were no payments received from the FCC.

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. 6 calls were received in May. Most calls were questions about the invoice received, how to pay, request for copies of invoices, change of address 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 as the expired contract including the contract amendment. The interim contract has been extended to July 31, 2011.

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.