

**Billing and Collection Agent Report
For period ending May 31, 2012**

To NANC

June 15, 2012

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
May 31, 2012**

Assets

Cash Balance in bank account		\$ 1,492,054
Receivable from US Carriers	243,697	
Receivable from Canada	-	
Receivable from Caribbean countries	2,868	
Receivables forwarded to FCC for collection (Over 90 days)	148,755	
Allowance for uncollectible accounts	<u>(202,500)</u>	192,820
Prepaid maintenance contract		<u>-</u>
Total assets		1,684,874
Less: Accrued liabilities (see below for makeup)		<u>(416,438)</u>
 Fund balance		 <u>\$ 1,268,436</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		131,531
Data Collection Agent - USAC		<u>4,915</u>
		<u>\$ 416,438</u>

FCC approval of the budget and contribution factor was received on June 5, 2012.

**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						
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	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	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			4,702,924	4,620,882		82,042	
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)	115,000		79,100	115,000 (		35,900)
Interest income (3)	927	804	849	405	355	471	402	272	246	259	213	1,000		6,203	12,000	-	5,797	
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	116,000		4,883,171	4,842,826		40,345	
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	131,000		1,647,526	1,642,000		5,526	
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	4,917		53,585	59,000 (		5,415)
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	1,800		24,181	21,600		2,581	
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)	-		19,320	-		19,320
Total expenses	419,840	529,098	421,683	452,015	429,487	406,290	404,629	415,024	414,346	416,907	400,398	417,709		5,127,426	5,234,267		(106,841)	
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) (	301,709) (		244,255) (	391,441)		147,186
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	966,727		966,727	750,000		216,727	
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	216,727		216,727	-		-	
	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	966,727		966,727	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 May 31, 2012. This will be covered by the contingency allowance.

Reconciliation of forecast 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	82,042
Late filing fees (reversal) for Form 499A	(35,900)
Over estimate of interest earned to date compared to budget	(5,797)
NANP Admin - difference between budget and actual contract due to variable travel costs	24,281
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	5,415
Bad debts not budgeted for	(19,320)
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	(2,581)
Forecasted fund balance at June 30/12	966,727

**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)	2,953,848	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)	-	-	-	-	-	-	-	-	-	-	85,000
Interest income	(3)	500	500	500	500	500	500	500	500	500	500	500
Total projected revenue		2,983,743	225,608	225,608	225,608	225,607	225,607	225,607	225,606	225,606	225,606	85,500
Projected Expenses												
NANPA Administration	(4)	131,000	191,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000
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		421,918	446,583	396,956	356,956	356,955	356,955	656,954	356,953	356,953	356,953	356,953
Projected Net revenue (expenses)		2,561,825	(220,975)	(171,348)	(131,348)	(131,347)	(131,348)	(431,347)	(131,347)	(131,347)	(131,347)	(271,453)
Projected Opening fund balance		966,727	3,528,552	3,307,577	3,136,229	3,004,881	2,873,534	2,742,186	2,610,838	2,179,491	2,048,144	1,916,797
Projected Closing fund balance		3,528,552	3,307,577	3,136,229	3,004,881	2,873,534	2,742,186	2,610,838	2,179,491	2,048,144	1,916,797	1,785,450
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		2,028,552	1,807,577	1,636,229	1,504,881	1,373,534	1,242,186	1,110,838	679,491	548,144	416,797	285,450
		<u>3,528,552</u>	<u>3,307,577</u>	<u>3,136,229</u>	<u>3,004,881</u>	<u>2,873,534</u>	<u>2,742,186</u>	<u>2,610,838</u>	<u>2,179,491</u>	<u>2,048,144</u>	<u>1,916,797</u>	<u>1,785,450</u>

Assumptions:

- (1) The contribution for July 2012 - June 2013 is based on estimated 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) At the time of the budget preparation, the contract is up for re-compete and the RFP is not yet published. The cost of NANPA Administration is based on the monthly fee plus travel for the existing contract extension
- (5) This contract expires Aug 14/12 and will be up for re-compete. The expense for the 1K Block Pooling is based on the expired 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						
		May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
NEUSTAR - NANPA Administration contract		131,531	131,000	131,000	191,000	131,000	131,000	131,000
- Payment authorized by the FCC in May April 2012	131,667							
- Authorization by the FCC has not been received for payment May 2012		\$ 131,531						
		<u>-</u>						
		<u>\$ 131,531</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 May April 2012	\$ 181,615							
- Authorization by the FCC has not been received for payment May 2012		\$ 181,615						
		<u>-</u>						
		<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 May April 2012	23,443							
- Authorization by the FCC has not been received for payment May 2012		\$ 23,443						
		<u>-</u>						
		<u>\$ 23,443</u>						
USAC - Data Collection Agent		4,915	4,917	5,667	5,667	5,667	5,667	5,667
- Payment authorized by the FCC in May April 2012	5,140							
- Authorization by the FCC has not been received for payment May 2012		\$ 4,915						
		<u>-</u>						
		<u>\$ 4,915</u>						
Carrier audits		-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit		-	-	-	-	40,000	-	-
		<u>\$ -</u>						
NEUSTAR - pANI administration		74,934	74,935	74,935	39,600	9,973	9,973	9,973
- Payment authorized by the FCC in May April 2012	74,934							
- Authorization by the FCC has not been received for payment May 2012		\$ 74,934						
Bank Fees			1,800	1,925	1,925	1,925	1,925	1,925
Total		<u>416,438</u>	<u>417,709</u>	<u>418,584</u>	<u>443,249</u>	<u>393,622</u>	<u>353,622</u>	<u>353,622</u>

Deliverables Report

Distributing invoices

The monthly and annual invoices for carriers were mailed by May 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

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

There were no delinquent accounts sent to the FCC for collection and submission to the Red Light Site. No payments 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. 38 calls were received in May. 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

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.