

**Billing and Collection Agent Report  
For period ending CWT VYf ' % 2011**

**To NANC**

**November 7, 2012**

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

**Assets**

Cash Balance in bank account		\$ 2,590,943
Receivable from US Carriers	394,357	
Receivable from Canada	6,553	
Receivable from Caribbean countries	3,595	
Receivables forwarded to Treasury for collection	93,602	
Allowance for uncollectible accounts	<u>(222,000)</u>	<u>276,107</u>
<b>Total assets</b>		<b>2,867,050</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b><u>(537,252)</u></b>
<b>Fund balance</b>		<b><u><u>\$ 2,329,798</u></u></b>

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

Welch LLP		23,443
Ernst & Young LLP - audit fee		40,000
NEUSTAR Pooling 1K Block		181,614
NEUSTAR Pooling - pANI administration		6,771
NEUSTAR NANP Administration		279,757
Data Collection Agent - USAC		<u>5,667</u>
		<b><u><u>\$ 537,252</u></u></b>

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The year end government audit is ongoing throughout September and October.

The external fund audit is scheduled to commence in November.

**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			
<b>Revenue</b>															
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	238,988	238,988	238,988	238,988	238,988	238,988	238,988	-	5,192,070	5,139,392	52,678
Late filing fees for Form 499A (2)	1,900	(3,100)	3,000	-	-	-	-	-	-	-	-	85,000	86,800	85,000	1,800
Interest income (3)	1,017	589	1,093	759	500	500	500	500	500	500	500	500	7,458	6,000	1,458
<b>Total revenue</b>	<b>2,845,409</b>	<b>233,942</b>	<b>247,668</b>	<b>246,448</b>	<b>246,041</b>	<b>246,041</b>	<b>246,041</b>	<b>246,041</b>	<b>246,040</b>	<b>246,040</b>	<b>246,040</b>	<b>85,500</b>	<b>5,381,251</b>	<b>5,325,315</b>	<b>55,936</b>
<b>Expenses</b>															
NANPA Administration (4), (7)	276,207	276,207	278,756	279,757	276,207	276,207	276,207	276,207	276,207	160,804	160,804	160,804	2,974,374	1,632,000	1,342,374
1K Block Pooling Administration (4), (8)	181,614	197,851	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	181,614	2,195,605	2,179,368	16,237
pANI (9)	74,935	38,000	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	180,645	214,260	(33,615)
Billing and Collection															
Welch LLP (4)	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,443	23,444	281,317	281,317	-
Data Collection Agent (5)	5,042	4,518	4,445	4,420	5,667	5,667	5,667	5,667	5,666	5,666	5,666	5,666	63,757	68,000	(4,243)
Annual Operations Audit (6)	-	-	40,000	-	-	-	-	-	-	-	-	-	40,000	40,000	-
Bank Charges (10)	1,471	5,795	4,424	4,099	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	31,189	23,100	8,089
Carrier Audits (11)	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000	300,000	-
Bad debt expense (12)	310	-	21,532	(991)	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	29,083	40,000	(10,917)
<b>Total expenses</b>	<b>563,022</b>	<b>524,282</b>	<b>564,085</b>	<b>499,113</b>	<b>498,960</b>	<b>498,960</b>	<b>498,960</b>	<b>798,960</b>	<b>498,959</b>	<b>383,556</b>	<b>383,556</b>	<b>383,557</b>	<b>6,095,970</b>	<b>4,778,045</b>	<b>1,317,925</b>
<b>Net revenue (expenses)</b>	<b>2,282,387</b>	<b>(290,340)</b>	<b>(316,417)</b>	<b>(252,665)</b>	<b>(252,919)</b>	<b>(252,919)</b>	<b>(252,919)</b>	<b>(552,919)</b>	<b>(252,919)</b>	<b>(137,516)</b>	<b>(137,516)</b>	<b>(298,057)</b>	<b>714,719</b>	<b>547,270</b>	<b>(1,261,989)</b>
<b>Opening fund balance</b>	<b>906,833</b>	<b>3,189,220</b>	<b>2,898,880</b>	<b>2,582,463</b>	<b>2,329,798</b>	<b>2,076,879</b>	<b>1,823,960</b>	<b>1,571,041</b>	<b>1,018,122</b>	<b>765,203</b>	<b>627,687</b>	<b>490,171</b>	<b>906,833</b>	<b>952,730</b>	<b>(45,897)</b>
<b>Closing fund balance</b>	<b>3,189,220</b>	<b>2,898,880</b>	<b>2,582,463</b>	<b>2,329,798</b>	<b>2,076,879</b>	<b>1,823,960</b>	<b>1,571,041</b>	<b>1,018,122</b>	<b>765,203</b>	<b>627,687</b>	<b>490,171</b>	<b>192,114</b>	<b>192,114</b>	<b>1,500,000</b>	<b>(1,307,886)</b>
<b>Fund balance makeup:</b>															
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	576,879	323,960	71,041	(481,878)	(734,797)	(872,313)	(1,009,829)	(1,307,886)	(1,307,886)	-	-
	<b>3,189,220</b>	<b>2,898,880</b>	<b>2,582,463</b>	<b>2,329,798</b>	<b>2,076,879</b>	<b>1,823,960</b>	<b>1,571,041</b>	<b>1,018,122</b>	<b>765,203</b>	<b>627,687</b>	<b>490,171</b>	<b>192,114</b>	<b>192,114</b>	<b>1,500,000</b>	<b>-</b>

**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 February 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 December 31, 2012.
- (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.
- (12) The allowance covers all accounts considered potentially uncollectible at October 31, 2012. This will be covered by the contingency allowance.

**Reconciliation of forecast at June 30, 2013 to budget**

<b>Budgeted fund balance at June 30/13 - contingency</b>	<b>1,500,000</b>
Increase in fund balance between budget period (February 2012) and June 2012	(45,897)
Additional billings over estimate from budget	52,678
Late filing fees (reversal) for Form 499A	1,800
Over estimate of interest earned to date compared to budget	1,458
NANP Admin - difference between budget and actual contract awarded	(1,342,374)
NANP Admin - change orders issued	-
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	4,243
Bad debts not budgeted for	10,917
Pooling change orders	(16,237)
Carrier audits that will not be performed	-
Permanent pANI	33,615
Bank fees to be covered by Fund under new B&C Agent interim contract	(8,089)
<b>Forecasted fund balance at June 30/13</b>	<b>192,114</b>

**CURRENT AND FORECASTED LIABILITIES**

		<b>Current</b>						
		<b>Oct-12</b>	<b>Nov-12</b>	<b>Dec-12</b>	<b>Jan-13</b>	<b>Feb-13</b>	<b>Mar-13</b>	<b>Apr-13</b>
<b>NEUSTAR - NANPA Administration contract</b>		279,757	276,207	276,207	276,207	276,207	276,207	160,804
- Payment authorized by the FCC in October September 2012	278,756							
- Authorization by the FCC has not been received for payment October 2012		\$ 279,757						
		<u>-</u>						
		<u>\$ 279,757</u>						
<b>NEUSTAR - Block Pooling contract</b>		181,614	181,614	181,614	181,614	181,614	181,614	181,614
- Payment authorized by the FCC in October September 2012	\$ 181,614							
- Authorization by the FCC has not been received for payment October 2012		\$ 181,614						
		<u>-</u>						
		<u>\$ 181,614</u>						
<b>Welch LLP - Billing &amp; Collection Agent</b>		23,443	23,443	23,443	23,443	23,443	23,443	23,443
- Payment authorized by the FCC in October September 2012	23,443							
- Authorization by the FCC has not been received for payment October 2012		\$ 23,443						
		<u>-</u>						
		<u>\$ 23,443</u>						
<b>USAC - Data Collection Agent</b>		5,667	5,667	5,667	5,667	5,667	5,666	5,666
- Payment authorized by the FCC in October September 2012	4,420							
- Authorization by the FCC has not been received for payment October 2012		\$ 5,667						
		<u>-</u>						
		<u>\$ 5,667</u>						
<b>Carrier audits</b>		-	-	-	-	300,000	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>		40,000	-	-	-	-	-	-
-Authorization by the FCC has not been received for payment Audit fee accrual for the 2011/2012 fiscal audit		\$ 40,000						
		<u>-</u>						
		<u>\$ 40,000</u>						
<b>NEUSTAR - pANI administration</b>		6,771	6,771	6,771	6,771	6,771	6,771	6,771
- Payment authorized by the FCC in October September 2012	6,771							
- Authorization by the FCC has not been received for payment October 2012		\$ 6,771						
		<u>-</u>						
		<u>\$ 6,771</u>						
<b>Bank Fees</b>			1,925	1,925	1,925	1,925	1,925	1,925
<b>Total</b>		<u>537,252</u>	<u>495,627</u>	<u>495,627</u>	<u>495,627</u>	<u>795,627</u>	<u>495,626</u>	<u>380,223</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly and annual invoices for carriers were mailed by October 12, 2012

## **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 October 12, 2012. We started making phone calls in October to carriers with outstanding balances.

## **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.

## **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. 30 calls were received in October. 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 5 month interim contract which will cover the period from August 1, 2012 to December 31, 2012.

## **Accounts Receivable**

We are setting up the database to track the debt that has previously been sent to Treasury and for future debt submissions to Treasury. We are in the process of reconciling the debt at Treasury to our record.