

Billing and Collection Agent Report
: cf period ending GYdhYa VYf" \$, 201&

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

Assets

Cash Balance in bank account	\$	2,848,256
Receivable from US Carriers		395,923
Receivable from Canada		-
Receivable from Caribbean countries		3,600
Receivables forwarded to Treasury for collection		93,935
Allowance for uncollectible accounts		<u>(223,000)</u>
		<u>270,458</u>
Total assets		3,118,714
Less: Accrued liabilities (see below for makeup)		<u>(536,251)</u>
Fund balance		<u><u>\$ 2,582,463</u></u>

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	278,756
Data Collection Agent - USAC	<u>5,667</u>
	<u><u>\$ 536,251</u></u>

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			
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	238,988	238,988	238,988	238,988	238,988	238,988	238,988	238,988	-	5,191,922	5,139,392	52,530
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	500	500	500	500	500	500	500	500	500	7,199	6,000	1,199
Total revenue	2,845,409	233,942	247,668	246,041	246,041	246,041	246,041	246,041	246,040	246,040	246,040	85,500	5,380,844	5,325,315	55,529
Expenses															
NANPA Administration (4), (7)	276,207	276,207	278,756	276,207	276,207	276,207	276,207	276,207	276,207	160,804	160,804	160,804	2,970,824	1,632,000	1,338,824
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	5,667	5,667	5,667	5,667	5,667	5,666	5,666	5,666	5,666	65,004	68,000	(2,996)
Annual Operations Audit (6)	-	-	40,000	-	-	-	-	-	-	-	-	-	40,000	40,000	-
Bank Charges (10)	1,471	5,795	4,424	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	29,015	23,100	5,915
Carrier Audits (11)	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000	300,000	-
Bad debt expense (12)	310	-	21,532	24,632	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	33,408	40,000	(6,592)
Total expenses	563,022	524,282	564,085	498,961	498,960	498,960	498,960	798,960	498,959	383,556	383,556	383,557	6,095,818	4,778,045	1,317,773
Net revenue (expenses)	2,282,387	(290,340)	(316,417)	(252,920)	(252,919)	(252,919)	(252,919)	(552,919)	(252,919)	(137,516)	(137,516)	(298,057)	714,974	547,270	(1,262,244)
Opening fund balance	906,833	3,189,220	2,898,880	2,582,463	2,329,543	2,076,624	1,823,705	1,570,786	1,017,867	764,948	627,432	489,916	906,833	952,730	(45,897)
Closing fund balance	3,189,220	2,898,880	2,582,463	2,329,543	2,076,624	1,823,705	1,570,786	1,017,867	764,948	627,432	489,916	191,859	191,859	1,500,000	(1,308,141)
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	829,543	576,624	323,705	70,786	(482,133)	(735,052)	(872,568)	(1,010,084)	(1,308,141)	(1,308,141)	-	-
	3,189,220	2,898,880	2,582,463	2,329,543	2,076,624	1,823,705	1,570,786	1,017,867	764,948	627,432	489,916	191,859	191,859	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 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 September 30, 2012. This will be covered by the contingency allowance.

Reconciliation of forecast at June 30, 2013 to budget

Budgeted fund balance at June 30/13 - contingency	1,500,000
Increase in fund balance between budget period (February 2012) and June 2012	(45,897)
Additional billings over estimate from budget	52,530
Late filing fees (reversal) for Form 499A	1,800
Over estimate of interest earned to date compared to budget	1,199
NANP Admin - difference between budget and actual contract awarded	(1,338,824)
NANP Admin - change orders issued	-
Additional billings from B & C Agent due to renewal of contract	-
Data Collection fees - Adjustment to actual from budget	2,996
Bad debts not budgeted for	6,592
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	(5,915)
Forecasted fund balance at June 30/13	191,859

CURRENT AND FORECASTED LIABILITIES

		Current						
		Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
NEUSTAR - NANPA Administration contract		278,756	276,207	276,207	276,207	276,207	276,207	276,207
- Payment authorized by the FCC in September August 2012	276,207							
- Authorization by the FCC has not been received for payment September 2012		\$ 278,756						
		<u>-</u>						
		<u>\$ 278,756</u>						
NEUSTAR - Block Pooling contract		181,614	181,614	181,614	181,614	181,614	181,614	181,614
- Payment authorized by the FCC in September August 2012	\$ 181,614							
- Authorization by the FCC has not been received for payment September 2012		\$ 181,614						
		<u>-</u>						
		<u>\$ 181,614</u>						
Welch LLP - Billing & Collection Agent		23,443	23,443	23,443	23,443	23,443	23,443	23,444
- Payment authorized by the FCC in September August 2012	23,443							
- Authorization by the FCC has not been received for payment September 2012		\$ 23,443						
		<u>-</u>						
		<u>\$ 23,443</u>						
USAC - Data Collection Agent		4,445	5,667	5,667	5,667	5,667	5,667	5,666
- Payment authorized by the FCC in September August 2012	4,445							
- Authorization by the FCC has not been received for payment September 2012		\$ 5,667						
		<u>-</u>						
		<u>\$ 5,667</u>						
Carrier audits		-	-	-	-	-	300,000	-
Ernst & Young LLP- Annual operations audit		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>						
NEUSTAR - pANI administration		6,771	6,771	6,771	6,771	6,771	6,771	6,771
- Payment authorized by the FCC in September August 2012	54,237							
- Authorization by the FCC has not been received for payment September 2012		\$ 6,771						
		<u>-</u>						
		<u>\$ 6,771</u>						
Bank Fees			1,925	1,925	1,925	1,925	1,925	1,926
Total		<u>535,029</u>	<u>495,627</u>	<u>495,627</u>	<u>495,627</u>	<u>495,627</u>	<u>795,627</u>	<u>495,628</u>

Deliverables Report

Distributing invoices

The monthly and annual invoices for carriers were mailed by September 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 September 10, 2012. We will start making phone calls to carriers who have a balance outstanding in October.

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 responded usually within 3 business days. 56 calls were received in September. 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 records. We anticipate that we will be sending any current unpaid debt to Treasury starting in November.