

**Billing and Collection Agent Report
For period ending April 30, 2010**

To NANC

May 6, 2010

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2010**

Assets

Cash Balance in bank account		\$ 2,372,405
Receivable from US Carriers	168,199	
Receivable from Canada	5,912	
Receivable from Caribbean countries	2,321	
Receivables forwarded to FCC for collection (Over 90 days)	290,063	
Allowance for uncollectible accounts	<u>(342,000)</u>	124,495
Prepaid maintenance contract		<u>4,800</u>
Total assets		2,501,700
Less: Accrued liabilities (see below for makeup)		<u>(690,906)</u>
 Fund balance		 <u>\$ 1,810,794</u>

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

Welch LLP	38,290	
NEUSTAR Pooling 1K Block Pooling Expenses	376,996	
NEUSTAR Admin Expenses	261,669	
Data Collection Agent - USAC	<u>13,951</u>	
	<u>\$ 690,906</u>	

Other items of note

During March, the bank account earned an average rate of return of 0.426

Welch is negotiating an interim contract because the existing contract and allowed extension period has expired.

The B&C WG and Welch asked the NANC to approve a revised contribution factor of 0.0000181 as compared to the 0.0000171 for the 2010/11 funding period which was approved at the February 2010 NANC meeting. The reason for this request results from a re-evaluation of the budget costs and anticipated industry revenue at the end of April. This re-evaluation is performed each year to ensure that there is no major change in assumptions from those made at the time the budget and contribution factor are initially prepared. In prior years, there have been no major changes. This year the assumption made in February of the degree that the industry revenue base had decreased in 2009 was significantly different from the preliminary data received from USAC based on the Form 499A filed in April 2010. The revenue based decreased by 6% instead of the 1% predicted in February.

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2009 TO JUNE 2010**

		Actual											Budgeted		Total	Budget	Variance between forecasted balance at June 30/10 and budget
		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10				
Revenue																	
International Contributions																	
	Canada (1)	11,828	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	-	70,948	70,948	-	
	Caribbean countries (1)	14,467	-	-	-	-	-	-	-	-	-	-	-	14,467	14,467	-	
Total International Contributions		26,295	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	-	85,415	85,415	-	
Domestic Contributions - US carriers																	
	(1)	1,524,170	151,995	105,690	108,557	104,682	122,555	105,392	109,046	109,819	107,437	108,738	-	2,658,081	2,487,497	170,584	
Late filing fees for Form 499A																	
	(2)	(4,550)	-	(1,800)	1,700	(3,400)	4,100	(6,700)	200	(3,600)	(300)	-	115,000	100,650	115,000	(14,350)	
Interest income																	
	(3)	163	246	1,161	1,417	1,410	1,392	993	856	961	1,193	167	167	10,126	2,000	8,126	
Total revenue		1,546,078	158,153	110,963	117,586	108,604	133,959	105,597	116,014	113,092	114,242	114,817	115,167	2,854,272	2,689,912	164,360	
Expenses																	
NANPA Administration																	
	(4), (8)	122,883	122,309	131,876	177,304	122,743	129,567	128,500	133,316	132,536	129,132	131,833	131,833	1,593,832	1,475,600	118,232	
1K Block Pooling Administration																	
	(4), (7)	189,373	200,156	215,254	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	2,301,265	2,263,289	37,976	
pANI																	
	(9)	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	(200,000)	
Billing and Collection																	
	(4)	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	238,800	238,800	-	
	(5)	4,183	9,456	6,532	3,915	4,231	3,405	4,545	2,580	3,246	6,255	4,450	4,450	57,248	53,400	3,848	
Annual Operations Audit																	
	(6)	-	-	34,000	-	-	-	-	-	-	-	-	-	34,000	34,000	-	
Carrier Audits																	
	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	700,000	(700,000)	
Bad debt expense																	
	(11)	27,606	-	37,216	-	2,416	(6,684)	20,336	-	(5,460)	(4,868)	-	-	70,562	-	70,562	
Total expenses		363,945	351,821	444,778	389,617	337,788	334,686	361,779	344,294	338,720	338,917	344,681	344,681	4,295,707	4,965,089	(669,382)	
Net revenue (expenses)		1,182,133	(193,668)	(333,815)	(272,031)	(229,184)	(200,727)	(256,182)	(228,280)	(225,628)	(224,675)	(229,864)	(229,514)	(1,441,435)	(2,275,177)	833,742	
Opening fund balance		2,792,851	3,974,984	3,781,316	3,447,501	3,175,470	2,946,286	2,745,559	2,489,377	2,261,097	2,035,469	1,810,794	1,580,930	2,792,851	1,775,177	17,674	
Closing fund balance		3,974,984	3,781,316	3,447,501	3,175,470	2,946,286	2,745,559	2,489,377	2,261,097	2,035,469	1,810,794	1,580,930	1,351,416	1,351,416	500,000	851,416	
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	3,474,984	3,281,316	2,947,501	2,675,470	2,446,286	2,245,559	1,989,377	1,761,097	1,535,469	1,310,794	1,080,930	851,416	851,416	-	-	
		3,974,984	3,781,316	3,447,501	3,175,470	2,946,286	2,745,559	2,489,377	2,261,097	2,035,469	1,810,794	1,580,930	1,351,416	1,351,416	500,000	-	

Assumptions:

- (1) The US carrier contributions for the period from July 2009 to June 2010 and the International carrier revenue is 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 expenses for the NANPA Administration, 1K Block Pooling and Welch LLP are based on contracts in force.
The contract with Welch LLP expires September 30, 2009. A six month extension until March 31, 2010 under the same terms has been exercised. The expense for B&C Agent for April 2010 to June 2010 is based on the current contract.
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2009 calendar year.
- (6) The contract for the annual operations audit has been awarded to Ernst & Young. The cost is \$34,000.
- (7) The May forecasted amount includes the forecasted monthly billing of \$188,498.
- (8) The May forecasted amount includes the forecasted monthly billing of \$131,833
- (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 2009/10. No change order has been issued. There has been no further action regarding this matter so the \$200,000 has been removed from the forecast.
- (10) The budget allowed \$700,000 for carrier audits. There will not be any performed in the remaining period January to June 2010.
- (11) The allowance covers all accounts considered potentially uncollectible at April 30, 2010. This will be covered by the contingency allowance.

Reconciliation of Forecast at June 30, 2010 to Budget

Budgeted fund balance at June 30/10 - contingency	500,000
Increase in fund balance between budget period (March 2009) and June 2009	17,674
Additional billings over estimate from budget	170,584
Late filing fees (reversal) for Form 499A - 2009	(14,350)
Additional interest earned to date compared to budget	8,126
NANP Admin - difference between budget and actual contract awarded after budget period	(118,232)
NANP - change orders	-
Data Collection fees - Adjustment to actual from budget	(3,848)
Bad debts not budgeted for	(70,562)
Pooling change orders	(37,976)
Carrier audits that will not be performed	700,000
Permanent pANI that will not be expended prior to June 30th.	200,000
Fund balance at June 30/10	1,351,416

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

Projection										
	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Projected Revenue										
International Contributions										
Canada	(1) 6,670	6,670	6,670	6,670	6,670	6,670	6,670	6,670	6,670	6,670
Caribbean countries	(1) 16,403	-	-	-	-	-	-	-	-	-
Total International Contributions	23,073	6,670	6,670	6,670	6,670	6,670	6,670	6,670	6,670	6,670
Domestic Contributions - US carriers	(1) 2,166,218	186,850	186,850	186,850	186,850	186,850	186,850	186,850	186,850	186,850
Late filing fees for Form 499A	(2) -	-	-	-	-	-	-	-	-	-
Interest income	(3) 1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total projected revenue	2,190,291	194,520	194,520	194,520	194,520	194,520	194,520	194,520	194,520	194,520
Projected Expenses										
NANPA Administration	(4) 131,000	166,000	191,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000
1K Block Pooling Administration	(5) 188,498	186,934	185,365	185,365	185,365	185,365	185,365	185,365	185,365	185,365
pANI	(6) 16,666	16,666	16,666	16,666	16,666	16,666	16,666	16,666	16,666	16,666
Billing and Collection										
Welch LLP	(7) 19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
Data Collection Agent	(8) 4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Annual Operations Audit	(9) -	-	36,000	-	-	-	-	-	-	-
Carrier Audits	(10) -	-	-	-	-	-	-	700,000	-	-
Bad debt expense (recovery)	(11) -	-	70,000	-	-	-	-	-	-	-
Total projected expenses	360,564	394,000	523,431	357,431	357,431	357,431	357,431	1,057,431	357,431	357,431
Projected Net revenue (expenses)	1,829,727	(199,480)	(328,911)	(162,911)	(162,911)	(162,911)	(162,911)	(862,911)	(162,911)	(162,911)
Projected Opening fund balance	1,351,416	3,181,143	2,981,663	2,652,752	2,489,841	2,326,930	2,164,019	2,001,108	1,138,197	975,286
Projected Closing fund balance	3,181,143	2,981,663	2,652,752	2,489,841	2,326,930	2,164,019	2,001,108	1,138,197	975,286	812,375
Projected Fund balance makeup:										
Contingency	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Surplus	2,681,143	2,481,663	2,152,752	1,989,841	1,826,930	1,664,019	1,501,108	638,197	475,286	312,375
	<u>3,181,143</u>	<u>2,981,663</u>	<u>2,652,752</u>	<u>2,489,841</u>	<u>2,326,930</u>	<u>2,164,019</u>	<u>2,001,108</u>	<u>1,138,197</u>	<u>975,286</u>	<u>812,375</u>

Assumptions:

- (1) The contributions for July 2010 - April 2011 are estimated based on the budget for 2010/11
- (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 January 8, 2011.
- (5) The expense for the 1K Block Pooling is based on the contract in force.
- (6) Interim p-ANNI administration is now covered under the new Pooling contract. \$200,000 has been allowed for the cost of permanent pANI in 2010/11. No change order has been issued.
- (7) The cost of B&C Agent is based on the cost of the expired Welch LLP contract.
- (8) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2010 calendar year.
- (9) The cost of the annual operations audit is based on the cost of the prior year's audit.
- (10) The budget allowed \$700,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible. This will be covered by the contingency allowance

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current <u>Apr-10</u>	<u>May-10</u>	<u>Jun-10</u>	<u>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>	<u>Oct-10</u>	<u>Nov-10</u>
NEUSTAR - NANPA Administration contract	261,669	131,833	131,833	131,000	166,000	191,000	131,000	131,000
- Authorization by the FCC has not been received for payment								
March 2010	\$ 132,537							
April 2010	<u>129,132</u>							
	<u>\$ 261,669</u>							
NEUSTAR - Block Pooling contract	376,996	188,498	188,498	188,498	186,934	185,365	185,365	185,365
- Authorization by the FCC has not been received for payment								
March 2010	\$ 188,498							
April 2010	<u>188,498</u>							
	<u>\$ 376,996</u>							
Welch LLP - Billing & Collection Agent	38,290	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Authorization by the FCC has not been received for payment								
March 2010	\$ 18,390							
April 2010 (estimate)	<u>19,900</u>							
	<u>\$ 38,290</u>							
USAC - Data Collection Agent	13,951	4,450	4,450	4,500	4,500	4,500	4,500	4,500
- Authorization by the FCC has not been received for payment								
February 2010	3,246							
March 2010	6,255							
April 2010 (estimate)	<u>4,450</u>							
	<u>\$ 13,951</u>							
Carrier audits	-	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	-	-	-	-	-	36,000	-	-
Accrual for 2010/11 audit fee	\$ -							
NEUSTAR - pANI administration	\$ -	-	-	16,666	16,666	16,666	16,666	16,666
Total	<u>690,906</u>	<u>344,681</u>	<u>344,681</u>	<u>360,564</u>	<u>394,000</u>	<u>453,431</u>	<u>357,431</u>	<u>357,431</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were mailed April 12, 2010

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 sent out for new receivable balances under 90 days old.

FCC Red Light Notices

There was one payment received from the FCC for delinquent accounts in the amount of \$2,385.19 representing collections from 19 carriers.

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. 17 calls were received in April. Most calls were questions about the statement received, who is NANP, why should they fund NANP, the company is out of business, change of address and request for copies of invoices and why they were sent to collections with the FCC.

Staffing Changes

Nothing new to report.

Contract Renewal

The FCC has not started this process yet. The contract expired October 1, 2009. Welch LLP is on the USGSA list. Welch LLP received a 6 month bridge extension with the same terms as the current contract which ended March 31, 2010. Welch and the FCC are negotiating a four month interim contract.

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.

We will start the process of preparing other write-off packages starting in May.