

**Billing and Collection Agent Report
For period ending April 30, 2008**

To NANC

June 19, 2008

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2008**

Assets

| | | |
|--|------------------|----------------------------|
| Cash Balance in bank account | \$ | 63,592 |
| Dreyfus Government Cash Management Fund | | 3,419,000 |
| | | |
| Receivable from US Carriers | 221,739 | |
| Receivable from Canada | 5,910 | |
| Receivable from Caribbean countries | 1,134 | |
| Receivables forwarded to FCC for collection (Over 90 days) | 190,195 | |
| Allowance for uncollectible accounts | <u>(214,000)</u> | 204,978 |
| | | |
| Interest receivable | | <u>6,537</u> |
| Total assets | | 3,694,107 |
| | | |
| Less: Accrued liabilities (see below for makeup) | | (440,601) |
| | | <u>-</u> |
| Fund balance | | <u>\$ 3,253,506</u> |

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

| | | |
|---|-------------------|--|
| Welch LLP | 18,394 | |
| NEUSTAR Pooling 1K Block Pooling Expenses | 189,373 | |
| NEUSTAR Admin Expenses | 118,500 | |
| Data Collection Agent - USAC | 9,334 | |
| Fund audit | <u>105,000</u> | |
| | <u>\$ 440,601</u> | |

Other items of note

During April 2008, the Dreyfus Government Cash Management Fund earned a rate of return of 2.27%.

The contract for NANP Administration expires July 8, 2008. The FCC has exercised its Option to Extend Services (Clause 52.217-8). The contract has been extended for a period of six months from July 9, 2008 to January 8, 2009 based on the rates and limits under the existing contract.

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2007 TO APRIL 2009**

| | Actual | | Budgeted | | Total | Budget | Variance between forecasted balance at June 30/08 and budget |
|--|---------------------|-------------------|-------------------|-------------------|------------------|-------------------|--|
| | July 07 - Mar 08 | Apr-08 | May-08 | Jun-08 | | | |
| Revenue | | | | | | | |
| International Contributions | | | | | | | |
| Canada (1) | 59,101 | 5,910 | 5,911 | - | 70,922 | 70,922 | - |
| Caribbean countries (1) | 13,970 | - | - | - | 13,970 | 13,949 | 21 |
| Total International Contributions | 73,071 | 5,910 | 5,911 | - | 84,892 | 84,871 | 21 |
| Domestic Contributions - US carriers (1) | 4,159,782 | 212,470 | 199,777 | - | 4,572,029 | 4,530,185 | 41,844 |
| Late filing fees for Form 499A (2) | (8,300) | 200 | - | 147,700 | 139,600 | 115,000 | 24,600 |
| Interest income (3) | 142,552 | 6,546 | 15,000 | 15,000 | 179,098 | 180,000 | (902) |
| Total revenue | 4,367,105 | 225,126 | 220,688 | 162,700 | 4,975,619 | 4,910,056 | 65,563 |
| Expenses | | | | | | | |
| NANPA Administration (4), (8) | 1,094,650 | 124,928 | 201,641 | 149,820 | 1,571,039 | 1,450,340 | 120,699 |
| 1K Block Pooling Administration (4), (7) | 1,956,679 | 189,373 | 189,373 | 189,373 | 2,524,798 | 3,200,000 | (675,202) |
| pANI (9) | (433,847) | - | - | - | (433,847) | 225,000 | (658,847) |
| Billing and Collection | | | | | | | |
| Welch LLP (4) | 179,100 | 19,900 | 19,900 | 19,900 | 238,800 | 238,800 | - |
| Data Collection Agent (5) | 36,240 | 4,667 | 4,667 | 4,667 | 50,241 | 56,000 | (5,759) |
| Annual Operations Audit (6) | - | - | - | 30,000 | 30,000 | 30,000 | - |
| Carrier Audits (10) | - | - | - | - | - | 700,000 | (700,000) |
| Bad debt expense (recovery) (11) | 62,547 | - | - | - | 62,547 | - | 62,547 |
| Total expenses | 2,895,369 | 338,868 | 415,581 | 393,760 | 4,043,578 | 5,900,140 | (1,856,562) |
| Net revenue (expenses) | 1,471,736 | (113,742) | (194,893) | (231,060) | 932,041 | (990,084) | 1,922,125 |
| Opening fund balance | 1,895,512 | 3,367,248 | 3,253,506 | 3,058,613 | 1,895,512 | 1,990,084 | (94,572) |
| Closing fund balance | 3,367,248 | 3,253,506 | 3,058,613 | 2,827,553 | 2,827,553 | 1,000,000 | 1,827,553 |
| Fund balance makeup: | | | | | | | |
| Contingency | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | - |
| Surplus | 2,367,248 | 2,253,506 | 2,058,613 | 1,827,553 | 1,827,553 | - | - |
| | 3,367,248 | 3,253,506 | 3,058,613 | 2,827,553 | 2,827,553 | 1,000,000 | - |

Assumptions:

- (1) The US carrier contributions for the period from July 2007 to June 2008 and the International carrier revenue is based upon actual billings. The contributions for July 2008 to March 2009 are based on actual billings for 2008.
- (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. NANPA Administration contract expires June 2008. The expense for NANPA Administration for July 2008 - March 2009 is based on the current contract based on the option to extend exercised by the FCC.
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2008 calendar year.
- (6) \$45,000 for 2004/05 and \$30,000 each has been accrued for 2005/06 and 2006/07 fiscal years for the annual operations audit. The contract has been awarded to Ernst & Young.
- (7) The May forecasted amount includes the forecasted monthly billing of \$189,375.
- (8) The May forecasted amount includes the forecasted monthly billing of \$110,763 plus approved changes orders of \$94,009.
- (9) Interim p-ANI administration is now covered under the new Pooling contract. \$100,000 has been allowed for the cost of permanent pANI in 2008/09.
- (10) The budget allowed \$700,000 for 16 carrier audits. The FCC indicated that no audits have been performed or will be before June 2008. The FCC is revising the procurement procedure and are not conducting any audits until this is resolved.
- (11) The allowance covers all accounts considered potentially uncollectible at April 30, 2008. This will be covered by the contingency allowance.

| | Estimated | | | | | | | | | |
|--|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | Jan-09 | Feb-09 | Mar-09 | Apr-09 |
| | 5,733 | 5,733 | 5,733 | 5,733 | 5,733 | 5,733 | 5,733 | 5,733 | 5,733 | 5,733 |
| | 13,589 | - | - | - | - | - | - | - | - | - |
| | 19,322 | 5,733 | 5,733 | 5,733 | 5,733 | 5,733 | 5,733 | 5,733 | 5,733 | 5,733 |
| | 1,920,783 | 178,780 | 178,780 | 178,780 | 178,780 | 178,780 | 178,780 | 178,780 | 178,780 | 178,780 |
| | - | - | - | - | - | - | - | - | - | - |
| | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| | 1,955,105 | 199,513 | 199,513 | 199,513 | 199,513 | 199,513 | 199,513 | 199,513 | 199,513 | 199,513 |
| | 117,388 | 117,388 | 117,388 | 117,388 | 117,388 | 117,388 | 117,388 | 117,388 | 117,388 | 117,388 |
| | 189,373 | 189,373 | 189,373 | 189,373 | 189,373 | 189,373 | 189,373 | 189,373 | 189,373 | 189,373 |
| | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 |
| | 19,900 | 19,900 | 19,900 | 19,900 | 19,900 | 19,900 | 19,900 | 19,901 | 19,901 | 19,901 |
| | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 |
| | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | 700,000 | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| | 339,494 | 339,494 | 339,494 | 339,494 | 339,494 | 339,494 | 339,494 | 1,039,495 | 339,495 | 339,495 |
| | 1,615,611 | (139,981) | (139,981) | (139,981) | (139,981) | (139,981) | (139,981) | (839,982) | (139,982) | (139,982) |
| | 2,827,553 | 4,443,164 | 4,303,183 | 4,163,202 | 4,023,221 | 3,883,240 | 2,203,468 | 2,063,487 | 1,223,505 | 1,083,523 |
| | 4,443,164 | 4,303,183 | 4,163,202 | 4,023,221 | 3,883,240 | 3,743,259 | 2,063,487 | 1,223,505 | 1,083,523 | 943,541 |
| | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| | 3,443,164 | 3,303,183 | 3,163,202 | 3,023,221 | 2,883,240 | 2,743,259 | 1,063,487 | 223,505 | 83,523 | 56,459 |
| | 4,443,164 | 4,303,183 | 4,163,202 | 4,023,221 | 3,883,240 | 3,743,259 | 2,063,487 | 1,223,505 | 1,083,523 | 943,541 |

Reconciliation of Forecast at June 30, 2008 to Budget

| | |
|---|------------------|
| Budgeted fund balance at June 30/08 - contingency | 1,000,000 |
| Shortfall in fund incurred between budget period (March 2007) and June 2007 | (94,572) |
| Additional billings in July 2007 to March 2008 | 41,865 |
| Late filing fees (reversal) for Form 499A - 2006 | 24,600 |
| Additional interest earned to date over budget | (902) |
| Adjustment to June NANP Admin estimate to actual | 7,000 |
| NANP Admin change orders#6 - 14 not budgeted for | (127,699) |
| Data Collection fees - Adjust March 2007 to March 2008 estimates to actual | 5,759 |
| Bad debts not budgeted for | (62,547) |
| Annual operations audit - 2005, 2006 and 2007 not performed yet | - |
| Unexpended budget for carrier audits not performed in 2006/07 budget year | 700,000 |
| Adjustment of interim p-ANI costs to actual (over budgeted) based on CO#48 | 433,847 |
| p-ANI costs included in Pooling contract - not a separate item as budgeted | 225,000 |
| Change order #46 cancelled, adjustments to CO # 44,47,49 and 51 from budgeted | 35,039 |
| Pooling Change Order #51 not budgeted | (16,987) |
| Adjustment for Pooling based on actual contract from mid August to June 30th | 763,212 |
| Adjustment to April to mid August 2007 Pooling bill estimates to actual | 218,647 |
| Pooling - award fee | (9,056) |
| Pooling - merit bonus re old contract (Jan 1/07 to August 14/07) | (183,805) |
| Pooling - Fixed fee re old contract (Jan 1/07 to August 14/07) | (131,848) |
| Forecasted Fund balance at June 30/08 | 2,827,553 |

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

| | | <u>Current</u> | | | | | | | |
|--|---------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | <u>Apr-08</u> | <u>May-08</u> | <u>Jun-08</u> | <u>Jul-08</u> | <u>Aug-08</u> | <u>Sep-08</u> | <u>Oct-08</u> | <u>Nov-08</u> |
| NEUSTAR - NANPA Administration contract | | 118,500 | 201,641 | 149,820 | 117,388 | 117,388 | 117,388 | 117,388 | 117,388 |
| - Payment authorized by the FCC on April 4/08, received by Welch April 9/08 March 2008 | 118,492 | | | | | | | | |
| - Authorization by the FCC has not been received for payment April 2008 | | 118,500 | | | | | | | |
| | | - | | | | | | | |
| | | <u>\$ 118,500</u> | | | | | | | |
| NEUSTAR - Block Pooling contract | | 189,373 | 189,373 | 189,373 | 189,373 | 189,373 | 189,373 | 189,373 | 189,373 |
| - Payment authorized by the FCC on April 4/08, received by Welch April 9/08 March 2008 | 189,374 | | | | | | | | |
| - Authorization by the FCC has not been received for payment April 2008 | | 189,373 | | | | | | | |
| | | - | | | | | | | |
| | | <u>\$ 189,373</u> | | | | | | | |
| Welch LLP - Billing & Collection Agent | | 18,394 | 19,900 | 19,900 | 19,900 | 19,900 | 19,900 | 19,900 | 19,900 |
| - Payment authorized by the FCC on April 4/08, received by Welch April 9/08 March 2008 | 18,763 | | | | | | | | |
| - Authorization by the FCC has not been received for payment April 2008 | | \$ 18,394 | | | | | | | |
| USAC - Data Collection Agent | | 9,334 | 4,667 | 4,667 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 |
| - Payment authorized by the FCC on April 4/08, received by Welch April 9/08 February 2008 | 5,013 | | | | | | | | |
| - Authorization by the FCC has not been received for payment March 2008 - estimate April 2008 - estimate | | \$ 4,667 | | | | | | | |
| | | 4,667 | | | | | | | |
| | | <u>\$ 9,334</u> | | | | | | | |
| Carrier audits | | - | - | - | - | - | - | - | - |
| External auditor- Annual operations audit | | 105,000 | - | 30,000 | - | - | - | - | - |
| - \$105,000 represents an accrual for audit fees for the 2004/05, 2005/06 and 2006/07fiscal years of NANPA. Auditor has not been determined | | <u>\$ 105,000</u> | | | | | | | |
| NEUSTAR - pANI administration | | \$ - | - | - | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 |
| Total | | <u>440,601</u> | <u>415,581</u> | <u>393,760</u> | <u>339,494</u> | <u>339,494</u> | <u>339,494</u> | <u>339,494</u> | <u>339,494</u> |