

**Billing and Collection Agent Report
For period ending August 31, 2008**

To NANC

September 16, 2008

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2008**

Assets

Cash Balance in bank account	\$	78,348
Dreyfus Government Cash Management Fund		5,096,000
Receivable from US Carriers	381,269	
Receivable from Canada	5,733	
Receivable from Caribbean countries	1,530	
Receivables forwarded to FCC for collection (Over 90 days)	174,817	
Allowance for uncollectible accounts	<u>(288,000)</u>	275,349
Interest receivable		<u>7,645</u>
Total assets		5,457,342
Less: Accrued liabilities (see below for makeup)		(749,828)
		<u>-</u>
Fund balance		<u>\$ 4,707,514</u>

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

Welch LLP	36,659	
NEUSTAR Pooling 1K Block Pooling Expenses	378,747	
NEUSTAR Admin Expenses	240,755	
Data Collection Agent - USAC	13,667	
Fund audit	<u>80,000</u>	
	<u>\$ 749,828</u>	

Other items of note

During August 2008, the Dreyfus Government Cash Management Fund earned a rate of return of 1.78%.

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2008 TO AUGUST 2009**

	Actual		Budgeted										Total	Budget	Variance between forecasted balance at June 30/08 and budget	Estimated		
	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09				Jul-09	Aug-09	
Revenue																		
International Contributions																		
Canada	(1)	11,466	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733
Caribbean countries	(1)	13,589	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total International Contributions		25,055	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733
Domestic Contributions - US carriers	(1)	2,269,639	171,325	178,720	178,720	178,720	178,720	178,720	178,720	178,720	178,720	178,720	178,720	178,720	178,720	178,720	178,720	178,720
Late filing fees for Form 499A	(2)	(500)	(2,300)	-	-	-	-	-	-	-	-	-	-	-	115,000	-	-	-
Interest income	(3)	7,225	7,851	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total revenue		2,301,419	182,609	199,453	199,453	199,453	199,453	199,453	199,453	199,453	199,453	199,453	199,452	130,000	4,409,104	4,272,467	136,637	2,303,961
Expenses																		
NANPA Administration	(4), (8)	121,333	119,422	215,756	122,256	122,256	122,256	122,256	122,256	122,256	122,256	122,256	122,256	122,256	1,556,815	1,408,661	148,154	121,825
1K Block Pooling Administration	(4), (7)	189,373	189,373	189,373	189,373	189,373	189,374	189,374	189,374	189,374	189,374	189,374	189,374	189,374	2,272,483	2,272,483	-	189,373
pANI	(9)	-	-	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	83,330	100,000	(16,670)	8,333
Billing and Collection																		
Welch LLP	(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	19,900	238,800	238,800	-	19,900
Data Collection Agent	(5)	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	54,000	54,000	-	4,500
Annual Operations Audit	(6)	-	-	-	-	-	-	-	-	-	-	-	-	30,000	30,000	30,000	-	-
Carrier Audits	(10)	-	-	-	-	-	-	-	700,000	-	-	-	-	-	700,000	700,000	-	-
Bad debt expense (recovery)	(11)	39	(4,705)	-	-	-	-	-	-	-	-	-	-	-	4,666	-	(4,666)	-
Total expenses		335,145	328,490	437,862	344,362	344,362	344,363	344,363	344,363	344,363	344,363	344,363	344,363	374,363	4,930,762	4,803,944	126,818	343,931
Net revenue (expenses)		1,966,274	(145,881)	(238,409)	(144,909)	(144,909)	(144,910)	(144,910)	(144,910)	(144,910)	(144,910)	(144,910)	(144,910)	(244,363)	521,658	(531,477)	9,819	1,960,030
Opening fund balance		2,887,121	4,853,395	4,707,514	4,469,105	4,324,196	4,179,287	4,034,377	3,889,467	3,044,557	2,899,647	2,754,737	2,609,826	2,609,826	1,895,512	2,730,440	156,681	2,365,463
Closing fund balance		4,853,395	4,707,514	4,469,105	4,324,196	4,179,287	4,034,377	3,889,467	3,044,557	2,899,647	2,754,737	2,609,826	2,365,463	2,365,463	1,373,854	2,198,963	166,500	4,325,493
Fund balance makeup:																		
Contingency		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	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	1,000,000
Surplus		3,853,395	3,707,514	3,469,105	3,324,196	3,179,287	3,034,377	2,889,467	2,044,557	1,899,647	1,754,737	1,609,826	1,365,463	1,365,463	373,854	1,198,963	-	3,325,493
		4,853,395	4,707,514	4,469,105	4,324,196	4,179,287	4,034,377	3,889,467	3,044,557	2,899,647	2,754,737	2,609,826	2,365,463	2,365,463	1,373,854	2,198,963	166,500	4,325,493

Assumptions:

- (1) The US carrier contributions for the period from July 2008 to June 2009 and the International carrier revenue is based upon actual billings. The contributions for July - August 2009 are estimated based on billings for 2008/09.
- (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 expired June 2008. The expense for NANPA Administration for July - August 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 2009 calendar year.
- (6) The contract for the annual operations audit has been awarded to Ernst & Young. The cost will be \$30,000.
- (7) The September forecasted amount includes the forecasted monthly billing of \$189,375.
- (8) The September forecasted amount includes the forecasted monthly billing of \$122,256 plus approved changes orders of \$93,500.
- (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 is revising the procurement procedure and are not conducting any audits until this is in place.
- (11) The allowance covers all accounts considered potentially uncollectible at August 31, 2008. This will be covered by the contingency allowance.

Reconciliation of Forecast at June 30, 2009 to Budget

Budgeted fund balance at June 30/09 - contingency	1,000,000
Unexpended surplus carried forward - as per budget	1,198,963
Increase in fund balance between budget period (February 2008) and June 2008	156,681
Additional billings in July 2008	154,361
Late filing fees (reversal) for Form 499A - 2008	(2,800)
Reduced interest earned to date compared to budget	(14,924)
NANP transitional costs being charged - not included in budget	(54,654)
NANP Admin change order #15 originally included in 2007/08 surplus but not expended	(93,500)
Data Collection fees - Adjustment to actual from budget	-
Bad debts (recovery)/not budgeted for	4,666
Annual Operations Audit	-
Unexpended budget for carrier audits not performed in 2008/09 budget year	-
Cost of permanent pANI not expended	16,670
	-
Forecasted fund balance at June 30/09	2,365,463

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	<u>Current</u> <u>Aug-08</u>	<u>Sep-08</u>	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>
NEUSTAR - NANPA Administration contract	240,755	215,756	122,256	122,256	122,256	122,256	122,256	122,256
- Authorization by the FCC has not been received for payment								
July 2008	121,333							
August 2008	119,422							
	<u>\$ 240,755</u>							
NEUSTAR - Block Pooling contract	378,747	189,373	189,373	189,373	189,374	189,374	189,374	189,374
- Authorization by the FCC has not been received for payment								
July 2008	189,373							
August 2008	189,374							
	<u>\$ 378,747</u>							
Weich LLP - Billing & Collection Agent	36,659	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Authorization by the FCC has not been received for payment								
August 2008	19,900							
Jul-09	16,759							
	<u>\$ 36,659</u>							
USAC - Data Collection Agent	13,667	4,500	4,500	4,500	4,500	4,500	4,500	4,500
- Authorization by the FCC has not been received for payment								
June 2008 (estimate)	4,667							
July 2008 (estimate)	4,500							
August 2008 (estimate)	4,500							
	<u>\$ 13,667</u>							
Carrier audits	-	-	-	-	-	-	700,000.00	-
External auditor- Annual operations audit	80,000	-	-	-	-	-	-	-
- \$50,000 represents the cost for audit fees for the 2004/05, 2005/06 and 2006/07fiscal years of NANPA. \$30,000 is the cost for the 2007/08 audit that will be done in the fall of 2008.								
	<u>\$ 80,000</u>							
NEUSTAR - pANI administration	\$ -	-	8,333	8,333	8,333	8,333	8,333	8,333
Total	<u>749,828</u>	<u>437,862</u>	<u>344,362</u>	<u>344,362</u>	<u>344,363</u>	<u>344,363</u>	<u>1,044,363</u>	<u>344,363</u>