

**Billing and Collection Agent Report  
For period ending July 31, 2009**

**To NANC**

**August 31, 2009**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
JULY 31, 2009**

**Assets**

Cash Balance in bank account	\$	77,892
Dreyfus Government Cash Management Fund		3,937,000
Receivable from US Carriers	368,024	
Receivable from Canada	-	
Receivable from Caribbean countries	3,654	
Receivables forwarded to FCC for collection (Over 90 days)	238,037	
Allowance for uncollectible accounts	<u>(310,000)</u>	299,715
Interest receivable		<u>-</u>
<b>Total assets</b>		<b>4,314,607</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b>(339,625)</b>
<b>Fund balance</b>		<b><u>\$ 3,974,982</u></b>

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

Welch LLP	18,686	
NEUSTAR Pooling 1K Block Pooling Expenses	189,373	
NEUSTAR Admin Expenses	122,883	
Data Collection Agent - USAC	8,683	
External Fund audit	-	
	<u>339,625</u>	<u>\$ 339,625</u>

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**Other items of note**

During July 2009, the Dreyfus Government Cash Management Fund earned an average rate of return of 0.00%.

A new bridge contract was awarded to NeuStar for the period July 9, 2009 to January 8, 2010 with two 6 month option periods.

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

	Actual	Budgeted											Total	Budget	Variance between forecasted balance at June 30/10 and budget	Estimated Jul-10		
		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10					Jun-10	
<b>Revenue</b>																		
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	5,912	5,912	-	70,948	70,948	-	5,912
Caribbean countries (1)	14,467	-	-	-	-	-	-	-	-	-	-	-	-	-	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	5,912	5,912	-	85,415	85,415	-	20,379
Domestic Contributions - US carriers (1)	1,524,170	108,738	108,738	108,738	108,738	108,738	108,738	108,738	108,738	108,738	108,738	108,738	108,738	-	2,611,550	2,487,497	124,053	2,730,174
Late filing fees for Form 499A (2)	( 4,550)													115,000	110,450	115,000	( 4,550)	-
Interest income (3)	163	167	167	167	167	167	167	167	167	167	167	167	167	-	2,000	2,000	-	166
<b>Total revenue</b>	<b>1,546,078</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>114,817</b>	<b>115,167</b>	<b>2,809,415</b>	<b>2,689,912</b>	<b>119,503</b>	<b>-</b>	<b>2,750,719</b>
<b>Expenses</b>																		
NANPA Administration (4), (8)	122,883	195,530	123,300	123,300	123,300	123,300	131,833	131,833	131,833	131,833	131,833	131,833	131,833	-	1,602,611	1,475,600	127,011	131,000
1K Block Pooling Administration (4), (7)	189,373	188,936	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	-	2,263,289	2,263,289	-	188,498
pANI (9)	-	33,332	16,666	16,666	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	-	200,000	200,000	-	16,666
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)	4,183	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	-	53,133	53,400	( 267)	4,450
Annual Operations Audit (6)	-	-	-	-	-	-	-	-	-	-	-	-	34,000	-	34,000	34,000	-	-
Carrier Audits (10)	-	-	-	-	-	-	-	700,000	-	-	-	-	-	-	700,000	700,000	-	-
Bad debt expense (recovery) (11)	27,606	-	-	-	-	-	-	-	-	-	-	-	-	-	27,606	-	27,606	-
<b>Total expenses</b>	<b>363,945</b>	<b>442,148</b>	<b>352,814</b>	<b>352,814</b>	<b>352,815</b>	<b>352,815</b>	<b>361,348</b>	<b>1,061,348</b>	<b>361,348</b>	<b>361,348</b>	<b>361,348</b>	<b>361,348</b>	<b>395,348</b>	<b>5,119,439</b>	<b>4,965,089</b>	<b>154,350</b>	<b>-</b>	<b>360,514</b>
<b>Net revenue (expenses)</b>	<b>1,182,133</b>	<b>( 327,331)</b>	<b>( 237,997)</b>	<b>( 237,997)</b>	<b>( 237,998)</b>	<b>( 237,998)</b>	<b>( 246,531)</b>	<b>( 946,531)</b>	<b>( 246,531)</b>	<b>( 246,531)</b>	<b>( 246,531)</b>	<b>( 246,531)</b>	<b>( 280,181)</b>	<b>( 2,310,024)</b>	<b>( 2,275,177)</b>	<b>( 34,847)</b>	<b>( 34,847)</b>	<b>2,390,205</b>
<b>Opening fund balance</b>	<b>2,792,851</b>	<b>3,974,984</b>	<b>3,647,653</b>	<b>3,409,656</b>	<b>3,171,659</b>	<b>2,933,661</b>	<b>2,695,663</b>	<b>2,449,132</b>	<b>1,502,601</b>	<b>1,256,070</b>	<b>1,009,539</b>	<b>763,008</b>	<b>763,008</b>	<b>2,792,851</b>	<b>1,775,177</b>	<b>17,674</b>	<b>17,674</b>	<b>482,827</b>
<b>Closing fund balance</b>	<b>3,974,984</b>	<b>3,647,653</b>	<b>3,409,656</b>	<b>3,171,659</b>	<b>2,933,661</b>	<b>2,695,663</b>	<b>2,449,132</b>	<b>1,502,601</b>	<b>1,256,070</b>	<b>1,009,539</b>	<b>763,008</b>	<b>482,827</b>	<b>482,827</b>	<b>482,827</b>	<b>500,000</b>	<b>-</b>	<b>17,173</b>	<b>2,873,032</b>
<b>Fund balance makeup:</b>																		
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	500,000	-	500,000
Surplus	3,474,984	3,147,653	2,909,656	2,671,659	2,433,661	2,195,663	1,949,132	1,002,601	756,070	509,539	263,008	( 17,173)	( 17,173)	-	-	-	-	2,373,032
	<b>3,974,984</b>	<b>3,647,653</b>	<b>3,409,656</b>	<b>3,171,659</b>	<b>2,933,661</b>	<b>2,695,663</b>	<b>2,449,132</b>	<b>1,502,601</b>	<b>1,256,070</b>	<b>1,009,539</b>	<b>763,008</b>	<b>482,827</b>	<b>482,827</b>	<b>482,827</b>	<b>500,000</b>	<b>-</b>	<b>17,173</b>	<b>2,873,032</b>

**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. The contributions for July 2010 - June 2011 are estimated based on billings for 2009/10.
- (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. The expense for Welch LLP for October 2009 to July 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 will be \$34,000.
- (7) The August forecasted amount includes the forecasted monthly billing of \$189,375 plus change orders 5&7 in the amount of \$44,821.
- (8) The August forecasted amount includes the forecasted monthly billing of \$123,300 plus the cost of software, hardware and maintenance service in the amount of \$72,230.
- (9) Interim p-ANNI 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.
- (10) The budget allowed \$700,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible at July 31, 2009. This will be covered by the contingency allowance.

**Reconciliation of Forecast at June 30, 2010 to Budget**

<b>Budgeted fund balance at June 30/10 - contingency</b>	<b>500,000</b>
Increase in fund balance between budget period (March 2009) and June 2009	17,674
Additional billings over estimate from budget	124,053
Late filing fees (reversal) for Form 499A - 2009	(4,550)
Reduced interest earned to date compared to budget	-
NANP Admin - difference between budget and actual contact awarded after budget period	(127,011)
NANP - change orders	-
Data Collection fees - Adjustment to actual from budget	267
Bad debts (recovery) not budgeted for	(27,606)
Annual Operations Audit	-
Unexpended budget for carrier audits not performed in 2008/09 budget year	-
Cost of permanent pANI not expended	-
Pooling change orders	-
<b>Fund balance at June 30/10</b>	<b>482,827</b>

**NANPA FUND  
CURRENT AND FORECASTED LIABILITIES**

		Current							
		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10
<b>NEUSTAR - NANPA Administration contract</b>		122,883	122,967	122,967	122,967	122,967	122,967	122,967	122,967
- Payment authorized by the FCC on July8/09, received by Welch July 16/09 June 2009	121,300								
- Authorization by the FCC has not been received for payment July 2009	<u>\$ 122,883</u>								
<b>NEUSTAR - Block Pooling contract</b>		189,373	188,936	188,498	188,498	188,498	188,498	188,498	188,498
- Payment authorized by the FCC on July8/09, received by Welch July 16/09 June 2009	189,374								
Change Order #6	17,517								
Change Order #8	4,673								
- Authorization by the FCC has not been received for payment July 2009	<u>\$ 189,373</u>								
	-								
	<u>\$ 189,373</u>								
<b>Welch LLP - Billing &amp; Collection Agent</b>		18,686	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on July8/09, received by Welch July 16/09 June 2009	19,900								
- Authorization by the FCC has not been received for payment July 2009	<u>\$ 18,686</u>								
<b>USAC - Data Collection Agent</b>		8,683	4,450	4,450	4,450	4,450	4,450	4,450	4,450
- Payment authorized by the FCC on July8/09, received by Welch July 16/09 May 2009	4,362								
- Authorization by the FCC has not been received for payment June 2009	4,233								
July 2009 (estimate)	4,450								
	<u>\$ 8,683</u>								
<b>Carrier audits</b>		-	-	-	-	-	-	-	700,000
<b>Ernst &amp; Young LLP- Annual operations audit</b>		-	-	-	-	-	-	-	-
<b>NEUSTAR - pANI administration</b>	\$ -	-	33,332	16,666	16,666	16,667	16,667	16,667	16,667
<b>Total</b>		<u>339,625</u>	<u>369,585</u>	<u>352,481</u>	<u>352,481</u>	<u>352,482</u>	<u>352,482</u>	<u>352,482</u>	<u>1,052,482</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were mailed July 11, 2009.

## **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 not printed at the end of July to prevent confusion and double payment of the June invoice. Statements will be sent out the end of August.

## **FCC Red Light Notices**

The FCC collected and remitted to NANP \$1,570.74 representing 12 delinquent carrier payments. Welch has not been permitted to send recall notices of delinquent debt paid to the FCC for removal from the RedLight Report. This has been in effect since mid June. Effective the end of August we can resume sending recall notice of debt to the FCC Collections.

## **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. 66 calls were received in July. Most calls were questions such as what is NANP, why should the carrier fund NANP, can the late filing penalty be removed and request for copies of invoice.

## **Staffing Changes**

Nothing new to report.

## **Contract Renewal**

The FCC has not started this process yet. The contract expires October 1, 2009. Welch LLP is on the USGSA list.

## **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 have started the process of clearing up the old the old inactive accounts. We posed some questions to the FCC at the end of February. The response received was not very helpful. The FCC is asking for information about the carrier that we do not have access to. USAC, as DCIA, has the information required by the FCC. This matter still remains unresolved.