

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

To NANC

July 23, 2008

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

Assets

Cash Balance in bank account	\$	86,329
Dreyfus Government Cash Management Fund		3,516,000
Receivable from US Carriers	2,248,066	
Receivable from Canada	5,733	
Receivable from Caribbean countries	5,954	
Receivables forwarded to FCC for collection (Over 90 days)	181,035	
Allowance for uncollectible accounts	<u>(293,000)</u>	2,147,788
Interest receivable		<u>5,406</u>
Total assets		5,755,523
Less: Accrued liabilities (see below for makeup)		(755,250)
Deferred income billed in June for July 2008 to June 2009		<u>(2,113,152)</u>
Fund balance		<u>\$ 2,887,121</u>

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

Welch LLP	38,607	
NEUSTAR Pooling 1K Block Pooling Expenses	378,747	
NEUSTAR Admin Expenses	242,530	
Data Collection Agent - USAC	15,366	
Fund audit	<u>80,000</u>	
	<u>\$ 755,250</u>	

Other items of note

During June 2008, the Dreyfus Government Cash Management Fund earned a rate of return of 1.89%.

In February 2008, the projected Fund balance at June 30, 2008 was \$2,730,440. The actual Fund balance at June 30, 2008 is \$2,887,121. The difference is due mainly to a \$93,000 change order for NANP Administration which was included in the projected costs. This change order still has not been paid by the Fund. The cost has now been pushed into the 2008/09 funding year. This does not affect the contribution factor, it only affects the cash flow.

The actual fees for filing the Form 499A late billed in June 2008 are \$21,000 higher than provided in the February report

The interest received on the Fund balance in the investment fund earned less than forecasted for the funding year. At February 2008 it was expected that the fund would earn \$193,000 however interest rates dropped significantly between March and June 2008 which resulted in the Fund earning \$160,000 for the funding period representing a \$33,000 drop.

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

		Actual		Total	Budget	Variance between forecasted balance at June 30/08 and budget
31-May-08		July 07 - May 08	Jun-08			
Revenue						
International Contributions						
		70,922	-	70,922	70,922	-
	(1)	13,970	-	13,970	13,949	21
Total International Contributions						
		84,892	-	84,892	84,871	21
	(1)	4,569,920	(1,176)	4,568,744	4,530,185	38,559
Domestic Contributions - US carriers						
	(2)	(8,600)	144,600	136,000	115,000	21,000
Late filing fees for Form 499A						
	(3)	155,038	5,414	160,452	180,000	(19,548)
Interest income						
		4,801,250	148,838	4,950,088	4,910,056	40,032
Total revenue						
Expenses						
	(4), (8)	1,345,721	119,468	1,465,189	1,450,340	14,849
NANPA Administration						
	(4), (7)	2,335,426	189,373	2,524,799	3,200,000	(675,201)
1K Block Pooling Administration						
	(9)	(433,847)	-	(433,847)	225,000	(658,847)
pANI						
Billing and Collection						
	(4)	218,900	19,900	238,800	238,800	-
Welch LLP						
	(5)	42,272	4,667	46,939	56,000	(9,061)
Data Collection Agent						
	(6)	-	30,000	30,000	30,000	-
Annual Operations Audit						
	(10)	-	-	-	700,000	(700,000)
Carrier Audits						
	(11)	62,599	79,000	141,599	-	141,599
Bad debt expense (recovery)						
		3,516,071	442,408	3,958,479	5,900,140	(1,941,661)
Total expenses						
		1,285,179	(293,570)	991,609	(990,084)	1,981,693
Net revenue (expenses)						
		1,895,512	3,180,691	1,895,512	1,990,084	(94,572)
Opening fund balance						
		3,180,691	2,887,121	2,887,121	1,000,000	1,887,121
Closing fund balance						
Fund balance makeup:						
		1,000,000	1,000,000	1,000,000	1,000,000	-
Contingency						
		2,180,691	1,887,121	1,887,121	-	2,180,691
Surplus						
		3,180,691	2,887,121	2,887,121	1,000,000	1,887,121

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
5,733	5,733	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	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	178,780	178,780
-	-	-	-	-	-	-	-	-	-	-	-
15,000	15,000	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	199,513	199,513
211,397	117,388	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	189,373	189,373
8,333	8,333	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	19,900	19,900	19,900	19,900	19,900
4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	700,000	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
433,503	339,494	339,494	339,494	339,494	339,494	339,494	1,039,494	339,494	339,494	339,494	339,494
1,521,602	(139,981)	(139,981)	(139,981)	(139,981)	(139,981)	(139,981)	(839,981)	(139,981)	(139,981)	(139,981)	(139,981)
2,887,121	4,408,723	4,268,742	4,128,761	3,988,780	3,848,799	2,169,027	2,029,046	1,189,065	1,049,084	909,103	769,122
4,408,723	4,268,742	4,128,761	3,988,780	3,848,799	3,708,818	2,029,046	1,189,065	1,049,084	909,103	769,122	629,141
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	1,000,001
3,408,723	3,268,742	3,128,761	2,988,780	2,848,799	2,708,818	1,029,046	189,065	49,084	(90,897)	(230,878)	(370,860)
4,408,723	4,268,742	4,128,761	3,988,780	3,848,799	3,708,818	2,029,046	1,189,065	1,049,084	909,103	769,122	629,141

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 June 2009 are based on actual 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 expires June 2008. The expense for NANPA Administration for July 2008 - June 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.
- (6) \$45,000 for 2004/05 and \$30,000 each had been accrued for 2005/06 and 2006/07 fiscal years for the annual operations audit. The contract has been awarded to Ernst & Young. The audit for the three years was awarded for \$50,000. The cost of the audit for 2007/08 is \$30,000.
- (7) The July forecasted amount includes the forecasted monthly billing of \$189,375.
- (8) The July forecasted amount includes the forecasted monthly billing of \$117,388 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 in place.
- (11) The allowance covers all accounts considered potentially uncollectible at June 30, 2008. This will be covered by the contingency allowance.

Reconciliation of Actual 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 June 2008	38,580
Late filing fees (reversal) for Form 499A - 2006	21,000
Additional interest earned to date over budget	(19,548)
Adjustment to June NANP Admin estimate to actual	7,000
NANP Admin change orders#6 - 14 not budgeted for	(21,849)
Data Collection fees - Adjust March 2007 to May 2008 estimates to actual	9,061
Bad debts not budgeted for	(141,599)
Annual operations audit - adjusted to awarded amount	55,000
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	218,646
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)
Fund balance at June 30/08	2,887,121

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

		<u>Current</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>	<u>Dec-08</u>	<u>Jan-09</u>
NEUSTAR - NANPA Administration contract		242,530	211,397	117,388	117,388	117,388	117,388	117,388	117,388
- Payment authorized by the FCC on May 7/08, received by Welch June 3/08 April 2008	121,580								
- Authorization by the FCC has not been received for payment									
May 2008		123,062							
June 2008		119,468							
		<u>\$ 242,530</u>							
NEUSTAR - Block Pooling contract		378,747	189,373	189,373	189,373	189,373	189,373	189,373	189,373
- Payment authorized by the FCC on May 7/08, received by Welch June 3/08 April 2008	189,374								
- Authorization by the FCC has not been received for payment									
May 2008		189,373							
June 2008		189,374							
		<u>\$ 378,747</u>							
Welch LLP - Billing & Collection Agent		38,607	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on May 16/08, received by Welch June 3/08 April 2008	16,872								
- Authorization by the FCC has not been received for payment									
May 2008		18,707							
June 2008		19,900							
		<u>\$ 38,607</u>							
USAC - Data Collection Agent		15,366	4,500	4,500	4,500	4,500	4,500	4,500	4,500
- Authorization by the FCC has not been received for payment									
March 2008		(167)							
April 2008		4,593							
May 2008		6,273							
June 2008 (estimate)		4,667							
		<u>\$ 15,366</u>							
Carrier audits		-	-	-	-	-	-	-	-
External auditor- Annual operations audit		80,000	-	-	-	-	-	-	-
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>755,250</u>	<u>433,503</u>	<u>339,494</u>	<u>339,494</u>	<u>339,494</u>	<u>339,494</u>	<u>339,494</u>	<u>339,494</u>