

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

To NANC

June 10, 2009

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

Assets

Cash Balance in bank account	\$		69,011
Dreyfus Government Cash Management Fund			3,496,000
Receivable from US Carriers		208,483	
Receivable from Canada		5,733	
Receivable from Caribbean countries		1,303	
Receivables forwarded to FCC for collection (Over 90 days)		243,969	
Allowance for uncollectible accounts		<u>(260,000)</u>	199,488
Interest receivable			<u>49</u>
Total assets			3,764,548
Less: Accrued liabilities (see below for makeup)			(677,539)
			<u>-</u>
Fund balance			<u>\$ 3,087,009</u>

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

Welch LLP		38,555	
NEUSTAR Pooling 1K Block Pooling Expenses		378,747	
NEUSTAR Admin Expenses		247,325	
Data Collection Agent - USAC		12,912	
		-	
		<u>677,539</u>	

Other items of note

During May 2009, the Dreyfus Government Cash Management Fund earned an average rate of return of 0.0166%.

The budget and contribution factor were posted as a Public Notice on June 2, 2009 by the FCC.

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2008 TO MAY 2010**

		Actual		Budgeted	Total	Budget	Variance between forecasted balance at June 30/08 and budget	
		July 2008 - April 2009	May-09	Jun-09				
Revenue								
International Contributions								
	Canada	(1)	51,597	5,732	-	68,795	68,795	-
	Caribbean countries	(1)	13,589	-	-	13,589	13,589	-
Total International Contributions			65,186	5,732	-	82,384	82,384	-
	Domestic Contributions - US carriers	(1)	3,489,572	168,024	-	4,000,533	3,895,083	105,450
	Late filing fees for Form 499A	(2)	(8,600)	(1,000)	115,000	104,500	115,000	(10,500)
	Interest income	(3)	34,529	70	500	35,352	180,000	(144,648)
Total revenue			3,580,687	172,826	115,500	4,222,769	4,272,467	(49,698)
Expenses								
	NANPA Administration	(4), (8)	1,164,067	123,647	121,300	1,655,312	1,408,661	246,651
	1K Block Pooling Administration	(4), (7)	1,548,763	189,374	256,386	2,385,600	2,272,483	113,117
	pANI	(9)	-	-	-	-	100,000	(100,000)
Billing and Collection								
	Welch LLP	(4)	159,200	19,900	19,900	238,800	238,800	-
	Data Collection Agent	(5)	30,251	4,163	4,500	48,200	54,000	(5,800)
	Annual Operations Audit	(6)	2,500	-	32,500	35,000	30,000	5,000
	Carrier Audits	(10)	-	-	-	-	700,000	(700,000)
	Bad debt expense (recovery)	(11)	(2,352)	(2,977)	-	20,945	-	(20,945)
Total expenses			2,902,429	334,107	434,586	4,341,967	4,803,944	(461,977)
Net revenue (expenses)			678,258	(161,281)	(319,086)	(119,198)	(531,477)	412,279
Opening fund balance			2,887,121	3,248,290	3,087,009	2,887,121	2,730,440	156,681
Closing fund balance			3,565,379	3,087,009	2,767,923	2,767,923	2,198,963	568,960
Fund balance makeup:								
	Contingency		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	500,000
	Surplus		2,565,379	2,087,009	1,767,923	1,767,923	1,198,963	3,453,972
			3,565,379	3,087,009	2,767,923	2,767,923	2,198,963	3,953,972

Estimated										
Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10
5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912
14,467	-	-	-	-	-	-	-	-	-	-
20,379	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912
1,518,193	118,976	118,976	118,976	118,976	118,976	118,976	118,976	118,976	118,976	118,976
-	-	-	-	-	-	-	-	-	-	-
833	833	833	833	833	833	833	833	833	833	833
1,539,405	125,721	125,721	125,721	125,721	125,721	125,721	125,721	125,721	125,721	125,721
122,967	122,967	122,967	122,967	122,967	122,967	122,967	122,967	122,967	122,967	122,967
189,373	188,936	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498
16,666	16,666	16,666	16,666	16,666	16,666	16,666	16,666	16,666	16,666	16,666
19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	700,000	-	-	-
-	-	-	-	-	-	-	-	-	-	-
353,356	352,919	352,481	352,481	352,481	352,481	352,481	1,052,481	352,481	352,481	352,481
1,186,049	(227,198)	(226,760)	(226,760)	(226,760)	(226,760)	(226,760)	(926,760)	(226,760)	(226,760)	(226,760)
2,767,923	3,953,972	3,726,774	3,500,014	3,273,254	3,046,494	2,819,734	2,592,974	1,666,214	1,439,454	1,212,694
3,953,972	3,726,774	3,500,014	3,273,254	3,046,494	2,819,734	2,592,974	1,666,214	1,439,454	1,212,694	985,934
500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,001	500,002
3,453,972	3,226,774	3,000,014	2,773,254	2,546,494	2,319,734	2,092,974	1,166,214	939,454	712,693	485,932
3,953,972	3,726,774	3,500,014	3,273,254	3,046,494	2,819,734	2,592,974	1,666,214	1,439,454	1,212,694	985,934

Assumptions:

- 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 2009 - April 2010 are based on the actual billings.
- These fees represent the \$100 late filing fee charged to those companies that do not file the Form 499A by the due date.
- Interest income projections are estimates
- 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 2008 - December 2008 is based on the current contract based on the option to extend exercised by the FCC. The expense for the January 2009 to May 2010 is based on the option to extend.
- The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2008 calendar year.
- The contract for the annual operations audit has been awarded to Ernst & Young. The cost will be \$32,500
- The June forecasted amount includes the forecasted monthly billing of \$189,375 plus change orders 5-7 in the amount of \$67012.
- The June forecasted amount includes the forecasted monthly billing of \$121,300.
- Interim p-ANNI administration is now covered under the new Pooling contract. \$100,000 has been allowed for the cost of permanent pANI in 2008/09. No change order has been issued.
- 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.
- The allowance covers all accounts considered potentially uncollectible at May 31, 2009. 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 - May 2009	105,450
Late filing fees (reversal) for Form 499A - 2008	(10,500)
Reduced interest earned to date compared to budget	(144,648)
NANP - change orders and contract extension fixed monthly amount	(178,278)
NANP Admin change order #15 originally included in 2007/08 surplus but not expende	(68,373)
Data Collection fees - Adjustment to actual from budget	5,800
Bad debts (recovery)not budgeted for	20,945
Annual Operations Audit	(5,000)
Unexpended budget for carrier audits not performed in 2008/09 budget year	700,000
Cost of permanent pANI not expended	100,000
Pooling change orders	(113,117)
Forecasted fund balance at June 30/09	2,767,923

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current								
	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	
NEUSTAR - NANPA Administration contract	247,325	121,300	121,300	122,967	122,967	122,967	122,967	122,967	122,967
- Authorization by the FCC has not been received for payment									
April 2009	123,678								
May 2009	123,647								
	-								
	<u>\$ 247,325</u>								
NEUSTAR - Block Pooling contract	378,747	256,386	189,374	189,373	188,498	188,498	188,498	188,498	188,498
- Authorization by the FCC has not been received for payment									
April 2009	\$ 189,374								
May 2009	189,373								
	-								
	<u>\$ 378,747</u>								
Welch LLP - Billing & Collection Agent	38,555	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Authorization by the FCC has not been received for payment									
April 2009	\$ 18,655								
May 2009	19,900								
	-								
	<u>\$ 38,555</u>								
USAC - Data Collection Agent	12,912	4,500	4,500	4,450	4,450	4,450	4,450	4,450	4,450
- Authorization by the FCC has not been received for payment									
March 2009	4,248								
April 2009	4,164								
May 2009 (estimate)	4,500								
	<u>\$ 12,912</u>								
Carrier audits	-	-	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	-	-	32,500	-	-	-	-	-	-
NEUSTAR - pANI administration	\$ -	-	-	-	16,666	16,666	16,666	16,666	16,666
Total	<u>677,539</u>	<u>402,086</u>	<u>367,574</u>	<u>353,356</u>	<u>352,481</u>	<u>352,481</u>	<u>352,481</u>	<u>352,481</u>	<u>352,481</u>

Deliverables Report

Distributing invoices

The invoices for carriers who pay monthly were mailed by May 12, 2009. Invoices were also prepared in May for adjustments and/or first billing as a result of updated revenue data from USAC (Data Collection Agent).

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 are printed at the end of each month. Only those whose accounts were outstanding less than 90 days were mailed.

FCC Red Light Notices

There were no refunds received in May from the FCC.

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. Many queries are dealing with companies who are no longer in business and need to know how to de-activate their Filer ID. Others want to know what NANP is about, they want copies of their invoices.

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 inactive accounts. We posed some questions to the FCC 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 DCA, has the information required by the FCC.