

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

To NANC

October 14, 2008

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

Assets

Cash Balance in bank account	\$	74,392
Dreyfus Government Cash Management Fund		4,996,000
Receivable from US Carriers	344,342	
Receivable from Canada	5,733	
Receivable from Caribbean countries	1,547	
Receivables forwarded to FCC for collection (Over 90 days)	169,326	
Allowance for uncollectible accounts	<u>(291,000)</u>	229,948
Interest receivable		<u>7,030</u>
Total assets		5,307,370
Less: Accrued liabilities (see below for makeup)		(874,426)
		<u>-</u>
Fund balance		<u>\$ 4,432,944</u>

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

Welch LLP	37,330	
NEUSTAR Pooling 1K Block Pooling Expenses	402,082	
NEUSTAR Admin Expenses	336,546	
Data Collection Agent - USAC	15,968	
Fund audit	<u>82,500</u>	
	<u>\$ 874,426</u>	

Other items of note

During September 2008, the Dreyfus Government Cash Management Fund earned a rate of return of 1.738%.

The Pooling Administration submitted an invoice for Change Order #1 re INC Issue 519: Pool Replenishment for \$18,570.

NANP Administration submitted 2 invoices. One invoice is for \$92,507 which is an amendment to the contract to allow NEUSTAR to renew the maintenance agreement during the bridge contract period as well as purchasing new servers. The other invoice is for change order #15 for \$68,372 regarding NANPA Administration system and the Pooling Administration system interface.

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

	Actual		Budgeted									Total	Budget	Variance between forecasted balance at June 30/08 and budget	Estimated		
	July - August 2008	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09				Jul-09	Aug-09	Sep-09
Revenue																	
International Contributions																	
Canada (1)	17,199	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,732	-	68,795	68,795	-	5,733	5,733	5,733
Caribbean countries (1)	13,589	-	-	-	-	-	-	-	-	-	-	13,589	13,589	-	13,589	-	-
Total International Contributions	30,788	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,733	5,732	-	82,384	82,384	-	19,322	5,733	5,733
Domestic Contributions - US carriers (1)	2,440,964	171,835	178,720	178,720	178,720	178,720	178,720	178,720	178,720	178,720		4,042,559	3,895,083	147,476	2,269,639	178,720	178,720
Late filing fees for Form 499A (2)	(2,800)	(2,000)	-	-	-	-	-	-	-	-	115,000	110,200	115,000	(4,800)	-	-	-
Interest income (3)	15,076	7,598	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000		157,674	180,000	(22,326)	15,000	15,000	15,000
Total revenue	2,484,028	183,166	199,453	199,453	199,453	199,453	199,453	199,453	199,453	199,452	130,000	4,392,817	4,272,467	120,350	2,303,961	199,453	199,453
Expenses																	
NANPA Administration (4), (8)	240,755	217,125	171,373	115,948	115,948	115,948	115,948	115,948	115,948	115,948	115,948	1,556,837	1,408,661	148,176	121,825	121,825	121,825
1K Block Pooling Administration (4), (7)	378,746	212,708	189,373	189,373	189,374	189,374	189,374	189,374	189,374	189,374	189,374	2,295,818	2,272,483	23,335	189,373	189,373	189,373
pANI (9)	-	-	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	74,997	100,000	(25,003)	8,333	8,333	8,333
Billing and Collection																	
Welch LLP (4)	39,800	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	19,900	19,900
Data Collection Agent (5)	9,000	2,302	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	51,802	54,000	(2,198)	4,500	4,500	4,500
Annual Operations Audit (6)	-	2,500	-	-	-	-	-	-	-	-	32,500	35,000	30,000	5,000	-	-	-
Carrier Audits (10)	-	-	-	-	-	-	700,000	-	-	-	-	700,000	700,000	-	-	-	-
Bad debt expense (recovery) (11)	(4,666)	3,201	-	-	-	-	-	-	-	-	-	1,465	-	(1,465)	-	-	-
Total expenses	663,635	457,736	393,479	338,054	338,055	338,055	1,038,055	338,055	338,055	338,055	370,555	4,951,789	4,803,944	147,845	343,931	343,931	343,931
Net revenue (expenses)	1,820,393	(274,570)	(194,026)	(138,601)	(138,602)	(138,602)	(838,602)	(138,602)	(138,602)	(138,603)	(240,555)	558,972)	(531,477)	(27,495)	1,960,030	(144,478)	(144,478)
Opening fund balance	2,887,121	4,707,514	4,432,944	4,238,918	4,100,317	3,961,715	3,823,113	2,984,511	2,845,909	2,707,307	2,568,704	2,887,121	2,730,440	156,681	2,328,149	2,328,149	2,198,965
Closing fund balance	4,707,514	4,432,944	4,238,918	4,100,317	3,961,715	3,823,113	2,984,511	2,845,909	2,707,307	2,568,704	2,328,149	2,328,149	2,198,963	129,186	4,288,179	2,183,671	2,054,485
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	1,000,000
Surplus	3,707,514	3,432,944	3,238,918	3,100,317	2,961,715	2,823,113	1,984,511	1,845,909	1,707,307	1,568,704	1,328,149	1,328,149	1,198,963	-	3,288,179	1,183,671	1,054,485
	4,707,514	4,432,944	4,238,918	4,100,317	3,961,715	3,823,113	2,984,511	2,845,909	2,707,307	2,568,704	2,328,149	2,328,149	2,198,963		4,288,179	2,183,671	2,054,485

- 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 - September 2009 are estimated based on billings for 2008/09.
 - 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 - September 2009 is based on the current contract based on the option to extend exercised by the FCC.
 - The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2009 calendar year.
 - The contract for the annual operations audit has been awarded to Ernst & Young. The cost will be \$32,500.
 - The October forecasted amount includes the forecasted monthly billing of \$189,375.
 - The October forecasted amount includes the forecasted monthly billing of \$115,948 plus contract amendment of \$55,425.
 - 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.
 - 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 September 30, 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 - September 2008	147,476
Late filing fees (reversal) for Form 499A - 2008	(4,800)
Reduced interest earned to date compared to budget	(22,326)
NANP - change orders	(79,803)
NANP Admin change order #15 originally included in 2007/08 surplus but not expended	(68,373)
Data Collection fees - Adjustment to actual from budget	2,198
Bad debts (recovery) not budgeted for	1,465
Annual Operations Audit	(5,000)
Unexpended budget for carrier audits not performed in 2008/09 budget year	
Cost of permanent pANI not expended	25,003
Pooling change orders	(23,335)
Forecasted fund balance at June 30/09	2,328,149

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

		<u>Current 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>	<u>Apr-09</u>
NEUSTAR - NANPA Administration contract		336,546	171,373	115,948	115,948	115,948	115,948	115,948	115,948
- Payment authorized by the FCC on August 3/08, received by Welch August 13/08 July 2008	119,422								
- Authorization by the FCC has not been received for payment									
August 2008	119,422								
September 2008	111,670								
Contract modification #24	37,082								
Change Order #15	<u>68,373</u>								
	<u>\$ 336,546</u>								
NEUSTAR - Block Pooling contract		402,082	189,373	189,373	189,374	189,374	189,374	189,374	189,374
- Payment authorized by the FCC on August 3/08, received by Welch August 13/08 July 2008	189,373								
- Authorization by the FCC has not been received for payment									
August 2008	189,373								
September 2008	189,374								
Shipping costs under expired contract	4,765								
Change Order #1	<u>18,570</u>								
	<u>\$ 402,082</u>								
Welch LLP - Billing & Collection Agent		37,330	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on August 3/08, received by Welch August 13/08 July 2008	16,759								
- Authorization by the FCC has not been received for payment									
August 2008	17,430								
September 2008	<u>19,900</u>								
	<u>\$ 37,330</u>								
USAC - Data Collection Agent		15,968	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	2,136								
July 2008	6,102								
August 2008	3,230								
September 2008 (estimate)	<u>4,500</u>								
	<u>\$ 15,968</u>								
Carrier audits		-	-	-	-	-	700,000	-	-
Ernst & Young LLP- Annual operations audit		82,500	-	-	-	-	-	-	-
Audit fee for fiscal years 2005, 2006 and 2007	50,000								
Audit fee for the 2007/08 audit that will be done in the fall of 2008.	<u>32,500</u>								
	<u>\$ 82,500</u>								
NEUSTAR - pANI administration		\$ -	8,333	8,333	8,333	8,333	8,333	8,333	8,333
Total		<u>874,426</u>	<u>393,479</u>	<u>338,054</u>	<u>338,055</u>	<u>338,055</u>	<u>1,038,055</u>	<u>338,055</u>	<u>338,055</u>

Deliverables Report

Distributing invoices

The invoices for carriers who pay monthly were mailed by September 12, 2008. Invoices were also prepared in September 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. They are mailed out within the first week of the following month. Many are returned due to invalid or out of date addresses. All address information is received from USAC each month and changes are made but not all companies report changes in their address or whether they are still in business.

FCC Red Light Notices

All carriers received either 30 or 60 notices with their statement of account dated September 30, 2008. Once the end of October has passed (90 days), all those who were sent 60 day notices and have outstanding balances will be sent to the FCC for collections. At that time the FCC will add them to the Red Light Site.

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

In June we had a new bookkeeper start. The previous bookkeeper helped with the transition in June and July.

Contract Renewal

The FCC has not started this process yet. Welch LLP is on the approved supplier list.

Accounts Receivable

The old receivables are gradually being cleared up as USAC identifies and verifies companies that are inactive. The FCC contacted Welch in August to set up a conference call regarding the receivables. The call has not been set up yet. There is no problem with the collection of the regular monthly receivables.