

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

**To NANC**

**September 15, 2009**

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

**Assets**

Cash Balance in bank account	\$	64,690
Dreyfus Government Cash Management Fund		4,141,000
Receivable from US Carriers	335,110	
Receivable from Canada	-	
Receivable from Caribbean countries	2,390	
Receivables forwarded to FCC for collection (Over 90 days)	231,506	
Allowance for uncollectible accounts	<u>(310,000)</u>	259,006
Interest receivable		<u>-</u>
<b>Total assets</b>		<b>4,464,696</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b>(683,380)</b>
<b>Fund balance</b>		<b><u>\$ 3,781,316</u></b>

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

Welch LLP	34,753	
NEUSTAR Pooling 1K Block Pooling Expenses	389,529	
NEUSTAR Admin Expenses	245,192	
Data Collection Agent - USAC	13,906	
External Fund audit	-	
	<u>683,380</u>	<u>\$ 683,380</u>

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**Other items of note**

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

A contract for Welch LLP was extended for 6 months from October 1, 2009 to March 31, 2010. Terms and conditions remain the same as the current contract.

The collateralization of the bank accounts will be completed by September 14, 2009.

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

	Actual		Budgeted										Total	Budget	Variance between forecasted balance at June 30/10 and budget	Estimated			
	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10				Jul-10	Aug-09		
<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	-	70,948	70,948	-	5,912	5,912	
Caribbean countries	(1)	14,467	-	-	-	-	-	-	-	-	-	-	-	14,467	14,467	-	14,467	-	
<b>Total International Contributions</b>		<b>26,295</b>	<b>5,912</b>	<b>5,912</b>	<b>5,912</b>	<b>5,912</b>	<b>5,912</b>	<b>5,912</b>	<b>5,912</b>	<b>5,912</b>	<b>5,912</b>	<b>5,912</b>	<b>-</b>	<b>85,415</b>	<b>85,415</b>	<b>-</b>	<b>20,379</b>	<b>5,912</b>	
Domestic Contributions - US carriers	(1)	1,524,170	151,995	108,738	108,738	108,738	108,738	108,738	108,738	108,738	108,738	108,738	-	2,654,807	2,487,497	167,310	2,730,174	113,064	
Late filing fees for Form 499A	(2)	( 4,550)	-	-	-	-	-	-	-	-	-	-	115,000	110,450	115,000 (	4,550)	-	-	
Interest income	(3)	163	246	167	167	167	167	167	167	167	167	167	-	2,079	2,000	79,000	166	166	
<b>Total revenue</b>		<b>1,546,078</b>	<b>158,153</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>2,852,751</b>	<b>2,689,912</b>	<b>162,839</b>	<b>2,750,719</b>	<b>119,142</b>	
<b>Expenses</b>																			
NANPA Administration	(4), (8)	122,883	122,309	195,530	123,300	123,300	123,300	131,833	131,833	131,833	131,833	131,833	131,833	1,601,620	1,475,600	126,020	131,000	122,967	
1K Block Pooling Administration	(4), (7)	189,373	200,156	222,099	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	2,308,110	2,263,289	44,821	188,498	188,936	
pANI	(9)	-	-	49,998	16,666	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	200,000	200,000	-	16,666	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	238,800	238,800	-	19,900	19,900	
Data Collection Agent	(5)	4,183	9,456	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	58,139	53,400	4,739	4,450	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>351,821</b>	<b>491,977</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>395,348</b>	<b>5,168,275</b>	<b>4,965,089</b>	<b>203,186</b>	<b>360,514</b>	<b>352,919</b>	
<b>Net revenue (expenses)</b>		<b>1,182,133 (</b>	<b>193,668) (</b>	<b>377,160) (</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>2,315,524) (</b>	<b>2,275,177) (</b>	<b>40,347)</b>	<b>2,390,205 (</b>	<b>233,777)</b>
<b>Opening fund balance</b>		<b>2,792,851</b>	<b>3,974,984</b>	<b>3,781,316</b>	<b>3,404,156</b>	<b>3,166,159</b>	<b>2,928,161</b>	<b>2,690,163</b>	<b>2,443,632</b>	<b>1,497,101</b>	<b>1,250,570</b>	<b>1,004,039</b>	<b>757,508</b>	<b>2,792,851</b>	<b>1,775,177</b>	<b>17,674</b>	<b>477,327</b>	<b>2,867,532</b>	
<b>Closing fund balance</b>		<b>3,974,984</b>	<b>3,781,316</b>	<b>3,404,156</b>	<b>3,166,159</b>	<b>2,928,161</b>	<b>2,690,163</b>	<b>2,443,632</b>	<b>1,497,101</b>	<b>1,250,570</b>	<b>1,004,039</b>	<b>757,508</b>	<b>477,327</b>	<b>477,327</b>	<b>500,000</b>	<b>22,673</b>	<b>2,867,532</b>	<b>2,633,755</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	3,281,316	2,904,156	2,666,159	2,428,161	2,190,163	1,943,632	997,101	750,570	504,039	257,508	( 22,673)	22,673	-	-	2,367,532	2,133,755	
		<b>3,974,984</b>	<b>3,781,316</b>	<b>3,404,156</b>	<b>3,166,159</b>	<b>2,928,161</b>	<b>2,690,163</b>	<b>2,443,632</b>	<b>1,497,101</b>	<b>1,250,570</b>	<b>1,004,039</b>	<b>757,508</b>	<b>477,327</b>	<b>477,327</b>	<b>500,000</b>	<b>-</b>	<b>2,867,532</b>	<b>2,633,755</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 September forecasted amount includes the forecasted monthly billing of \$188,498 plus change order 5 in the amount of \$33,601
- (8) The September 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 August 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	167,310
Late filing fees (reversal) for Form 499A - 2009	(4,550)
Additional interest earned to date compared to budget	79
NANP Admin - difference between budget and actual contact awarded after budget period	(126,020)
NANP - change orders	-
Data Collection fees - Adjustment to actual from budget	(4,739)
Bad debts (recovery) not budgeted for	(27,606)
Annual Operations Audit	-
Unexpended budget for carrier audits not performed in 2009/10 budget year	-
Cost of permanent pANI not expended	-
Pooling change orders	(44,821)
<b>Fund balance at June 30/09</b>	<b>477,327</b>

**NANPA FUND  
CURRENT AND FORECASTED LIABILITIES**

	<b>Current</b>								
	<b>Aug-09</b>	<b>Sep-09</b>	<b>Oct-09</b>	<b>Nov-09</b>	<b>Dec-09</b>	<b>Jan-10</b>	<b>Feb-10</b>	<b>Mar-10</b>	
<b>NEUSTAR - NANPA Administration contract</b>	245,192	195,530	123,300	123,300	123,300	131,833	131,833	131,833	
- Authorization by the FCC has not been received for payment									
July 2009	\$ 122,883								
August 2009	<u>122,309</u>								
	<u>\$ 245,192</u>								
<b>NEUSTAR - Block Pooling contract</b>	389,529	222,099	188,498	188,498	188,498	188,498	188,498	188,498	
- Authorization by the FCC has not been received for payment									
July 2009	\$ 189,373								
August 1-14, 2009	94,686.87								
August 15-31, 2009	94,248.94								
Change order #7	<u>11,220</u>								
	<u>\$ 389,529</u>								
<b>Welch LLP - Billing &amp; Collection Agent</b>	34,753	19,900	19,900	19,900	19,900	19,900	19,900	19,900	
- Authorization by the FCC has not been received for payment									
July 2009	\$ 19,900								
August 2009	14,853								
	<u>-</u>								
	<u>\$ 34,753</u>								
<b>USAC - Data Collection Agent</b>	13,906	4,450	4,450	4,450	4,450	4,450	4,450	4,450	
- Payment authorized by the FCC on July 2/09, received by Welch July 30/09									
June 2009	4,233								
- Authorization by the FCC has not been received for payment									
July 2009	9,456								
August 2009 (estimate)	<u>4,450</u>								
	<u>\$ 13,906</u>								
<b>Carrier audits</b>	-	-	-	-	-	-	700,000	-	
<b>Ernst &amp; Young LLP- Annual operations audit</b>	-	-	-	-	-	-	-	-	
<b>NEUSTAR - pANI administration</b>	\$ -	49,998	16,666	16,667	16,667	16,667	16,667	16,667	
<b>Total</b>	<u>683,380</u>	<u>491,977</u>	<u>352,814</u>	<u>352,815</u>	<u>352,815</u>	<u>361,348</u>	<u>1,061,348</u>	<u>361,348</u>	

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were mailed August 12, 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 printed at the end of August along with a letter of late payment.

## **FCC Red Light Notices**

The FCC did not submit any payments to NANP for collection of delinquent debt.

## **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. 16 calls were received in August. Most calls were questions such dealing with payment options and request for copies of 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. Welch LLP received a 6 month bridge extension with the same terms as the current contract.

## **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.