

**Billing and Collection Agent Report
For period ending June 30, 2009**

To NANC

July 13, 2009

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009**

Assets

Cash Balance in bank account	\$	64,816
Dreyfus Government Cash Management Fund		3,013,000
Receivable from US Carriers	1,544,698	
Receivable from Canada	-	
Receivable from Caribbean countries	15,774	
Receivables forwarded to FCC for collection (Over 90 days)	240,745	
Allowance for uncollectible accounts	<u>(292,000)</u>	1,509,217
Interest receivable		<u>3</u>
Total assets		4,587,036
Less: Accrued liabilities (see below for makeup)		(395,626)
Deferred income billed in June for July 2009 to June 2010		<u>(1,398,559)</u>
Fund balance		<u>\$ 2,792,851</u>

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

Welch LLP	19,900	
NEUSTAR Pooling 1K Block Pooling Expenses	211,564	
NEUSTAR Admin Expenses	121,300	
Data Collection Agent - USAC	8,862	
External Fund audit	<u>34,000</u>	
	<u>\$ 395,626</u>	

Other items of note

During June 2009, the Dreyfus Government Cash Management Fund earned an average rate of return of 0.0008%.

The budget and contribution factor were posted as a Public Notice on June 2, 2009 by the FCC and deemed approved June 17, 2009.

In March 2009, the projected Fund balance at June 30, 2009 was \$2,775,177. The actual Fund balance at June 30, 2008 is \$2,792,851.

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

		Actual		Total	Budget	Variance between actual balance at June 30/08 and budget	Estimated											
		July 2008 - May 2009	Jun-09				Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Revenue																		
International Contributions																		
Canada	(1)	51,597	-	68,795	68,795	-	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912		
Caribbean countries	(1)	13,589	-	13,589	13,589	-	14,467	-	-	-	-	-	-	-	-	-		
Total International Contributions		65,186	-	82,384	82,384	-	20,379	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912		
Domestic Contributions - US carriers	(1)	3,489,572	(476)	4,000,057	3,895,083	104,974	1,476,776	113,064	113,064	113,064	113,064	113,064	113,064	113,064	113,064	113,064		
Late filing fees for Form 499A	(2)	(8,600)	134,100	123,600	115,000	8,600	-	-	-	-	-	-	-	-	-	115,000		
Interest income	(3)	34,529	10	34,862	180,000	(145,138)	166	166	166	166	167	167	167	167	167	167		
Total revenue		3,580,687	133,634	4,240,903	4,272,467	(31,564)	1,497,321	119,142	119,142	119,142	119,143	119,143	119,143	119,143	119,143	115,167		
Expenses																		
NANPA Administration	(4), (8)	1,164,067	124,629	1,658,641	1,408,661	249,980	122,967	122,967	122,967	122,967	122,967	122,967	122,967	122,967	122,967	122,967		
1K Block Pooling Administration	(4), (7)	1,548,763	211,564	2,340,778	2,272,483	68,295	234,194	188,936	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498		
pANI	(9)	-	-	-	100,000	(100,000)	16,666	16,666	16,666	16,666	16,666	16,666	16,666	16,666	16,666	16,666		
Billing and Collection																		
Welch LLP	(4)	159,200	19,900	238,800	238,800	-	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900		
Data Collection Agent	(5)	30,251	4,362	48,062	54,000	(5,938)	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450		
Annual Operations Audit	(6)	2,500	34,000	36,500	30,000	6,500	-	-	-	-	-	-	-	-	-	34,000		
Carrier Audits	(10)	-	-	-	700,000	(700,000)	-	-	-	-	-	-	700,000	-	-	-		
Bad debt expense (recovery)	(11)	(2,352)	33,337	12,392	-	12,392	-	-	-	-	-	-	-	-	-	-		
Total expenses		2,902,429	427,792	4,335,173	4,803,944	(468,771)	398,177	352,919	352,481	352,481	352,481	352,481	1,052,481	352,481	352,481	386,481		
Net revenue (expenses)		678,258	(294,158)	94,270	531,477	437,207	1,099,144	(233,777)	(233,339)	(233,339)	(233,338)	(233,338)	(933,338)	(233,338)	(233,338)	(271,314)		
Opening fund balance		2,887,121	3,087,009	2,887,121	2,730,440	156,681	2,792,851	3,891,995	3,658,218	3,424,879	3,191,540	2,958,202	2,724,864	2,491,526	1,558,188	858,174		
Closing fund balance		3,565,379	2,792,851	2,792,851	2,198,963	593,888	3,891,995	3,658,218	3,424,879	3,191,540	2,958,202	2,724,864	2,491,526	1,558,188	1,324,850	586,860		
Fund balance makeup:																		
Contingency		1,000,000	1,000,000	1,000,000	1,000,000		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000		
Surplus		2,565,379	1,792,851	1,792,851	1,198,963		3,391,995	3,158,218	2,924,879	2,691,540	2,458,202	2,224,864	1,991,526	1,058,188	824,850	86,857		
		3,565,379	2,792,851	2,792,851	2,198,963		3,891,995	3,658,218	3,424,879	3,191,540	2,958,202	2,724,864	2,491,526	1,558,188	1,324,850	586,860		

Assumptions:

- (1) 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 - June 2010 are based on the actual billings.
- (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 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.
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2008 calendar year.
- (6) The contract for the annual operations audit has been awarded to Ernst & Young. The cost will be \$34,000.
- (7) The July forecasted amount includes the forecasted monthly billing of \$189,375 plus change orders 5&7 in the amount of \$44,821
- (8) The July forecasted amount includes the forecasted monthly billing of \$122,967
- (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 16 carrier audits. 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, 2009. This will be covered by the contingency allowance.

Reconciliation of Actual 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 - June 2009	104,974
Late filing fees (reversal) for Form 499A - 2008	8,600
Reduced interest earned to date compared to budget	(145,138)
NANP - change orders and contract extension fixed monthly amount	(181,607)
NANP Admin change order #15 originally included in 2007/08 surplus but not expended	(68,373)
Data Collection fees - Adjustment to actual from budget	5,938
Bad debts (recovery) not budgeted for	(12,392)
Annual Operations Audit	(6,500)
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	(68,295)
Fund balance at June 30/09	2,792,851

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current							
	<u>Jun-09</u>	<u>Jul-09</u>	<u>Aug-09</u>	<u>Sep-09</u>	<u>Oct-09</u>	<u>Nov-09</u>	<u>Dec-09</u>	<u>Jan-10</u>
NEUSTAR - NANPA Administration contract	121,300	122,967	122,967	122,967	122,967	122,967	122,967	122,967
- Payment authorized by the FCC on May 5/09, received by Welch May 28/09 April 2009	123,678							
- Payment authorized by the FCC on June 5/09, received by Welch June 23/09 May 2009 Change Order #17	123,647 3,329							
- Authorization by the FCC has not been received for payment June 2009	\$ 121,300							
NEUSTAR - Block Pooling contract	211,564	188,936	188,498	188,498	188,498	188,498	188,498	188,498
- Payment authorized by the FCC on May 5/09, received by Welch May 28/09 April 2009	189,374							
- Payment authorized by the FCC on June 5/09, received by Welch June 23/09 May 2009	189,373							
- Authorization by the FCC has not been received for payment June 2009 Change Order #6 Change Order #8	\$ 189,374 17,517 4,673 -							
	\$ 211,564							
Welch LLP - Billing & Collection Agent	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on May 5/09, received by Welch May 28/09 April 2009	18,655							
- Payment authorized by the FCC on June 5/09, received by Welch June 23/09 May 2009	18,671							
- Authorization by the FCC has not been received for payment June 2009	\$ 19,900							
USAC - Data Collection Agent	8,862	4,450	4,450	4,450	4,450	4,450	4,450	4,450
- Payment authorized by the FCC on May 5/09, received by Welch May 28/09 March 2009	4,248							
- Payment authorized by the FCC on June 5/09, received by Welch June 23/09 April 2009	4,164							
- Authorization by the FCC has not been received for payment May 2009 June 2009 (estimate)	4,362 4,500							
	\$ 8,862							
Carrier audits	-	-	-	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	34,000							
NEUSTAR - pANI administration	\$ -	16,666	16,666	16,666	16,666	16,666	16,666	16,666
Total	395,626	352,919	352,481	352,481	352,481	352,481	352,481	352,481

Deliverables Report

Distributing invoices

The annual and monthly invoices for carriers were mailed June 18, 2009. There was a delay in invoicing due to the late approval of the budget and contribution factor by the FCC.

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

The FCC collected and remitted to NANP \$6,737.76 representing 13 delinquent carrier payments.

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. 133 calls were received in June. Most calls were dealt with 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.