

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

To NANC

December 7, 2009

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

Assets

Cash Balance in bank account		\$ 3,462,857
Receivable from US Carriers	234,085	
Receivable from Canada	-	
Receivable from Caribbean countries	2,410	
Receivables forwarded to FCC for collection (Over 90 days)	294,872	
Allowance for uncollectible accounts	<u>(345,000)</u>	186,367
Prepaid maintenance contract		<u>3,708</u>
Total assets		3,652,932
Less: Accrued liabilities (see below for makeup)		<u>(706,646)</u>
 Fund balance		 <u>\$ 2,946,286</u>

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

Welch LLP	37,741	
NEUSTAR Pooling 1K Block Pooling Expenses	376,996	
NEUSTAR Admin Expenses	245,313	
Data Collection Agent - USAC	12,596	
External Fund audit	<u>34,000</u>	
	<u>\$ 706,646</u>	

Other items of note

The external financial audit fieldwork started on November 16, 2009. The audit was conducted by Ernst & Young LLP.

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

	Actual					Budgeted						Total	Budget	Variance between forecasted balance at June 30/10 and budget		
	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)	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	-
Caribbean countries	(1)	14,467	-	-	-	-	-	-	-	-	-	-	-	14,467	14,467	-
Total International Contributions		26,295	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	-	85,415	85,415	-
Domestic Contributions - US carriers	(1)	1,524,170	151,995	105,690	108,557	104,682	108,738	108,738	108,738	108,738	108,738	108,738		2,647,522	2,487,497	160,025
Late filing fees for Form 499A	(2)	(4,550)	-	(1,800)	1,700	(3,400)							115,000	106,950	115,000	(8,050)
Interest income	(3)	163	246	1,161	1,417	1,410	167	167	167	167	167	167	167	5,566	2,000	3,566
Total revenue		<u>1,546,078</u>	<u>158,153</u>	<u>110,963</u>	<u>117,586</u>	<u>108,604</u>	<u>114,817</u>	<u>114,817</u>	<u>114,817</u>	<u>114,817</u>	<u>114,817</u>	<u>114,817</u>	<u>115,167</u>	<u>2,845,453</u>	<u>2,689,912</u>	<u>155,541</u>
Expenses																
NANPA Administration	(4), (8)	122,883	122,309	131,876	177,304	122,743	123,300	131,833	131,833	131,833	131,833	131,833	131,833	1,591,413	1,475,600	115,813
1K Block Pooling Administration	(4), (7)	189,373	200,156	215,254	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	188,498	2,301,265	2,263,289	37,976
pANI	(9)	-	-	-	-	-	100,002	16,667	16,667	16,666	16,666	16,666	16,666	200,000	200,000	-
Billings 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	-
Data Collection Agent	(5)	4,183	9,456	6,532	3,915	4,231	4,450	4,450	4,450	4,450	4,450	4,450	4,450	59,467	53,400	6,067
Annual Operations Audit	(6)	-	-	34,000	-	-	-	-	-	-	-	-	-	34,000	34,000	-
Carrier Audits	(10)	-	-	-	-	-	-	-	700,000	-	-	-	-	700,000	700,000	-
Bad debt expense	(11)	27,606	-	37,216	-	2,416	-	-	-	-	-	-	-	67,238	-	67,238
Total expenses		<u>363,945</u>	<u>351,821</u>	<u>444,778</u>	<u>389,617</u>	<u>337,788</u>	<u>436,150</u>	<u>361,348</u>	<u>1,061,348</u>	<u>361,347</u>	<u>361,347</u>	<u>361,347</u>	<u>361,347</u>	<u>5,192,183</u>	<u>4,965,089</u>	<u>227,094</u>
Net revenue (expenses)		<u>1,182,133</u>	<u>(193,668)</u>	<u>(333,815)</u>	<u>(272,031)</u>	<u>(229,184)</u>	<u>(321,333)</u>	<u>(246,531)</u>	<u>(946,531)</u>	<u>(246,530)</u>	<u>(246,530)</u>	<u>(246,530)</u>	<u>(246,530)</u>	<u>(2,346,730)</u>	<u>(2,275,177)</u>	<u>(71,553)</u>
Opening fund balance		<u>2,792,851</u>	<u>3,974,984</u>	<u>3,781,316</u>	<u>3,447,501</u>	<u>3,175,470</u>	<u>2,946,286</u>	<u>2,624,953</u>	<u>2,378,422</u>	<u>1,431,891</u>	<u>1,185,361</u>	<u>938,831</u>	<u>692,301</u>	<u>2,792,851</u>	<u>1,775,177</u>	<u>17,674</u>
Closing fund balance		<u>3,974,984</u>	<u>3,781,316</u>	<u>3,447,501</u>	<u>3,175,470</u>	<u>2,946,286</u>	<u>2,624,953</u>	<u>2,378,422</u>	<u>1,431,891</u>	<u>1,185,361</u>	<u>938,831</u>	<u>692,301</u>	<u>446,121</u>	<u>446,121</u>	<u>500,000</u>	<u>53,879</u>
Fund balance makeup:																
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	-
Surplus		3,474,984	3,281,316	2,947,501	2,675,470	2,446,286	2,124,953	1,878,422	931,891	685,361	438,831	192,301	(53,879)	(53,879)	-	-
		<u>3,974,984</u>	<u>3,781,316</u>	<u>3,447,501</u>	<u>3,175,470</u>	<u>2,946,286</u>	<u>2,624,953</u>	<u>2,378,422</u>	<u>1,431,891</u>	<u>1,185,361</u>	<u>938,831</u>	<u>692,301</u>	<u>446,121</u>	<u>446,121</u>	<u>500,000</u>	<u>-</u>

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.
- (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. A six month extension until March 31, 2010 under the same terms has been exercised. The expense for B&C Agent for April 2010 to June 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 November forecasted amount includes the forecasted monthly billing of \$188,498.
- (8) The November forecasted amount includes the forecasted monthly billing of \$123,300.
- (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 November 30, 2009. This will be covered by the contingency allowance.

Reconciliation of Forecast at June 30, 2010 to Budget

Budgeted fund balance at June 30/10 - contingency	500,000
Increase in fund balance between budget period (March 2009) and June 2009	17,674
Additional billings over estimate from budget	160,025
Late filing fees (reversal) for Form 499A - 2009	(8,050)
Additional interest earned to date compared to budget	3,566
NANP Admin - difference between budget and actual contact awarded after budget period	(115,813)
NANP - change orders	-
Data Collection fees - Adjustment to actual from budget	(6,067)
Bad debts not budgeted for	(67,238)
Pooling change orders	(37,976)
Fund balance at June 30/09	446,121

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

Projection				
Jul-10	Aug-10	Sep-10	Oct-10	Nov-10

Projected Revenue

International Contributions					
Canada	(1)	5,912	5,912	5,912	5,912
Caribbean countries	(1)	<u>14,467</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total International Contributions		20,379	5,912	5,912	5,912
Domestic Contributions - US carriers	(1)	2,730,174	113,064	113,064	113,064
Late filing fees for Form 499A	(2)	-	-	-	-
Interest income	(3)	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
Total projected revenue		<u>2,751,053</u>	<u>119,476</u>	<u>119,476</u>	<u>119,476</u>

Projected Expenses

NANPA Administration	(4)	131,000	131,000	131,000	131,000
1K Block Pooling Administration	(5)	188,498	186,932	185,365	185,365
pANI	(6)	16,666	16,666	16,666	16,666
Billing and Collection					
Welch LLP	(7)	19,900	19,900	19,900	19,900
Data Collection Agent	(8)	4,450	4,450	4,450	4,450
Annual Operations Audit	(9)	-	-	-	-
Carrier Audits	(10)	-	-	-	-
Bad debt expense (recovery)	(11)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total projected expenses		<u>360,514</u>	<u>358,948</u>	<u>357,381</u>	<u>357,381</u>
Projected Net revenue (expenses)		<u>2,390,539</u>	<u>(239,472)</u>	<u>(237,905)</u>	<u>(237,905)</u>
Projected Opening fund balance		<u>446,121</u>	<u>2,836,660</u>	<u>2,597,188</u>	<u>2,359,283</u>
Projected Closing fund balance		<u>2,836,660</u>	<u>2,597,188</u>	<u>2,359,283</u>	<u>2,121,378</u>

Projected Fund balance makeup:

Contingency	500,000	500,000	500,000	500,000	500,000
Surplus	<u>2,336,660</u>	<u>2,097,188</u>	<u>1,859,283</u>	<u>1,621,378</u>	<u>1,383,473</u>
	<u>2,836,660</u>	<u>2,597,188</u>	<u>2,359,283</u>	<u>2,121,378</u>	<u>1,883,473</u>

Assumptions:

- (1) The contributions for July 2010 - November 2010 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 cost of NANPA Administration is based on contract in force until December 8, 2010.
- (5) The expense for the 1K Block Pooling is based on the contract in force.
- (6) 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.
- (7) The cost of B&C Agent is based on the cost of the expired Welch LLP contract.
- (8) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2009 calendar year.
- (9) The cost of the annual operations audit is based on the cost of the prior year's audit.
- (10) The budget allowed \$700,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible. This will be covered by the contingency allowance

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

		Current							
		Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
NEUSTAR - NANPA Administration contract		245,313	123,300	131,833	131,833	131,833	131,833	131,833	131,833
- Authorization by the FCC has not been received for payment									
	October 2009	\$ 122,570							
	November 2009	<u>122,743</u>							
		<u>\$ 245,313</u>							
NEUSTAR - Block Pooling contract		376,996	188,498	188,498	188,498	188,498	188,498	188,498	188,498
- Authorization by the FCC has not been received for payment									
	October 2009	\$ 188,498							
	November 2009	<u>188,498</u>							
		<u>\$ 376,996</u>							
Weich LLP - Billing & Collection Agent		37,741	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Authorization by the FCC has not been received for payment									
	October 2009	\$ 17,841							
	November 2009	<u>19,900</u>							
		<u>\$ 37,741</u>							
USAC - Data Collection Agent		12,596	4,450	4,450	4,450	4,450	4,450	4,450	4,450
- Authorization by the FCC has not been received for payment									
	September 2009	3,915							
	October 2009	4,231							
	November 2009 (estimate)	<u>4,450</u>							
		<u>\$ 12,596</u>							
Carrier audits		-	-	-	700,000	-	-	-	-
Ernst & Young LLP- Annual operations audit		34,000	-	-	-	-	-	-	-
Accrual for 2008/09 audit fee based on RFP quote		<u>\$ 34,000</u>							
NEUSTAR - pANI administration		<u>\$ -</u>	100,002	16,667	16,667	16,666	16,666	16,666	16,666
Total		<u>706,646</u>	<u>436,150</u>	<u>361,348</u>	<u>1,061,348</u>	<u>361,347</u>	<u>361,347</u>	<u>361,347</u>	<u>361,347</u>

Deliverables Report

Distributing invoices

The monthly invoices for carriers were mailed November 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 sent out for new receivable balances under 90 days old.

FCC Red Light Notices

There were a payment received from the FCC in November in the amount of \$4,326.99 representing 40 carriers. Work has commenced on transferring carrier balances who have not paid the June invoice.

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. 32 calls were received in November. Most calls were questions about the statement received, who is NANP, why should they fund NANP, the company is out of business 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 prepared our first write-off package for one carrier. This was sent to the FCC where the OMD office has to approve the write-off. We have not had a response from the OMD office. Once we know that the package was prepared correctly we will start the process of preparing other write-off packages.