

**Billing and Collection Agent Report
For period ending October 31, 2008**

To NANC

November 4, 2008

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
OCTOBER 31, 2008**

Assets

Cash Balance in bank account	\$	74,414
Dreyfus Government Cash Management Fund		4,816,000
Receivable from US Carriers	315,690	
Receivable from Canada	5,733	
Receivable from Caribbean countries	1,349	
Receivables forwarded to FCC for collection (Over 90 days)	167,847	
Allowance for uncollectible accounts	<u>(291,000)</u>	199,619
Interest receivable		<u>3,968</u>
Total assets		5,094,001
Less: Accrued liabilities (see below for makeup)		(872,535)
		<u>-</u>
Fund balance		<u>\$ 4,221,466</u>

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

Welch LLP	38,400	
NEUSTAR Pooling 1K Block Pooling Expenses	397,317	
NEUSTAR Admin Expenses	391,152	
Data Collection Agent - USAC	13,166	
Fund audit	<u>32,500</u>	
	<u>\$ 872,535</u>	

Other items of note

During October 2008, the Dreyfus Government Cash Management Fund earned a rate of return of 1.001%.

The fiscal audit by Ernst & Young LLP will be commencing the week of November 24, 2008.

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

	Actual		Budgeted								Total	Budget	Variance between forecasted balance at June 30/08 and budget	Estimated			
	July - September 2008	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09				Jul-09	Aug-09	Sep-09	Oct-09
Revenue																	
International Contributions																	
Canada (1)	22,932	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	5,733
Caribbean countries (1)	13,589	-	-	-	-	-	-	-	-	-	13,589	13,589	-	13,589	-	-	-
Total International Contributions	36,521	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	5,733
Domestic Contributions - US carriers (1)	2,612,799	168,397	178,720	178,720	178,720	178,720	178,720	178,720	178,720		4,032,236	3,895,083	137,153	2,269,639	178,720	178,720	178,720
Late filing fees for Form 499A (2)	(4,800)	(3,100)	-	-	-	-	-	-	-	115,000	107,100	115,000	(7,900)	-	-	-	-
Interest income (3)	22,674	4,132	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	146,806	180,000	(33,194)	15,000	15,000	15,000	15,000
Total revenue	2,667,194	175,162	199,453	199,453	199,453	199,453	199,453	199,453	199,452	130,000	4,368,526	4,272,467	96,059	2,303,961	199,453	199,453	199,453
Expenses																	
NANPA Administration (4), (8)	457,880	174,027	115,948	115,948	115,948	115,948	115,948	115,948	115,948	115,948	1,559,491	1,408,661	150,830	121,825	121,825	121,825	121,825
1K Block Pooling Administration (4), (7)	591,454	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	189,373
pANI (9)	-	-	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	66,664	100,000	(33,336)	8,333	8,333	8,333	8,333
Billing and Collection																	
Welch LLP (4)	59,700	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	19,900
Data Collection Agent (5)	11,302	3,300	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	50,602	54,000	(3,398)	4,500	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)	(1,465)	40	-	-	-	-	-	-	-	-	1,425	-	(1,425)	-	-	-	-
Total expenses	1,121,371	386,640	338,054	338,055	338,055	1,038,055	338,055	338,055	338,055	370,555	4,944,950	4,803,944	141,006	343,931	343,931	343,931	343,931
Net revenue (expenses)	1,545,823	(211,478)	(138,601)	(138,602)	(138,602)	(838,602)	(138,602)	(138,602)	(138,602)	(240,555)	576,424)	531,477)	(44,947)	1,960,030	(144,478)	(144,478)	(144,478)
Opening fund balance	2,887,121	4,432,944	4,221,466	4,082,865	3,944,263	3,805,661	2,967,059	2,828,457	2,689,855	2,551,252	2,887,121	2,730,440	156,681	2,310,697	4,270,727	4,126,249	3,981,771
Closing fund balance	4,432,944	4,221,466	4,082,865	3,944,263	3,805,661	2,967,059	2,828,457	2,689,855	2,551,252	2,310,697	2,310,697	2,198,963	111,734	4,270,727	4,126,249	3,981,771	3,837,293
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
Surplus	3,432,944	3,221,466	3,082,865	2,944,263	2,805,661	1,967,059	1,828,457	1,689,855	1,551,252	1,310,697	1,310,697	1,198,963	-	3,270,727	3,126,249	2,981,771	2,837,293
	4,432,944	4,221,466	4,082,865	3,944,263	3,805,661	2,967,059	2,828,457	2,689,855	2,551,252	2,310,697	2,310,697	2,198,963	-	4,270,727	4,126,249	3,981,771	3,837,293

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 - October 2009 are estimated based on billings for 2008/09.
- (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 - October 2009 is based on the current contract based on the option to extend exercised by the FCC.
- (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 \$32,500.
- (7) The November forecasted amount includes the forecasted monthly billing of \$189,375.
- (8) The November forecasted amount includes the forecasted monthly billing of \$115,948.
- (9) 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.
- (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 October 31, 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 -October 2008	137,153
Late filing fees (reversal) for Form 499A - 2008	(7,900)
Reduced interest earned to date compared to budget	(33,194)
NANP - change orders	(82,457)
NANP Admin change order #15 originally included in 2007/08 surplus but not expended	(68,373)
Data Collection fees - Adjustment to actual from budget	3,398
Bad debts (recovery)not budgeted for	1,425
Annual Operations Audit	(5,000)
Unexpended budget for carrier audits not performed in 2008/09 budget year	-
Cost of permanent pANI not expended	33,336
Pooling change orders	(23,335)
Forecasted fund balance at June 30/09	2,310,697

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

		Current							
		<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>	<u>May-09</u>
NEUSTAR - NANPA Administration contract		391,152	115,948	115,948	115,948	115,948	115,948	115,948	115,948
- Payment authorized by the FCC on Sept 11/08, received by Welch Oct 1/08 July 2008	119,422								
- Authorization by the FCC has not been received for payment									
September 2008		111,670							
Contract modification #24		92,507							
Change Order #15		68,373							
October 2008		<u>118,602</u>							
		<u>\$ 391,152</u>							
NEUSTAR - Block Pooling contract		397,317	189,373	189,374	189,374	189,374	189,374	189,374	189,374
- Payment authorized by the FCC on Sept 11/08, received by Welch Oct 1/08 Shipping costs under expired contract August 2008	189,374 4,765 189,374								
- Authorization by the FCC has not been received for payment									
September 2008		189,373							
October 2008		189,374							
Change Order #1		<u>18,570</u>							
		<u>\$ 397,317</u>							
Welch LLP - Billing & Collection Agent		38,400	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on September 24/08, received by Welch October 1/08 August 2008	17,430								
- Authorization by the FCC has not been received for payment									
September 2008		18,500							
October 2008		<u>19,900</u>							
		<u>\$ 38,400</u>							
USAC - Data Collection Agent		13,166	4,500	4,500	4,500	4,500	4,500	4,500	4,500
- Payment authorized by the FCC on Sept 11/08, received by Welch Oct 1/08 Jul-08	6,102								
- Authorization by the FCC has not been received for payment									
June 2008		2,136							
August 2008		3,230							
September 2008		3,300							
October 2008 (estimate)		<u>4,500</u>							
		<u>\$ 13,166</u>							
Carrier audits		-	-	-	-	700,000	-	-	-
Ernst & Young LLP- Annual operations audit		32,500	-	-	-	-	-	-	-
- Payment authorized by the FCC on September 24/08, received by Welch October 1/08 Audit fee for fiscal years 2005, 2006 and 2007	50,000								
- Authorization by the FCC has not been received for payment									
Audit fee for the 2007/08 audit that will be done in the fall of 2008.		<u>32,500</u>							
		<u>\$ 32,500</u>							
NEUSTAR - pANI administration	\$ -	-	8,333	8,333	8,333	8,333	8,333	8,333	8,333
Total		<u>872,535</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>	<u>338,055</u>

Deliverables Report

Distributing invoices

The invoices for carriers who pay monthly were mailed by October 12, 2008. Invoices were also prepared in October 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

We are in the process of issuing refunds to carriers who have a credit balance and are not on the Red Light Report. Refunds should be mailed by November 10th. For those carriers whose accounts are now over 90 days, will be processed in November and sent to the FCC for collection.

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. 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. No change in October.