



**Welch & Company LLP**  
Lévesque Marchand, Chartered Accountants

**Billing and Collection Agent Report  
For period ending April 30, 2007**

**To NANC**

**May 7, 2007**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
April 30, 2007**

**Assets**

Cash Balance in bank account		\$	70,092
Dreyfus Government Cash Management Fund			4,150,000
Receivable from US Carriers	265,839		
Receivable from Canada	5,791		
Receivable from Caribbean countries	1,181		
Receivables forwarded to FCC for collection (Over 90 days)	122,416		
Allowance for uncollectible accounts	<u>(157,700)</u>		237,527
Interest receivable			<u>16,462</u>
<b>Total assets</b>			<b>4,474,081</b>
<b>Less: Accrued liabilities (see below for makeup)</b>			<b><u>(1,519,383)</u></b>
<b>Fund balance</b>		<b>\$</b>	<b><u><u>2,954,698</u></u></b>

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

Welch and Company LLP	19,114	
NEUSTAR Pooling 1K Block Pooling Expenses	1,176,564	
NEUSTAR Admin Expenses	237,871	
Data Collection Agent - USAC	10,834	
Fund audit	<u>75,000</u>	
	<u>\$ 1,519,383</u>	

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**Other items of note**

During April 2007, the Dreyfus Government Cash Management Fund earned a rate of return of 4.78%.

The FCC approved the fixed fee billing for \$121,496.59 payable to NeuStar. This represents the 4.4% fee based on actual billable costs per Section B of the old Pooling contract. This was paid in May.

The FCC approved the Merit incentive of \$306,614 payable to NeuStar based on the Pooling bridge contract. This payment covers the period June 15/06 to December 31/06.

**NANPA FUND  
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE  
JULY 2006 TO APRIL 2008**

		Actual		Budgeted		Total	Budget	Difference between forecasted balance at June 30/07 and budget
		July-06 - Mar 07	Apr-07	May-07	Jun-07			
<b>Revenue</b>								
International Contributions								
Canada	(1)	57,910	5,791	5,794	-	69,495	69,495	-
Caribbean countries	(1)	13,743	-	-	-	13,743	13,743	-
Total International Contributions		71,653	5,791	5,794	-	83,238	83,238	-
Domestic Contributions - US carriers	(1)	4,547,168	220,490	220,616	25,000	5,013,274	4,876,926	136,348
Late filing fees for Form 499A	(2)	( 4,300)	-	-	115,000	110,700	-	110,700
Interest income	(3)	181,597	16,492	15,000	15,000	228,089	180,000	48,089
<b>Total revenue</b>		<b>4,796,118</b>	<b>242,773</b>	<b>241,410</b>	<b>155,000</b>	<b>5,435,301</b>	<b>5,140,164</b>	<b>295,137</b>
<b>Expenses</b>								
NANPA Administration	(4), (8)	1,070,812	117,971	132,498	121,719	1,443,000	1,421,467	21,533
1K Block Pooling Administration	(4), (7)	1,576,302	462,726	314,471	296,420	2,649,919	3,501,341	( 851,422)
pANI	(9)	-	-	137,500	379,522	517,022	150,000	367,022
Billing and Collection								
Welch & Company LLP	(4)	179,100	19,900	19,900	19,900	238,800	238,800	-
Data Collection Agent	(5)	38,821	5,417	5,416	5,416	55,070	65,000	( 9,930)
Annual Operations Audit	(6)	45,000	-	-	30,000	75,000	30,000	45,000
Carrier Audits	(10)	-	-	-	-	-	700,000	( 700,000)
Bad debt expense (recovery)	(11)	64,307	( 8,400)	-	-	55,907	-	55,907
Miscellaneous expense (recovery)		-	-	-	-	-	-	-
<b>Total expenses</b>		<b>2,974,342</b>	<b>597,614</b>	<b>609,785</b>	<b>852,977</b>	<b>5,034,718</b>	<b>6,106,608</b>	<b>( 1,071,890)</b>
<b>Net revenue (expenses)</b>		<b>1,821,776</b>	<b>( 354,841)</b>	<b>( 368,375)</b>	<b>( 697,977)</b>	<b>400,583</b>	<b>( 966,444)</b>	<b>1,367,027</b>
<b>Opening fund balance</b>		<b>1,487,763</b>	<b>3,309,539</b>	<b>2,954,698</b>	<b>2,586,323</b>	<b>1,487,763</b>	<b>1,966,444</b>	<b>( 478,681)</b>
<b>Closing fund balance</b>		<b>3,309,539</b>	<b>2,954,698</b>	<b>2,586,323</b>	<b>1,888,346</b>	<b>1,888,346</b>	<b>1,000,000</b>	<b>888,346</b>
<b>Fund balance makeup:</b>								
Contingency		999,999	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-
Surplus		2,309,540	1,954,698	1,586,323	888,346	888,346	-	-
		<u>3,309,539</u>	<u>2,954,698</u>	<u>2,586,323</u>	<u>1,888,346</u>	<u>1,888,346</u>	<u>1,000,000</u>	<u>888,346</u>

Budgeted										
Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	
5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910
13,849	-	-	-	-	-	-	-	-	-	-
19,759	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910
2,103,409	220,616	220,616	220,616	220,616	220,616	220,616	220,616	220,616	220,616	220,616
-	-	-	-	-	-	-	-	-	-	-
15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
2,138,168	241,526	241,526	241,526	241,526	241,526	241,526	241,526	241,526	241,526	241,526
120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862
266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667
18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750
19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	700,000	-	-
-	-	80,000	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
430,846	430,846	510,846	430,846	430,846	430,846	430,846	430,846	1,130,846	430,846	
<b>1,707,322</b>	<b>( 189,320)</b>	<b>( 269,320)</b>	<b>( 189,320)</b>	<b>( 189,320)</b>	<b>( 189,320)</b>	<b>( 189,320)</b>	<b>( 189,320)</b>	<b>( 889,320)</b>	<b>( 189,320)</b>	
1,888,346	3,595,668	3,406,348	3,137,028	2,947,708	2,758,388	2,569,068	2,379,748	2,190,428	1,301,108	
<b>3,595,668</b>	<b>3,406,348</b>	<b>3,137,028</b>	<b>2,947,708</b>	<b>2,758,388</b>	<b>2,569,068</b>	<b>2,379,748</b>	<b>2,190,428</b>	<b>1,301,108</b>	<b>1,111,788</b>	
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,001	1,000,001	1,000,002	
2,595,668	2,406,348	2,137,028	1,947,708	1,758,388	1,569,068	1,379,748	1,190,427	301,107	111,786	
<b>3,595,668</b>	<b>3,406,348</b>	<b>3,137,028</b>	<b>2,947,708</b>	<b>2,758,388</b>	<b>2,569,068</b>	<b>2,379,748</b>	<b>2,190,428</b>	<b>1,301,108</b>	<b>1,111,788</b>	

**Assumptions:**

- (1) The US carrier contributions for the period from July 2006 to June 2007 is based upon actual billings in June 2006. 2007/08 International carrier revenue is based on actual. The contributions for July 2007 - April 2008 are based on estimate per proposed budget.
- (2) These fees represent the \$100 late filing fee charged to those companies that do not file the Form 499A by the due date. Amount for June 2007 is based on an estimate.
- (3) Interest income projections are estimates
- (4) The expenses for the NANPA Administration and Welch & Company LLP are based on contracts in force. The FCC has approved a modification and extension of the Pooling contract for the period June 15, 2006 to September 14, 2006, with one-month extensions to July 14, 2007, while the re-bid for the contract is taking place. The same figures were used the period November 15, 2006 to June 2007. The figures for July 2007 to April 2008 are based on the proposed budget.
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2007 calendar year.
- (6) \$30,000 and \$45,000 has been accrued for the 2004/05 and 2005/06 fiscal year for the annual operations audit that will be conducted once the FCC determines the scope of the audit. The cost of this audit has not been negotiated. Amount recorded is based on prior year. The amount shown in June 2007 is for the 2006/07 audit.
- (7) The April forecasted amount includes the forecasted monthly billing of \$296,420 plus the cost of submitted change orders of \$18051
- (8) The April forecasted amount includes the forecasted monthly billing of \$121,696 plus approved changes orders of \$9,571 and contract amendment #12 of \$1231
- (9) NeuStar has been appointed Interim Routing Number Authority for pANI. The cost for pANI has been provided for as per proposed change order #48. The change order has not yet been approved by the FCC so the value may change. It is to cover the time period from October 2006 up to the time the Pooling contract is awarded in 2007. The figures for July 2007 to April 2008 are based on the proposed budget.
- (10) The budget allowed \$700,000 for 16 carrier audits. There were no audits conducted in the calendar year 2006 and none have been done in 2007. The FCC is revising the procurement procedure and will not be conducting any audits until this is in place. As a result, the \$700,000 provided in the 2006/07 budget will not be spent.
- (11) The allowance covers all accounts considered potentially uncollectible at April 30, 2007. This will be covered by the contingency allowance.

**Reconciliation of Forecast at June 30, 2007 to Budget**

Budgeted fund balance at June 30/07 - contingency	1,000,000
Shortfall in fund incurred between budget period (March 2006) and June 2006	(478,681)
Additional billings in July - April	131,894
Late filing fees (reversal) for Form 499A - 2006	(4,300)
Additional interest earned in July - April over budget	48,089
Adjustment to June NANP Admin estimate to actual	890
NANP Admin contract change orders #6, 7, 8 and 9 not budgeted for	(19,923)
NANP Admin contract amendment # 12 not budgeted for	(2,500)
Data Collection fees - Adjust June estimate to actual	783
Adjust July -April estimate of DCA fees to actual	9,147
Funds received from Neustar re NANC travel from 2000 budgeted for	4,454
Estimated late filing fees for 2007	(55,907)
Annual operations audit - 2005/06 not performed yet	115,000
Unexpended budget for carrier audits not performed in 2006/07 budget year	(45,000)
Increase of pANI costs based on proposed change order #48	700,000
Pooling - merit bonus portion of expired contract (Jan 1/06 to June 14/06)	(367,022)
Pooling - merit bonus portion of expired contract (June 15/06 to Dec 31/06)	(170,310)
Pooling change Order #41, 43, 46, 47, 49 and 50 not budgeted for	(306,614)
Increase of bridge contracts maximum over budget estimate	(20,066)
Adjustment to actual costs of Pooling for July 2006 to April 2007	(55,692)
Adjustment to May & June 2006 Pooling bill estimates to actual	641,814
Pooling - estimate of fixed price portion of expired contract (Jan 1/06 to June 14/06)	888,580
Pooling Change Order #44 in budget but not yet billed	(121,497)
Forecasted fund balance at June 30/07	(4,793)
	<b>1,888,346</b>

**NANPA FUND  
CURRENT AND FORECASTED LIABILITIES**

	Current <u>Apr-07</u>	<u>May-07</u>	<u>Jun-07</u>	<u>Jul-07</u>	<u>Aug-07</u>	<u>Sep-07</u>	<u>Oct-07</u>	<u>Nov-07</u>
<b>NEUSTAR - NANPA Administration contract</b>	237,871	132,498	121,719	120,862	120,862	120,862	120,862	120,862
- Payment authorized by the FCC on Mar27/07, received by Welch Apr 6/07 February 2007 - estimate	118,615							
- Authorization by the FCC has not been received for payment March 2007	117,006							
April 2007 - estimate	120,865							
	<u>\$ 237,871</u>							
<b>NEUSTAR - Block Pooling contract</b>	1,176,564	314,471	296,420	266,667	266,667	266,667	266,667	266,667
- Payment authorized by the FCC on Mar27/07, received by Welch Apr 6/07 January 2007	235,453							
- Authorization by the FCC has not been received for payment Fixed fee billing	121,496							
Merit Incentive (June 15/06 to Dec 31/06)	306,614							
February 2007	227,654							
March 2007	224,381							
April 2007 - estimate	296,419							
	<u>\$ 1,176,564</u>							
<b>Welch &amp; Company LLP - Billing &amp; Collection Agent</b>	19,114	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on March 12/07, received by Welch April 6/07 February 2007	19,084							
- Payment authorized by the FCC on April 13/07, received by Welch April 18/07 March 2007	19,900							
- Authorization by the FCC has not been received for payment April 2007	19,114							
<b>USAC - Data Collection Agent</b>	10,834	5,416	5,416	4,667	4,667	4,667	4,667	4,667
- Payment authorized by the FCC on March 7/07, received by Welch April 6/07 December 2006	4,183							
January 2007	3,415							
- Payment authorized by the FCC on April 6/07, received by Welch April 18/07 February 2007	5,628							
- Authorization by the FCC has not been received for payment March 2007 - estimate	\$ 5,417							
April 2007 - estimate	5,417							
	<u>\$ 10,834</u>							
<b>External auditor- Annual operations audit</b>	75,000	-	30,000.00	-	-	-	-	-
- \$75,000 represents an accrual for audit fees for the 2004/05 and 2005/06 fiscal year of NANPA. Auditor has not been determined	\$ 75,000							
<b>pANI Contract - vendor yet to be determined</b>	\$ -	137,500	379,522	18,750	18,750	18,750	18,750	18,750
-May liability includes potential liability not incurred in July 2006 to May 2007								
<b>Total</b>	<u>1,519,383</u>	<u>609,785</u>	<u>852,977</u>	<u>430,846</u>	<u>430,846</u>	<u>430,846</u>	<u>430,846</u>	<u>430,846</u>