



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

**Billing and Collection Agent Report  
For period ending March 31, 2007**

**To NANC**

**April 7, 2007**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2007**

**Assets**

Cash Balance in bank account		\$	69,910
Dreyfus Government Cash Management Fund			4,336,000
Receivable from US Carriers	241,879		
Receivable from Canada	5,791		
Receivable from Caribbean countries	1,173		
Receivables forwarded to FCC for collection (Over 90 days)	124,054		
Allowance for uncollectible accounts	<u>(166,100)</u>		206,797
Interest receivable			<u>17,265</u>
<b>Total assets</b>			<b>4,629,972</b>
<b>Less: Accrued liabilities (see below for makeup)</b>			<b><u>(1,320,433)</u></b>
<b>Fund balance</b>		<b>\$</b>	<b><u><u>3,309,539</u></u></b>

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

Welch and Company LLP	38,984	
NEUSTAR Pooling 1K Block Pooling Expenses	949,291	
NEUSTAR Admin Expenses	238,516	
Data Collection Agent - USAC	18,642	
Fund audit	<u>75,000</u>	
	<u>\$ 1,320,433</u>	

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**Other items of note**

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

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

		Actual					Budgeted		Difference between forecasted balance at June 30/07 and budget	Projected										
		July-06 - Feb 07	Mar-07	Apr-07	May-07	Jun-07	Total	Budget		Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08		
<b>Revenue</b>																				
International Contributions																				
Canada	(1)	52,119	5,791	5,791	5,794	-	69,495	69,495	-	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	
Caribbean countries	(1)	13,743	-	-	-	-	13,743	13,743	-	13,849	-	-	-	-	-	-	-	-	-	-
Total International Contributions		65,862	5,791	5,791	5,794	-	83,238	83,238	-	19,759	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	
Domestic Contributions - US carriers	(1)	4,323,599	223,569	220,616	220,616	25,000	5,013,400	4,876,926	136,474	2,703,409	220,616	220,616	220,616	220,616	220,616	220,616	220,616	220,616	220,616	
Late filing fees for Form 499A	(2)	( 5,000)	700	-	-	120,000	115,700	-	115,700	-	-	-	-	-	-	-	-	-	-	
Interest income	(3)	164,316	17,281	15,000	15,000	15,000	226,597	180,000	46,597	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
<b>Total revenue</b>		<b>4,548,777</b>	<b>247,341</b>	<b>241,407</b>	<b>241,410</b>	<b>160,000</b>	<b>5,438,935</b>	<b>5,140,164</b>	<b>298,771</b>	<b>2,738,168</b>	<b>241,526</b>	<b>241,526</b>	<b>241,526</b>	<b>241,526</b>	<b>241,526</b>	<b>241,526</b>	<b>241,526</b>	<b>241,526</b>	<b>241,526</b>	
<b>Expenses</b>																				
NANPA Administration	(4), (8)	943,911	126,901	131,599	119,902	119,902	1,442,215	1,421,467	20,748	120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862	
1K Block Pooling Administration	(4), (7)	1,340,850	235,452	314,471	296,420	296,420	2,483,613	3,501,341 (	1,017,728)	291,667	291,667	291,667	291,667	291,667	291,667	291,667	291,667	291,667	291,667	
pANI	(9)	-	-	125,000	12,500	379,522	517,022	150,000	367,022	43,750	43,750	43,750	43,750	43,750	43,750	43,750	43,750	43,750	43,750	
Billing and Collection																				
Welch & Company LLP	(4)	159,200	19,900	19,900	19,900	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)	36,430	2,391	5,416	5,416	5,416	55,069	65,000 (	9,931)	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	
Annual Operations Audit	(6)	45,000	-	-	-	30,000	75,000	30,000	45,000	-	-	-	-	-	-	-	-	-	-	
Carrier Audits	(10)	-	-	-	-	-	-	700,000 (	700,000)	-	-	-	-	-	-	-	-	-	700,000	
Bad debt expense (recovery)	(11)	64,907 (	600)	-	-	-	64,307	-	64,307	120,000	-	-	-	-	-	-	-	-	-	
Miscellaneous expense (recovery)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total expenses</b>		<b>2,590,298</b>	<b>384,044</b>	<b>596,386</b>	<b>454,138</b>	<b>851,160</b>	<b>4,876,026</b>	<b>6,106,608</b>	<b>( 1,230,582)</b>	<b>600,846</b>	<b>480,846</b>	<b>480,846</b>	<b>480,846</b>	<b>480,846</b>	<b>480,846</b>	<b>480,846</b>	<b>480,846</b>	<b>480,846</b>	<b>1,180,846</b>	
<b>Net revenue (expenses)</b>		<b>1,958,479</b>	<b>( 136,703)</b>	<b>( 354,979)</b>	<b>( 212,728)</b>	<b>( 691,160)</b>	<b>562,909</b>	<b>( 966,444)</b>	<b>1,529,353</b>	<b>2,137,322</b>	<b>( 239,320)</b>	<b>( 239,320)</b>	<b>( 239,320)</b>	<b>( 239,320)</b>	<b>( 239,320)</b>	<b>( 239,320)</b>	<b>( 239,320)</b>	<b>( 239,320)</b>	<b>( 939,320)</b>	
<b>Opening fund balance</b>		<b>1,487,763</b>	<b>3,446,242</b>	<b>3,309,539</b>	<b>2,954,560</b>	<b>2,741,832</b>	<b>1,487,763</b>	<b>1,966,444</b>	<b>( 478,681)</b>	<b>2,050,672</b>	<b>4,187,994</b>	<b>3,948,674</b>	<b>3,709,354</b>	<b>3,470,034</b>	<b>3,230,714</b>	<b>2,991,394</b>	<b>2,752,074</b>	<b>2,512,754</b>	<b>2,512,754</b>	
<b>Closing fund balance</b>		<b>3,446,242</b>	<b>3,309,539</b>	<b>2,954,560</b>	<b>2,741,832</b>	<b>2,050,672</b>	<b>2,050,672</b>	<b>1,000,000</b>	<b>1,050,672</b>	<b>4,187,994</b>	<b>3,948,674</b>	<b>3,709,354</b>	<b>3,470,034</b>	<b>3,230,714</b>	<b>2,991,394</b>	<b>2,752,074</b>	<b>2,512,754</b>	<b>2,512,754</b>	<b>1,573,434</b>	
<b>Fund balance makeup:</b>																				
Contingency		999,999	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	1,000,001	1,000,001	1,000,001	
Surplus		2,446,243	2,309,539	1,954,560	1,741,832	1,050,672	1,050,672	-	-	3,187,994	2,948,674	2,709,354	2,470,034	2,230,714	1,991,394	1,752,074	1,512,753	1,512,753	573,433	
		<b>3,446,242</b>	<b>3,309,539</b>	<b>2,954,560</b>	<b>2,741,832</b>	<b>2,050,672</b>	<b>2,050,672</b>	<b>1,000,000</b>	<b>1,050,672</b>	<b>4,187,994</b>	<b>3,948,674</b>	<b>3,709,354</b>	<b>3,470,034</b>	<b>3,230,714</b>	<b>2,991,394</b>	<b>2,752,074</b>	<b>2,512,754</b>	<b>2,512,754</b>	<b>1,573,434</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 - March 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, 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 March 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 March forecasted amount includes the forecasted monthly billing of \$296,420 plus the cost of submitted change orders of \$19051
- (8) The March forecasted amount includes the forecasted monthly billing of \$119,900 plus approved changes orders of \$9984 and contract amendment #12 of \$1715
- (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 March 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 March 31, 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 - February	132,020
Late filing fees (reversal) for Form 499A - 2006	(4,300)
Additional interest earned in July - November over budget	46,597
Adjustment to June NANP Admin estimate to actual	890
NANP Admin contract change orders #6, 7, 8 and 9 not budgeted for	(19,138)
NANP Admin contract amendment # 12 not budgeted for	(2,500)
Data Collection fees - Adjust June estimate to actual	783
Adjust July -February estimate of DCA fees to actual	9,148
Funds received from Neustar re NANC travel from 2000	4,454
Bad debts not budgeted for	(64,307)
Estimated late filing fees for 2007	120,000
Annual operations audit - 2005/06 not performed yet	(45,000)
Unexpended budget for carrier audits not performed in 2006/07 budget year	700,000
Increase of pANI costs based on proposed change order #48	(367,022)
Pooling - merit bonus portion of expired contract (Jan 1/06 to June 14/06)	(170,310)
Pooling change Order #41, 43, 46, 47, 49 and 50 not budgeted for	(20,066)
Increase of bridge contracts maximum over budget estimate	(55,692)
Adjustment to actual costs of Pooling for July 2006 to February 2007	501,009
Adjustment to May & June Pooling bill estimates to actual	888,580
Pooling - estimate of fixed price portion of expired contract (Jan 1/06 to June 14/06)	(121,000)
Pooling Change Order #44 in budget but not yet billed	(4,793)
Forecasted fund balance at June 30/07	<b>2,050,672</b>

**NANPA FUND  
CURRENT AND FORECASTED LIABILITIES**

	Current <u>Mar-07</u>	<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>
<b>NEUSTAR - NANPA Administration contract</b>	238,516	130,867	119,166	119,166	119,166	120,862	120,862	120,862
- Payment authorized by the FCC on Feb 23/07, received by Welch Mar 5/07								
January 2007	116,777							
Change order #6 and #7	9,939							
- Authorization by the FCC has not been received for payment								
February 2007 - estimate	118,615							
March 2007 - estimate	119,901							
	<u>\$ 238,516</u>							
<b>NEUSTAR - Block Pooling contract</b>	949,291	314,471	296,420	296,420	296,420	291,667	291,667	291,667
- Payment authorized by the FCC on Feb 2/07, received by Welch Mar 1/07								
November 2006	220,238							
- Authorization by the FCC has not been received for payment								
Fixed fee billing - estimate	121,000							
January 2007	235,453							
February 2007 - estimate	296,419							
March 2007 - estimate	296,419							
	<u>\$ 949,291</u>							
<b>Welch &amp; Company LLP - Billing &amp; Collection Agent</b>	38,984	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on Feb 23/07, received by Welch Mar 5/07								
January 2007	18,801							
- Authorization by the FCC has not been received for payment								
February 2007	19,084							
March 2007	19,900							
	<u>\$ 38,984</u>							
<b>USAC - Data Collection Agent</b>	18,642	5,416	5,416	5,416	5,416	4,667	4,667	4,667
- Authorization by the FCC has not been received for payment								
December 2006	4,183							
January 2007	3,415							
February 2007	5,627							
March 2007 - estimate	5,417							
	<u>\$ 18,642</u>							
<b>External auditor- Annual operations audit</b>	75,000	-	-	-	30,000	-	-	-
- \$75,000 represents an accrual for audit fees for the 2004/05 and 2005/06 fiscal year of NANPA. Auditor has not been determined								
	<u>\$ 75,000</u>							
<b>pANI Contract - vendor yet to be determined</b>	\$ -	-	125,000	12,500	379,522	43,750	43,750	43,750
-April liability includes potential liability not incurred in July 2006 to April 2007								
<b>Total</b>	<u>1,320,433</u>	<u>595,654</u>	<u>453,402</u>	<u>820,424</u>	<u>514,652</u>	<u>480,846</u>	<u>480,846</u>	<u>480,846</u>