



Welch & Company LLP
Lévesque Marchand, Chartered Accountants

Billing and Collection Agent Report

To NANC

July 19, 2005

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Monthly NANC Report

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**NANPA FUND
STATEMENT OF FINANCIAL POSITION
June 30, 2005**

<u>Assets</u>		
Cash Balance in bank account	\$	61,981
Dreyfus Government Cash Management Fund		8,107,000
Receivable from US Carriers	708,451	
Receivable from Canada	5,863	
Receivable from Caribbean countries	16,071	
Receivables forwarded to FCC for collection (Over 90 days)	<u>52,052</u>	782,437
Interest receivable		<u>16,890</u>
Total assets		8,968,308
Less: Accrued liabilities (see below for makeup)		1,815,006
Deferred income for July 2005		<u>787,575</u>
Fund balance	\$	<u>6,365,727</u>

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

NEUSTAR - NANPA Administration contract	\$	458,888
NEUSTAR - Block Pooling contract		1,261,684
Data Collection Agent - USAC		34,862
Data Collection Agent - NECA		3,706
Welch & Company LLP - Billing & Collection Agent		37,858
WithumSmith+Brown		<u>18,008</u>
	\$	<u>1,815,006</u>

Other items of note

In June 2005, the Dreyfus Government Cash Management Fund earned a rate of return of 2.56%.

The annual billing for the funding year July 2005 - June 2006 was completed on June 16, 2005. A notice was sent with the billing as requested by the B & C Working Group stating that the low contribution factor was for one year only and provided an estimated contribution factor for the following year.

Welch & Company LLP was recently audited by the FCC. Seven people attended their office including 2 Inspector Generals and one FCC employee.. The initial results were good.

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2004 TO JUNE 2006**

		<u>Actual</u>												
		Oct 2004 - June												
		2005	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06
Revenue														
International Contributions														
Canada	(1)	50,525	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863
Caribbean countries	(1)	-	13,962	-	-	-	-	-	-	-	-	-	-	-
Total International Contributions		50,525	19,825	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863
Domestic Contributions - US carriers	(1)	1,733,450	768,020	55,375	55,375	55,375	55,375	55,375	55,375	55,375	55,375	55,375	55,375	55,375
Interest income	(2)	128,830	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total revenue		1,912,805	802,845	76,238	76,238	76,238	76,238	76,238	76,238	76,238	76,238	76,238	76,238	76,238
Expenses														
NANPA Administration	(3), (7)	1,021,706	154,003	119,587	119,835	119,835	119,835	119,835	119,835	119,835	119,835	119,835	119,835	119,835
1K Block Pooling Administration	(3), (6)	2,518,905	320,060	291,778	291,778	291,778	291,778	291,778	291,778	291,778	291,778	291,778	291,778	291,778
Carrier Audits	(8)	-	700,000	-	-	-	-	-	-	-	-	-	-	700,000
Billing and Collection														
NBANC Billing		29,119	-	-	-	-	-	-	-	-	-	-	-	-
Welch & Company LLP	(3)	192,611	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
Data Collection Agent	(4)	22,182	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333
Annual Operations Audit	(5)	15,760	-	-	-	-	40,000	-	-	-	-	-	-	-
Total expenses		3,800,283	1,202,296	439,598	439,846	439,846	479,846	439,846	439,846	439,846	439,846	439,846	439,846	1,139,846
Net revenue (expenses)		(1,887,478) (399,451) (363,360) (363,608) (363,608) (403,608) (363,608) (363,608) (363,608) (363,608) (363,608) (363,608) (1,063,608)
Opening fund balance		8,253,205	6,365,727	5,966,276	5,602,916	5,239,308	4,875,700	4,472,092	4,108,484	3,744,876	3,381,268	3,017,660	2,654,052	2,290,444
Closing fund balance		6,365,727	5,966,276	5,602,916	5,239,308	4,875,700	4,472,092	4,108,484	3,744,876	3,381,268	3,017,660	2,654,052	2,290,444	1,226,836
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	1,000,001
Surplus		5,365,727	4,966,276	4,602,916	4,239,308	3,875,700	3,472,092	3,108,484	2,744,876	2,381,268	2,017,660	1,654,052	1,290,444	226,835
		<u>6,365,727</u>	<u>5,966,276</u>	<u>5,602,916</u>	<u>5,239,308</u>	<u>4,875,700</u>	<u>4,472,092</u>	<u>4,108,484</u>	<u>3,744,876</u>	<u>3,381,268</u>	<u>3,017,660</u>	<u>2,654,052</u>	<u>2,290,444</u>	<u>1,226,836</u>

Assumptions:

- (1) The US carrier contributions for the period from July 2005 to June 2006 is based upon actual billings in June 2005.
The International carrier revenue is based on actual for 2005/06.
- (2) Interest income projections are estimates
- (3) The expenses for the NANPA Administration, Pooling Administration and Welch & Company LLP are based on contracts in force.
- (4) The expense for the Data Collection Agent is based on the 2005/06 budget.
- (5) The amount showing in November 2005 for the annual operations audit has not yet been negotiated. Amount recorded is based on prior year
- (6) The June forecasted amount includes the forecasted monthly billing of \$291,778 plus the cost of the approved change orders of \$28,28
- (7) The June forecasted amount includes the forecasted monthly billing of \$130,381 plus the cost of approved change orders of \$23,37.
- (8) The budget allowed \$700,000 for 16 carrier audits, of which 6 are either done or in progress. FCC would like to complete another 6 audits by June 2006

Reconciliation of Forecast to Budget

Forecasted fund balance at June 30/05	6,365,727
Additional PA expenses not budgeted	2,858
Additional NANPA Admin expenses not budgeted	
Carrier audits not yet billed for 2004/05	(700,000)
Pre-transition costs of Welch & Company LLP not budgeted	13,510
Excess budget amount for NECA	(29,839)
Excess budget amount for NBANC not included in forecast	(79,203)
Original budgeted fund balance	<u>5,573,053</u>

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current <u>June 30/05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>
NEUSTAR - NANPA Administration contract	458,888	154,003	119,587	119,835	119,835	119,835	119,835	119,835
- Authorization by the FCC has not been received for payment								
March 2005 - estimate	114,722							
April 2005 - estimate	114,722							
May 2005 - estimate	114,722							
June 2005 - estimate	114,722							
	<u>\$ 458,888</u>							
NEUSTAR - Block Pooling contract	1,261,684	320,060	291,778	291,778	291,778	291,778	291,778	291,778
- Authorization by the FCC has not been received for payment								
March 2005 - estimate	315,421							
April 2005 - estimate	315,421							
May 2005 - estimate	315,421							
	<u>\$ 1,261,684</u>							
Welch & Company LLP - Billing & Collection Agent	37,858	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Authorization by the FCC has not been received for payment								
May 2005	17,858							
June 2005	19,900							
	<u>37,758</u>							
NECA - Data Collection Agent	3,706	-	-	-	-	-	-	-
- Authorization by the FCC has not been received for payment								
December 2004	3,495							
December 2004	80							
January 2005	131							
	<u>3,706</u>							
USAC - Data Collection Agent	34,862	8,333	8,333	8,333	8,333	8,333	8,333	8,333
- Authorization by the FCC has not been received for payment								
January 2005	4,406							
February 2005 - estimate	4,399							
March 2005 - estimate	5,292							
April 2005 - estimate	6,824							
May 2005 - estimate	5,608							
June 2005 - estimate	8,333							
	<u>\$ 34,862</u>							
Clifton Gunderson LLP - Carrier audits	-	700,000.00	-	-	-	-	-	-
- Authorization by the FCC has not been received for payment								
- 6 audits are either done or in progress and FCC would like to complete another 6 prior to end of June 2005								
WithumSmith+Brown - Annual operations audit	18,008	-	-	-	-	40,000	-	-
- Represents an accrual for audit fees for the 2003/04 fiscal year of NANPA by NBANC. In June the final invoice was received final invoice based on a total fee of \$18,008								
Total	<u>1,815,006</u>	<u>1,202,296</u>	<u>439,598</u>	<u>439,846</u>	<u>439,846</u>	<u>479,846</u>	<u>439,846</u>	<u>439,846</u>