



Welch & Company LLP
Lévesque Marchand, Chartered Accountants

**Billing and Collection Agent Report
For period ending March 31, 2006**

To NANC

April 5, 2006

NANPA FUND
STATEMENT OF FINANCIAL POSITION
March 31, 2006

Assets

Cash Balance in bank account	\$	65,574
Dreyfus Government Cash Management Fund		5,603,000
Receivable from US Carriers	60,351	
Receivable from Canada	5,863	
Receivable from Caribbean countries	3,245	
Receivables forwarded to FCC for collection (Over 90 days)	87,555	
Allowance for uncollectible accounts	<u>(106,000)</u>	51,014
Interest receivable		<u>19,683</u>
Total assets		5,739,271
Less: Accrued liabilities (see below for makeup)		<u>1,914,578</u>
Fund balance	\$	<u>3,824,693</u>

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

Welch and Company LLP	38,703	
NEUSTAR Pooling 1K Block Pooling Expenses	1,148,793	
NEUSTAR Admin Expenses	481,322	
Data Collection Agent - USAC	75,549	
Data Collection Agent - NECA	211	
Carrier audits	140,000	
Fund audit	<u>30,000</u>	
	\$	<u>1,914,578</u>

Other items of note

In March 2006, the Dreyfus Government Cash Management Fund earned a rate of return of 4.06%.

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2005 TO MARCH 2007**

		<u>Actual</u>												
		<u>Mar-06</u>	<u>Apr-06</u>	<u>May-06</u>	<u>Jun-06</u>	<u>Jul-06</u>	<u>Aug-06</u>	<u>Sep-06</u>	<u>Oct-06</u>	<u>Nov-06</u>	<u>Dec-06</u>	<u>Jan-07</u>	<u>Feb-07</u>	<u>Mar-07</u>
Revenue														
International Contributions														
Canada	(1)	35,179	5,863	5,863	5,863	5,791	5,791	5,791	5,791	5,791	5,791	5,791	5,791	5,791
Caribbean countries	(1)	-	-	-	-	13,743	-	-	-	-	-	-	-	-
Total International Contributions		35,179	5,863	5,863	5,863	19,534	5,791	5,791	5,791	5,791	5,791	5,791	5,791	5,791
Domestic Contributions - US carriers	(1)	329,868	51,409	51,409	51,409	3,213,235	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Interest income	(2)	121,187	18,000	18,000	17,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total revenue		486,234	75,272	75,272	74,272	3,247,769	150,791	150,791	150,791	150,791	150,791	150,791	150,791	150,791
Expenses														
NANPA Administration	(3), (7)	716,650	143,953	120,579	120,579	118,456	118,456	118,456	118,456	118,456	118,456	118,456	118,456	118,456
1K Block Pooling Administration	(3), (6)	2,089,347	401,070	382,931	324,405	291,778	291,778	291,778	291,778	291,778	291,778	291,778	291,778	291,778
pANI	(10)	-	-	-	-	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Carrier Audits	(8)	-	-	-	210,000	-	-	-	-	-	-	-	-	-
Billing and Collection														
Welch & Company LLP	(3)	119,400	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)	30,233	5,416	5,416	5,416	5,416	5,416	5,416	5,416	5,416	5,416	5,416	5,416	5,416
Annual Operations Audit	(5)	-	-	-	45,000	-	-	-	-	-	-	-	-	-
Bad debt expense (recovery)	(9)	(20,210)	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses		2,935,420	570,339	528,826	725,300	448,050	448,050	448,050	448,050	448,050	448,050	448,050	448,050	448,050
Net revenue (expenses)		(2,449,186)	(495,067)	(453,554)	(651,028)	2,799,719	(297,259)	(297,259)	(297,259)	(297,259)	(297,259)	(297,259)	(297,259)	(297,259)
Opening fund balance		6,273,879	3,824,693	3,329,626	2,876,072	2,225,044	5,024,763	4,727,504	4,430,245	4,132,986	3,835,727	3,538,468	3,241,209	2,943,950
Closing fund balance		3,824,693	3,329,626	2,876,072	2,225,044	5,024,763	4,727,504	4,430,245	4,132,986	3,835,727	3,538,468	3,241,209	2,943,950	2,646,691
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		2,824,693	2,329,626	1,876,072	1,225,044	4,024,763	3,727,504	3,430,245	3,132,986	2,835,727	2,538,468	2,241,209	1,943,950	1,646,690
		3,824,693	3,329,626	2,876,072	2,225,044	5,024,763	4,727,504	4,430,245	4,132,986	3,835,727	3,538,468	3,241,209	2,943,950	2,646,691

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.
The contributions for US carriers for July 2006 - March 2007 are based on option 1 of the 2006/07 funding budget. The monthly contributions are estimates.
The International contributions is based on proposed actual for 2006/07.
- (2) Interest income projections are estimates
- (3) The expenses for the NANPA Administration and Welch & Company LLP are based on contracts in force.
The expenses for Pooling Administration is based on contracts in force until June 2006. July 2006 to March 2007 expenses are based on the last year of the expired contract.
- (4) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2006 calendar year.
- (5) \$30,000 has been accrued for the 2004/05 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 2006 is for the 2005/06 audit.
- (6) The April forecasted amount includes the forecasted monthly billing of \$382,931 plus the cost of submitted change orders of \$18,139
- (7) The April forecasted amount includes the forecasted monthly billing of \$120,579 plus the cost of approved change orders of \$23,374.
- (8) The budget allowed \$700,000 for 16 carrier audits. FCC indicated that only 3 were completed at a cost of approximately \$140,000 at September 30, 2005 and there additional audit completed since then for a cost of \$210,000 for a total cost of \$350,000.
- (9) The allowance covers all accounts considered potentially uncollectible at March 31, 2006. This will be covered by the contingency allowance.
There was a large recovery of a debt by the FCC in November which accounts for the recovery of bad debts.
- (10) The cost for pANI has been provided for as per the 2006/07 budget. The RFP for this has not yet been issued.

Reconciliation of Forecast to Budget

Forecasted fund balance at June 30/06 - contingency	1,000,000
Additional revenue due to higher contribution base than estimated on initial billing	133,073
Interest earned over estimate	128,463
Additional billings April 2005 - March 2006	(68,170)
Late filing fees for Form 499A	75,500
Carrier audit for 2004/05 not expended	560,000
Carrier audit for 2005/06 not expended	490,000
Bad debts	(62,245)
Data Collection fees (2004/05) not expended	41,613
NANPA administration (2004/05) not expended	11,571
1K Block Pooling (2003/04)	(66,622)
1k Block Pooling (2005/06) submitted change orders not in budget	(18,139)
Anticipated fund balance at June 30/06	<u>2,225,044</u>

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current							
	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06
NEUSTAR - NANPA Administration contract	481,322	143,953	120,579	120,579	118,456	118,456	118,456	118,456
- Payment authorized by the FCC on March 8/06, received by Welch February 10, 2006								
November 2005	117,505							
- Authorization by the FCC has not been received for payment								
August 2005	119,585							
December 2005 - estimate	120,579							
February 2006 - estimate	120,579							
March 2006 - estimate	120,579							
	<u>\$ 481,322</u>							
NEUSTAR - Block Pooling contract	1,148,793	401,070	382,931	324,405	291,778	291,778	291,778	291,778
- Payment authorized by the FCC on March 8/06, received by Welch March 10, 2006								
December 2005	214,583							
- Authorization by the FCC has not been received for payment								
December 2005 - estimate	382,931							
January 2006 - estimate	382,931							
February 2006 - estimate	382,931							
	-							
	<u>\$ 1,148,793</u>							
Welch & Company LLP - Billing & Collection Agent	38,703	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on March 8/06, received by Welch March 10, 2006								
January 2006	18,678							
- Authorization by the FCC has not been received for payment								
February 2006	18,803							
March 2006	19,900							
	-							
	<u>38,703</u>							
NECA - Data Collection Agent	211	-	-	-	-	-	-	-
- Authorization by the FCC has not been received for payment								
December 2004	80							
January 2005	131							
	<u>211</u>							
USAC - Data Collection Agent	75,549	5,416	5,416	5,416	5,416	5,416	5,416	5,416
- Authorization by the FCC has not been received for payment								
January 2005	4,406							
February 2005	4,399							
March 2005	5,292							
April 2005	6,824							
May 2005	5,608							
June 2005	4,897							
July 2005	4,846							
August 2005	4,444							
September 2005	4,449							
October 2005	5,065							
November 2005	5,008							
December 2005	5,862							
January 2006	4,846							
February 2006	4,186							
March 2005 - estimate	5,417							
	<u>\$ 75,549</u>							
Clifton Gunderson LLP - Carrier audits	140,000	-	-	210,000	-	-	-	-
- Authorization by the FCC has not been received for payment	<u>\$ 140,000</u>							
-3 audits are completed								
External auditor- Annual operations audit	30,000	-	-	45,000	-	-	-	-
- Represents an accrual for audit fees for the 2004/05 fiscal year of NANPA. Auditor has not been determined	<u>\$ 30,000</u>							
pANI Contract - vendor yet to be determined	\$ -	-	-	-	12,500	12,500	12,500	12,500
Total	<u>1,914,578</u>	<u>570,339</u>	<u>528,826</u>	<u>725,300</u>	<u>448,050</u>	<u>448,050</u>	<u>448,050</u>	<u>448,050</u>