



Welch & Company LLP
Lévesque Marchand, Chartered Accountants

**Billing and Collection Agent Report
For period ending November 30, 2005**

To NANC

December 5, 2005

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

Assets

Cash Balance in bank account	\$	67,828
Dreyfus Government Cash Management Fund		6,766,000
Receivable from US Carriers	49,422	
Receivable from Canada	5,863	
Receivable from Caribbean countries	3,382	
Receivables forwarded to FCC for collection (Over 90 days)	95,059	
Allowance for uncollectible accounts	<u>(111,300)</u>	42,426
Interest receivable		<u>20,704</u>
Total assets		6,896,958
Less: Accrued liabilities (see below for makeup)		<u>1,685,900</u>
Fund balance	\$	<u>5,211,058</u>

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

Welch and Company LLP - October & November	38,423	
NEUSTAR Pooling 1K Block Pooling Expenses	947,348	
NEUSTAR Admin Expenses	475,089	
Data Collection Agent - USAC	54,830	
Data Collection Agent - NECA	211	
Carrier audits	140,000	
Fund audit	<u>30,000</u>	
	<u>\$ 1,685,900</u>	

Other items of note

In November 2005, the Dreyfus Government Cash Management Fund earned a rate of return of 3.46%.

In November, the FCC approved a payment to Neustar under the Pooling contract in the amount of \$423, 454. This represents Merit Incentive for the period June 15/04 to December 31/04 of \$231,395.63 and \$192,058.37 for the period January 1/04 to June 14/05.

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2005 TO NOVEMBER 2006**

		<u>Actual</u>												
		<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</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>
Revenue														
International Contributions														
Canada	(1)	11,726	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)	-	-	-	-	-	-	-	-	13,692	-	-	-	-
Total International Contributions		<u>11,726</u>	<u>5,863</u>	<u>5,863</u>	<u>5,863</u>	<u>5,863</u>	<u>5,863</u>	<u>5,863</u>	<u>5,863</u>	<u>19,555</u>	<u>-</u>	<u>5,863</u>	<u>5,863</u>	<u>5,863</u>
Domestic Contributions - US carriers	(1)	119,171	51,409	51,409	51,409	51,409	51,409	51,409	51,409	6,819,100	51,409	51,409	51,409	51,409
Interest income	(2)	42,292	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total revenue		<u>173,189</u>	<u>67,272</u>	<u>67,272</u>	<u>67,272</u>	<u>67,272</u>	<u>67,272</u>	<u>67,272</u>	<u>67,272</u>	<u>6,848,655</u>	<u>61,409</u>	<u>67,272</u>	<u>67,272</u>	<u>67,272</u>
Expenses														
NANPA Administration	(3), (7)	237,607	143,196	119,822	119,822	119,822	119,822	119,822	119,822	118,456	118,456	118,456	118,456	118,456
1K Block Pooling Administration	(3), (6)	964,988	315,783	315,783	315,783	315,783	315,783	315,783	315,783	315,783	315,783	315,783	315,783	315,783
Carrier Audits	(8)	-	-	-	-	-	-	-	700,000	-	-	-	-	-
Billing and Collection														
Welch & Company LLP	(3)	39,800	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)	9,514	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)	-	-	-	-	-	-	-	45,000	-	-	-	-	-
Bad debt expense (recovery)	(9)	(15,899)	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses		<u>1,236,010</u>	<u>487,212</u>	<u>463,838</u>	<u>463,838</u>	<u>463,838</u>	<u>463,838</u>	<u>463,838</u>	<u>1,208,838</u>	<u>462,472</u>	<u>462,472</u>	<u>462,472</u>	<u>462,472</u>	<u>462,472</u>
Net revenue (expenses)		<u>(1,062,821)</u>	<u>(419,940)</u>	<u>(396,566)</u>	<u>(396,566)</u>	<u>(396,566)</u>	<u>(396,566)</u>	<u>(396,566)</u>	<u>(1,141,566)</u>	<u>6,386,183</u>	<u>(401,063)</u>	<u>(395,200)</u>	<u>(395,200)</u>	<u>(395,200)</u>
Opening fund balance		<u>6,273,879</u>	<u>5,211,058</u>	<u>4,791,118</u>	<u>4,394,552</u>	<u>3,997,986</u>	<u>3,601,420</u>	<u>3,204,854</u>	<u>2,808,288</u>	<u>1,666,722</u>	<u>8,052,905</u>	<u>7,651,842</u>	<u>7,256,642</u>	<u>6,861,442</u>
Closing fund balance		<u>5,211,058</u>	<u>4,791,118</u>	<u>4,394,552</u>	<u>3,997,986</u>	<u>3,601,420</u>	<u>3,204,854</u>	<u>2,808,288</u>	<u>1,666,722</u>	<u>8,052,905</u>	<u>7,651,842</u>	<u>7,256,642</u>	<u>6,861,442</u>	<u>6,466,242</u>
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
Surplus		4,211,058	3,791,118	3,394,552	2,997,986	2,601,420	2,204,854	1,808,288	666,722	7,052,905	6,651,842	6,256,642	5,861,442	5,466,241
		<u>5,211,058</u>	<u>4,791,118</u>	<u>4,394,552</u>	<u>3,997,986</u>	<u>3,601,420</u>	<u>3,204,854</u>	<u>2,808,288</u>	<u>1,666,722</u>	<u>8,052,905</u>	<u>7,651,842</u>	<u>7,256,642</u>	<u>6,861,442</u>	<u>6,466,242</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.
The contributions for July - October 2006 are based on 2005/06 funding budget.
- (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 to November 2005 expenses are based on the last year of the expired contract.
- (4) The expense for the Data Collection Agent is based on the 2005/06 budget.
- (5) \$30,000 has been accrued for the annual operations audit that will be conducted in December 2005/ January 2006. The cost of this audit has not been negotiated. Amount recorded is based on prior year.
- (6) The November forecasted amount includes the forecasted monthly billing of \$315,793
- (7) The November forecasted amount includes the forecasted monthly billing of \$119,822 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 are completed and the cost will be approximately \$140,000
- (9) The allowance covers all accounts considered potentially uncollectible at November 30, 2005. 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.

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	71,830
Additional billings April - November	(103,293)
Late filing fees for Form 499A	75,500
Carrier audit for 2004/05 not expended	560,000
Bad debts	(85,455)
	30,596
Data Collection fees (2004/05) not expended	11,571
NANPA administration (2004/05) not expended	(63,755)
1K Block Pooling (2004/05) not expended	36,655
Other	1,666,722
Anticipated fund balance at June 30/06	1,666,722

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>May-06</u>	<u>Jun-06</u>
	<u>Nov 30/05</u>							
NEUSTAR - NANPA Administration contract	475,088	143,196	119,822	119,822	119,822	119,822	119,822	119,822
- Payment authorized by the FCC on October 27/05, 2005, received by Welch November 16, 2005								
September 2005	117,506							
- Authorization by the FCC has not been received for payment								
June 2005	115,567							
August 2005	119,584							
October - estimate	119,969							
November - estimate	119,968							
	<u>\$ 475,088</u>							
NEUSTAR - Block Pooling contract	947,348	315,783	315,783	315,783	315,783	315,783	315,783	315,783
- Payment authorized by the FCC on October 27/05, 2005, received by Welch November 16, 2005								
Change orders 27,30-33, 36	23,914							
July 2005	222,478							
August 2005	204,568							
Merit incentive	423,454							
- Authorization by the FCC has not been received for payment								
September 2005 - estimate	315,782							
October 2005 - estimate	315,783							
November 2005 - estimate	315,783							
	<u>\$ 947,348</u>							
Welch & Company LLP - Billing & Collection Agent	38,423	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on October 27/05, 2005, received by Welch November 16, 2005								
July 2005	18,613							
- Authorization by the FCC has not been received for payment								
October 2005	18,523							
November 2005	19,900							
	<u>38,423</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	54,830	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	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 - estimate	4,600							
	<u>\$ 54,830</u>							
Clifton Gunderson LLP - Carrier audits	140,000	-	-	-	-	-	-	-
- Authorization by the FCC has not been received for payment								
-3 audits are completed	<u>\$ 140,000</u>							
External auditor- Annual operations audit	30,000	-	-	-	-	-	-	-
- Represents an accrual for audit fees for the 2004/05 fiscal year of NANPA. Auditor has not been determined								
	<u>\$ 30,000</u>							
Total	<u>1,685,900</u>	<u>487,212</u>	<u>463,838</u>	<u>463,838</u>	<u>463,838</u>	<u>463,838</u>	<u>463,838</u>	<u>463,838</u>