



Welch & Company LLP
Lévesque Marchand, Chartered Accountants

**Billing and Collection Agent Report
For period ending November 30, 2006**

To NANC

December 13, 2006

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2006**

Assets

Cash Balance in bank account	\$	67,622
Dreyfus Government Cash Management Fund		4,985,000
Receivable from US Carriers	196,908	
Receivable from Canada	5,791	
Receivable from Caribbean countries	1,196	
Receivables forwarded to FCC for collection (Over 90 days)	166,510	
Allowance for uncollectible accounts	<u>(188,900)</u>	181,505
Interest receivable		<u>20,532</u>
Total assets		5,254,659
Less: Accrued liabilities (see below for makeup)		<u>(1,414,816)</u>
Fund balance		<u><u>\$ 3,839,843</u></u>

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

Welch and Company LLP	38,232	
NEUSTAR Pooling 1K Block Pooling Expenses	883,839	
NEUSTAR Admin Expenses	237,082	
Data Collection Agent - USAC	9,600	
Carrier audits	171,063	
Fund audit	<u>75,000</u>	
	<u>\$ 1,414,816</u>	

Other items of note

During November 2006, the Dreyfus Government Cash Management Fund earned a rate of return of 4.79%.

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2006 TO NOVEMBER 2007**

		Actual		Projected							Total	Budget	Difference between forecasted balance at June 30/07 and budget	Projected				
		July-06 - Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07				Jul-07	Aug-07	Sep-07	Oct-07	Nov-07
Revenue																		
International Contributions																		
Canada	(1)	28,955	5,791	5,791	5,791	5,791	5,791	5,791	5,794	-	69,495	69,495	-	5,791	5,791	5,791	5,791	5,791
Caribbean countries	(1)	13,743	-	-	-	-	-	-	-	-	13,743	13,743	-	13,742	-	-	-	-
Total International Contributions		42,698	5,791	5,791	5,791	5,791	5,791	5,791	5,794	-	83,238	83,238	-	19,533	5,791	5,791	5,791	5,791
Domestic Contributions - US carriers	(1)	3,379,659	220,565	220,616	220,616	220,616	220,616	220,616	220,616	25,000	4,948,920	4,876,926	71,994	4,416,594	220,616	220,616	220,616	220,616
Late filing fees for Form 499A	(2)	(4,000)	-	-	-	-	-	-	-	120,000	116,000	-	116,000	-	-	-	-	-
Interest income	(3)	87,070	20,617	15,000	15,000	15,000	15,000	15,000	15,000	15,000	212,687	180,000	32,687	15,000	15,000	15,000	15,000	15,000
Total revenue		3,505,427	246,973	241,407	241,407	241,407	241,407	241,407	241,410	160,000	5,360,845	5,140,164	220,681	4,451,127	241,407	241,407	241,407	241,407
Expenses																		
NANPA Administration	(4), (8)	472,249	118,541	118,541	118,541	118,541	118,541	118,541	118,541	118,541	1,420,577	1,421,467	(890)	120,862	120,862	120,862	120,862	120,862
1K Block Pooling Administration	(4), (7)	260,090	296,419	313,959	296,419	296,420	296,420	296,420	296,420	296,420	2,648,987	3,501,341	(852,354)	296,419	296,419	296,419	296,419	296,419
pANI	(9)	-	-	75,000	12,500	12,500	12,500	12,500	12,500	12,500	150,000	150,000	-	12,500	12,500	12,500	12,500	12,500
Billing and Collection Welch & Company LLP	(4)	79,600	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	238,800	238,800	-	19,900	19,900	19,900	19,900	19,900
Data Collection Agent	(5)	17,231	4,183	5,416	5,416	5,416	5,416	5,416	5,416	5,416	59,326	65,000	(5,674)	5,416	5,416	5,416	5,416	5,416
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)	94,707	(7,600)	-	-	-	-	-	-	-	87,107	-	87,107	120,000	-	-	-	-
Total expenses		968,877	431,443	532,816	452,776	452,777	452,777	1,152,777	452,777	482,777	5,379,797	6,106,608	(726,811)	575,097	455,097	455,097	455,097	455,097
Net revenue (expenses)		2,536,550	(184,470)	(291,409)	(211,369)	(211,370)	(211,370)	(911,370)	(211,367)	(322,777)	(18,952)	(966,444)	947,492	3,876,030	(213,690)	(213,690)	(213,690)	(213,690)
Opening fund balance		1,487,763	4,024,313	3,839,843	3,548,434	3,337,065	3,125,695	2,914,325	2,002,955	1,791,588	1,487,763	1,966,444	(478,681)	1,468,811	5,344,841	5,131,151	4,917,461	4,703,771
Closing fund balance		4,024,313	3,839,843	3,548,434	3,337,065	3,125,695	2,914,325	2,002,955	1,791,588	1,468,811	1,468,811	1,000,000	468,811	5,344,841	5,131,151	4,917,461	4,703,771	4,490,081
Fund balance makeup:																		
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	1,000,000	1,000,000
Surplus		3,024,314	2,839,843	2,548,434	2,337,065	2,125,695	1,914,325	2,002,955	791,588	468,811	468,811	-	-	4,344,841	4,131,151	3,917,461	3,703,771	3,490,081
		<u>4,024,313</u>	<u>3,839,843</u>	<u>3,548,434</u>	<u>3,337,065</u>	<u>3,125,695</u>	<u>2,914,325</u>	<u>2,002,955</u>	<u>1,791,588</u>	<u>1,468,811</u>	<u>1,468,811</u>	<u>1,000,000</u>	<u>468,811</u>	<u>5,344,841</u>	<u>5,131,151</u>	<u>4,917,461</u>	<u>4,703,771</u>	<u>4,490,081</u>

Assumptions:

- The US carrier contributions for the period from July 2006 to June 2007 is based upon actual billings in June 2006. The International carrier revenue is based on actual billings for 2006/07. The contributions for July 2007 are based on actual billed for 2006/07. Contributions for August - November 2007 are estimates based on 2006/07.
- 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.
- Interest income projections are estimates
- 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 two possible one-month extensions, while the re-bid for the contract is taking place. The same figures were used the period November 15, 2006 to July 2007.
- The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2006 calendar year.
- \$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.
- The December forecasted amount includes the forecasted monthly billing of \$296,419 plus the cost of submitted change orders of \$17540
- The December forecasted amount includes the forecasted monthly billing of \$118,541
- The cost for pANI has been provided for as per the 2006/07 budget. NeuStar has been appointed Interim Routing Number Authority for pANI.
- The budget allowed \$700,000 for 16 carrier audits.
- The FCC indicated that there are 3 more audits completed for the 2005/06 at a cost of approximately \$171,000. This cost has been accounted for in the 2005/06 funding
- The allowance covers all accounts considered potentially uncollectible at November 30, 2006. 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 - November	71,994
Late filing fees (reversal) for Form 499A - 2006	(4,000)
Additional interest earned in July - November over budget	32,687
Adjustment to June NANP Admin estimate to actual	890
Adjustment to May & June Pooling bill estimates to actual	888,580
Pooling Change Order #41, 44, 45 in budget but not yet billed	(17,540)
Pooling - estimate of fixed price portion of expired contract (Jan 1/06 to June 14/06)	(121,000)
Pooling - estimate of merit bonus portion of expired contract (Jan 1/06 to June 14/06)	(170,000)
Data Collection fees - Adjust June estimate to actual	783
Adjust July -October estimate of DCA fees to actual	4,891
Bad debts not budgeted for	(87,107)
Estimated late filing fees for 2007	120,000
Annual operations audit - 2005/06 not performed yet	(45,000)
Pooling change Order #43 not budgeted for	(599)
Increase of bridge contracts maximum over budget estimate	(55,692)
Adjustment to actual costs of Pooling for July- November	328,605
Forecasted fund balance at June 30/07	<u>1,468,811</u>

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
NEUSTAR - NANPA Administration contract	237,082	118,541	118,541	118,541	118,541	118,541	118,541	118,541
- Payment authorized by the FCC on Oct 27/06, received by Welch Nov 17/06 September 2006	116,110							
- Authorization by the FCC has not been received for payment October 2006 - estimate	118,541							
November 2006 - estimate	118,541							
	<u>\$ 237,082</u>							
NEUSTAR - Block Pooling contract	883,839	313,959	296,419	296,420	296,420	296,420	296,420	296,420
- Payment authorized by the FCC on Nov 6/06, received by Welch Nov 17/06 September 2006	199,561							
- Authorization by the FCC has not been received for payment Fixed fee billing - estimate	121,000							
2006 merit incentive - estimate	170,000							
October 2006 - estimate	296,420							
November 2006 - estimate	296,419							
	<u>\$ 883,839</u>							
Welch & Company LLP - Billing & Collection Agent	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Authorization by the FCC has not been received for payment October 2006	18,332							
November 2006	1,568							
	<u>\$ 19,900</u>							
USAC - Data Collection Agent	9,600	5,416	5,416	5,416	5,416	5,416	5,416	5,416
- Payment authorized by the FCC on Nov 6/06, received by Welch Nov 17/06 September 2006	4,184							
- Authorization by the FCC has not been received for payment October 2006	4,183							
November 2006 - estimate	5,417							
	<u>\$ 9,600</u>							
Clifton Gunderson LLP - Carrier audits	171,063	-	-	-	-	700,000	-	-
- Authorization by the FCC has not been received for payment - for 3 audits	<u>\$ 171,063</u>							
External auditor- Annual operations audit	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>							
pANI Contract - vendor yet to be determined	\$ -	75,000	12,500	12,500	12,500	12,500	12,500	12,500
- December liability includes potential liability not incurred in July - November								
Total	<u>1,396,484</u>	<u>532,816</u>	<u>452,776</u>	<u>452,777</u>	<u>452,777</u>	<u>1,152,777</u>	<u>452,777</u>	<u>482,777</u>