



Welch & Company LLP
Lévesque Marchand, Chartered Accountants

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

To NANC

September 13, 2007

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

Assets

Cash Balance in bank account		\$ 81,857
Dreyfus Government Cash Management Fund		5,073,000
Receivable from US Carriers	368,801	
Receivable from Canada	5,910	
Receivable from Caribbean countries	1,798	
Receivables forwarded to FCC for collection (Over 90 days)	92,873	
Allowance for uncollectible accounts	<u>(158,400)</u>	310,982
Interest receivable		<u>20,925</u>
Total assets		5,486,764
Less: Accrued liabilities (see below for makeup)		(904,588)
		<u>-</u>
Fund balance		<u>\$ 4,582,176</u>

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

Welch and Company LLP	19,900	
NEUSTAR Pooling 1K Block Pooling Expenses	421,674	
NEUSTAR Admin Expenses	258,659	
Data Collection Agent - USAC	11,896	
pANI	87,460	
Fund audit	<u>105,000</u>	
	<u>\$ 904,588</u>	

Other items of note

During August 2007, the Dreyfus Government Cash Management Fund earned a rate of return of 4.79%.

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2007 TO AUGUST 2008**

	Actual		Budgeted										Total	Budget	Difference between forecasted balance at June 30/08 and budget	Estimated		
	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08				Jul-08	Aug-08	
Revenue																		
International Contributions																		
Canada	(1)	11,821	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,911	-	70,922	70,922	-	5,909	5,909
Caribbean countries	(1)	13,970	-	-	-	-	-	-	-	-	-	-	-	13,970	13,949	21	13,849	-
Total International Contributions		25,791	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,911	-	84,892	84,871	21	19,758	5,909
Domestic Contributions - US carriers	(1)	2,567,728	198,254	199,777	199,777	199,777	199,777	199,777	199,777	199,777	199,777	199,777	-	4,563,975	4,530,185	33,790	2,354,951	199,777
Late filing fees for Form 499A	(2)	(1,500)	(4,700)	-	-	-	-	-	-	-	-	-	115,000	108,800	115,000	(6,200)	-	-
Interest income	(3)	19,164	21,709	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	190,873	180,000	10,873	15,000	15,000
Total revenue		2,611,183	221,173	220,687	220,687	220,687	220,687	220,687	220,687	220,687	220,687	220,688	130,000	4,948,540	4,910,056	38,484	2,389,709	220,686
Expenses																		
NANPA Administration	(4), (8)	111,504	139,746.00	138,751	121,076	121,076	121,076	121,076	121,076	121,076	121,076	121,076	121,076	1,479,685	1,450,340	29,345	118,333	118,333
1K Block Pooling Administration	(4), (7)	29,389	228,021.00	214,974	189,375	189,375	189,375	189,375	189,375	189,375	189,375	189,375	189,375	2,176,759	3,200,000	(1,023,241)	189,375	189,375
pANI	(9)	(429,562)	-	-	-	-	-	-	-	-	-	-	-	(429,562)	225,000	(654,562)	-	-
Billing and Collection																		
Welch & Company LLP	(4)	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	238,800	238,800	-	19,900	19,900
Data Collection Agent	(5)	3,043	4,666	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	54,379	56,000	(1,621)	4,667	4,667
Annual Operations Audit	(6)	-	-	-	-	30,000	-	-	-	-	-	-	-	30,000	30,000	-	-	-
Carrier Audits	(10)	-	-	-	-	-	-	-	700,000	-	-	-	-	700,000	700,000	-	-	-
Bad debt expense (recovery)	(11)	873	18,212	-	-	-	-	-	-	-	-	-	-	19,085	-	19,085	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses		(264,853)	410,545	378,292	335,018	365,018	335,018	335,018	335,018	1,035,018	335,018	335,018	335,018	4,269,146	5,900,140	(1,630,994)	332,275	332,275
Net revenue (expenses)		2,876,036	(189,372)	(157,605)	(114,331)	(144,331)	(114,331)	(114,331)	(114,331)	(814,331)	(114,331)	(114,330)	(205,018)	679,394	(990,084)	1,669,478	2,057,434	(111,589)
Opening fund balance		1,895,512	4,771,548	4,582,176	4,424,571	4,310,240	4,165,909	4,051,578	3,937,247	3,822,916	3,008,585	2,894,254	2,779,924	1,895,512	1,990,084	(94,572)	2,574,906	4,632,340
Closing fund balance		4,771,548	4,582,176	4,424,571	4,310,240	4,165,909	4,051,578	3,937,247	3,822,916	3,008,585	2,894,254	2,779,924	2,574,906	2,574,906	1,000,000	1,574,906	4,632,340	4,520,751
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	1,000,000	-	1,000,000	1,000,000
Surplus		3,771,548	3,582,176	3,424,571	3,310,240	3,165,909	3,051,578	2,937,247	2,822,916	2,008,585	1,894,254	1,779,924	1,574,906	1,574,906	-	-	3,632,340	3,520,751
		4,771,548	4,582,176	4,424,571	4,310,240	4,165,909	4,051,578	3,937,247	3,822,916	3,008,585	2,894,254	2,779,924	2,574,906	2,574,906	1,000,000	-	4,632,340	4,520,751

Assumptions:

- (1) The US carrier contributions for the period from July 2007 to June 2008 is based upon actual billings. 2007/08 International carrier revenue is based on actual. The contributions for July and August 2008 are estimates based on 2007/08.
- (2) These fees represent the \$100 late filing fee charged to those companies that do not file the Form 499A by the due date.
- (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 extended the existing Pooling contract to August 14/07 while the RFP process was in progress. The new Pooling contract was awarded and is effective August 15/07. The expense for NANPA Administration for July and August 2008 is based on an estimate as the current contract expires June 2008.
- The figures for the first half of August 2007 is based on the proposed budget. The periods from mid August 2007 onwards are based on the new Pooling contract.
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2007 calendar year.
- (6) \$45,000 for 2004/05 and \$30,000 each has been accrued for 2005/06 and 2006/07 fiscal years for the annual operations audit. The cost of this audit has not been negotiated. Amount recorded is based on prior year. The contract will be awarded once the FCC reviews some contractual issues regarding the audit contract.
- (7) The September forecasted amount includes the forecasted monthly billing of \$189,375 plus the cost of submitted change orders of \$25,599
- (8) The September forecasted amount includes the forecasted monthly billing of \$121,076 plus approved changes orders of \$17,675.
- (9) NeuStar had been appointed Interim Routing Number Authority for pANI. The cost for pANI of \$87,460 has been provided for as per approved change order #48. It is to cover the time period from initiation to the time the Pooling contract is awarded, August 14, 2007. Interim p-ANI administration is now covered under the new Pooling contract.
- (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.
- (11) The allowance covers all accounts considered potentially uncollectible at August 31, 2007. This will be covered by the contingency allowance.

Reconciliation of Forecast at June 30, 2008 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	(94,572)
Additional billings in July and August 2007	33,811
Late filing fees (reversal) for Form 499A - 2006	(6,200)
Additional interest earned in July over budget	10,873
Adjustment to June NANP Admin estimate to actual	7,000
NANP Admin contract change orders#6, 7, 8, 9, 10, 11, 12 and 13 not budgeted for but	(36,345)
	-
Data Collection fees - Adjust March to June estimates to actual	574
Adjust July 2007 estimate of DCA fees to actual	1,047
Funds received from Neustar re NANC travel from 2000	-
Bad debts not budgeted for	(19,085)
Annual operations audit - 2005, 2006 and 2007 not performed yet	-
Unexpended budget for carrier audits not performed in 2006/07 budget year	-
Adjustment of interim p-ANI costs to actual (over budgeted) based on CO#48	429,562
p-ANI costs included in Pooling contract - not a separate item as budgeted	225,000
Change order #46 cancelled, adjustments to CO # 44,47,49 and 51 from budgeted	9,439
Pooling Change Order #51 not budgeted	(16,987)
Adjustment for Pooling based on actual contract from mid August to June 30th	772,941
Adjustment for Pooling based on July actual, August estimate and new contract value for mid-August 2007 to June 2008	111,659
Adjustment to February to June 2007 Pooling bill estimates to actual	146,189
	-
Forecasted Fund balance at June 30/08	2,574,906

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

		Current							
		Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08
NEUSTAR - NANPA Administration contract		258,659	138,751	121,076	121,076	121,076	121,076	121,076	121,076
- Payment authorized by the FCC on July 24/07, received by Welch August 13/07									
June 2007	117,971								
CO #8 - partial	826								
April 2007	119,303								
May 2007	119,244								
- Authorization by the FCC has not been received for payment									
July 2007	118,500								
CO #8 - partial	413								
August 2007 - estimate	121,076								
CO# 12	18,670								
	<u>\$ 258,659</u>								
NEUSTAR - Block Pooling contract		421,674	214,974	189,375	189,375	189,375	189,375	189,375	189,375
- Payment authorized by the FCC on July 24/07, received by Welch August 13/07									
June 2007	280,634								
- Authorization by the FCC has not been received for payment									
July 2007	193,653								
August 2007 - estimate	228,021								
	<u>\$ 421,674</u>								
Welch & Company LLP - Billing & Collection Agent		19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on August 3/07, received by Welch August 13/07									
July 2007	16,759								
- Authorization by the FCC has not been received for payment									
August 2007	19,900								
	<u>\$ 19,900</u>								
USAC - Data Collection Agent		11,896	4,667	4,667	4,667	4,667	4,667	4,667	4,667
- Authorization by the FCC has not been received for payment									
June 2007	\$ 3,609								
July 2007	\$ 3,621								
August 2007 - estimate	\$ 4,666								
	<u>\$ 11,896</u>								
Carrier audits		-	-	-	-	-	-	-	700,000
External auditor- Annual operations audit		105,000	-	-	30,000	-	-	-	-
- Payment authorized by the FCC on August 29, 2005, received by Welch September 30, 2005	18,008								
- \$105,000 represents an accrual for audit fees for the 2004/05, 2005/06 and 2006/07fiscal years of NANPA. Auditor has not been determined		<u>\$ 105,000</u>							
Neustar - p-ANI administration		\$ -	87,460						
- Based on Change Order #48		<u>\$ 87,460</u>							
Total		<u>904,588</u>	<u>378,292</u>	<u>335,018</u>	<u>365,018</u>	<u>335,018</u>	<u>335,018</u>	<u>335,018</u>	<u>1,035,018</u>