



Welch & Company LLP
Lévesque Marchand, Chartered Accountants

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

To NANC

August 28, 2007

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

Assets

Cash Balance in bank account		\$ 47,976
Dreyfus Government Cash Management Fund		5,212,000
Receivable from US Carriers	459,330	
Receivable from Canada	5,910	
Receivable from Caribbean countries	2,092	
Receivables forwarded to FCC for collection (Over 90 days)	115,431	
Allowance for uncollectible accounts	<u>(158,400)</u>	424,363
Interest receivable		<u>18,795</u>
Total assets		5,703,134
Less: Accrued liabilities (see below for makeup)		(931,586)
		<u>-</u>
Fund balance		<u>\$ 4,771,548</u>

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

Welch and Company LLP	19,900	
NEUSTAR Pooling 1K Block Pooling Expenses	474,287	
NEUSTAR Admin Expenses	237,709	
Data Collection Agent - USAC	7,230	
pANI	87,460	
Fund audit	<u>105,000</u>	
	<u>\$ 931,586</u>	

Other items of note

During July 2007, the Dreyfus Government Cash Management Fund earned a rate of return of 4.8%.

The contract for Pooling Administration was awarded on August 1, 2007 and is effective August 15, 2007 until August 14, 2012.

The contract for the audit of the Fund will be awarded by the end of August. It is anticipated that the audits for fiscal years ended September 30, 2005 to September 30, 2007 will be performed in October 2007.

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

		Budgeted											Total	Budget	Difference between forecasted balance at June 30/08 and budget	Budgeted	
		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
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
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
Domestic Contributions - US carriers	(1)	2,567,728	199,777	199,777	199,777	199,777	199,777	199,777	199,777	199,777	199,777	199,777	-	4,565,498	4,530,185	35,313	2,354,951
Late filing fees for Form 499A	(2)	(1,500)	-	-	-	-	-	-	-	-	-	-	115,000	113,500	115,000 (1,500)	-	-
Interest income	(3)	19,164	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	184,164	180,000	4,164	15,000
Total revenue		2,611,183	220,687	220,687	220,687	220,687	220,687	220,687	220,687	220,687	220,687	220,688	130,000	4,948,054	4,910,056	37,998	2,389,709
Expenses																	
NANPA Administration	(4), (8)	111,504	157,421	121,076	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
1K Block Pooling Administration	(4), (7)	29,389	253,620	189,375	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
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
Data Collection Agent	(5)	3,043	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	54,380	56,000 (1,620)	1,620	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	-	-	-	-	-	-	-	-	-	-	-	873	-	873	-
Total expenses		(264,853)	435,608	335,018	335,018	365,018	335,018	335,018	335,018	1,035,018	335,018	335,018	335,018	4,250,935	5,900,140	(1,649,205)	332,275
Net revenue (expenses)		2,876,036 (214,921)	(114,331)	(114,331)	(114,331)	(144,331)	(114,331)	(114,331)	(114,331)	(814,331)	(114,331)	(114,330)	(205,018)	697,119 (990,084)	1,687,203	1,687,203	2,057,434
Opening fund balance		1,895,512	4,771,548	4,556,627	4,442,296	4,327,965	4,183,634	4,069,303	3,954,972	3,840,641	3,026,310	2,911,979	2,797,649	1,895,512	1,990,084	(94,572)	2,592,631
Closing fund balance		4,771,548	4,556,627	4,442,296	4,327,965	4,183,634	4,069,303	3,954,972	3,840,641	3,026,310	2,911,979	2,797,649	2,592,631	2,592,631	1,000,000	1,592,631	4,650,065
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
Surplus		3,771,548	3,556,627	3,442,296	3,327,965	3,183,634	3,069,303	2,954,972	2,840,641	2,026,310	1,911,979	1,797,649	1,592,631	1,592,631	-	-	3,650,065
		4,771,548	4,556,627	4,442,296	4,327,965	4,183,634	4,069,303	3,954,972	3,840,641	3,026,310	2,911,979	2,797,649	2,592,631	2,592,631	1,000,000	-	4,650,065

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 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 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 that will be conducted once Welch awards the contract based on the RFP's received. The cost of this audit has not been negotiated. Amount recorded is based on prior year. The contract will be awarded by the end of August 2007
- (7) The August forecasted amount includes the forecasted monthly billing of \$228,021 plus the cost of submitted change orders of \$25,599
- (8) The August forecasted amount includes the forecasted monthly billing of \$121,076 plus approved changes orders of \$36,345
- (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. 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 July 31, 2007. This will be covered by the contingency allowance.

Reconciliation of Actual Results 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 2007	35,334
Late filing fees (reversal) for Form 499A - 2006	(1,500)
Additional interest earned in July over budget	4,164
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	1,046
Funds received from Neustar re NANC travel from 2000	-
Bad debts not budgeted for	(873)
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
	-
Fund balance at June 30/08	2,592,631

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08
NEUSTAR - NANPA Administration contract	237,709	157,421	121,076	121,076	121,076	121,076	121,076	121,076
- Payment authorized by the FCC on June 26/07, received by Welch June 26/07								
CO # 10 - partial	2,766							
CO #8 - partial	413							
April 2007	119,303							
May 2007	119,244							
- Authorization by the FCC has not been received for payment								
June 2007 - estimate	117,971							
CO #8 - partial	1,238							
July 2007	118,500							
	-							
	\$ 237,709							
NEUSTAR - Block Pooling contract	474,287	253,620	189,375	189,375	189,375	189,375	189,375	189,375
- Payment authorized by the FCC on July 17/07, received by Welch July 24/07								
April 2007	207,141							
May 2007	211,621							
CO # 44,47,49,50	8,612							
Co # 51	16,987							
- Authorization by the FCC has not been received for payment								
June 2007	280,634							
July 2007	193,653							
	-							
	\$ 474,287							
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 July 17/07, received by Welch July 24/07								
June 2007	18,903							
- Payment authorized by the FCC on June 8/07, received by Welch June 26/07								
May 2007	18,903							
- Authorization by the FCC has not been received for payment								
July 2008	19,900							
	-							
	\$ 19,900							
USAC - Data Collection Agent	7,230	4,667	4,667	4,667	4,667	4,667	4,667	4,667
- Payment authorized by the FCC on July 17/07, received by Welch July 24/07								
March 2007	5,628							
April 2007	6,437							
May 2008	5,615							
- Authorization by the FCC has not been received for payment								
June 2007	\$ 3,609							
July 2007	\$ 3,621							
	-							
	\$ 7,230							
External auditor- Annual operations audit	105,000	-	-	-	30,000	-	-	-
- \$105,000 represents an accrual for audit fees for the 2004/05, 2005/06 and 2006/07 fiscal years of NANPA. Auditor has not been determined								
	\$ 105,000							
Neustar - p-ANI administration	\$ -							
- Based on Change Order #48								
	\$ 87,460							
Total	844,126	435,608	335,018	335,018	365,018	335,018	335,018	335,018