



Welch & Company LLP
Lévesque Marchand, Chartered Accountants

**Billing and Collection Agent Report
For period ending June 30, 2007**

To NANC

July 19, 2007

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
June 30, 2007**

Assets

Cash Balance in bank account		\$ 67,457
Dreyfus Government Cash Management Fund		3,606,000
Receivable from US Carriers	2,540,890	
Receivable from Canada	5,910	
Receivable from Caribbean countries	12,500	
Receivables forwarded to FCC for collection (Over 90 days)	120,085	
Allowance for uncollectible accounts	<u>(158,400)</u>	2,520,985
Interest receivable		<u>13,900</u>
Total assets		6,208,342
Less: Accrued liabilities (see below for makeup)		(1,939,880)
Deferred Income billed in June for July 2007 to June 2008		<u>(2,372,950)</u>
Fund balance		<u>\$ 1,895,512</u>

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

Welch and Company LLP	38,803
NEUSTAR Pooling 1K Block Pooling Expenses	889,258
NEUSTAR Admin Expenses	367,931
Data Collection Agent - USAC	21,866
pANI	517,022
Fund audit	<u>105,000</u>
	<u>\$ 1,939,880</u>

Other items of note

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

For the funding year ending June 30, 2007 there is a total surplus of \$1,895,512 which includes the \$1M contingency allowance. At the time of preparing the 2007/08 budget and contribution factor in March the surplus was forecasted to be \$1,990,084

The annual billing for the 2007/08 funding year was completed and mailed to the carriers by June 16th. The payments are due July 12th.

Approximately 1,387 carriers did not file the Form 499A by April 1st and were charged the \$100 late filing fee.

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2006 TO JUNE 2008**

		Actual		Total	Budget	Difference between actual and budget at June 30/07
		July 06 - May 07	Jun-07			
Revenue						
International Contributions						
Canada	(1)	69,495	-	69,495	69,495	-
Caribbean countries	(1)	13,743	-	13,743	13,743	-
Total International Contributions		83,238	-	83,238	83,238	-
Domestic Contributions - US carriers	(1)	5,004,120	(24,698)	4,979,422	4,876,926	102,496
Late filing fees for Form 499A	(2)	(7,400)	138,400	131,000	-	131,000
Interest income	(3)	213,020	14,073	227,093	180,000	47,093
Total revenue		5,292,978	127,775	5,420,753	5,140,164	280,589
Expenses						
NANPA Administration	(4), (8)	1,311,952	126,202	1,438,154	1,421,467	16,687
1K Block Pooling Administration	(4), (7)	2,335,447	296,419	2,631,866	3,501,341	(869,475)
pANI	(9)	-	517,022	517,022	150,000	367,022
Billing and Collection						
Welch & Company LLP	(4)	218,900	19,900	238,800	238,800	-
Data Collection Agent	(5)	49,655	5,615	55,270	65,000	(9,730)
Annual Operations Audit	(6)	45,000	30,000	75,000	30,000	45,000
Carrier Audits	(10)	-	-	-	700,000	(700,000)
Bad debt expense (recovery)	(11)	56,892	700.00	56,892	-	56,892
Miscellaneous expense (recovery)		-	-	-	-	-
Total expenses		4,017,146	995,858	5,013,004	6,106,608	(1,093,604)
Net revenue (expenses)		1,275,832	(868,083)	407,749	(966,444)	1,374,193
Opening fund balance		1,487,763	2,763,595	1,487,763	1,966,444	(478,681)
Closing fund balance		2,763,595	1,895,512	1,895,512	1,000,000	895,512
Fund balance makeup:						
Contingency		999,999	1,000,000	1,000,000	1,000,000	-
Surplus		1,763,596	895,512	895,512	-	-
		2,763,595	1,895,512	1,895,512	1,000,000	-

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
5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909
13,849	-	-	-	-	-	-	-	-	-	-	-
19,758	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909
2,354,951	200,932	200,932	200,932	200,932	200,932	200,932	200,932	200,932	200,932	200,932	200,932
-	-	-	-	-	-	-	-	-	-	-	-
15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
2,389,709	221,841	221,841	221,841	221,841	221,841	221,841	221,841	221,841	221,841	221,841	221,841
133,867	120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862
292,266	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667
18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750
19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	700,000	-	-	-
-	-	30,000	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
469,450	430,846	460,846	430,846	430,846	430,846	430,846	430,846	1,130,846	430,846	430,846	430,846
1,920,259	(209,005)	(239,005)	(209,005)	(209,005)	(209,005)	(209,005)	(209,005)	(909,005)	(209,005)	(209,005)	(209,005)
1,895,512	3,815,771	3,606,766	3,367,761	3,158,756	2,949,751	2,740,746	2,531,741	2,322,736	1,413,731	1,204,726	995,721
3,815,771	3,606,766	3,367,761	3,158,756	2,949,751	2,740,746	2,531,741	2,322,736	1,413,731	1,204,726	995,721	786,716
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
2,815,771	2,606,766	2,367,761	2,158,756	1,949,751	1,740,746	1,531,741	1,322,736	413,731	204,726	(4,279)	(213,284)
3,815,771	3,606,766	3,367,761	3,158,756	2,949,751	2,740,746	2,531,741	2,322,736	1,413,731	1,204,726	995,721	786,716

Assumptions:

(1) The US carrier contributions for the period from July 2006 to June 2007 is based upon actual billings. 2007/08 International carrier revenue is based on actual. The contributions for July 2007 - June 2008 are based on actual billings

(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 has approved a modification and extension of the Pooling contract for the period June 15, 2006 to July 14, 2007 while the re-bid for the contract is taking place.

The same figures were used the period November 15, 2006 to June 2007.
The figures for July 2007 to May 2008 are based on the proposed budget.

(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 amount shown in June 2007 is for the 2006/07 audit.

(7) The July forecasted amount includes the forecasted monthly billing of \$266,667 plus the cost of submitted change orders of \$30,005

(8) The July forecasted amount includes the forecasted monthly billing of \$120,862 plus approved changes orders of \$12,250 and contract amendment #12 of \$755

(9) NeuStar has been appointed Interim Routing Number Authority for pANI. The cost for pANI has been provided for as per proposed change order #48. The change order has not yet been approved by the FCC so the value may change. It is to cover the time period from initiation to the time the Pooling contract is awarded. The figures for July 2007 to June 2008 are based on the proposed budget.

(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. As a result, the \$700,000 provided in the 2006/07 budget will not be spent.

(11) The allowance covers all accounts considered potentially uncollectible at June 30, 2007. This will be covered by the contingency allowance.

Reconciliation of Actual Results 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 06 - June 07	98,042
Late filing fees (reversal) for Form 499A - 2006	(7,700)
Additional interest earned in July - April over budget	47,093
Adjustment to June NANP Admin estimate to actual	890
NANP Admin contract change orders #6, 7, 8, 9, 10 and 11 not budgeted for but paid in 2006/07 funding year	(15,832)
NANP Admin contract amendment # 12 not budgeted for but paid in 2006/07 funding year	(1,745)
Data Collection fees - Adjust June estimate to actual	783
Adjust July 2006 - June 2007 estimate of DCA fees to actual	8,947
Funds received from Neustar re NANC travel from 2000	4,454
Bad debts not budgeted for	(56,892)
Estimated late filing fees for 2007	138,700
Annual operations audit - 2005, 2006 and 2007 not performed yet	(45,000)
Unexpended budget for carrier audits not performed in 2006/07 budget year	700,000
Increase of pANI costs based on proposed change order #48	(367,022)
Pooling - merit bonus portion of expired contract (Jan 1/06 to June 14/06)	(170,310)
Pooling - merit bonus portion of expired contract (June 15/06 to Dec 31/06)	(306,614)
Pooling change Order #41, 43, not budgeted for	(6,807)
Increase of bridge contracts maximum over budget estimate	(55,692)
Adjustment to actual costs of Pooling for July 2006 to June 2007	641,815
Adjustment to May & June 2006 Pooling bill estimates to actual	888,580
Pooling - fixed price portion of expired contract (Jan 1/06 to June 14/06)	(121,497)
	-
Fund balance at June 30/07	1,895,512

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current							
	<u>Jun-07</u>	<u>Jul-07</u>	<u>Aug-07</u>	<u>Sep-07</u>	<u>Oct-07</u>	<u>Nov-07</u>	<u>Dec-07</u>	<u>Jan-08</u>
NEUSTAR - NANPA Administration contract	367,931	133,867	120,862	120,862	120,862	120,862	120,862	120,862
- Authorization by the FCC has not been received for payment								
CO # 10	2,766							
April 2007	119,716							
May 2007	119,244							
June 2007 - estimate	126,205							
	<u>\$ 367,931</u>							
NEUSTAR - Block Pooling contract	889,258	292,266	266,667	266,667	266,667	266,667	266,667	266,667
- Authorization by the FCC has not been received for payment								
April 2007 - estimate	296,419							
May 2007 - estimate	296,420							
June 2007 - estimate	296,419							
	<u>\$ 889,258</u>							
Welch & Company LLP - Billing & Collection Agent	38,803	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Authorization by the FCC has not been received for payment								
May 2007	18,903							
June 2008	19,900							
	<u>\$ 38,803</u>							
USAC - Data Collection Agent	21,866	4,667	4,667	4,667	4,667	4,667	4,667	4,667
- Authorization by the FCC has not been received for payment								
March 2007 - estimate	\$ 5,417							
April 2007 - estimate	\$ 5,417							
May 2007	\$ 5,615							
June 2007 - estimate	\$ 5,417							
	<u>\$ 21,866</u>							
External auditor- Annual operations audit	105,000	-	-	-	-	-	-	-
- \$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>							
pANI Contract - vendor yet to be determined	\$ -	517,022	18,750	18,750	18,750	18,750	18,750	18,750
-July liability includes potential liability not incurred in July 2006 to June 2007								
	<u>\$ 517,022</u>							
Total	<u>1,939,880</u>	<u>469,450</u>	<u>430,846</u>	<u>430,846</u>	<u>430,846</u>	<u>430,846</u>	<u>430,846</u>	<u>430,846</u>