



Welch & Company LLP
Lévesque Marchand, Chartered Accountants

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

To NANC

June 19, 2007

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

Assets

Cash Balance in bank account	\$	70,267
Dreyfus Government Cash Management Fund		3,400,000
Receivable from US Carriers	254,560	
Receivable from Canada	5,791	
Receivable from Caribbean countries	1,189	
Receivables forwarded to FCC for collection (Over 90 days)	120,275	
Allowance for uncollectible accounts	<u>(157,700)</u>	224,115
Interest receivable		<u>14,932</u>
Total assets		3,709,314
Less: Accrued liabilities (see below for makeup)		<u>(945,719)</u>
Fund balance		<u><u>\$ 2,763,595</u></u>

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

Welch and Company LLP	19,900	
NEUSTAR Pooling 1K Block Pooling Expenses	592,839	
NEUSTAR Admin Expenses	241,729	
Data Collection Agent - USAC	16,251	
Fund audit	<u>75,000</u>	
	<u>\$ 945,719</u>	

Other items of note

During May 2007, the Dreyfus Government Cash Management Fund earned a rate of return of 4.78%.

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

	Actual		Budgeted		Total	Budget	Difference between forecasted balance at June 30/07 and budget
	July 06 - April 07	May-07	Jun-07	Jun-07			
Revenue							
International Contributions							
Canada	(1)	63,701	5,794	-	69,495	69,495	-
Caribbean countries	(1)	13,743	-	-	13,743	13,743	-
Total International Contributions		77,444	5,794	-	83,238	83,238	-
Domestic Contributions - US carriers	(1)	4,767,658	236,462	25,000	5,029,120	4,876,926	152,194
Late filing fees for Form 499A	(2)	(4,300)	3,100	115,000	107,600	-	107,600
Interest income	(3)	198,089	14,931	15,000	228,020	180,000	48,020
Total revenue		5,038,891	254,087	155,000	5,447,978	5,140,164	307,814
Expenses							
NANPA Administration	(4), (8)	1,188,783	123,169	139,624	1,451,576	1,421,467	30,109
1K Block Pooling Administration	(4), (7)	2,039,028	296,419	311,271	2,646,718	3,501,341	(854,623)
pANI	(9)	-	-	517,022	517,022	150,000	367,022
Billing and Collection							
Welch & Company LLP	(4)	199,000	19,900	19,900	238,800	238,800	-
Data Collection Agent	(5)	44,238	5,417	5,416	55,071	65,000	(9,929)
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)	55,907	285	-	56,192	-	56,192
Miscellaneous expense (recovery)		-	-	-	-	-	-
Total expenses		3,571,956	445,190	1,023,233	5,040,379	6,106,608	(1,066,229)
Net revenue (expenses)		1,466,935	(191,103)	(868,233)	407,599	(966,444)	1,374,043
Opening fund balance		1,487,763	2,954,698	2,763,595	1,487,763	1,966,444	(478,681)
Closing fund balance		2,954,698	2,763,595	1,895,362	1,895,362	1,000,000	895,362
Fund balance makeup:							
Contingency		999,999	1,000,000	1,000,000	1,000,000	1,000,000	-
Surplus		1,954,699	1,763,595	895,362	895,362	-	-
		<u>2,954,698</u>	<u>2,763,595</u>	<u>1,895,362</u>	<u>1,895,362</u>	<u>1,000,000</u>	

	Budgeted										
	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08
International Contributions	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909
Canada	13,849	-	-	-	-	-	-	-	-	-	-
Caribbean countries	19,758	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	
Domestic Contributions - US carriers	2,354,951	200,932	200,932	200,932	200,932	200,932	200,932	200,932	200,932	200,932	
Late filing fees for Form 499A	-	-	-	-	-	-	-	-	-	-	
Interest income	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Total revenue	2,389,709	221,841	221,841	221,841	221,841	221,841	221,841	221,841	221,841	221,841	
NANPA Administration	120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862	120,862	
1K Block Pooling Administration	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	
pANI	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	
Billing and Collection											
Welch & Company LLP	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	
Data Collection Agent	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	
Annual Operations Audit	-	-	-	-	-	-	-	-	-	-	
Carrier Audits	-	-	-	-	-	-	-	700,000	-	-	
Bad debt expense (recovery)	-	-	30,000	-	-	-	-	-	-	-	
Miscellaneous expense (recovery)	-	-	-	-	-	-	-	-	-	-	
Total expenses	430,846	430,846	460,846	430,846	430,846	430,846	430,846	430,846	1,130,846	430,846	
Net revenue (expenses)	1,958,863	(209,005)	(239,005)	(209,005)	(209,005)	(209,005)	(209,005)	(209,005)	(909,005)	(209,005)	
Opening fund balance	1,895,362	3,854,225	3,645,220	3,406,215	3,197,210	2,988,205	2,779,200	2,570,195	2,361,190	1,452,185	
Closing fund balance	3,854,225	3,645,220	3,406,215	3,197,210	2,988,205	2,779,200	2,570,195	2,361,190	1,452,185	1,034,175	
Contingency	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,001	1,000,001	1,000,002	
Surplus	2,854,225	2,645,220	2,406,215	2,197,210	1,988,205	1,779,200	1,570,195	1,361,189	452,184	243,178	
	<u>3,854,225</u>	<u>3,645,220</u>	<u>3,406,215</u>	<u>3,197,210</u>	<u>2,988,205</u>	<u>2,779,200</u>	<u>2,570,195</u>	<u>2,361,190</u>	<u>1,452,185</u>	<u>1,034,175</u>	

Assumptions:

- The US carrier contributions for the period from July 2006 to June 2007 is based upon actual billings in June 2006. 2007/08 International carrier revenue is based on actual. The contributions for July 2007 - May 2008 are based on actual billings.
- 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 one-month extensions 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.
- The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2007 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 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.
- The June forecasted amount includes the forecasted monthly billing of \$296,420 plus the cost of submitted change orders of \$10,058.
- The June forecasted amount includes the forecasted monthly billing of \$122,547 plus approved changes orders of \$15,842 and contract amendment #12 of \$1231.
- 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 October 2006 up to the time the Pooling contract is awarded in 2007. The figures for July 2007 to April 2008 are based on the proposed budget.
- 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.
- The allowance covers all accounts considered potentially uncollectible at May 31, 2007. 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 - April	147,740
Late filing fees (reversal) for Form 499A - 2006	(7,400)
Additional interest earned in July - April over budget	48,020
Adjustment to June NANP Admin estimate to actual	890
NANP Admin contract change orders #6, 7, 8, 9, 10 and 11 not budgeted for	(28,499)
NANP Admin contract amendment # 12 not budgeted for	(2,500)
Data Collection fees - Adjust June estimate to actual	783
Adjust July -April estimate of DCA fees to actual	9,146
Funds received from Neustar re NANC travel from 2000	4,454
Bad debts not budgeted for	(56,192)
Estimated late filing fees for 2007	115,000
Annual operations audit - 2005/06 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, 47, 49 and 50 not budgeted for	(16,866)
Increase of bridge contracts maximum over budget estimate	(56,692)
Adjustment to actual costs of Pooling for July 2006 to May 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)
Pooling Change Order #44 in budget but not yet billed	(4,793)
Forecasted fund balance at June 30/07	1,895,362

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
NEUSTAR - NANPA Administration contract	241,729	139,624	120,862	120,862	120,862	120,862	120,862	120,862
- Payment authorized by the FCC on April 26/07, received by Welch May 4/07								
March 2007	117,006							
CO #8 - partial	413							
- Payment authorized by the FCC on May 16/06, received by Welch May 17/06								
CO#9 - partial	2,305							
- Authorization by the FCC has not been received for payment								
April 2007 - estimate					120,865			
May 2007 - estimate					120,864			
					<u>\$ 241,729</u>			
NEUSTAR - Block Pooling contract	592,839	311,271	266,667	266,667	266,667	266,667	266,667	266,667
- Payment authorized by the FCC on April 26/07, received by Welch May 4/07								
Merit Incentive (June 15/06 to Dec 31/06)	306,614							
Fixed fee billing	121,496							
February 2007	227,654							
- Payment authorized by the FCC on May 16/07, received by Welch May 17/07								
March 2007	224,381							
- Authorization by the FCC has not been received for payment								
April 2007 - estimate					296,419			
May 2007 - estimate					296,420			
					<u>\$ 592,839</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 March 12/07, received by Welch April 6/07								
April 2007	18,135							
- Authorization by the FCC has not been received for payment								
May 2007					19,900			
USAC - Data Collection Agent	16,251	5,416	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 - estimate	<u>5,417</u>							
	<u>\$ 16,251</u>							
External auditor- Annual operations audit	75,000	30,000.00	-	-	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	\$ -	-	517,022	18750	18,750	18,750	18,750	18,750
-May liability includes potential liability not incurred in July 2006 to May 2007								
Total	<u>945,719</u>	<u>1,023,233</u>	<u>430,846</u>	<u>430,846</u>	<u>460,846</u>	<u>430,846</u>	<u>430,846</u>	<u>430,846</u>