



Welch & Company LLP
Lévesque Marchand, Chartered Accountants

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

To NANC

May 4, 2006

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

Assets

Cash Balance in bank account	\$	59,962
Dreyfus Government Cash Management Fund		4,918,000
Receivable from US Carriers	67,386	
Receivable from Canada	5,863	
Receivable from Caribbean countries	3,183	
Receivables forwarded to FCC for collection (Over 90 days)	84,019	
Allowance for uncollectible accounts	<u>(103,400)</u>	57,051
Interest receivable		<u>18,043</u>
Total assets		5,053,056
Less: Accrued liabilities (see below for makeup)		<u>1,894,223</u>
Fund balance		<u>\$ 3,158,833</u>

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

Welch and Company LLP	38,699	
NEUSTAR Pooling 1K Block Pooling Expenses	1,242,785	
NEUSTAR Admin Expenses	361,553	
Data Collection Agent - USAC	80,975	
Data Collection Agent - NECA	211	
Carrier audits	140,000	
Fund audit	<u>30,000</u>	
	<u>\$ 1,894,223</u>	

Other items of note

In April 2006, the Dreyfus Government Cash Management Fund earned a rate of return of 4.24%.

In April, the FCC approved change order #4 for NANPA administration for \$13,121.31.

In April the FCC approved two billings for the 1K Pooling Administration representing a fixed price fee as per Section B of the contract which allow a fixed fee of 4.4% of the actual costs to be charged to the Fund. \$130,662 and \$114,817 was paid for the contract years ending 2003/04 and 2004/05 respectively.

The submission to the FCC for approval of the contribution factor and fund size was made on May 1st.

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2005 TO APRIL 2007**

		<u>Actual</u>												
		<u>Apr-06</u>	<u>May-06</u>	<u>Jun-06</u>	<u>Jul-06</u>	<u>Aug-06</u>	<u>Sep-06</u>	<u>Oct-06</u>	<u>Nov-06</u>	<u>Dec-06</u>	<u>Jan-07</u>	<u>Feb-07</u>	<u>Mar-07</u>	<u>Apr-07</u>
Revenue														
International Contributions														
Canada	(1)	41,042	5,863	5,863	5,791	5,791	5,791	5,791	5,791	5,791	5,791	5,791	5,791	5,791
Caribbean countries	(1)	-	-	-	13,743	13,743	-	-	-	-	-	-	-	-
Total International Contributions		41,042	5,863	5,863	19,534	19,534	5,791	5,791	5,791	5,791	5,791	5,791	5,791	5,791
Domestic Contributions - US carriers	(1)	377,170	51,409	51,409	3,213,235	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Interest income	(2)	139,193	18,000	18,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total revenue		557,405	75,272	75,272	3,247,769	164,534	150,791	150,791	150,791	150,791	150,791	150,791	150,791	150,791
Expenses														
NANPA Administration	(3), (7)	849,541	144,358	120,984	118,456	118,456	118,456	118,456	118,456	118,456	118,456	118,456	118,456	118,456
1K Block Pooling Administration	(3), (6)	2,670,761	438,093	353,020	291,778	291,778	291,778	291,778	291,778	291,778	291,778	291,778	291,778	291,778
pANI	(10)	-	-	-	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Carrier Audits	(8)	-	-	210,000										
Billing and Collection														
Welch & Company LLP	(3)	139,300	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
Data Collection Agent	(4)	35,659	5,416	5,416	5,416	5,416	5,416	5,416	5,416	5,416	5,416	5,416	5,416	5,416
Annual Operations Audit	(5)	-		45,000										
Bad debt expense (recovery)	(9)	(22,810)	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses		3,672,451	607,767	754,320	448,050	448,050	448,050	448,050	448,050	448,050	448,050	448,050	448,050	448,050
Net revenue (expenses)		(3,115,046)	(532,495)	(679,048)	2,799,719	(283,516)	(297,259)	(297,259)	(297,259)	(297,259)	(297,259)	(297,259)	(297,259)	(297,259)
Opening fund balance		6,273,879	3,158,833	2,626,338	1,947,290	4,747,009	4,463,493	4,166,234	3,868,975	3,571,716	3,274,457	2,977,198	2,679,939	2,382,680
Closing fund balance		3,158,833	2,626,338	1,947,290	4,747,009	4,463,493	4,166,234	3,868,975	3,571,716	3,274,457	2,977,198	2,679,939	2,382,680	2,085,421
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	1,000,001
Surplus		2,158,833	1,626,338	947,290	3,747,009	3,463,493	3,166,234	2,868,975	2,571,716	2,274,457	1,977,198	1,679,939	1,382,680	1,085,420
		3,158,833	2,626,338	1,947,290	4,747,009	4,463,493	4,166,234	3,868,975	3,571,716	3,274,457	2,977,198	2,679,939	2,382,680	2,085,421

Assumptions:

- (1) The US carrier contributions for the period from July 2005 to June 2006 is based upon actual billings in June 2005.
The International carrier revenue is based on actual for 2005/06.
The estimated contributions for US carriers for July 2006 - March 2007 are based on option 1 of the 2006/07 funding budget. The monthly contributions are estimates.
The International contributions is based on proposed actual for 2006/07.
- (2) Interest income projections are estimates
- (3) The expenses for the NANPA Administration and Welch & Company LLP are based on contracts in force.
The expenses for Pooling Administration is based on contracts in force until June 2006. July 2006 to April 2007 expenses are based on the last year of the expired contract.
- (4) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2006 calendar year.
- (5) \$30,000 has been accrued for the 2004/05 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 2006 is for the 2005/06 audit.
- (6) The May forecasted amount includes the forecasted monthly billing of \$414,261 plus the cost of submitted change orders of \$23,832
- (7) The May forecasted amount includes the forecasted monthly billing of \$120,984 plus the cost of approved change orders of \$23,374.
- (8) The budget allowed \$700,000 for 16 carrier audits. FCC indicated that only 3 were completed at a cost of approximately \$140,000 at September 30, 2005 and there additional audit completed since then for a cost of \$210,000 for a total cost of \$350,000.
- (9) The allowance covers all accounts considered potentially uncollectible at April 30, 2006. This will be covered by the contingency allowance.
There was a large recovery of a debt by the FCC in November which accounts for the recovery of bad debts.
- (10) The cost for pANI has been provided for as per the 2006/07 budget. The RFP for this has not yet been issued.

Reconciliation of Forecast to Budget

Forecasted fund balance at June 30/06 - contingency	1,000,000
Additional revenue due to higher contribution base than estimated on initial billing	133,073
Interest earned over estimate	127,500
Additional billings April 2005 - April 2006	(76,676)
Late filing fees for Form 499A	75,500
Carrier audit for 2004/05 not expended	560,000
Carrier audit for 2005/06 not expended	490,000
Bad debts	(59,645)
Data Collection fees (2004/05) not expended	41,613
NANPA administration (2004/05) not expended	11,571
1K Block Pooling (2003/04)	(66,622)
1k Block Pooling (2005/06) submitted change orders not in budget	(30,424)
1K Block Pooling fixed fee billing 2003/04	(130,662)
1K Block Pooling fixed fee billing 2004/05	(114,817)
NANPA administration change order not in budget	(13,121)
Anticipated fund balance at June 30/06	<u>1,947,290</u>

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current	<u>May-06</u>	<u>Jun-06</u>	<u>Jul-06</u>	<u>Aug-06</u>	<u>Sep-06</u>	<u>Oct-06</u>	<u>Nov-06</u>
	<u>Apr-06</u>							
NEUSTAR - NANPA Administration contract	361,553	144,358	120,984	118,456	118,456	118,456	118,456	118,456
- Payment authorized by the FCC on March 29/06, received by Welch April 11/06								
December 2005	119,870							
February 2006	120,999							
Change order #4	13,121							
- Authorization by the FCC has not been received for payment								
August 2005	119,585							
March 2006 - estimate	120,984							
April 2006 - estimate	120,984							
	<u> -</u>							
	<u>\$ 361,553</u>							
NEUSTAR - Block Pooling contract	1,242,785	438,093	353,020	291,778	291,778	291,778	291,778	291,778
- Payment authorized by the FCC on March 29/06, received by Welch April 11/06								
January 2006	241,942							
Fixed fee billing - contract year 03/04	114,817							
Fixed fee billing - contract year 04/05	130,662							
- Authorization by the FCC has not been received for payment								
February 2006 - estimate	414,261							
March 2006 - estimate	414,262							
April 2006 - estimate	414,262							
	<u> -</u>							
	<u>\$ 1,242,785</u>							
Welch & Company LLP - Billing & Collection Agent	38,699	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on March 29/06, received by Welch April 11/06								
February 2006	18,803							
- Authorization by the FCC has not been received for payment								
March 2006	18,799							
April 2006	19,900							
	<u> -</u>							
	<u>38,699</u>							
NECA - Data Collection Agent	211	-	-	-	-	-	-	-
- Authorization by the FCC has not been received for payment								
December 2004	80							
January 2005	131							
	<u> -</u>							
	<u>211</u>							
USAC - Data Collection Agent	80,975	5,416	5,416	5,416	5,416	5,416	5,416	5,416
- Authorization by the FCC has not been received for payment								
January 2005	4,406							
February 2005	4,399							
March 2005	5,292							
April 2005	6,824							
May 2005	5,608							
June 2005	4,897							
July 2005	4,846							
August 2005	4,444							
September 2005	4,449							
October 2005	5,065							
November 2005	5,008							
December 2005	5,862							
January 2006	4,846							
February 2006	4,186							
March 2006 - estimate	5,417							
April 2006 - estimate	5,426							
	<u> -</u>							
	<u>\$ 80,975</u>							
Clifton Gunderson LLP - Carrier audits	140,000	-	210,000.00	-	-	-	-	-
- Authorization by the FCC has not been received for payment								
-3 audits are completed	<u>\$ 140,000</u>							
External auditor- Annual operations audit	30,000	-	45,000.00	-	-	-	-	-
- Represents an accrual for audit fees for the 2004/05 fiscal year of NANPA. Auditor has not been determined								
	<u>\$ 30,000</u>							
pANI Contract - vendor yet to be determined	\$ -	-	-	12,500.00	12,500	12,500	12,500	12,500
Total	<u>1,894,223</u>	<u>607,767</u>	<u>754,320</u>	<u>448,050</u>	<u>448,050</u>	<u>448,050</u>	<u>448,050</u>	<u>448,050</u>