



Welch & Company LLP
Lévesque Marchand, Chartered Accountants

**Billing and Collection Agent Report
For period ending September 30, 2005**

To NANC

October 6, 2005

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Monthly NANC Report

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**NANPA FUND
STATEMENT OF FINANCIAL POSITION
September 30, 2005**

Assets

Cash Balance in bank account		\$ 71,023
Dreyfus Government Cash Management Fund		8,123,000
Receivable from US Carriers	124,533	
Receivable from Canada	5,863	
Receivable from Caribbean countries	4,274	
Receivables forwarded to FCC for collection (Over 90 days)	45,614	
Allowance for uncollectible accounts	<u>(127,200)</u>	53,084
Interest receivable		<u>21,366</u>
Total assets		8,268,473
Less: Accrued liabilities (see below for makeup)		<u>1,994,594</u>
Fund balance		<u>\$ 6,273,879</u>

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

Welch and Company LLP - Aug & September	39,800.00	
NEUSTAR Pooling 1K Block Pooling Expenses	1,263,324.20	
NEUSTAR Admin Expenses	475,199.45	
Data Collection Agent - USAC	45,316	
Data Collection Agent - NECA	954	
Carrier audits	140,000	
Fund audit	<u>30,000</u>	
	<u>\$ 1,994,594</u>	

Other items of note

In September 2005, the Dreyfus Government Cash Management Fund earned a rate of return of 3.094%.

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
OCTOBER 2004 TO SEPTEMBER 2006**

		<u>Actual</u> Oct 2004 - Sept												
		2005	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06
Revenue														
International Contributions														
Canada	(1)	73,977	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	-	5,863	5,863	5,863
Caribbean countries	(1)	13,692	-	-	-	-	-	-	-	-	-	13,692	-	-
Total International Contributions		87,669	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	-	19,555	5,863	5,863
Domestic Contributions - US carriers	(1)	2,685,921	51,409	51,409	51,409	51,409	51,409	51,409	51,409	51,409	-	6,819,100	51,409	51,409
Interest income	(2)	193,552	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total revenue		2,967,142	67,272	67,272	67,272	67,272	67,272	67,272	67,272	67,272	10,000	6,848,655	67,272	67,272
Expenses														
NANPA Administration	(3), (7)	1,380,559	143,209	119,835	119,835	119,835	119,835	119,835	119,835	119,835	119,835	118,456	118,456	118,456
1K Block Pooling Administration	(3), (6)	2,982,887	305,191	305,191	305,191	305,191	305,191	305,191	305,191	305,191	305,191	305,191	305,191	305,191
Carrier Audits	(8)	140,000	-	-	-	-	-	-	-	-	700,000	-	-	-
Billing and Collection														
NBANC Billing		29,861	-	-	-	-	-	-	-	-	-	-	-	-
Welch & Company LLP	(3)	252,311	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)	32,636	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333
Annual Operations Audit	(5)	45,759	-	-	-	-	-	-	-	-	45,000	-	-	-
Bad debt expense	(9)	82,455	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses		4,946,468	476,633	453,259	453,259	453,259	453,259	453,259	453,259	453,259	1,198,259	451,880	451,880	451,880
Net revenue (expenses)		(1,979,326)	(409,361)	(385,987)	(385,987)	(385,987)	(385,987)	(385,987)	(385,987)	(385,987)	(1,188,259)	6,396,775	(384,608)	(384,608)
Opening fund balance		8,253,205	6,273,879	5,864,518	5,478,532	5,092,545	4,706,558	4,320,572	3,934,585	3,548,598	3,162,611	1,974,353	8,371,128	7,986,520
Closing fund balance		6,273,879	5,864,518	5,478,532	5,092,545	4,706,558	4,320,572	3,934,585	3,548,598	3,162,611	1,974,353	8,371,128	7,986,520	7,601,913
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
Surplus		5,273,879	4,864,518	4,478,532	4,092,545	3,706,558	3,320,572	2,934,585	2,548,598	2,162,611	974,353	7,371,128	6,986,520	6,601,912
		6,273,879	5,864,518	5,478,532	5,092,545	4,706,558	4,320,572	3,934,585	3,548,598	3,162,611	1,974,353	8,371,128	7,986,520	7,601,913

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 contributions for July - September 2006 are based on 2005/06 funding budget.
- (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 2005 expense is based on the last year of the expired contract.
- (4) The expense for the Data Collection Agent is based on the 2005/06 budget.
- (5) \$30,000 has been accrued for the annual operations audit that will be conducted in October/November 2005. The cost of this audit has not been negotiated. Amount recorded is based on prior year.
- (6) The October forecasted amount includes the forecasted monthly billing of \$305,191
- (7) The October forecasted amount includes the forecasted monthly billing of \$119,835 plus the cost of approved change orders of \$23,374
- (8) The budget allowed \$700,000 for 16 carrier audits, of which 6 are either done or in progress. FCC indicated that only 3 are completed and the cost will be approximately \$140,000
- (9) The allowance covers all accounts considered potentially uncollectible at September 30, 2005. This will be covered by the contingency allowance.

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	54,061
Interest earned over estimate	49,585
Additional billings April - September	(115,658)
Late filing fees for Form 499A	75,500
Carrier audit for 2004/05 not expended	560,000
Bad debts	(82,455)
Data Collection fees (2004/05) not expended	25,395
NANPA administration (2004/05) not expended	11,571
1K Block Pooling (2004/05) not expended	359,699
Other	36,655.00
Anticipated fund balance at June 30/06	<u>1,974,353</u>

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>
	<u>Sept 30/05</u>							
NEUSTAR - NANPA Administration contract	475,200	143,209	119,835	119,835	119,835	119,835	119,835	119,835
- Payment authorized by the FCC on July 19, 2005, received by Welch September 30/05								
May 2005	112,553							
- Authorization by the FCC has not been received for payment								
June 2005	115,567							
July 2005 -	120,213							
August 2005	119,585							
September - estimate	119,835							
	<u>\$ 475,200</u>							
NEUSTAR - Block Pooling contract	1,263,324	305,191	305,191	305,191	305,191	305,191	305,191	305,191
- Payment authorized by the FCC on September 14, 2005, received by Welch September 30, 2005								
May 2005	196,264							
- Authorization by the FCC has not been received for payment								
March 2005	221,558							
June 2005	184,993							
July 2005	222,478							
August 2005 - estimate	305,191							
September 2005 - estimate	305,190							
Change orders 27,30-33, 36	23,914							
	<u>\$ 1,263,324</u>							
Welch & Company LLP - Billing & Collection Agent	39,800	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on August 29, 2005, received by Welch September 30, 2005								
July 2005	18,251							
- Authorization by the FCC has not been received for payment								
August 2005	19,900							
September 2005	19,900							
	<u>39,800</u>							
NECA - Data Collection Agent	954	-	-	-	-	-	-	-
- Authorization by the FCC has not been received for payment								
December 2004	80							
January 2005	131							
Sep-05	743							
	<u>954</u>							
USAC - Data Collection Agent	45,316	8,333	8,333	8,333	8,333	8,333	8,333	8,333
- 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 - estimate	4,600							
	<u>\$ 45,316</u>							
Clifton Gunderson LLP - Carrier audits	140,000.00	-	-	-	-	-	-	-
- Authorization by the FCC has not been received for payment								
- 6 audits are either done or in progress and FCC would like to complete another 6 prior to end of June 2005	<u>\$ 140,000</u>							
WithumSmith+Brown - Annual operations audit	30,000	-	-	-	-	-	-	-
- Payment authorized by the FCC on August 29, 2005, received by Welch September 30, 2005								
18,008								
- Represents an accrual for audit fees for the 2004/05 fiscal year of NANPA	<u>\$ 30,000</u>							
Total	<u>1,994,594</u>	<u>476,633</u>	<u>453,259</u>	<u>453,259</u>	<u>453,259</u>	<u>453,259</u>	<u>453,259</u>	<u>453,259</u>