



**Welch & Company LLP**  
Lévesque Marchand, Chartered Accountants

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

**To NANC**

**November 6, 2007**

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

**Assets**

Cash Balance in bank account	\$	64,059
Dreyfus Government Cash Management Fund		4,338,000
Receivable from US Carriers	304,352	
Receivable from Canada	5,910	
Receivable from Caribbean countries	1,683	
Receivables forwarded to FCC for collection (Over 90 days)	104,299	
Allowance for uncollectible accounts	<u>(212,200)</u>	204,043
Interest receivable		<u>18,524</u>
<b>Total assets</b>		<b>4,624,626</b>
<b>Less: Accrued liabilities (see below for makeup)</b>		<b>(731,431)</b>
		<u>-</u>
<b>Fund balance</b>		<b><u>\$ 3,893,195</u></b>

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

Welch and Company LLP	19,900	
NEUSTAR Pooling 1K Block Pooling Expenses	378,747	
NEUSTAR Admin Expenses	128,158	
Data Collection Agent - USAC	12,166	
pANI	87,460	
Fund audit	<u>105,000</u>	
	<u>\$ 731,431</u>	

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**Other items of note**

During October 2007, the Dreyfus Government Cash Management Fund earned a rate of return of 4.37%.

The 1K Block Pooling includes the merit bonus and the fixed fee portion under the old contract for the period January 1, 2007 to August 14, 2007.

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

		Actual		Budgeted								Total	Budget	Variance between forecasted balance at June 30/08 and budget	Estimated			
		July 07 - Sept 07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08				Jul-08	Aug-08	Sep-08	Oct-08
<b>Revenue</b>																		
International Contributions																		
Canada	(1)	23,641	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,911	-	70,922	70,922	-	5,909	5,909	5,909	5,909
Caribbean countries	(1)	13,970	-	-	-	-	-	-	-	-	-	13,970	13,949	21	13,849	-	-	-
<b>Total International Contributions</b>		<b>37,611</b>	<b>5,910</b>	<b>5,910</b>	<b>5,910</b>	<b>5,910</b>	<b>5,910</b>	<b>5,910</b>	<b>5,910</b>	<b>5,911</b>	<b>-</b>	<b>84,892</b>	<b>84,871</b>	<b>21</b>	<b>19,758</b>	<b>5,909</b>	<b>5,909</b>	<b>5,909</b>
Domestic Contributions - US carriers	(1)	2,962,813	200,535	199,777	199,777	199,777	199,777	199,777	199,777	199,777	-	4,561,787	4,530,185	31,602	2,354,951	199,777	199,777	199,777
Late filing fees for Form 499A	(2)	( 9,300)	200	-	-	-	-	-	-	-	115,000	105,900	115,000	( 9,100)	-	-	-	-
Interest income	(3)	59,804	19,092	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	198,896	180,000	18,896	15,000	15,000	15,000	15,000
<b>Total revenue</b>		<b>3,050,927</b>	<b>225,737</b>	<b>220,687</b>	<b>220,687</b>	<b>220,687</b>	<b>220,687</b>	<b>220,687</b>	<b>220,687</b>	<b>220,688</b>	<b>130,000</b>	<b>4,951,474</b>	<b>4,910,056</b>	<b>41,418</b>	<b>2,389,709</b>	<b>220,686</b>	<b>220,686</b>	<b>220,686</b>
<b>Expenses</b>																		
NANPA Administration	(4), (8)	367,879	132,015	126,134	115,998	115,998	115,998	115,998	115,998	115,998	157,677	1,479,693	1,450,340	29,353	118,333	118,333	118,333	118,333
1K Block Pooling Administration	(4), (7)	792,054	265,553	214,974	189,375	189,375	189,375	189,375	189,375	189,375	189,375	2,598,206	3,200,000	( 601,794)	189,375	189,375	189,375	189,375
pANI	(9)	( 429,562)	-	-	-	-	-	-	-	-	-	( 429,562)	225,000	( 654,562)	-	-	-	-
Billing and Collection																		
Welch & Company LLP	(4)	59,700	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	238,800	238,800	-	19,900	19,900	19,900	19,900
Data Collection Agent	(5)	12,071	3,137	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	52,544	56,000	( 3,456)	4,667	4,667	4,667	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)	55,088	1,147	-	-	-	-	-	-	-	-	56,235	-	56,235	-	-	-	-
<b>Total expenses</b>		<b>857,230</b>	<b>421,752</b>	<b>365,675</b>	<b>329,940</b>	<b>329,940</b>	<b>329,940</b>	<b>1,029,940</b>	<b>329,940</b>	<b>329,940</b>	<b>401,619</b>	<b>4,725,916</b>	<b>5,900,140</b>	<b>(1,174,224)</b>	<b>332,275</b>	<b>332,275</b>	<b>332,275</b>	<b>332,275</b>
<b>Net revenue (expenses)</b>		<b>2,193,698</b>	<b>( 196,015)</b>	<b>( 144,988)</b>	<b>( 109,253)</b>	<b>( 109,253)</b>	<b>( 109,253)</b>	<b>( 809,253)</b>	<b>( 109,253)</b>	<b>( 109,252)</b>	<b>( 271,619)</b>	<b>225,559</b>	<b>( 990,084)</b>	<b>1,215,643</b>	<b>2,057,434</b>	<b>( 111,589)</b>	<b>( 111,589)</b>	<b>( 111,589)</b>
<b>Opening fund balance</b>		<b>1,895,512</b>	<b>4,089,210</b>	<b>3,893,195</b>	<b>3,748,207</b>	<b>3,638,954</b>	<b>3,529,701</b>	<b>3,420,448</b>	<b>2,611,195</b>	<b>2,501,942</b>	<b>2,392,690</b>	<b>1,895,512</b>	<b>1,990,084</b>	<b>( 94,572)</b>	<b>2,121,071</b>	<b>4,178,505</b>	<b>4,066,916</b>	<b>3,955,327</b>
<b>Closing fund balance</b>		<b>4,089,210</b>	<b>3,893,195</b>	<b>3,748,207</b>	<b>3,638,954</b>	<b>3,529,701</b>	<b>3,420,448</b>	<b>2,611,195</b>	<b>2,501,942</b>	<b>2,392,690</b>	<b>2,121,071</b>	<b>2,121,071</b>	<b>1,000,000</b>	<b>1,121,071</b>	<b>4,178,505</b>	<b>4,066,916</b>	<b>3,955,327</b>	<b>3,843,738</b>
<b>Fund balance makeup:</b>																		
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	1,000,000
Surplus		3,089,210	2,893,195	2,748,207	2,638,954	2,529,701	2,420,448	1,611,195	1,501,942	1,392,690	1,121,071	1,121,071	-	-	3,178,505	3,066,916	2,955,327	2,843,738
		<b>4,089,210</b>	<b>3,893,195</b>	<b>3,748,207</b>	<b>3,638,954</b>	<b>3,529,701</b>	<b>3,420,448</b>	<b>2,611,195</b>	<b>2,501,942</b>	<b>2,392,690</b>	<b>2,121,071</b>	<b>2,121,071</b>	<b>1,000,000</b>	<b>1,121,071</b>	<b>4,178,505</b>	<b>4,066,916</b>	<b>3,955,327</b>	<b>3,843,738</b>

**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 to October 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, 1K Block Pooling and Welch & Company LLP are based on contracts in force. NANPA Administration contract expires June 2008. The expense for NANPA Administration for July - October 2008 is based on the current 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. The contract will be awarded once the FCC reviews some contractual issues regarding the audit contract.
- (7) The November forecasted amount includes the forecasted monthly billing of \$189,375 plus the cost of submitted change orders of \$25,599
- (8) The November forecasted amount includes the forecasted monthly billing of \$115,998 plus approved changes orders of \$10,136
- (9) 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 August 14, 2007. Interim 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 2007 to date. 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 October 31, 2007. This will be covered by the contingency allowance.

**Reconciliation of Forecast at June 30, 2008 to Budget**

<b>Budgeted fund balance at June 30/08 - contingency</b>	<b>1,000,000</b>
Shortfall in fund incurred between budget period (March 2006) and June 2006	(94,572)
Additional billings in July and August 2007	31,623
Late filing fees (reversal) for Form 499A - 2006	(9,100)
Additional interest earned in July over budget	18,896
Adjustment to June NANP Admin estimate to actual	7,000
NANP Admin change orders#6, 7, 8, 9, 10, 11, 12 and 13 not budgeted for	(36,353)
Data Collection fees - Adjust March to September estimates to actual	3,456
Bad debts not budgeted for	(56,235)
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 to April to mid August 2007 Pooling bill estimates to actual	218,635
Pooling - award fee	(9,056)
Pooling - merit bonus re old contract (Jan 1/07 to August 14/07)	(183,805)
Pooling - Fixed fee re old contract (Jan 1/07 to August 14/07)	(189,373)
<b>Forecasted Fund balance at June 30/08</b>	<b>2,121,071</b>

**NANPA FUND  
CURRENT AND FORECASTED LIABILITIES**

		Current							
		Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08
<b>NEUSTAR - NANPA Administration contract</b>		128,158	126,134	115,998	115,998	115,998	115,998	115,998	115,998
- Payment authorized by the FCC on October 4/07, received by Welch October 24/07 September 2007	120,842								
- Authorization by the FCC has not been received for payment									
October 2007	121,858								
Co # 11 & 13	6,300								
	<u>\$ 128,158</u>								
<b>NEUSTAR - Block Pooling contract</b>		378,747	214,974	189,375	189,375	189,375	189,375	189,375	189,375
- Payment authorized by the FCC on October 5/07, received by Welch October 24/07 August 1 -14/07	172,548								
August 15-31/07	94,687								
Award fee	9,056								
Merit bonus	183,805								
Fixed fee	189,373								
- Authorization by the FCC has not been received for payment									
September 2007	189,374								
October 2007	189,373								
	-								
	<u>\$ 378,747</u>								
<b>Welch &amp; Company LLP - Billing &amp; Collection Agent</b>		19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Payment authorized by the FCC on October 5/07, received by Welch October 24/07 September 2007	17,787								
- Authorization by the FCC has not been received for payment									
October	19,900								
	<u>\$ 19,900</u>								
<b>USAC - Data Collection Agent</b>		12,166	4,667	4,667	4,667	4,667	4,667	4,667	4,667
- Authorization by the FCC has not been received for payment									
August 2007	\$ 4,363								
September 2007	\$ 3,137								
October - estimate	4,666								
	<u>\$ 12,166</u>								
<b>Carrier audits</b>		-	-	-	-	700,000.00	-	-	-
<b>External auditor- Annual operations audit</b>		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	\$ 105,000								
<b>Neustar - pANI administration</b>	\$ -	87,460							
- Based on Change Order #48	<u>\$ 87,460</u>								
<b>Total</b>		<u>731,431</u>	<u>365,675</u>	<u>329,940</u>	<u>329,940</u>	<u>329,940</u>	<u>1,029,940</u>	<u>329,940</u>	<u>329,940</u>