



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

## **Billing and Collection Agent Report**

**To NANC**

**MAY 17, 2005**

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Monthly NANC Report

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

**Assets**

Cash Balance in bank account	\$		66,676
Dreyfus Government Cash Management Fund			8,476,000
Receivable from US Carriers		169,315	
Receivable from Canada		-	
Receivable from Caribbean countries		2,095	
Receivables forwarded to FCC for collection (Over 90 days)		51,667	223,077
Interest receivable			15,962
<b>Total assets</b>			<b>8,781,715</b>
<b>Less: Accrued liabilities (see below for makeup)</b>			<b>1,677,659</b>
<b>Fund balance</b>			<b>\$ 7,104,056</b>

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

NEUSTAR - NANPA Administration contract	\$		344,166
NEUSTAR - Block Pooling contract		1,224,482	
Data Collection Agent - USAC		29,406	
Data Collection Agent - NECA		3,645	
Welch & Company LLP - Billing & Collection Agent		38,853	
Overpayments due to US carriers		34,859	
WithumSmith+Brown		2,248	
		<b>\$ 1,677,659</b>	

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**Other items of note**

In April 2005, the Dreyfus Government Cash Management Fund earned a rate of return of 2.086%.

In April \$13,107 was refunded to carriers who had credit balances in accounts receivable. The balances arose mainly due to double payments by the carriers.

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

		<u>Actual</u>												
		Oct 2004 -												
		April 2005	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06
<b>Revenue</b>														
International Contributions														
Canada	(1)	39,297	5,614	5,614	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	-	-	-	-	-	-	-	-	-
Total International Contributions		39,297	5,614	5,614	19,555	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863
Domestic Contributions - US carriers	(1)	1,455,196	205,720	205,720	2,657,498	205,720	205,720	205,720	205,720	205,720	205,720	205,720	205,720	205,720
Interest income	(2)	95,426	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
<b>Total revenue</b>		<b>1,589,919</b>	<b>226,334</b>	<b>226,334</b>	<b>2,692,053</b>	<b>226,583</b>	<b>226,583</b>	<b>226,583</b>	<b>226,583</b>	<b>226,583</b>	<b>226,583</b>	<b>226,583</b>	<b>226,583</b>	<b>226,583</b>
<b>Expenses</b>														
NANPA Administration	(3), (7)	793,327	142,961	119,587	119,835	119,835	119,835	119,835	119,835	119,835	119,835	119,835	119,835	119,835
1K Block Pooling Administration	(3), (6)	1,747,295	414,587	386,305	291,778	291,778	291,778	291,778	291,778	291,778	291,778	291,778	291,778	291,778
Carrier Audits	(8)	-	-	700,000	-	-	-	-	-	-	-	-	-	-
Billing and Collection														
NBANC Billing		29,119	-	-	-	-	-	-	-	-	-	-	-	-
Welch & Company LLP	(3)	152,811	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)	16,516	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)	-	28,725	-	-	-	-	-	-	40,000	-	-	-	-
<b>Total expenses</b>		<b>2,739,068</b>	<b>614,506</b>	<b>1,234,125</b>	<b>439,846</b>	<b>439,846</b>	<b>439,846</b>	<b>439,846</b>	<b>439,846</b>	<b>479,846</b>	<b>439,846</b>	<b>439,846</b>	<b>439,846</b>	<b>439,846</b>
<b>Net revenue (expenses)</b>		<b>( 1,149,149)</b>	<b>( 388,172)</b>	<b>( 1,007,791)</b>	<b>2,252,207</b>	<b>( 213,263)</b>	<b>( 213,263)</b>	<b>( 213,263)</b>	<b>( 213,263)</b>	<b>( 253,263)</b>	<b>( 213,263)</b>	<b>( 213,263)</b>	<b>( 213,263)</b>	<b>( 213,263)</b>
<b>Opening fund balance</b>		<b>8,253,205</b>	<b>7,104,056</b>	<b>6,715,884</b>	<b>5,708,093</b>	<b>7,960,300</b>	<b>7,747,037</b>	<b>7,533,774</b>	<b>7,320,511</b>	<b>7,107,248</b>	<b>6,853,985</b>	<b>6,640,722</b>	<b>6,427,459</b>	<b>6,214,196</b>
<b>Closing fund balance</b>		<b>7,104,056</b>	<b>6,715,884</b>	<b>5,708,093</b>	<b>7,960,300</b>	<b>7,747,037</b>	<b>7,533,774</b>	<b>7,320,511</b>	<b>7,107,248</b>	<b>6,853,985</b>	<b>6,640,722</b>	<b>6,427,459</b>	<b>6,214,196</b>	<b>6,000,933</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
Surplus		6,104,056	5,715,884	4,708,093	6,960,300	6,747,037	6,533,774	6,320,511	6,107,248	5,853,985	5,640,722	5,427,459	5,214,196	5,000,932
		<b>7,104,056</b>	<b>6,715,884</b>	<b>5,708,093</b>	<b>7,960,300</b>	<b>7,747,037</b>	<b>7,533,774</b>	<b>7,320,511</b>	<b>7,107,248</b>	<b>6,853,985</b>	<b>6,640,722</b>	<b>6,427,459</b>	<b>6,214,196</b>	<b>6,000,933</b>

**Assumptions:**

- (1) The US carrier contributions for the period from July 2005 to April 2006 is based upon 2004 budget. The International carrier revenue is based on actual for 2005.
- (2) Interest income projections are estimates
- (3) The expenses for the NANPA Administration, Pooling Administration and Welch & Company LLP are based on contracts in force.
- (4) The expense for the Data Collection Agent is based on the 2004 budget.
- (5) The amount showing in November 2005 for the annual operations audit has not yet been negotiated. Amount recorded is based on prior year.
- (6) The May forecasted amount includes the forecasted monthly billing of \$386,305 plus the cost of the approved change orders of \$28,282
- (7) The May forecasted amount includes the forecasted monthly billing of \$119,587 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 would like to complete another 6 audits by June 2005.

**Reconciliation of Forecast to Budget**

Forecasted fund balance at June 30/05	5,708,093
Additional PA expenses not budgeted	31,140
Additional NANPA Admin expenses not budgeted	23,374
Pre-transition costs of Welch & Company LLP not budgeted	13,510
Excess budget amount for NECA	( 29,839)
Excess budget amount for NBANC not included in forecast	( 79,203)
Original budgeted fund balance	<u>5,667,075</u>

**NANPA FUND  
CURRENT AND FORECASTED LIABILITIES**

		Current							
		Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05
<b>NEUSTAR - NANPA Administration contract</b>									
- Payment authorized by the FCC on March 15, 2005		344,166	142,961	119,587	119,835	119,835	119,835	119,835	119,835
January 2005	112,739								
- Authorization by the FCC has not been received for payment									
February 2005 - estimate		114,722							
March 2005 - estimate		114,722							
April 2005 - estimate		114,722							
		<u>\$ 344,166</u>							
<b>NEUSTAR - Block Pooling contract</b>									
- Payment authorized by the FCC on March 18, 2005		1,224,482	414,587	386,305	291,778	291,778	291,778	291,778	291,778
January 2005	232,753								
Change order #26	978								
- Authorization by the FCC has not been received for payment									
September 2004 - estimate		269,853							
October 2004 - estimate		247,215							
February 2005 - estimate		235,805							
March 2005 - estimate		235,805							
April 2005 - estimate		235,805							
		<u>\$ 1,224,482</u>							
<b>Welch &amp; Company LLP - Billing &amp; Collection Agent</b>									
- Payment authorized by the FCC on March 18, 2005		37,513	19,900	19,900	19,900	19,900	19,900	19,900	19,900
February 2005	17,613								
- Authorization by the FCC has not been received for payment									
March 2005		18,953							
April 2005		19,900							
		<u>38,853</u>							
<b>NBANC - Billing &amp; Collection Agent</b>									
- Payment authorized by the FCC on March 18, 2005									
November - December 2004	3,111								
		<u>-</u>							
<b>NECA - Data Collection Agent</b>									
- Authorization by the FCC has not been received for payment									
December 2004		3,495							
January 2005		150							
		<u>3,645</u>							
<b>USAC - Data Collection Agent</b>									
- Authorization by the FCC has not been received for payment									
January 2005		21,073	8,333	8,333	8,333	8,333	8,333	8,333	8,333
February 2005 - estimate		4,406							
March 2005 - estimate		8,333							
April 2005 - estimate		8,333							
		<u>\$ 29,406</u>							
<b>Clifton Gunderson LLP - Carrier audits</b>									
- 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				700,000					
<b>Overpayments due to US carriers</b>									
Refunds to be sent out over the next several months. Welch & Company LLP can issue refunds as long as the carrier is not listed on the Redlight Report.		34,859							
<b>WithumSmith+Brown - Annual operations audit</b>									
- Represents a balance of an accrual for interim audit fees for the 2003/04 fiscal year of NANPA by NBANC and estimate of the final invoice based on a total fee of \$40,000		2,248	28,725						
<b>Total</b>		<u>1,667,836</u>	<u>614,506</u>	<u>1,234,125</u>	<u>439,846</u>	<u>439,846</u>	<u>439,846</u>	<u>439,846</u>	<u>439,846</u>