



FirstNet™



Financial Update Report to the Finance Committee

Randy Lyon
Chief Financial Officer

December 9, 2014

Agenda

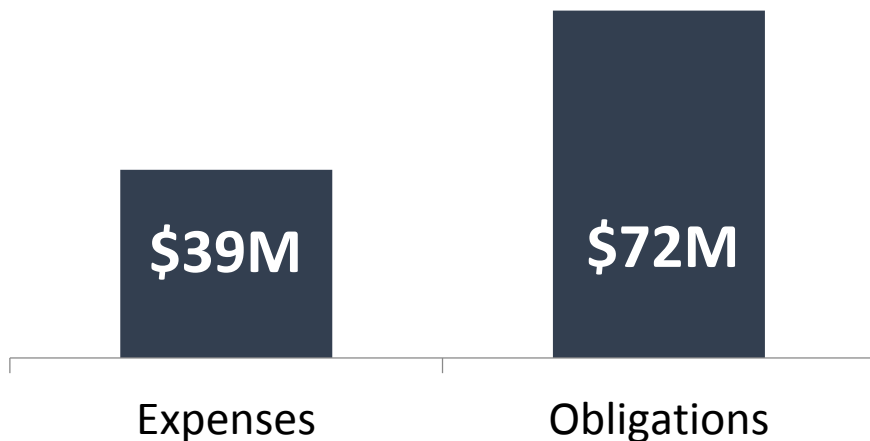


- FY 2014 Year-end Summary
- FY 2015 Budget Update
- FY 2016 Process

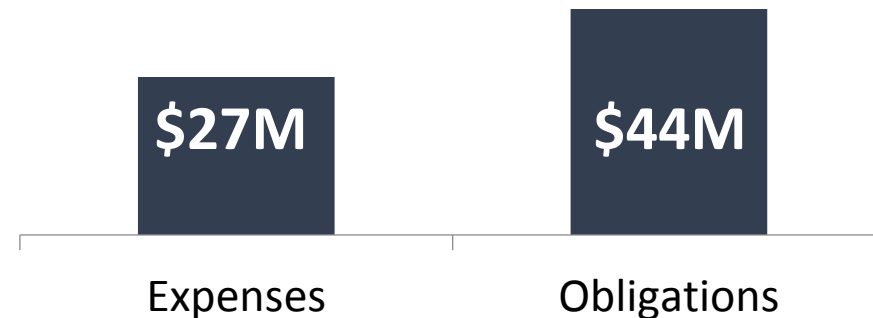
FY 2014 Financial Results – Preliminary and Unaudited



FY 2014 Budget



FY 2014 Actual



- We incurred lower than expected expenses due to delays in hiring.
- Our obligations were lower than expected due to timing of contractual obligations.

FY 2014 Balance Sheet – Preliminary and Unaudited



Assets \$12M
Net Position \$4.4M
Capital Receivable for Unpaid Liabilities \$7.6M

Net Position \$4.4M
Other Capital Assets, Advances & Prepayments, and Accounts Receivable \$2M
Charlotte NC BTOP Equipment \$2.4M

FY 2014 Key Statements – Preliminary and Unaudited



Statement of Operations

Revenues

\$0.1M*

Expenses

\$26.5M

** FirstNet earned nominal revenues due to one interagency reimbursable employment agreement.*

Statement of Cash Flows

Net Cash Used in
Operating & Investing
Activities

\$26.4M

Net Cash Provided by
Financing Activities

\$26.4M

Cash Balance

\$0

FirstNet's operations were funded by NTIA's borrowings from the U.S. Department of the Treasury. Thus, cash used in and provided by operating, investing and financing activities are recorded on NTIA's general ledger, not FirstNet's, resulting in a Cash Balance of \$0.

FY 2014 Borrowing and Auction Receipts



**Total NTIA Borrowing
\$2 Billion**

**Borrowed in June 2014
\$1.96B**

**Initial
Borrowing
\$.04B**



**H – Block Receipts
\$1.56 Billion**

**Repay PSTF for Borrowing
\$1.22B**

**FCC Auction Program Cost
\$0.34B**

FY 2015 Auction Receipts



- The FCC's AWS-3 auction is poised to provide the remainder of funding designated for FirstNet by the Act.
- Once the AWS-3 licensing procedure is completed, funds will be transferred to the PSTF to: 1) reimburse Treasury for the outstanding borrowing; 2) repay other authorized NTIA borrowing (SLIGP); and 3) provide up to \$5 billion for the Network Construction Fund (NCF) for build-out of the NPSBN.
- FirstNet opened the NCF on October 1, 2014, with a transfer of resources from the PSTF to fund program expenses. Administrative costs and NTIA activities continue to be funded through the PSTF.

FY 2015 Update



Activities	Obligations	Expenses
Comprehensive RFP	\$42.5M	\$46.9M
Consultation	\$22.3M	\$18.7M
Organizational Infrastructure & Support	\$21.4M	\$21.2M
Total Spend Plan*	\$86.2M	\$86.9M

*Column totals reflect rounding.

FY 2015 Update: October



Activities	Obligations	Expenses
Comprehensive RFP	\$1.9M	\$2.2M
Consultation	\$0.3M	\$0.6M
Organizational Infrastructure & Support	\$2.4M	\$1.4M
Total for October*	\$4.7M	\$4.2M

*Column totals reflect rounding.

**President's
Budget
Release**

February 2015

**Detailed Budget
Resolution**

June 2015



FirstNetTM



Thank You