

TELECOMMUNICATIONS COMPANIES 2014 ANNUAL REPORT

FOR

iBasis Retail Inc.

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

20 Second Ave

(OFFICIAL MAILING ADDRESS)

Burlington

(CITY)

MA

(STATE)

01803

(ZIP)

Please check if address listed above is an updated address

Report Year Ended: December 31, 2014

Inquiries concerning this Annual Report should be addressed to:

Name/Title: Ronald J. Sheehan
Address: 20 Second Ave
City: Burlington MA
State/Zip: MA 01803
Telephone: 781-505-7957
Email: rshreehan@ibasis.net

ENTERED IN COMPUTER

OCT 27 2015

aha

SUBMIT TO:

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PO Box 47250

Olympia, WA 98504-7250

File online: www.utc.wa.gov

WASHINGTON



UTILITIES AND TRANSPORTATION
COMMISSION

FINANCIAL SERVICES

2015 OCT 20 AM 9:46

RECEIVED

REPORT MUST BE RECEIVED NO LATER THAN MAY 1, 2015

Please refer to the Instructions for Completing the Annual Report on Page 2

ANNUAL REPORT CERTIFICATION

(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

I, the undersigned Jörg de Groat
Responsible Account Officer (Please Print)

of iBASIS RETAIL
Name of Company

have examined the foregoing report; that, to the best of my knowledge and belief, all statement of fact contained in said report are true and said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2014, to December 31, 2014, inclusive.

CFO
Title
(please print)

781-505-7570
Telephone Number

[Signature]
Signature
(please type if filing electronically)

Oct 8 2015
Date

GENERAL INFORMATION

Washington Unified Business Identifier (UBI) No.: 602 811 036
(If you do not know your UBI No. please contact Business Licensing Service at 1-800-451-7985 or BLS@dor.wa.gov)

Business Structure (please check the appropriate designation):

- Individual / Sole Proprietor Partnership Other (LP, LLP, LLC) Corporation Nonprofit Corporation

SCHEDULE 1

Telecommunications Company Financial & Operational Data

Part A. Financial: Please include the following information (as applicable below) along with this report.

Required Information	ILECs (under 40,000 lines)	All Other Companies
<input checked="" type="checkbox"/> Balance Sheet	RCW 80.04.530(2)	WAC 480-120-382
<input checked="" type="checkbox"/> Income Statement	RCW 80.04.530(2)	Attach copies <or> provide URL to 2013 S.E.C. Form 10-k: INSERT HYPERLINK HERE
<input checked="" type="checkbox"/> Regulatory Fee Schedule	See attached Schedule	See attached Schedule

Washington State Data

(All companies must provide)

Part B. Services

Does your company provide local exchange services in WA?

YES NO

Part C. Access Lines in service as of December 31, 2014

1. The total number of voice grade equivalent lines
 This should be the same as the FCC Form 477 Part II, A. 1.

N/A

2. How many of the lines listed in C.1 above, have access to E-911

N/A

Part D. Revenue Confirmation

	Total Company	Total WA	WA Intrastate
Annual Revenue for the twelve months ended December 31, 2014	\$8,008,182	\$2,442	\$1,010

REGULATORY FEE CALCULATION SCHEDULE
Due May 1, 2015

Company Name IBASIS RETAIL INC Annual Report Year 2014

In accordance with RCW 80.24.010 "Regulatory Fees", the Commission requires Telecommunication companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate revenue for the preceding year and pay to the Commission a fee as instructed below.

Regulatory Fee Calculations

1 Total Gross Intrastate Operating Revenue**			<u>1009.53</u>
2 Less Non Fee-Paying Revenue (Include details on separate page for non-paying revenue)			<u> </u>
3 Balance-Adjusted Gross Intrastate Operating Revenue (Line 1 minus Line 2)			<u>1009.53</u>
4a If Line 3 is UNDER \$20,000, enter ZERO (skip to Line 5)			<u>0</u>
4b If Line 3 is BETWEEN \$20,000 and \$50,000 enter amount from Line 3 x 0.1% (skip to Line 5)	_____	x 0.001	_____
4c If Line 3 is OVER \$50,000 enter amount from Line 3	_____		_____
4d First \$50,000 is subject to .1% regulatory fee	_____	x 0.001	_____
4e Remainder of gross intrastate revenue subject to .2% (Line 4c minus Line 4d)	_____	x 0.002	_____
5 Total Regulatory Fees owed (enter Line 4b, or add 4d and 4e)			<u>0</u>

Agency Use Only 001-111-0268-170-01

Penalty & Interest Calculations

6 Penalties on Regulatory Fees being paid after May 1			
6a Total Penalties on Regulatory Fees owed (enter amount from Line 5 x 2%)	<u>0</u>	x 0.02	<u>0</u>
7 Interest on Regulatory Fees being paid after May 31			
7a Amount from Line 5 x Number of months past May 31 x 1%	<u>0</u>	x <u>5</u>	x 0.01
8 Total Penalties and Interest owed (Line 6a plus Line 7a)			<u>0</u>
9 Total Regulatory, Penalties and Interest Fees Due (Line 5 plus Line 8)			<u>0</u>

Agency Use Only 001-111-0268-170-11

****Note:** The revenues subject to the Commission's regulatory fees are gross Washington intrastate operating revenues before deductions for uncollectibles, unbillables, subscriber/aggregator commissions or the payment of site charges and state and federal taxes, i.e. "Gross Revenues" means before any deductions from Revenue Receipts.

COMMISSION USE ONLY	
Reception #: _____	001-111-0268-170-01 _____
Reference: <u>AR2014</u>	001-111-0268-170-11 _____
Payment ID: _____	001-111-0268-032-20 _____
	Total Paid: <u>0</u>

iBasis Retail, Inc.
 Consolidating Balance Sheet - Local Currencies
 For the Period Ending December 2014

Entities	RT01 - USD
* Cash & Cash Equivalents	
120100 Accounts Receivable - Third Party	912,010
120110 A/R ME Accrued 3rd party	
120111 Accrued 3rd Party Systemic A/R	
120116 Unbilled iRP Activated Cards	424,252
120118 AR - MMX Acc Rev	
120120 Accounts Receivable - Manual	
120125 AR Incremental Deal	
120199 OIM A/R Revaluation	
120250 Accrued Self Declared Receivables	
120300 Allowance for Doubtful Accounts	465,681-
120350 Customer Disputes	
120351 Self Declared Customer Disputes	
120360 MTR Customer Provision Allowance	
* Accounts Receivable - 3rd Party	870,580
120105 AR - Inter Group KPN	
120115 A/R ME Accrued Intergroup KPN	
120195 OIM KPN A/R Revaluation	
* Accounts Receivable - KPN	
120102 AR - Inter Group iBasis	
120112 AR ME Accr IntCo iBs	
120299 OIM I/C A/R Revaluation	
120200 Intercompany Accounts Receivable	3,964,944
120205 Non-systemic Intercompany A/R	
120206 I/C A/R Balance corr	
120212 I/C Int. Note Rec.	
* Accounts Receivable - iBasis Group	3,964,944
120400 Interest Receivable	
120450 Receivable from Options Exercised	
120500 Payroll Advance	
120550 Travel Advance	
120600 VAT Receivables	
120605 Foreign VAT Receivables	
121100 Prepaid Expenses	
122100 Other Current Assets	
* Other Current Assets	
130100 Fixed Asset Clearing	
130200 Construction in Progress	
130300 Equipment	
130400 Equipment - Cap Lease	
130500 Furniture and Fixtures	
130600 Computer Software	
130650 Capitalized Labor - Internal	
130660 Capitalized Labor - External	
130700 Leasehold Improvements	
130900 Legacy Inventory (EpiCor)	

* Property, Plant & Equipment Cost	
131300 Accum Dep Equipment	
131400 Accum Dep Cap Lease	
131500 Accum Dep Furn & Fix	
131600 Accum Dep Software	
131650 Accum Dep Cap Labor	
131660 A/D Int Cap Labor	
131700 Accum Depr LHI	
131900 Leg A/D Inv (EpiCor)	
* Property, Plant & Equipment A/D	
100550 Restricted Cash	
121300 Deferred Tax Asset	
140100 Deposits	
140105 Lease Deposits	
140150 Deferred Rent	
140300 Goodwill	
140310 Trademarks	
140315 Accum. Amortization - Trademarks	
140320 Wholesale Customer Relationships	
140325 Accum Amort Whol Rel	
140330 Retail Customer Relationships	
140335 Accum Amort Ret Rel	
140340 Termination Partner Relationships	
140345 Accum Amort Term Rel	
140350 Network Technology	
140355 Accum Amort Network	
150100 Investment in Subsidiaries	
* Other Assets	
** Total Assets	4,835,524
220100 AP Third Party	
220101 A/P American Express	
220107 A/P - Employees	
220110 A/P ME Accrued 3rd Party	
220120 Accounts Payable - Other	
220129 OIM A/P Revaluation	
240140 COS Vendor Disputes	
* Current Liabilities - 3rd Party	
220102 AP - Inter Group iBasis	
220112 AP ME Accrued Interc	
220200 Intercompany Accounts Payable	14,035,465-
220202 I/C Loan Note Pay.	
220205 Non-systemic Intercompany A/P	
220206 I/C A/P Balance Corr	
220212 I/C Int. Note Pay.	
220299 OIM I/C A/P Revaluation	
* Current Liabilities - iBasis Group	14,035,465-
220105 AP - Inter Group KPN	
220115 A/P ME Accrued Intergroup KPN	
220195 OIM KPN A/P Revaluation	
* Current Liabilities - KPN	
240100 Accrued Systemic Term Fees	
240106 Non-systemic Accrued Term Fees	

240107	Non-systemic Accrued Fixed Fees	
240118	Accrued MMX Term Fees	
240119	MMX Accrued Fee revaluation	
240120	Accrued Commitment Deals	
240121	Accrued Commitment Deals	
240125	Acc Incremental Deal	
240129	OIM Deal Revaluation	
240130	Provision for Customer Disputes	
240145	Commitment Deal Variance	
240146	Commitment Deal Variance	
220130	Goods Received/Invoice Received	
220135	GR/IR Adjustments	
220139	OIM GR/IR Revaluation	
220149	OIM GR/IR Revaluation Actual	
*	Current Liabilities - Accrued Term Fees	
220300	Payroll Liability Federal	
220315	401k Deduction Liability	
220320	Future Stock Compensation Awards	
220325	FSA Withholding	
220330	Life Insurance Withholding	
220340	Social Security Employee	
220345	Social Security Employer	
220350	Social Security Holiday Payment	
220355	Employee Income Taxes Payable	
220365	Pension Payable Employee	
220370	Pension Payable Employer	
220385	Reservation Holiday Payment 8%	
220395	Payroll Clearing/Control	
220399	OIM P/R Revaluation	
220400	Accrued Payroll	
220410	Accrued Severance	
220420	Accrued Vacation	
220430	Accrued Commissions	
220440	Accrued Incentive Compensation	
220450	Accrued Medical	
220460	Accrued FICA	
220470	Accrued FUTA	
220480	Accrued SUTA	
220490	Other Payroll Accruals	
220495	T&E Clearing/Control	
*	Current Liabilities - Accrued Payroll	
220500	Accrued Expenses	76,675-
220505	Accrued Timing Expenses	
220510	Accrued Rent	
220520	Accrued Travel	
220525	Accrued Legal	
220528	Accrued Claims & Litigations	
220530	Accrued Audit/Tax Fees	
220540	Accrued Software Maintenance Fees	
220545	Accrued Regulatory Fees	46,769
230110	Accrued Restructuring Other	
260170	Customer Deposits	

* Current Liabilities - Other Accrued Exps	29,906-
220560 Accrued Sales Tax	796
220565 Accrued Income Tax	46,316
220570 Accrued Other Tax	300
220600 VAT Payables	
* Current Liabilities - Accrued Taxes	47,412
250100 Deferred Revenue - Pingo	
250200 Deferred Revenue - IRP	3,346,096-
250300 Deferred Revenue - Other	314,561-
* Current Liabilities - Deferred Revenue	3,660,657-
260100 Accrued Dividends Payable	
* Current Liabilities - Accrued Dividends	
260110 Notes Payable Short Term	
260120 S/T Cap Lease	
* Current Liabilities - Short Term Obligs	
** Total Current Liabilities	17,678,616-
221300 Deferred Tax Liability	
260140 L/T Cap Lease	
260145 Deferred Rent Long Term	
260150 Long Term Debt - Other	
260160 Restructuring Long Term	
260165 Income Tax Payable Long Term	
* Long Term Debt	
*** Total Liabilities	17,678,616-
300100 Common Stock	1-
300200 Treasury Stock	
300300 APIC	
300400 Other Comprehensive Income	
* Stockholders Equity	1-
300500 Retained Earnings	15,238,221
300600 Unrealized Gain/Loss	
* Stockholders Equity - Retained Earnings	15,238,221
* Retained Earnings - Current Year	2,395,128-
** Total Stockholders' Equity	12,843,092
*** Total Liabilities & Equity	4,835,524-

iBasis, Inc.
 Consolidating Statement of Operations - Local Currency
 For the Period Ending * , 2014

Entity	RT01 - USD
400100 Revenue - Third party	
400160 Revenue - Deal Adjustments	
400170 Revenue - Settlement	
400250 Revenue - MMX	
400300 Revenue - Retail	8,008,182-
400350 Revenue - Pingo	
400800 Sales Allowance and Discounts	
400805 Pingo Bonuses	
400900 Customer Provision	
400910 Customer Provision - MMX	
* Net Minutes Revenue - 3rd Party	8,008,182-
400102 Revenue - Inter Group iBasis	
* Net Minutes Revenue - Inter-Company	
400105 Revenue - Inter Group KPN	
400500 Revenue - KPN	
400630 Revenue - KPN Connectivity	
400255 Rev - MMX KPN	
* Net Minutes Revenue - KPN	
** Total Minutes Revenue	8,008,182-
400400 Revenue - Other	
400600 Revenue - Circuit Charges	
400610 Revenue - LSX Connection	
400615 Revenue - LSX Connection KPN	
* Net Minutes Revenue - Other	
*** Total Revenue	8,008,182-
500100 Termination Fees - Third Party	3,524,707
500150 Purchase Price Variance (PPV)	
500160 Other Cost Variance	
500170 Cost - Settlement	
500200 Access Costs	376,896
500250 Mobile Matrix Costs	
500300 FUSF Charges	364,375
* Variable Cost of Sales - 3rd Party	4,265,978
500102 Term Fees - Inter Gr	
* Variable Cost of Sales - Inter-Company	
500105 Term Fees - KPN	
500255 Mobile Matrix Inter-Group Costs	
* Variable Cost of Sales - KPN	
** Total Variable Cost of Sales	4,265,978
Fixed Cost - Connectivity	
* Fixed Cost - Connectivity	
500400 Internet Access - Third Party	42,668
500600 Partner Facilities	
500700 PSTN	25,228
500800 SS7	

500850 Other Access Charges	
* Fixed Costs of Sales - 3rd Party	67,896
500810 KPN SLA Int'l Trans	
500820 KPN SLA National Transmissions	
500855 Other Access Charges - KPN	
* Fixed Costs of Sales - KPN	
** Total Fixed Cost of Sales	67,896
*** Total Cost of Sales	4,333,874
**** Gross Profit	3,674,308-
***** Gross Margin %	46
600100 Salary Expense - Regular	423,681
600105 Salary Expense - On Call	3,049
600110 Salary Expense - Overtime	81
600115 Bonus Expense	
600118 Incentive Compensation	11,925
600120 Commissions Expense	23,884
600125 Vacation Expense	
600130 Severance Expense	
600132 Imputed Med. Exp.	
600135 Stock Based Compensation	
* Employee Compensation	462,619
600290 Contract Labor	3,951
* Contract Labor	3,951
600295 Temporary Employees	1,648
* Temporary Employees	1,648
600112 Salary Exp - Cap Lab	
* Capitalized Labor	
600145 401k Match	1,605
600150 Pension Expense	
600155 Other Employee Benefits	365-
600160 Social Security Payroll	
600175 FICA Expense	12,206
600180 FUTA Expense	75
600185 SUTA Expense	1,053
600190 Employee W/H Insurance Expense	59,602
600200 Transportation Allowance	
600215 Leased Vehicle Costs	
600220 Meals	
600225 Entertainment	
600230 Workers Comp Insurance Expense	
600235 Tuition Reimbursement	
600245 Employee Morale Non-taxable	
600250 Temporary Housing	
600260 Recruiting Expense	
600270 Relocation Expense	
600280 Professional Development	1,724
* Employee Benefits	75,899
600300 Rent Expense	13,291
600305 Co-Location Rent Expense	
600310 Property Tax	5,829
600320 Building Rep & Maint	8,121
600340 Office Expense	6,132

600350 Shipping and Handling	2,390
600380 Utilities	
* Facilities	35,764
600400 Telecommunications	2,604
600410 Cellular/Mobile Charges	6,771
600420 Internet Access - Overhead	
* Telecommunications	9,375
600330 Lease/Rental Expense	2,344
600360 Equipment/Tools Non-Capitalized	1,142
600365 Systems and Tools	8,103
600430 Computer Maintenance & Repair	
* Equipment	11,589
600900 Bad Debt Expense	104,179
* Bad Debt Expense	104,179
600630 Call Center Operations	204,868
* Call Center Operations	204,868
600710 Corporate Insurance	10,656
* Insurance	10,656
600620 Trade Shows	
600650 Print Costs	37,551
600660 Marketing & Advertising	3,680
600670 Publications	
* Marketing	41,231
601400 Management Fees - iPop	43
* External Management Fees	43
601500 Intercompany Management Fees	160,164
* Internal Management Fees	160,164
600640 eCommerce Transaction Fees	
* Credit Card Fees	
600730 Admin Fees/Bank Charges	3,640
600740 Regulatory Fees	7
600750 License Fees	
600775 Penalty Expense	170
600780 Cust/Vend Over/Under	69
600910 Miscellaneous Other Expense	3,864
* Misc. Fees & Services	22
600600 Subscriptions and Dues	19,797
600700 Corporate Gifts	39
600720 Charitable Contributions	147
* Office Expense	19,982
600500 Prof Svc/Consulting	26,245
600510 Audit and Tax Fees	6,871
600520 Legal Fees	12,235
600530 Board of Directors Fees	
600610 Seminars and Conferences	4,231
600690 Agent Fees	
* Professional Services	49,583
601000 SLA Costs Delivery & Capacity	
601300 SLA Costs Rent & Workingplaces	
601320 SLA Costs Telecommunications	
601350 SLA Costs Other	
* SLA Costs	

600760 Sales Tax Expense	3,000
600770 Other Tax Expense	5,622
600920 VAT Sales Tax Expense	
* Tax Expense	8,622
600800 Travel - Airfare	554
600805 Travel - Auto Rental	
600810 Travel - Lodging	
600815 Travel - Meals Allowable	
600825 Travel - Entertainment	
600830 Travel - Transportation	
600835 Travel - Other	
* Travel & Entertainment	554
609100 Facilities Allocation	
609200 Mobile Allocation	
* Facilities & Mobile Allocations	
** Total Operating Expenses	1,200,749
**** EBITDA	2,473,559-
700100 Dep Exp - Equip	
700120 Depreciation Expense - Software	
700125 Dep Exp - Cap Labor	
700130 Dep Exp - F&F	
700150 Depreciation Expense - LHI	
* Depreciation	
700210 Amortization Trademarks	
700220 Amort Wholesale Cust	
* Amortization	
** Depreciation & Amortization	
800100 Interest/Dividend Income	
800110 Interest Expense	
800115 Other Income/Expense	
800140 Gain/Loss on Asset Disposal	
* Interest Expense, Net	
Foreign Exchange (Gain)/Loss	
***** (Profit)/Loss before Tax	2,473,559-
800200 Federal Income Tax	
800220 State Income Tax	78,431
800240 Foreign Income Tax	
* Total Income Tax Expense	78,431
**** Net (Profit)/Loss	2,395,128-



20 Second Avenue
Burlington, MA 01803
Phone +1 781.505.7500
Fax +1 781.505.7300
iBasis.com

October 8, 2015

WA Utilities and Transportation Commission
PO Box 47250
Olympia WA 98504-7250

RE: iBasis Retail Inc.
2014 Washington Annual Report and Regulatory Fee Schedule For CYE 2014
Company ID: T4998
Company UBI: 602 811 036

Enclosed for filing, please find iBasis Retail Inc.'s 2015 Washington Annual Report and Regulatory Fee Schedule for CYE 2014. Also enclosed is a \$1000 check to cover the penalty.

Please acknowledge receipt of this filing by date-stamping the enclosed copy of this cover and returning it in the self-addressed stamped envelope also enclosed. Should any questions arise, please contact me at the below contact information.

Sincerely
iBasis Retail, Inc.

Ronald A. Sheehan
Contracts Administrator
20 Second Avenue
Burlington MA 01803
Phone: 781-505-7957
Fax: 781-505-7300
Email: rsheehan@ibasis.net

RECEIVED
REGULATORY MANAGEMENT
2015 OCT 20 AM 9:30
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION