



**State of North Carolina
Office of Information Technology Services**

**Pat McCrory
Governor**

**Chris Estes
State Chief Information Officer**

To: Joint Legislative Oversight Committee on Information Technology
Fiscal Research Division

From: Kristen W. Culler *KWC*

Subject: Internal Service Fund Quarterly Report for September 30, 2014

Date: October 31, 2014

Attached please find the quarterly legislative report required by G.S. 147-33.88(b) for the period ended September 30, 2014.

- ❖ Page 1 shows the quarterly line item expenditure details for the quarter ended September 30, 2014, the projected expenses for the quarter ending December 31, 2014 and the projected expenditures for the current fiscal year.
- ❖ Page 2 provides current and projected year-end cash balances.
- ❖ Page 3 is a report on personnel activity for the quarter.
- ❖ Page 4 reports receipts for the quarter ended September 30, 2014. Also provided are revenue forecasts for the quarter ending December 31, 2014 and the projected receipts for the current fiscal year.

Please disseminate the report as appropriate, and feel free to contact me at 919-754-6574 if you have any questions.

cc: Assistant State Budget Officer for Information Technology
State Budget Analyst for Information Technology

North Carolina Office of Information Technology Services

Internal Service Fund Quarterly Report

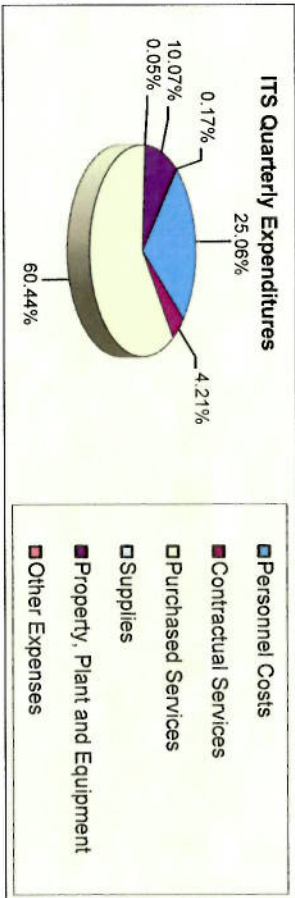
Budget Code 74660

For The Quarter Ended September 30, 2014

REPORT ON EXPENDITURES

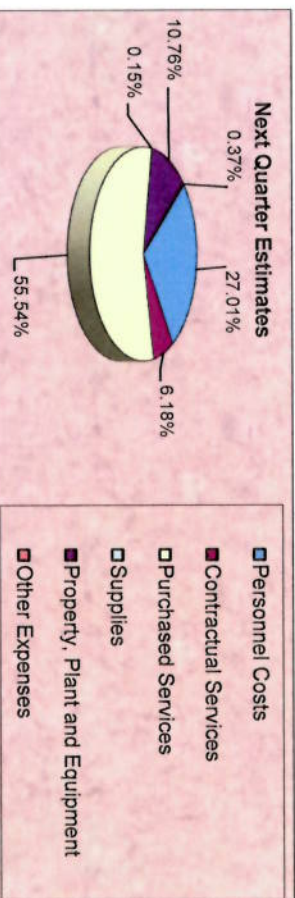
Quarterly Line Item Expenditure Details

Personnel Costs	\$ 11,307,369
Contractual Services	\$ 1,898,414
Purchased Services	\$ 27,275,211
Supplies	\$ 22,717
Property, Plant and Equipment	\$ 4,544,154
Other Expenses	\$ 76,495
Total Quarterly Expenses	\$ 45,124,360



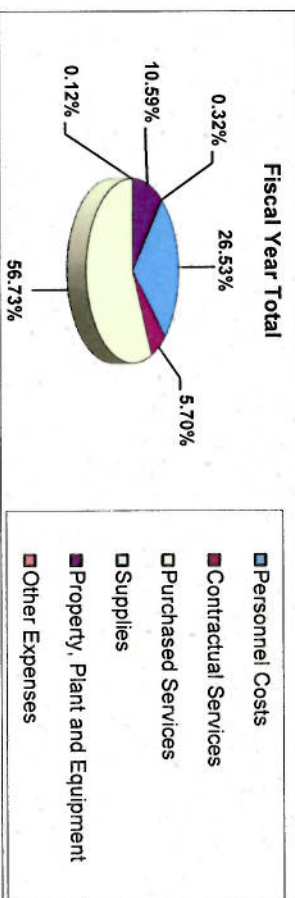
Projected Total Expenses for Next Quarter

Personnel Costs	\$ 12,605,800
Contractual Services	\$ 2,885,448
Purchased Services	\$ 25,923,732
Supplies	\$ 67,970
Property, Plant and Equipment	\$ 5,024,273
Other Expenses	\$ 171,617
Total Anticipated Quarterly Expenditures	\$ 46,678,839



Projected Expenses for Fiscal Year

Personnel Costs	\$ 49,124,769
Contractual Services	\$ 10,554,758
Purchased Services	\$ 105,046,406
Supplies	\$ 226,626
Property, Plant and Equipment	\$ 19,616,972
Other Expenses	\$ 591,345
Total Fiscal Year Expenditures	\$ 185,160,876



Personnel Costs include employee salary and benefits, workers compensation, and disability payments. Contractual Services includes contracted professional and consultative personal services. Purchased Services includes maintenance agreements, telecommunications, computing services, utilities, travel expenses, etc. Other Expenses include capital lease payments, dues and memberships, and other miscellaneous administrative expenses. Total Quarterly Expenses excludes cash transfers between funds.

North Carolina Office of Information Technology Services

Internal Service Fund Quarterly Report

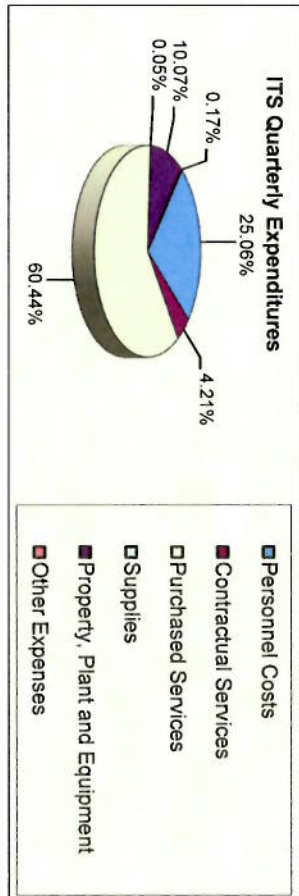
Budget Code 74660

For The Quarter Ended September 30, 2014

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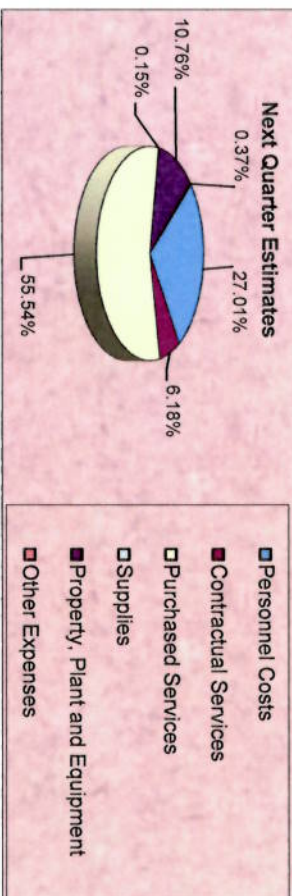
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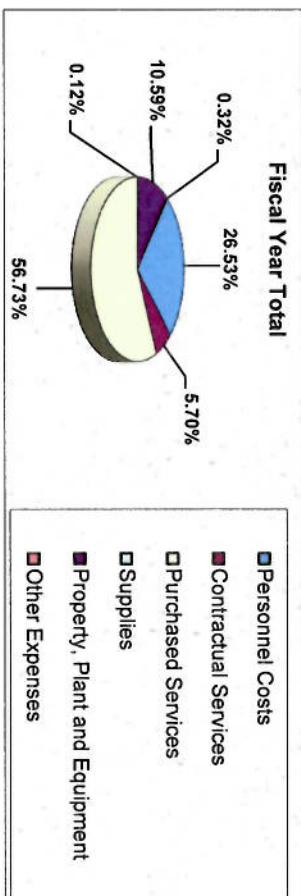
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Internal Service Fund Quarterly Report

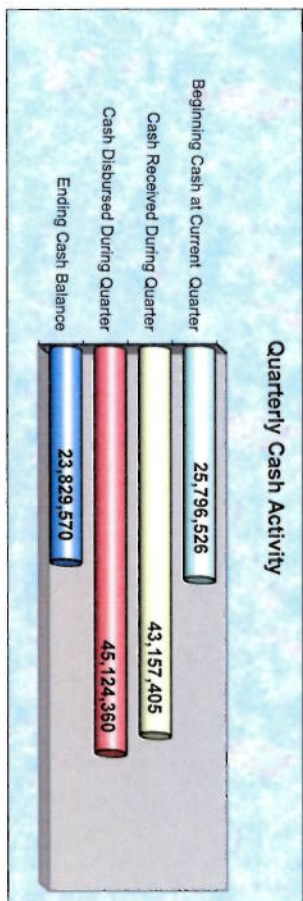
Budget Code 74660

For The Quarter Ended September 30, 2014

REPORT ON CASH BALANCES

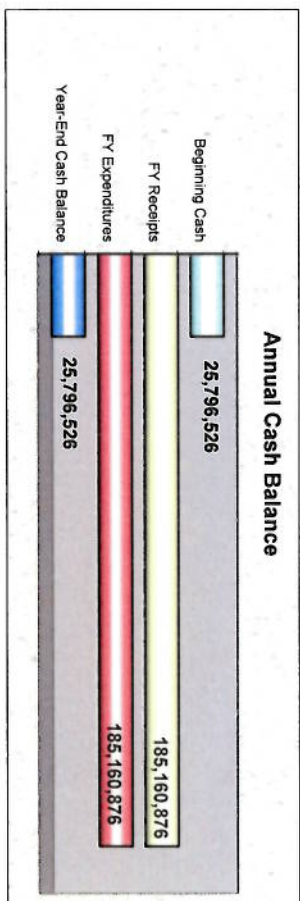
Quarterly Cash Balances

Beginning Cash at Current Quarter	\$ 25,796,526
Received During Quarter	\$ 43,157,405
Disbursed During Quarter	\$ 45,124,360
Ending Cash Balance as of September 30, 2014	\$ 23,829,570



Fiscal Year Cash Balance

Beginning Balance at July 1, 2014	\$ 25,796,526
FY Receipts + Assets + Equity	\$ 185,160,876
FY Expenditures	\$ 185,160,876
Year-End Cash Balance as of June 30, 2015	\$ 25,796,526



Year-End Cash Balance (remove \$2.8M reserve)* \$ 22,996,526

40 Days Cash Allowance: \$ 20,291,603

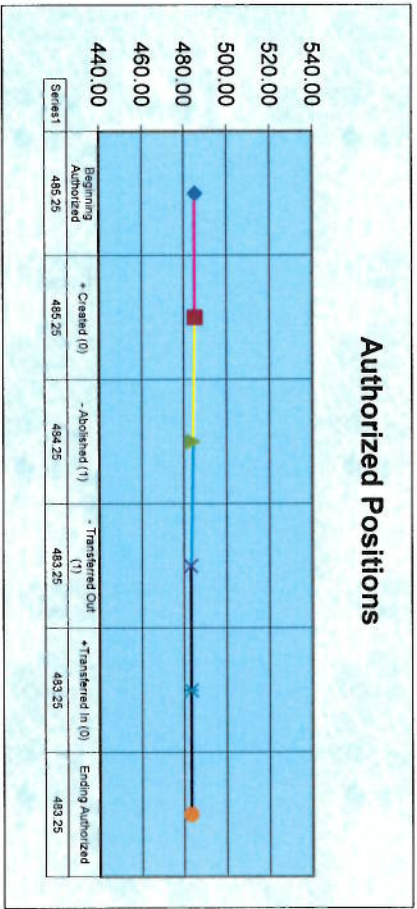
*Have reengaged with OSBM on how to execute this federal refund

North Carolina Office of Information Technology Services
Internal Service Fund Quarterly Report
Budget Code 74660
For The Quarter Ended September 30, 2014

REPORT ON PERSONNEL ACTIVITY

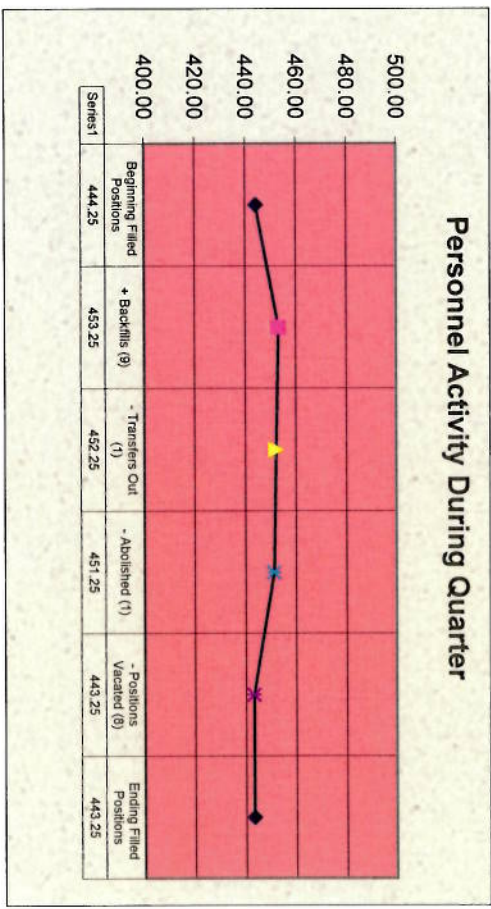
Current Quarter Authorized Positions

Number of Authorized Positions at Qtr. Start	485.25
New Positions Approved in Quarter	-
Positions Transferred in Quarter:	
Transferred to the IT Fund	(1.00) *
Number of Abolished Positions	(1.00) **
Number of Authorized Positions at Qtr. End	483.25



Current Quarter Personnel Actions

Number of Filled Positions at Quarter Start	444.25
Plus	
Backfilled Positions in Quarter	9.00
Less	
Transferred to the IT Fund	(1.00) *
Number of Abolished Positions	(1.00) **
Number of Positions Vacated in Quarter	(8.00)
Number of Positions Filled at Quarter End	443.25



*Transferred Position #60087248 to IT Fund for First Net
 **Abolished Position #60089895 due to Reorganization through Reduction program

North Carolina Office of Information Technology Services

Internal Service Fund Quarterly Report

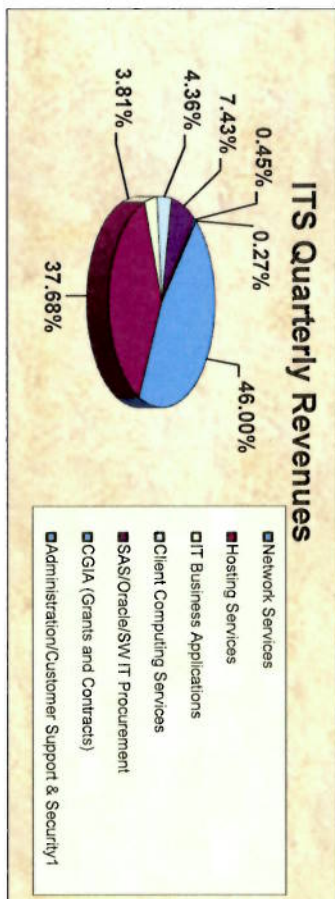
Budget Code 74660

For The Quarter Ended September 30, 2014

REPORT ON REVENUES

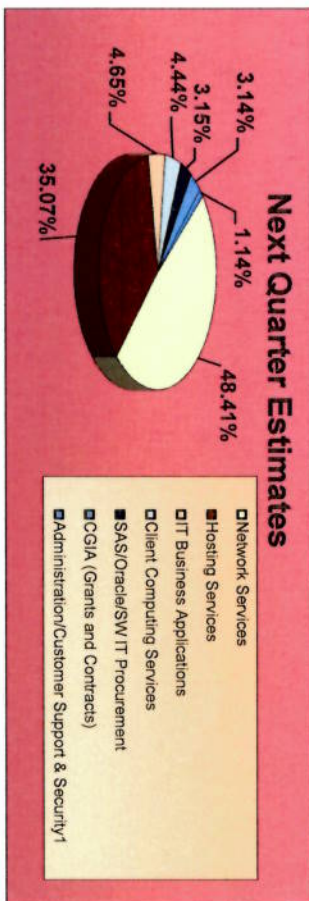
Quarterly Line Item Revenue Details

Network Services	\$ 20,366,351
Hosting Services	\$ 16,683,979
IT Business Applications	\$ 1,686,953
Client Computing Services	\$ 1,931,867
SAS/Oracle/SW/IT Procurement	\$ 3,288,535
CGIA (Grants and Contracts)	\$ 201,080
Administration/Customer Support & Security ¹	\$ 120,532
Total Quarterly Revenues	\$ 44,279,296



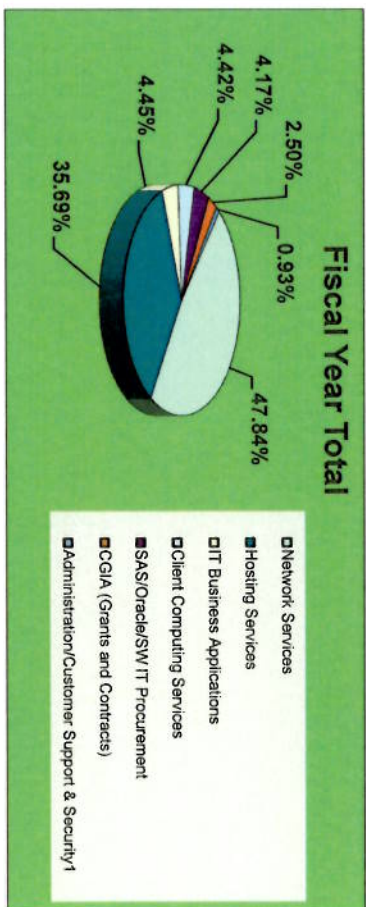
Projected Total Revenues for Next Quarter

Network Services	\$ 22,735,448
Hosting Services	\$ 16,466,827
IT Business Applications	\$ 2,183,336
Client Computing Services	\$ 2,084,642
SAS/Oracle/SW/IT Procurement	\$ 1,479,274
CGIA (Grants and Contracts)	\$ 1,474,391
Administration/Customer Support & Security ¹	\$ 536,608
Total Anticipated Quarterly Revenues	\$ 46,960,527



Projected Revenues for Fiscal Year

Network Services	\$ 88,572,694
Hosting Services	\$ 66,084,461
IT Business Applications	\$ 8,236,960
Client Computing Services	\$ 8,185,794
SAS/Oracle/SW/IT Procurement	\$ 7,726,358
CGIA (Grants and Contracts)	\$ 4,624,253
Administration/Customer Support & Security ¹	\$ 1,730,356
Total Fiscal Year Revenues	\$ 185,160,876



¹Portion of service revenue that is reallocated (and thus not included in service revenue lines) to support administrative overhead, help desk, and system monitoring and security costs.