



**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: Jeff King, Chief Services Officer/Deputy State CIO 

Subject: Internal Service Fund Quarterly Report for September 30, 2013

Date: November 12, 2013

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Attached is the quarterly legislative report required by Statute 147-33.88(b) for the period ended September 30, 2013.

- ❖ Page 1 shows the quarterly line item expenditure details for the quarter ended September 30, 2013, the projected expenses for the quarter ending December 31, 2013, and total anticipated 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, 2013. Also provided are revenue forecasts for the quarter ending December 31, 2013, and the current fiscal year.

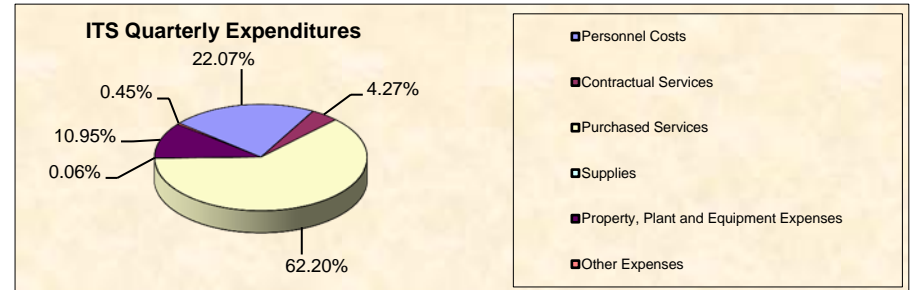
Please feel free to contact Joyce Wallace at 919-754-6183 if you have any questions.

cc: Chris Estes  
Randy Barnes  
Danny Lineberry  
Erin Matteson  
Sarah Porper

**North Carolina Office of Information Technology Services**  
**Internal Service Fund Quarterly Report**  
**Budget Code 74660**  
**For The Quarter Ended September 30, 2013**  
**REPORT ON EXPENDITURES**

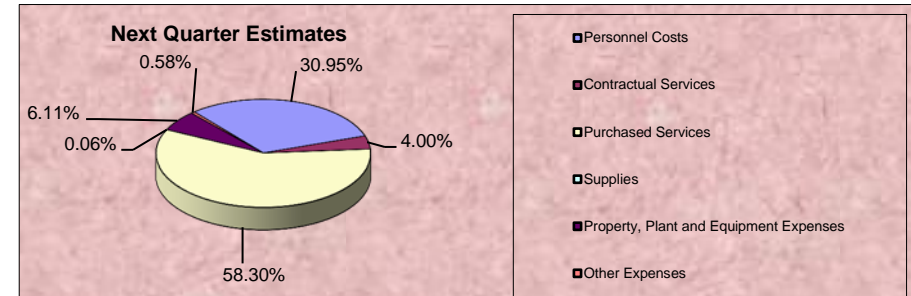
**Quarterly Line Item Expenditure Details**

Personnel Costs	\$	10,964,337
Contractual Services	\$	2,121,939
Purchased Services	\$	30,907,872
Supplies	\$	29,562
Property, Plant and Equipment Expenses	\$	5,442,614
Other Expenses	\$	224,166
<b>Total Quarterly Expenses</b>	<b>\$</b>	<b>49,690,489</b>



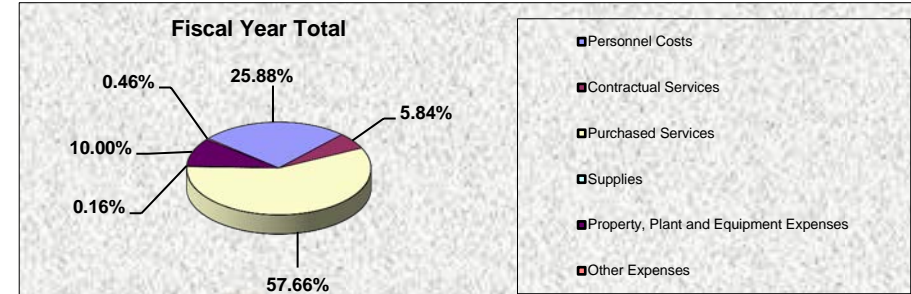
**Projected Total Expenses for Next Quarter**

Personnel Costs	\$	10,968,390
Contractual Services	\$	1,418,220
Purchased Services	\$	20,657,596
Supplies	\$	19,758
Property, Plant and Equipment Expenses	\$	2,166,781
Other Expenses	\$	204,623
<b>Total Anticipated Quarterly Expenditures</b>	<b>\$</b>	<b>35,435,368</b>



**Projected Expenses for Fiscal Year**

Personnel Costs	\$	47,238,470
Contractual Services	\$	10,666,815
Purchased Services	\$	105,256,220
Supplies	\$	301,047
Property, Plant and Equipment Expenses	\$	18,257,296
Other Expenses	\$	838,036
<b>Total Fiscal Year Expenditures</b>	<b>\$</b>	<b>182,557,884</b>



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.

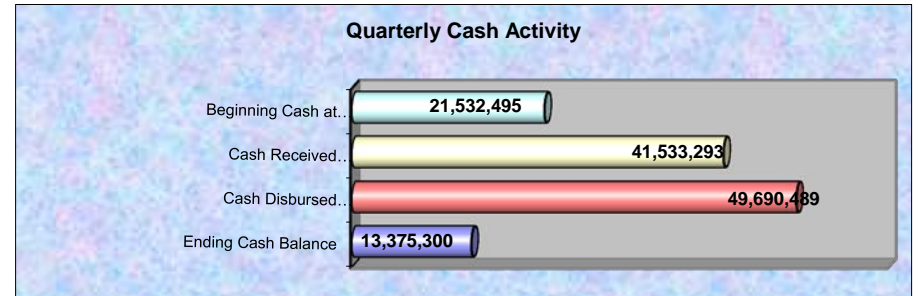
Other Expenses include capital lease payments, dues and memberships, and other miscellaneous administrative expenses.

Total Quarterly Expenses excludes cash transfers between funds.

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**REPORT ON CASH BALANCES**

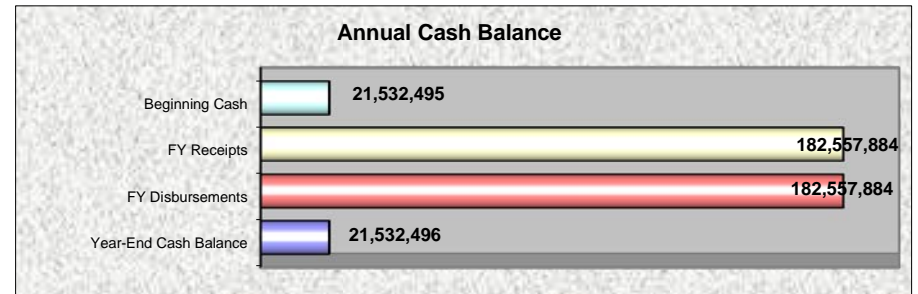
**Quarterly Cash Balances**

Beginning Cash at Current Quarter	\$	21,532,495
Received During Quarter	\$	41,533,293
Disbursed During Quarter	\$	49,690,489
Ending Cash Balance as of September 30, 2013	<u>\$</u>	<u>13,375,300</u>



**Fiscal Year Cash Balance Projections**

Beginning Balance at July 1, 2013	\$	21,532,495
FY Receipts + Assets + Equity	\$	182,557,884
FY Expenditures	\$	182,557,884
Year-End Cash Balance as of June 30, 2014	<u>\$</u>	<u>21,532,496</u>



Adjusted Cash Projection (remove \$2.8M reserve) \$ 18,732,495.58

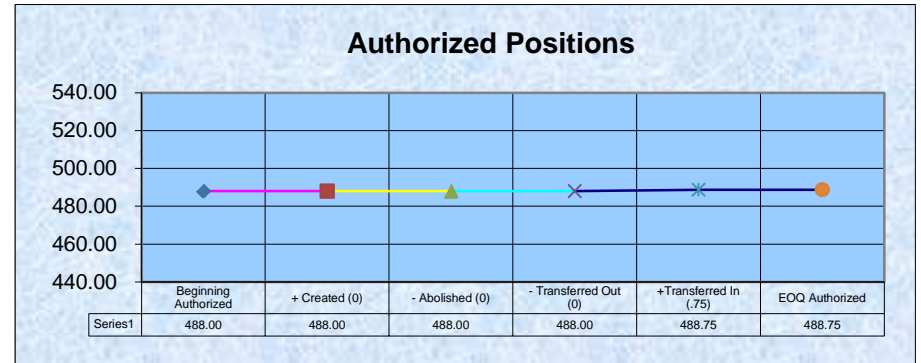
40 Days Cash Allowance: \$ 20,006,343.47

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**REPORT ON PERSONNEL ACTIVITY**

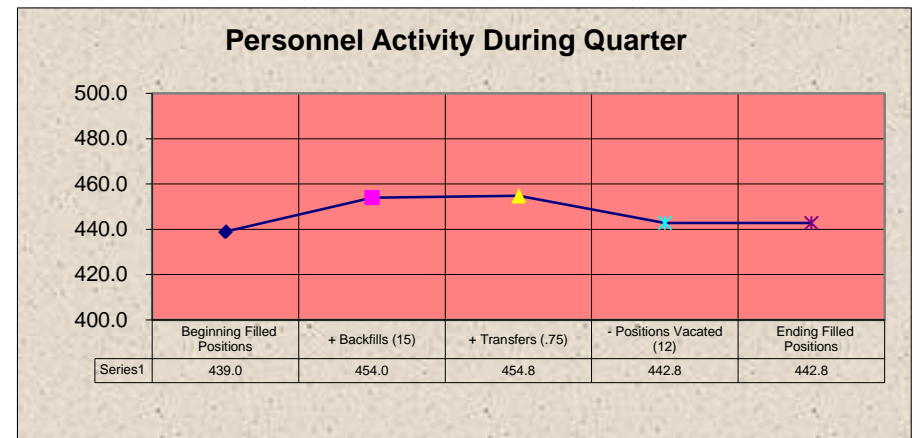
**Current Quarter Authorized Positions**

Number of Authorized Positions at Qtr. Start	488.00
New Positions Approved in Quarter	
Positions Transferred in Quarter:	
Transferred from IT Fund*	0.75
Number of Authorized Positions at Qtr. End	<u><u>488.75</u></u>



**Current Quarter Personnel Actions**

Number of Filled Positions at Quarter Start	439.00
Plus	
Backfilled Positions in Quarter	15.00
Transferred from IT Fund*	0.75
Less	
Number of Positions Vacated in Quarter	<u>(12.00)</u>
Number of Positions Filled at Quarter End	<u><u>442.75</u></u>

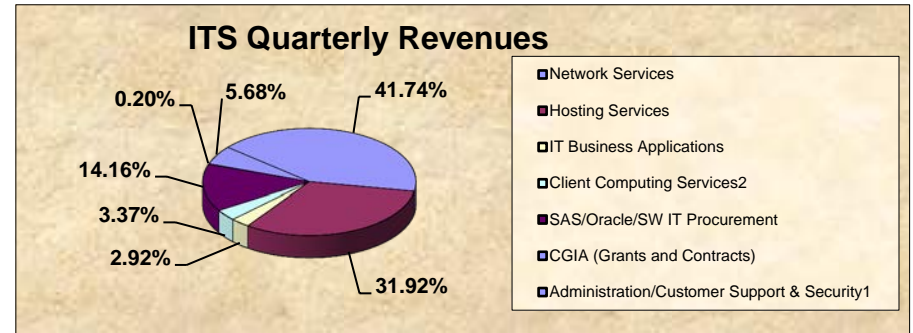


\*Transferred 0.75 of Position #60087313 from IT Consolidation to Hosting Services per letter to Joint Legislative Commission on Governmental Operations dated 3/26/13.

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**REPORT ON REVENUES**

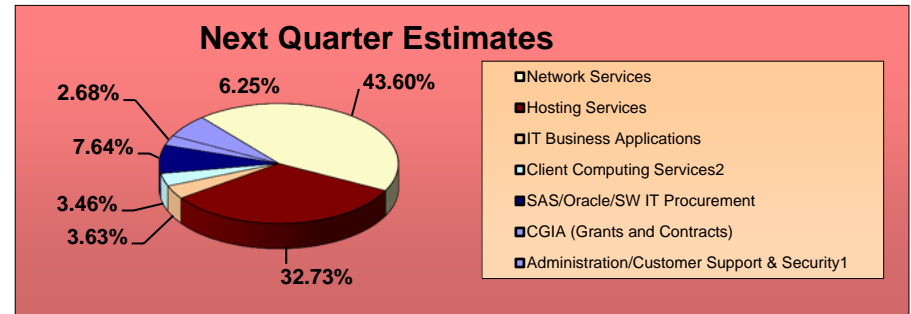
**Quarterly Line Item Revenue Details**

Network Services	\$	19,730,327
Hosting Services	\$	15,087,498
IT Business Applications	\$	1,379,055
Client Computing Services <sup>2</sup>	\$	1,592,992
SAS/Oracle/SW IT Procurement	\$	6,694,882
CGIA (Grants and Contracts)	\$	94,756
Administration/Customer Support & Security <sup>1</sup>	\$	2,686,222
<b>Total Quarterly Revenues</b>	<b>\$</b>	<b>47,265,733</b>



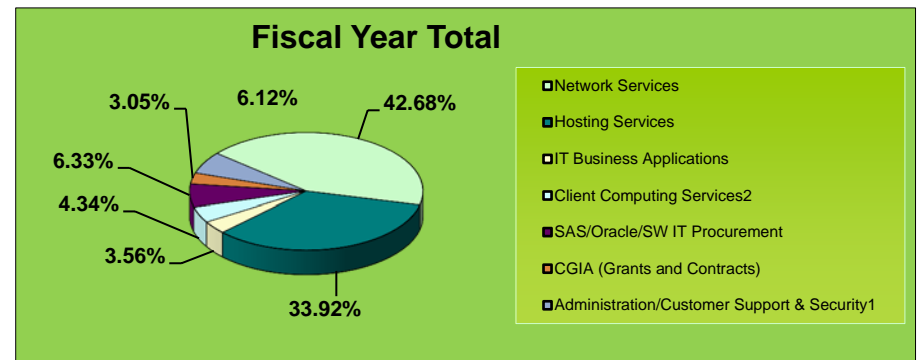
**Projected Total Revenues for Next Quarter**

Network Services	\$	20,096,486
Hosting Services	\$	15,087,498
IT Business Applications	\$	1,674,639
Client Computing Services <sup>2</sup>	\$	1,592,992
SAS/Oracle/SW IT Procurement	\$	3,523,703
CGIA (Grants and Contracts)	\$	1,234,530
Administration/Customer Support & Security <sup>1</sup>	\$	2,882,589
<b>Total Anticipated Quarterly Revenues</b>	<b>\$</b>	<b>46,092,436</b>



**Projected Revenues for Fiscal Year**

Network Services	\$	77,924,413
Hosting Services	\$	61,917,767
IT Business Applications	\$	6,493,435
Client Computing Services <sup>2</sup>	\$	7,926,835
SAS/Oracle/SW IT Procurement	\$	11,555,744
CGIA (Grants and Contracts)	\$	5,562,410
Administration/Customer Support & Security <sup>1</sup>	\$	11,177,280
<b>Total Fiscal Year Revenues</b>	<b>\$</b>	<b>182,557,884</b>



<sup>1</sup>Portion 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.

<sup>2</sup>Significant change over prior year reflects transition of email service revenue from Network Services to Client Computing Services.