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 December 31, 2014

Date: February 2, 2015

Attached please find the quarterly legislative report required by G.S. 147-33.88(b) for the period ended December 31, 2014.

- Page 1 shows the quarterly line item expenditure details for the quarter ended December 31, 2014, the projected expenses for the quarter ending March 31, 2105 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 December 31, 2014. Also provided are revenue forecasts for the quarter ending March 31, 2015 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

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North Carolina Office of Information Technology Services

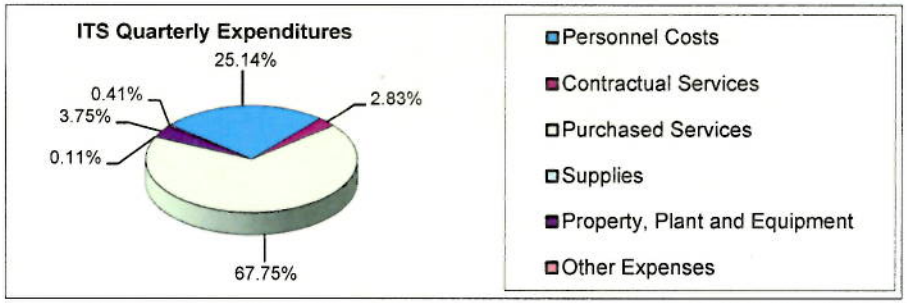
Internal Service Fund Quarterly Report

Budget Code 74660

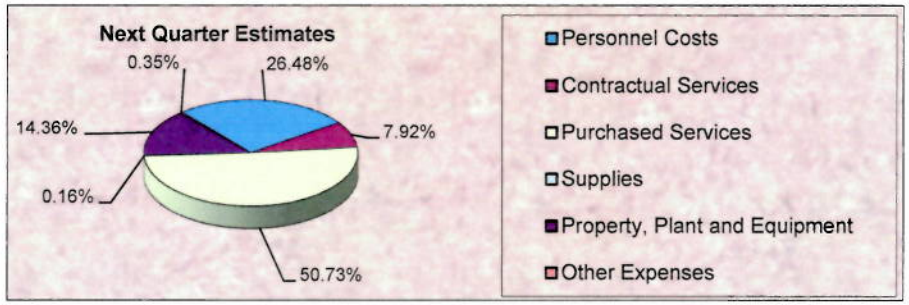
For The Quarter Ended December 31, 2014

REPORT ON EXPENDITURES

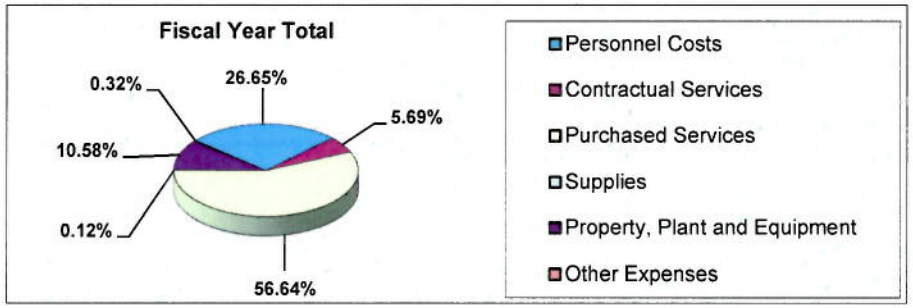
Quarterly Line Item Expenditure Details		
Personnel Costs	$	11,282,124
Contractual Services	$	1,271,296
Purchased Services	$	30,402,809
Supplies	$	50,698
Property, Plant and Equipment	$	1,682,832
Other Expenses	$	186,109
Total Quarterly Expenses	$	44,875,868



Projected Total Expenses for Next Quarter		
Personnel Costs	$	12,349,879
Contractual Services	$	3,692,524
Purchased Services	$	23,661,528
Supplies	$	74,744
Property, Plant and Equipment	$	6,694,993
Other Expenses	$	164,370
Total Anticipated Quarterly Expenditures	$	46,638,037



Projected Expenses for Fiscal Year		
Personnel Costs	$	49,399,514
Contractual Services	$	10,554,758
Purchased Services	$	105,001,075
Supplies	$	222,903
Property, Plant and Equipment	$	19,616,972
Other Expenses	$	591,345
Total Fiscal Year Expenditures	$	185,386,567



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

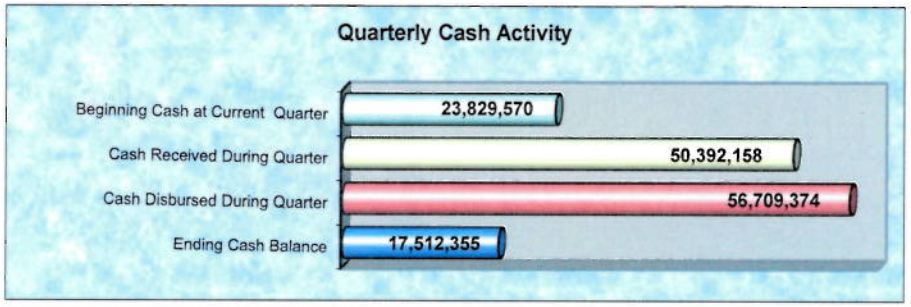
Budget Code 74660

For The Quarter Ended December 31, 2014

REPORT ON CASH BALANCES

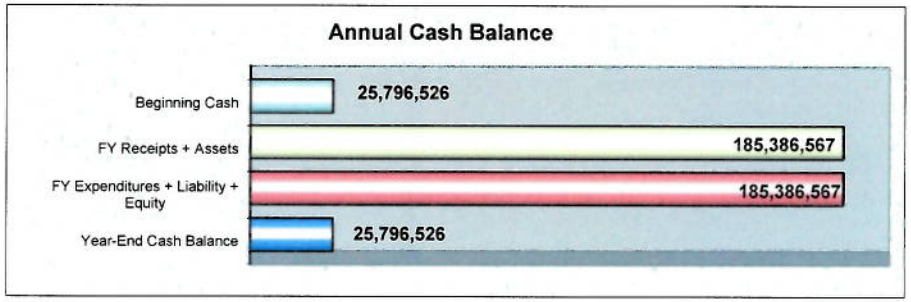
Quarterly Cash Balances

Beginning Cash at Current Quarter	$	23,829,570
Received During Quarter	$	50,392,158
Disbursed During Quarter	$	56,709,374
Ending Cash Balance as of December 31, 2014	$	17,512,355



Fiscal Year Cash Balance

Beginning Balance at July 1, 2014	$	25,796,526
FY Receipts + Assets	$	185,386,567
FY Expenditures + Liability + Equity	$	185,386,567
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:	$	20,316,336

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

North Carolina Office of Information Technology Services

Internal Service Fund Quarterly Report

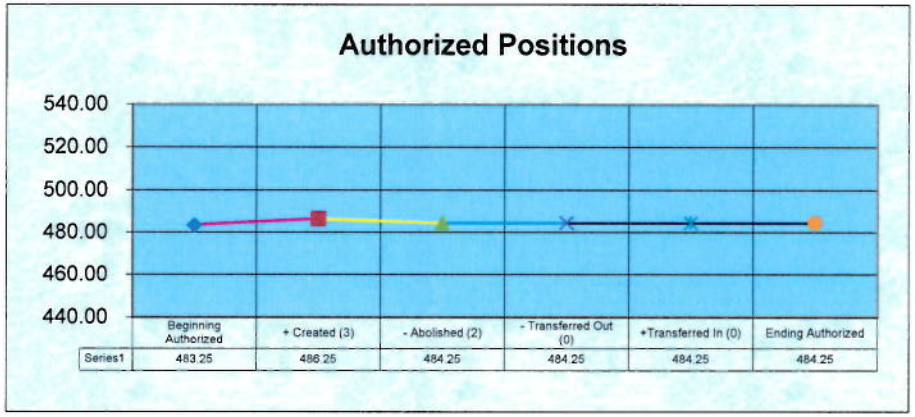
Budget Code 74660

For The Quarter Ended December 31, 2014

REPORT ON PERSONNEL ACTIVITY

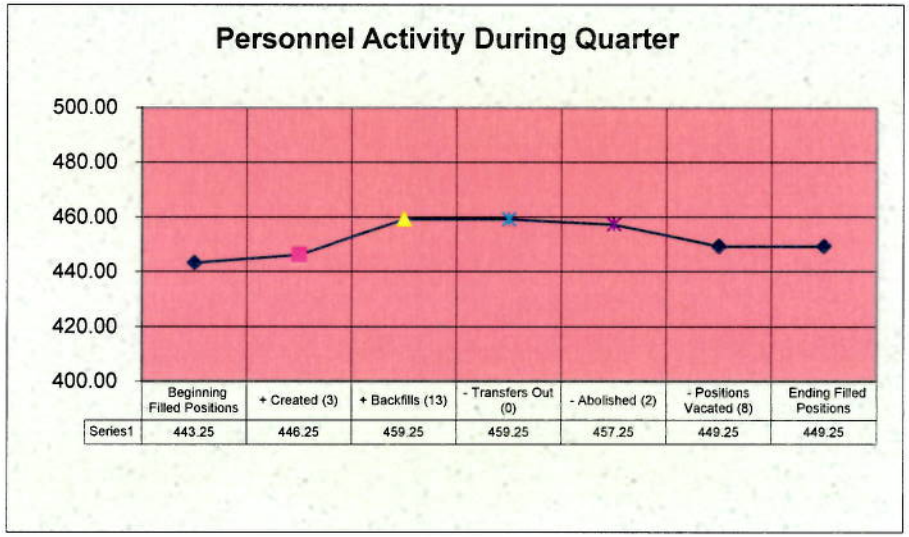
Current Quarter Authorized Positions

Number of Authorized Positions at Qtr. Start	483.25	
New Positions Approved in Quarter	3.00	*
Positions Transferred in Quarter:		
Transferred to the IT Fund	-	
Number of Abolished Positions	(2.00)	**
Number of Authorized Positions at Qtr. End	484.25	



Current Quarter Personnel Actions

Number of Filled Positions at Quarter Start	443.25	
Plus		
New Positions Approved in Quarter	3.00	*
Backfilled Positions in Quarter	13.00	
Less		
Transferred to the IT Fund	-	
Number of Abolished Positions	(2.00)	**
Number of Positions Vacated in Quarter	(8.00)	
Number of Positions Filled at Quarter End	449.25	



*Position #65011783 changed from Time-Limited to Permanent; Positions #65021816 & #65021817 were created to support Enterprise Active Directory.

**Abolished Positions #65000710 & #60087676 which are no longer needed as the state moves from Exchange on premise to O365 in the cloud.

North Carolina Office of Information Technology Services

Internal Service Fund Quarterly Report

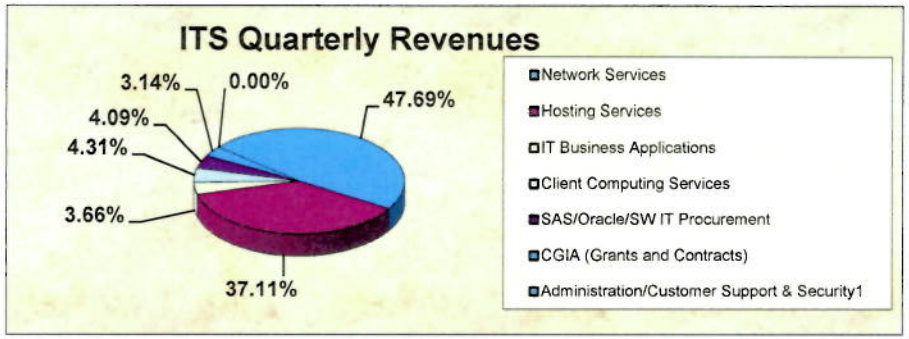
Budget Code 74660

For The Quarter Ended December 31, 2014

REPORT ON REVENUES

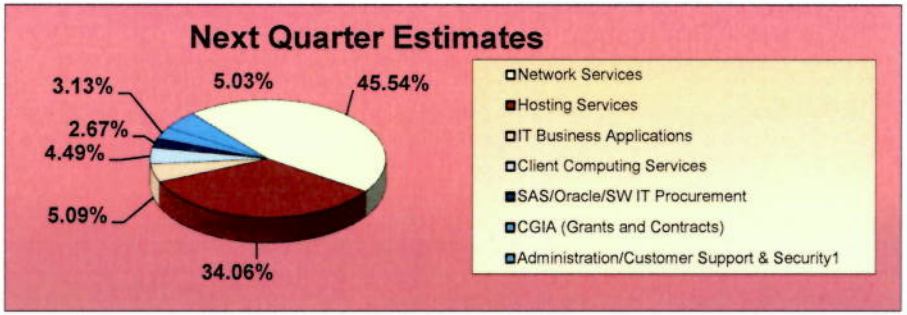
Quarterly Line Item Revenue Details

Network Services	$	20,963,226
Hosting Services	$	16,311,440
IT Business Applications	$	1,608,705
Client Computing Services	$	1,895,108
SAS/Oracle/SW IT Procurement	$	1,799,536
CGIA (Grants and Contracts)	$	1,379,118
Administration/Customer Support & Security[1]	$	1,600
Total Quarterly Revenues	$	43,958,733



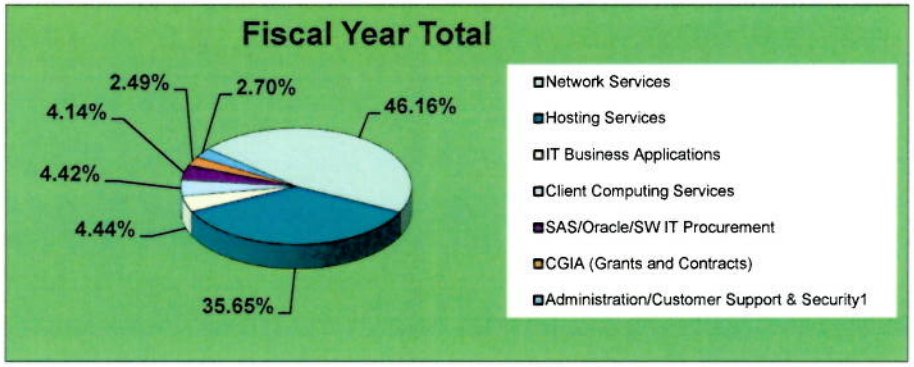
Projected Total Revenues for Next Quarter

Network Services	$	22,120,029
Hosting Services	$	16,544,521
IT Business Applications	$	2,470,651
Client Computing Services	$	2,179,405
SAS/Oracle/SW IT Procurement	$	1,296,478
CGIA (Grants and Contracts)	$	1,522,028
Administration/Customer Support & Security[1]	$	2,441,158
Total Anticipated Quarterly Revenues	$	48,574,269



Projected Revenues for Fiscal Year

Network Services	$	85,569,635
Hosting Services	$	66,084,461
IT Business Applications	$	8,236,960
Client Computing Services	$	8,185,784
SAS/Oracle/SW IT Procurement	$	7,681,027
CGIA (Grants and Contracts)	$	4,624,253
Administration/Customer Support & Security[1]	$	5,004,447
Total Fiscal Year Revenues	$	185,386,567



[1]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.