



**State of North Carolina
Department of Information Technology**

**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, 2015

Date: November 2, 2015

Attached please find the quarterly legislative report required by G.S. 147-33.88(b) for the period ended September 30, 2015.

- ❖ Page 1 shows the quarterly line item expenditure details for the quarter ended September 30, 2015, the projected expenses for the quarter ending December 31, 2015 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, 2015. Also provided are revenue forecasts for the quarter ending December 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

North Carolina Department of Information Technology

Internal Service Fund Quarterly Report

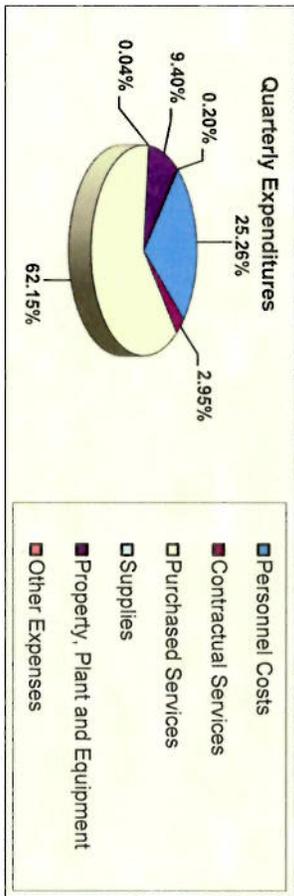
Budget Code 74660

For The Quarter Ended September 30, 2015

REPORT ON EXPENDITURES

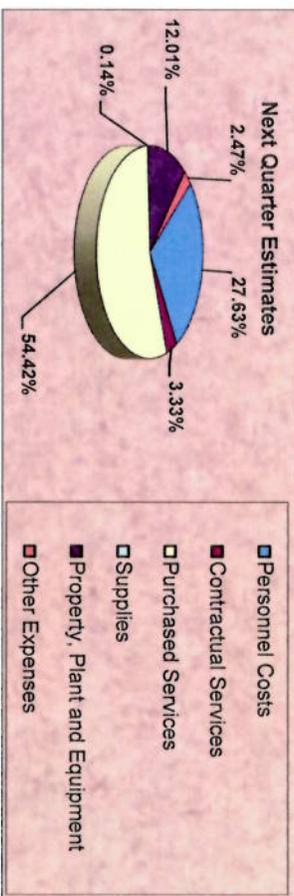
Quarterly Line Item Expenditure Details

Personnel Costs	\$ 11,370,048
Contractual Services	\$ 1,330,133
Purchased Services	\$ 27,981,816
Supplies	\$ 18,291
Property, Plant and Equipment	\$ 4,231,496
Other Expenses	\$ 88,460
Total Quarterly Expenses	\$ 45,020,243



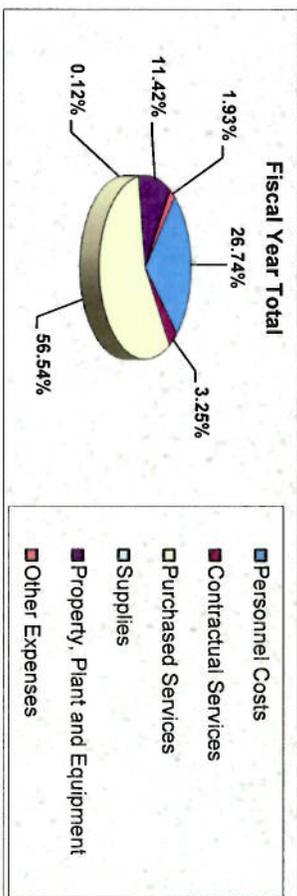
Projected Total Expenses for Next Quarter

Personnel Costs	\$ 12,906,606
Contractual Services	\$ 1,555,664
Purchased Services	\$ 25,416,106
Supplies	\$ 66,455
Property, Plant and Equipment	\$ 5,608,480
Other Expenses	\$ 1,153,892
Total Anticipated Quarterly Expenditures	\$ 46,707,203



Projected Expenses for Fiscal Year

Personnel Costs	\$ 49,284,326
Contractual Services	\$ 5,997,123
Purchased Services	\$ 104,230,135
Supplies	\$ 217,656
Property, Plant and Equipment	\$ 21,056,936
Other Expenses	\$ 3,550,137
Total Fiscal Year Expenditures	\$ 184,336,313

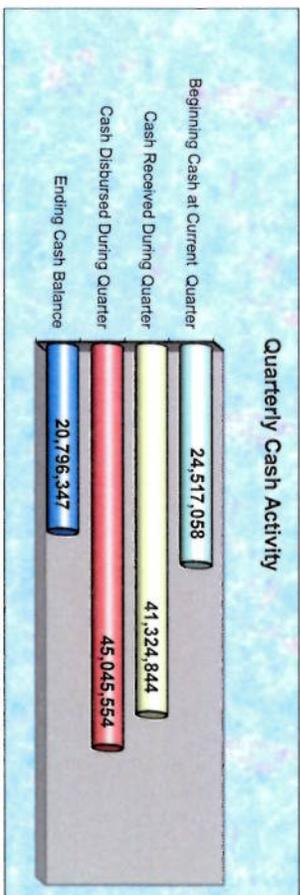


Personnel Costs include employee salary and benefits, workers compensation, and disability payments. Contractual Services includes contracted professional and consultative services. Purchased Services includes maintenance agreements, telecommunications, computing services, utilities, travel expenses, 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 Department of Information Technology
Internal Service Fund Quarterly Report
 Budget Code 74660
 For The Quarter Ended September 30, 2015
REPORT ON CASH BALANCES

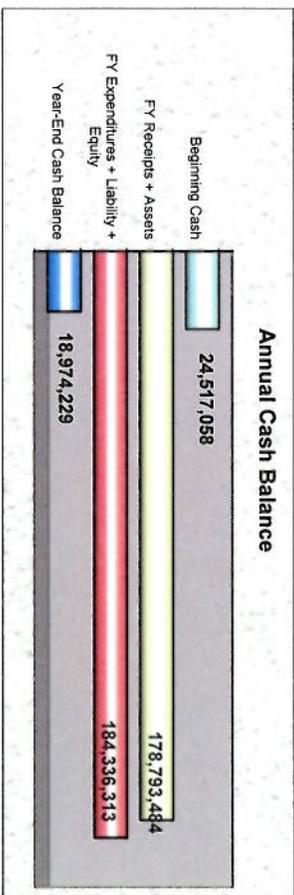
Quarterly Cash Balances

Beginning Cash at Current Quarter	\$ 24,517,058
Received During Quarter	\$ 41,324,844
Disbursed During Quarter	\$ 45,045,554
Ending Cash Balance as of September 30, 2015	<u>\$ 20,796,347</u>



Fiscal Year Cash Balance Projections

Beginning Balance at July 1, 2015	\$ 24,517,058
FY Receipts + Assets	\$ 178,793,484
FY Expenditures + Liability + Equity	\$ 184,336,313
Year-End Cash Balance as of June 30, 2016*	<u>\$ 18,974,229</u>



60 Days Cash Allowance, per S.L. 2014-100: \$ 30,301,860

*Note: Year-End Cash Balance includes \$2.8M held in reserve for federal refund.

North Carolina Department of Information Technology

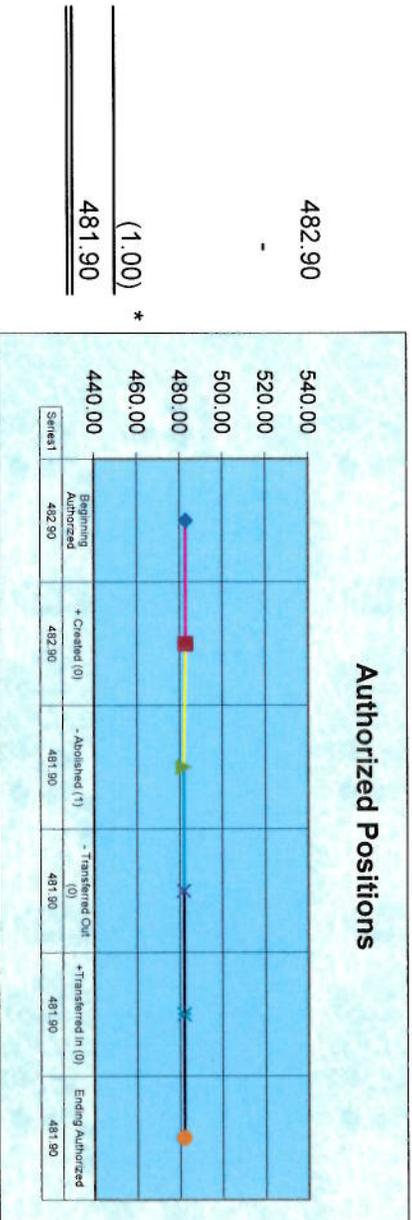
Internal Service Fund Quarterly Report

Budget Code 74660

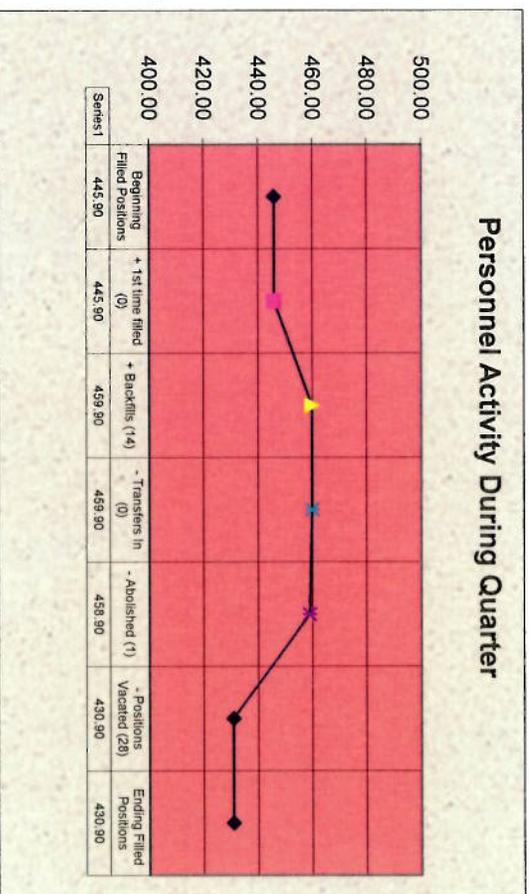
For The Quarter Ended September 30, 2015

REPORT ON PERSONNEL ACTIVITY

Current Quarter Authorized Positions
 Number of Authorized Positions at Qtr. Start 482.90
 New Positions Approved in Quarter -
 Positions Transferred in Quarter:
 Transferred from the IT Fund
 Number of Abolished Positions (1.00)
 Number of Authorized Positions at Qtr. End 481.90



Current Quarter Personnel Actions
 Number of Filled Positions at Quarter Start 445.90
 Plus
 New Positions Filled in Quarter
 Backfilled Positions in Quarter 14.00
 Transferred from the IT Fund
 Less
 Number of Abolished Positions (1.00)
 Number of Positions Vacated in Quarter (28.00)
 Number of Positions Filled at Quarter End 430.90



* Position 60087468 was abolished from Hosting Services as part of the RTR.

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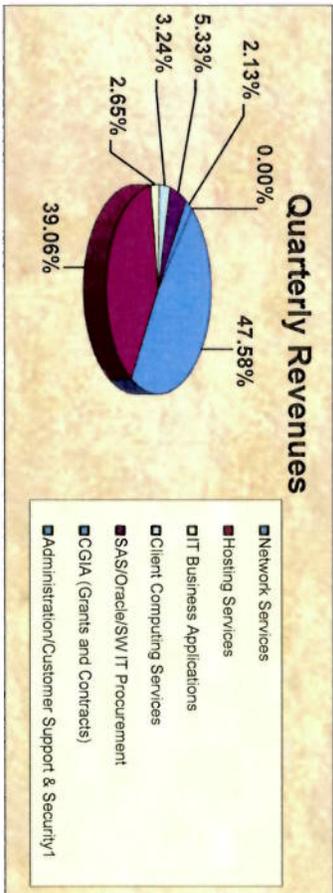
Internal Service Fund Quarterly Report

Budget Code 74660

For The Quarter Ended September 30, 2015
REPORT ON REVENUES

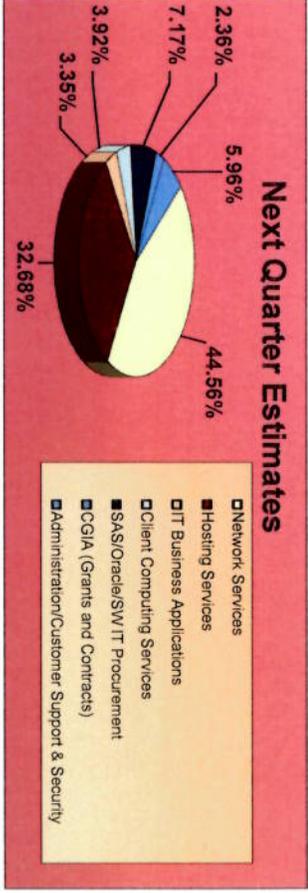
Quarterly Line Item Revenue Details

Network Services	\$ 20,194,270
Hosting Services	\$ 16,575,546
IT Business Applications	\$ 1,125,762
Client Computing Services	\$ 1,376,577
SAS/Oracle/SW IT Procurement	\$ 2,260,487
CGIA (Grants and Contracts)	\$ 905,992
Administration/Customer Support & Security ¹	\$ 36
Total Quarterly Revenues	\$ 42,438,670



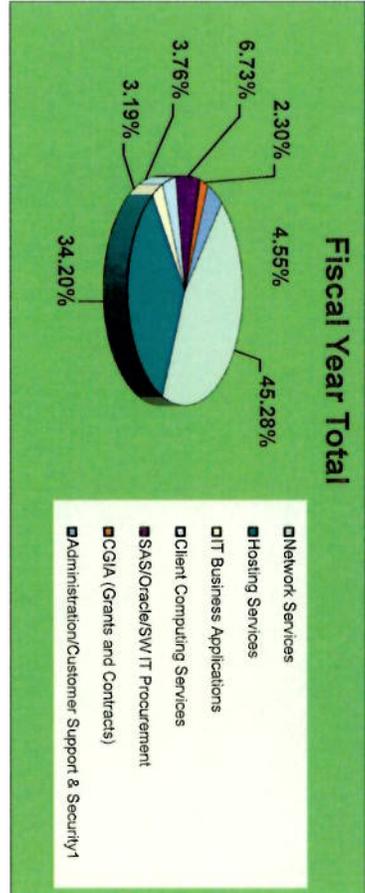
Projected Total Revenues for Next Quarter

Network Services	\$ 20,252,064
Hosting Services	\$ 14,855,717
IT Business Applications	\$ 1,523,299
Client Computing Services	\$ 1,780,151
SAS/Oracle/SW IT Procurement	\$ 3,260,049
CGIA (Grants and Contracts)	\$ 1,070,887
Administration/Customer Support & Security	\$ 2,709,439
Total Anticipated Quarterly Revenues	\$ 45,451,605



Projected Revenues for Fiscal Year

Network Services	\$ 80,950,462
Hosting Services	\$ 61,142,696
IT Business Applications	\$ 5,695,657
Client Computing Services	\$ 6,717,029
SAS/Oracle/SW IT Procurement	\$ 12,040,635
CGIA (Grants and Contracts)	\$ 4,118,653
Administration/Customer Support & Security ¹	\$ 8,128,352
Total Fiscal Year Revenues	\$ 178,793,484



¹OITS Overhead Services (Subscription Fee to External Customers)