



To: Network Nebraska Participant
Tom Bergquist, Legislative Fiscal Office

From: Julie Heyen, I.T. Administrator for Financial and Customer Management; Office of the CIO
Jeff Filbert, Budget Officer; AS Central Finance

Date: January 22, 2019

RE: Network Nebraska Detailed Cost Report for **FY2016-17**

Pursuant to Neb. Rev. Stat. 86-5,100, the Office of the Chief Information Officer has prepared a financial report of actual revenue and expenses for the **fiscal year 2016-17**. This report is to be provided annually to each Network Nebraska participant and to the Legislative Fiscal Office.

Page one is the Income Statement that shows a positive variance of **\$317,799** for FY2016-17. Pages two through four breaks out the fund accounts for Participation Fee, Interregional Transport Fee, and Statewide Internet Access.

The financial overview (page five) provides a historical summary of revenue and expenses from FY2006-07 to FY2016-17. (NOTE: The State contract providing the Renovo videoconferencing scheduling and clearinghouse software was completed in FY2011-12 and the statewide Internet Access service on Network Nebraska was begun in FY2012-13.)

If you have any questions about this report, you may contact me at julie.heyen@nebraska.gov or 402-471-4385.

Copies of this report and the earlier FY2006-2010, FY2011-2014 multi-year reports, and the earlier single year reports can be downloaded from <http://www.nitc.nebraska.gov/nnag/documents.html>.

Neb.Rev.Stat. 86-5,100 The Chief Information Officer, in partnership with the University of Nebraska, shall develop and maintain a statewide, multipurpose, high capacity, scalable telecommunications network to be called Network Nebraska...The Chief Information Officer shall establish a cost structure based on actual costs, including necessary administrative expenses but not including administrative travel or conference expenses, and shall charge participants according to such cost structure. The Chief Information Officer shall annually provide a detailed report of such costs to each participant and to the Legislative Fiscal Analyst.

NETWORK NEBRASKA

ANNUAL REPORT

- 1 Income Statement FY 2017**
- 2 Participation Fee**
- 3 Interregional Transport Fee**
- 4 Statewide Internet Access**
- 5 Project Financial Overview FY 2007 - FY 2017**

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT
For The Year Ending June 30, 2017

REVENUE

Interregional Transport Fee	\$	84,715	
E Rate	\$	288,634	
Renovo	\$	-	
Internet Access	\$	243,483	
Participation Fee	\$	1,118,034	
Commercial Peering Service	\$	18,620	
Adm and interest revenue	\$	6,523	
Total:			\$ 1,760,009

EXPENSES

Salaries\Benefits	-		
Communication Expenses	\$	752,511	
Contractual Services	\$	127,651	
Software	\$	37,714	
Equipment	\$	390,820	
Indirect Costs	\$	92,013	
Other Operating Expenses	\$	41,500	
Total:			\$ 1,442,209

Positive/Negative Variance: **\$ 317,799**

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Participation Fee
For The Year Ending June 30, 2017

REVENUE

Participation Fee	\$	1,118,034	
Adm and interest revenue	\$	6,523	
Total:	\$		1,124,557

EXPENSES

Salaries\Benefits	-		
Communication Expenses	\$	283,264	**includes \$138,883.51 from Inter Transp Fee
Contractual Services	\$	127,651	
Indirect Costs	\$	92,013	
Other Operating Expenses	\$	41,500	
Software	\$	37,714	
Equipment	\$	390,820	
Total:	\$		972,963
Positive/Negative Variance:			\$ 151,595

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Statewide Internet Access
For The Year Ending June 30, 2017

REVENUE

StateWide Internet Access	\$	243,483	
Commercial Peering Services	\$	18,620	
# Erate	\$	140,492	
Total:	\$		402,595

EXPENSES

Communication Expenses	\$	236,390	
Total:	\$		236,390
Positive/Negative Variance:			\$ 166,205

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Interregional Transport Fee
For The Year Ending June 30, 2017

REVENUE

ITR - Higher Education	\$	16,118		
ITR - K - 12	\$	68,596		
E Rate	\$	148,142		
Total:			\$	232,857

EXPENSES

Communication Expenses	\$	232,857		
Total:			\$	232,857

Positive/Negative Variance: \$ -

NETWORK NEBRASKA (DISTANCE EDUCATION) PROJECT FINANCIAL OVERVIEW

	FY 2006 - 2007	FY 2007 - 2008	FY 2008 - 2009	FY 2009 - 2010	FY 2010 - 2011	FY 2011 - 2012	FY 2012 - 2013	FY 2013 - 2014	FY 2014 - 2015	FY 2015 - 2016	FY 2016 - 2017	TOTAL
REVENUE												
Interregional Transport Fee	\$ -	\$ -	\$ 82,241	\$ 101,844	\$ 443,284	\$ 280,863	\$ 187,148	\$ 176,554	\$ 188,631	\$ 237,899	\$ 232,857	\$ 1,931,322
Participation Fee	\$ -	\$ 188,001	\$ 431,604	\$ 531,416	\$ 484,494	\$ 558,459	\$ 616,582	\$ 710,248	\$ 710,932	\$ 709,211	\$ 1,124,557	\$ 6,065,504
Statewide Internet Access	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,539	\$ 353,522	\$ 336,278	\$ 364,093	\$ 402,595	\$ 1,603,026
Renovo	\$ 99,093	\$ 316,933	\$ 699,004	\$ 112,700	\$ 104,811	\$ 104,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,437,352
Total:	\$ 99,093	\$ 504,934	\$ 1,212,849	\$ 745,960	\$ 1,032,589	\$ 944,133	\$ 950,269	\$ 1,240,324	\$ 1,235,841	\$ 1,311,203	\$ 1,760,009	\$ 11,037,204
EXPENSES												
Salaries\Benefits	\$ -	\$ 38,610	\$ 81,807	\$ 84,785	\$ (107)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,095
Communication Expenses	\$ -	\$ 127,019	\$ 163,020	\$ 181,186	\$ 356,168	\$ 268,812	\$ 522,285	\$ 569,706	\$ 544,788	\$ 639,790	\$ 752,511	\$ 4,125,286
Contractual Services	\$ 37,732	\$ 137,849	\$ 221,152	\$ 364,341	\$ 144,716	\$ 207,931	\$ 609,304	\$ 174,850	\$ 218,755	\$ 229,020	\$ 127,651	\$ 2,473,302
Software	\$ 130,523	\$ 195,595	\$ 699,004	\$ 112,700	\$ 157,112	\$ 104,811	\$ 2,943	\$ 183,912	\$ 83,871	\$ 11,449	\$ 37,714	\$ 1,719,633
Indirect Costs	\$ -	\$ 11,769	\$ 38,826	\$ 34,267	\$ 21,012	\$ 18,272	\$ 30,657	\$ 30,102	\$ 65,541	\$ 78,967	\$ 92,013	\$ 421,426
Equipment	\$ -	\$ -	\$ -	\$ -	\$ 24,872	\$ 65,422	\$ 23,600	\$ 95,350	\$ 175,954	\$ 475,092	\$ 390,820	\$ 1,251,110
Other Operating Expenses	\$ 17,165	\$ 56,633	\$ 14,412	\$ 1,313	\$ 588	\$ 41,602	\$ 37,184	\$ 37,850	\$ 47,257	\$ 41,342	\$ 41,500	\$ 336,845
Total:	\$ 185,420	\$ 567,475	\$ 1,218,221	\$ 778,592	\$ 704,360	\$ 706,850	\$ 1,225,973	\$ 1,091,770	\$ 1,136,167	\$ 1,475,660	\$ 1,442,209	\$ 10,532,697
Variance	\$ (86,327)	\$ (62,541)	\$ (5,372)	\$ (32,632)	\$ 328,229	\$ 237,283	\$ (275,704)	\$ 148,554	\$ 99,674	\$ (164,457)	\$ 317,799	\$ 504,507
Total Earned Variance through June 30,2017												\$ 504,507
Service												
	FY 2006 - 2007	FY 2007 - 2008	FY 2008 - 2009	FY 2009 - 2010	FY 2010 - 2011	FY 2011 - 2012	FY 2012 - 2013	FY 2013 - 2014	FY 2014 - 2015	FY 2015 - 2016	FY 2016 - 2017	TOTAL
RENOVO												
Revenue	\$ 99,093	\$ 316,933	\$ 699,004	\$ 112,700	\$ 104,811	\$ 104,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,437,352
Expenses	\$ 185,420	\$ 230,606	\$ 699,004	\$ 112,700	\$ 104,811	\$ 104,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,437,352
Variance	\$ (86,327)	\$ 86,327	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Participation Fee												
Revenue	\$ -	\$ 188,001	\$ 431,604	\$ 531,416	\$ 484,494	\$ 558,459	\$ 616,582	\$ 710,248	\$ 710,932	\$ 709,211	\$ 1,124,557	\$ 6,065,504
Expenses	\$ -	\$ 336,869	\$ 356,197	\$ 484,706	\$ 316,386	\$ 333,227	\$ 892,286	\$ 561,105	\$ 611,258	\$ 879,917	\$ 972,963	\$ 5,744,913
Variance	\$ -	\$ (148,868)	\$ 75,407	\$ 46,710	\$ 168,108	\$ 225,232	\$ (275,704)	\$ 149,143	\$ 99,674	\$ (170,706)	\$ 151,595	\$ 320,591
Statewide Internet Access												
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,539	\$ 353,522	\$ 336,278	\$ 364,093	\$ 402,595	\$ 1,603,027
Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,539	\$ 359,352	\$ 336,278	\$ 357,844	\$ 236,390	\$ 1,436,403
Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,830)	\$ 0	\$ 6,249	\$ 166,205	\$ 166,624
Interregional Transport Fee												
Revenue	\$ -	\$ -	\$ 82,241	\$ 101,844	\$ 443,284	\$ 280,863	\$ 187,148	\$ 176,554	\$ 188,631	\$ 237,899	\$ 232,857	\$ 1,931,321
Expenses	\$ -	\$ -	\$ 163,020	\$ 181,186	\$ 283,163	\$ 268,812	\$ 187,148	\$ 171,313	\$ 188,631	\$ 237,899	\$ 232,857	\$ 1,914,029
Variance	\$ -	\$ -	\$ (80,779)	\$ (79,342)	\$ 160,121	\$ 12,051	\$ -	\$ 5,241	\$ (0)	\$ (10,300)	\$ -	\$ 17,292
TOTAL:												
Revenue	\$ 99,093	\$ 504,934	\$ 1,212,849	\$ 745,960	\$ 1,032,589	\$ 944,133	\$ 950,269	\$ 1,240,324	\$ 1,235,841	\$ 1,311,203	\$ 1,760,009	\$ 11,037,205
Expenses	\$ 185,420	\$ 567,475	\$ 1,218,221	\$ 778,592	\$ 704,360	\$ 706,850	\$ 1,225,973	\$ 1,091,770	\$ 1,136,167	\$ 1,475,660	\$ 1,442,209	\$ 10,532,697
Variance	\$ (86,327)	\$ (62,541)	\$ (5,372)	\$ (32,632)	\$ 328,229	\$ 237,283	\$ (275,704)	\$ 148,554	\$ 99,674	\$ (164,457)	\$ 317,799	\$ 504,507