



OFFICE OF THE CIO

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 **FY2017-18**

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 2017-18**. 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 **\$636,694** for FY2017-18. 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 FY2017-18. (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](mailto: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 2018**
- 2 Participation Fee**
- 3 Interregional Transport Fee**
- 4 Statewide Internet Access**
- 5 Project Financial Overview FY 2007 - FY 2018**

**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT**  
**For The Year Ending June 30, 2018**

**REVENUE**

Interregional Transport Fee	\$	69,987	
E Rate	\$	284,561	
Renovo	\$	-	
Internet Access	\$	298,667	
Participation Fee	\$	837,633	
Commercial Peering Service	\$	25,164	
Adm and interest revenue	\$	4,907	
Total:			\$ 1,520,918

**EXPENSES**

Salaries\Benefits	-		
Communication Expenses	\$	752,071	
Contractual Services	\$	21,000	
Software	\$	-	
Equipment	\$	3,705	
Indirect Costs	\$	107,448	
Other Operating Expenses	\$	-	
Total:			\$ 884,224

**Positive/Negative Variance: \$ 636,694**

**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT - Participation Fee**  
**For The Year Ending June 30, 2018**

**REVENUE**

Participation Fee	\$	837,633	
Adm and interest revenue	\$	4,907	
Total:			\$ 842,540

**EXPENSES**

Salaries\Benefits	-		
Communication Expenses	\$	361,113	**includes \$177,150 from Inter Transp Fee
Contractual Services	\$	21,000	
Indirect Costs	\$	107,448	
Other Operating Expenses	\$	-	
Software	\$	-	
Equipment	\$	3,705	
Total:			\$ 493,266
Positive/Negative Variance:			\$ 349,274

**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT - Statewide Internet Access**  
**For The Year Ending June 30, 2018**

**REVENUE**

StateWide Internet Access	\$	298,667		
Commercial Peering Services	\$	25,164		
# Erate	\$	164,979		
Total:			\$	488,810

**EXPENSES**

Communication Expenses	\$	201,390		
Total:			\$	201,390

Positive/Negative Variance: \$ 287,419

**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT - Interregional Transport Fee**  
**For The Year Ending June 30, 2018**

**REVENUE**

ITR - Higher Education	\$	13,371		
ITR - K - 12	\$	56,615		
E Rate	\$	119,581.26		
Total:			\$	189,568

**EXPENSES**

Communication Expenses	\$	189,568		
Total:			\$	189,568

Positive/Negative Variance: \$ 0

**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	FY 2017 2018	TOTAL
<b>REVENUE</b>													
Interregional Transport Fee	\$ -	\$ -	\$ 82,241	\$ 101,844	\$ 443,284	\$ 280,863	\$ 187,148	\$ 176,554	\$ 188,631	\$ 237,899	\$ 232,857	\$ 189,568	\$ 2,120,890
Participation Fee	\$ -	\$ 188,001	\$ 431,604	\$ 531,416	\$ 484,494	\$ 558,459	\$ 616,582	\$ 710,248	\$ 710,932	\$ 709,211	\$ 1,124,557	\$ 842,540	\$ 6,908,044
Statewide Internet Access	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,539	\$ 353,522	\$ 336,278	\$ 364,093	\$ 402,595	\$ 488,810	\$ 2,091,836
Renovo	\$ 99,093	\$ 316,933	\$ 699,004	\$ 112,700	\$ 104,811	\$ 104,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,437,352
<b>Total:</b>	\$ 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	\$ 1,520,918	\$ 12,558,122
<b>EXPENSES</b>													
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	\$ 752,071	\$ 4,877,357
Contractual Services	\$ 37,732	\$ 137,849	\$ 221,152	\$ 364,341	\$ 144,716	\$ 207,931	\$ 609,304	\$ 174,850	\$ 218,755	\$ 229,020	\$ 127,651	\$ 21,000	\$ 2,494,302
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	\$ 107,448	\$ 528,874
Equipment	\$ -	\$ -	\$ -	\$ -	\$ 24,872	\$ 65,422	\$ 23,600	\$ 95,350	\$ 175,954	\$ 475,092	\$ 390,820	\$ 3,705	\$ 1,254,815
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
<b>Total:</b>	\$ 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	\$ 884,224	\$ 11,416,921
<b>Variance</b>	\$ (86,327)	\$ (62,541)	\$ (5,372)	\$ (32,632)	\$ 328,229	\$ 237,283	\$ (275,704)	\$ 148,554	\$ 99,674	\$ (164,457)	\$ 317,799	\$ 636,694	\$ 1,141,201
Total Earned Variance through June 30, 2018													\$ 1,141,201
<b>Service</b>	<b>FY 2006 - 2007</b>	<b>FY 2007 - 2008</b>	<b>FY 2008 - 2009</b>	<b>FY 2009 - 2010</b>	<b>FY 2010 - 2011</b>	<b>FY 2011 - 2012</b>	<b>FY 2012 - 2013</b>	<b>FY 2013 - 2014</b>	<b>FY 2014 - 2015</b>	<b>FY 2015 - 2016</b>	<b>FY 2016 - 2017</b>	<b>FY 2016 - 2017</b>	<b>TOTAL</b>
<b>RENOVO</b>													
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Participation Fee</b>													
Revenue	\$ -	\$ 188,001	\$ 431,604	\$ 531,416	\$ 484,494	\$ 558,459	\$ 616,582	\$ 710,248	\$ 710,932	\$ 709,211	\$ 1,124,557	\$ 842,540	\$ 6,908,044
Expenses	\$ -	\$ 336,869	\$ 356,197	\$ 484,706	\$ 316,386	\$ 333,227	\$ 892,286	\$ 561,105	\$ 611,258	\$ 879,917	\$ 972,963	\$ 493,266	\$ 6,238,179
Variance	\$ -	\$ (148,868)	\$ 75,407	\$ 46,710	\$ 168,108	\$ 225,232	\$ (275,704)	\$ 149,143	\$ 99,674	\$ (170,706)	\$ 151,595	\$ 349,274	\$ 669,865
<b>Statewide Internet Access</b>													
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,539	\$ 353,522	\$ 336,278	\$ 364,093	\$ 402,595	\$ 488,810	\$ 2,091,837
Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,539	\$ 359,352	\$ 336,278	\$ 357,844	\$ 236,390	\$ 201,390	\$ 1,637,793
Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,830)	\$ 0	\$ 6,249	\$ 166,205	\$ 287,419	\$ 454,044
<b>Interregional Transport Fee</b>													
Revenue	\$ -	\$ -	\$ 82,241	\$ 101,844	\$ 443,284	\$ 280,863	\$ 187,148	\$ 176,554	\$ 188,631	\$ 237,899	\$ 232,857	\$ 189,568	\$ 2,120,889
Expenses	\$ -	\$ -	\$ 163,020	\$ 181,186	\$ 283,163	\$ 268,812	\$ 187,148	\$ 171,313	\$ 188,631	\$ 237,899	\$ 232,857	\$ 189,568	\$ 2,103,597
Variance	\$ -	\$ -	\$ (80,779)	\$ (79,342)	\$ 160,121	\$ 12,051	\$ -	\$ 5,241	\$ (0)	\$ -	\$ -	\$ 0	\$ 17,293
<b>TOTAL:</b>													
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	\$ 1,520,918	\$ 12,558,122
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	\$ 884,224	\$ 11,416,921
Variance	\$ (86,327)	\$ (62,541)	\$ (5,372)	\$ (32,632)	\$ 328,229	\$ 237,283	\$ (275,704)	\$ 148,554	\$ 99,674	\$ (164,457)	\$ 317,799	\$ 636,694	\$ 1,141,201