



Pete Ricketts
Governor

State of Nebraska
Office of the Chief Information Officer
Ed Toner

Chief Information Officer
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To: Network Nebraska Participant
Mike Calvert, Legislative Fiscal Office

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

Date: August 28, 2017

RE: Network Nebraska Detailed Cost Report

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 of Network Nebraska for the fiscal year 2015-16. This report update is to be provided annually to each Network Nebraska-Education participant and to the Legislative Fiscal Office.

Page one is the Income Statement that shows a negative variance of \$164,457 for 2015-16. 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 FY2015-16. (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-Education was begun in FY2012-13.)

If you have 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 FY2014-15 single year reports can be downloaded from www.networknebraska.net.

Neb.Rev.Stat. 86-5,100. Network Nebraska; development and maintenance; access; Chief Information Officer; duties; cost; report.

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. The report submitted to the Legislative Fiscal Analyst shall be submitted electronically.

NETWORK NEBRASKA

ANNUAL REPORT

- 1 Income Statement FY 2016**
- 2 Participation Fee**
- 3 Interregional Transport Fee**
- 4 Statewide Internet Access**
- 5 Project Financial Overview FY 2007 - FY 2016**

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT
For The Year Ending June 30, 2016

REVENUE

Interregional Transport Fee	\$	84,956	
E Rate	\$	291,816	
Renovo	\$	-	
Internet Access	\$	216,712	
Participation Fee	\$	700,647	
Commercial Peering Service	\$	8,508	
Adm and interest revenue	\$	8,564	
Total:	\$		1,311,203

EXPENSES

Salaries\Benefits	-		
Communication Expenses	\$	639,790	
Contractual Services	\$	229,020	
Software	\$	11,449	
Equipment	\$	475,092	
Indirect Costs	\$	78,967	
Other Operating Expenses	\$	41,342	
Total:	\$		1,475,660

Positive/Negative Variance: \$ (164,457)

**NETWORK NEBRASKA (Distance Education)
 INCOME STATEMENT - Participation Fee
 For The Year Ending June 30, 2016**

REVENUE

Participation Fee	\$	700,647	
Adm and interest revenue	\$	8,564	
Total:			\$ 709,211

EXPENSES

Salaries\Benefits	-		
Communication Expenses	\$	44,047	**includes \$10,300 from Inter. Trans. Fee
Contractual Services	\$	229,020	
Indirect Costs	\$	78,967	
Other Operating Expenses	\$	41,342	
Software	\$	11,449	
Equipment	\$	475,092	
Total:			\$ 879,917
Positive/Negative Variance:			\$ (170,706)

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Statewide Internet Access
For The Year Ending June 30, 2016

REVENUE

StateWide Internet Access	\$	216,712		
Commercial Peering Services	\$	8,508		
# Erate	\$	138,873		
Total:			\$	364,093

EXPENSES

Communication Expenses	\$	357,844		
Total:			\$	357,844

Positive/Negative Variance: \$ 6,249

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Interregional Transport Fee
For The Year Ending June 30, 2016

REVENUE

ITR - Higher Education	\$	15,810
ITR - K - 12	\$	69,147
E Rate	\$	152,943

Total:		\$	237,899
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EXPENSES

Communication Expenses	\$	237,899
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Total:		\$	237,899
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Positive/Negative Variance:		\$	0
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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	TOTAL
REVENUE											
Interregional Transport Fee	\$ -	\$ -	\$ 82,241	\$ 101,844	\$ 443,284	\$ 280,863	\$ 187,148	\$ 176,554	\$ 188,631	\$ 237,899	\$ 1,698,465
Participation Fee	\$ -	\$ 188,001	\$ 431,604	\$ 531,416	\$ 484,494	\$ 558,459	\$ 616,582	\$ 710,248	\$ 710,932	\$ 709,211	\$ 4,940,947
Statewide Internet Access	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,539	\$ 353,522	\$ 336,278	\$ 364,093	\$ 1,200,432
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	\$ 9,277,196
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	\$ 3,372,775
Contractual Services	\$ 37,732	\$ 137,849	\$ 221,152	\$ 364,341	\$ 144,716	\$ 207,931	\$ 609,304	\$ 174,850	\$ 218,755	\$ 229,020	\$ 2,345,651
Software	\$ 130,523	\$ 195,595	\$ 699,004	\$ 112,700	\$ 157,112	\$ 104,811	\$ 2,943	\$ 183,912	\$ 83,871	\$ 11,449	\$ 1,681,919
Indirect Costs	\$ -	\$ 11,769	\$ 38,826	\$ 34,267	\$ 21,012	\$ 18,272	\$ 30,657	\$ 30,102	\$ 65,541	\$ 78,967	\$ 329,413
Equipment	\$ -	\$ -	\$ -	\$ -	\$ 24,872	\$ 65,422	\$ 23,600	\$ 95,350	\$ 175,954	\$ 475,092	\$ 860,290
Other Operating Expenses	\$ 17,165	\$ 56,633	\$ 14,412	\$ 1,313	\$ 588	\$ 41,602	\$ 37,184	\$ 37,850	\$ 47,257	\$ 41,342	\$ 295,345
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	\$ 9,090,488
Variance	\$ (86,327)	\$ (62,541)	\$ (5,372)	\$ (32,632)	\$ 328,229	\$ 237,283	\$ (275,704)	\$ 148,554	\$ 99,674	\$ (164,457)	\$ 186,708
Total Earned Variance through June 30,2016											\$ 186,708
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	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	\$ 4,940,947
Expenses	\$ -	\$ 336,869	\$ 356,197	\$ 484,706	\$ 316,386	\$ 333,227	\$ 892,286	\$ 561,105	\$ 611,258	\$ 879,917	\$ 4,771,951
Variance	\$ -	\$ (148,868)	\$ 75,407	\$ 46,710	\$ 168,108	\$ 225,232	\$ (275,704)	\$ 149,143	\$ 99,674	\$ (170,706)	\$ 168,996
Statewide Internet Access											
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,539	\$ 353,522	\$ 336,278	\$ 364,093	\$ 836,339
Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,539	\$ 359,352	\$ 336,278	\$ 357,844	\$ 842,169
Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,830)	\$ 0	\$ 6,249	\$ (5,830)
Interregional Transport Fee											
Revenue	\$ -	\$ -	\$ 82,241	\$ 101,844	\$ 443,284	\$ 280,863	\$ 187,148	\$ 176,554	\$ 188,631	\$ 237,899	\$ 1,698,464
Expenses	\$ -	\$ -	\$ 163,020	\$ 181,186	\$ 283,163	\$ 268,812	\$ 187,148	\$ 171,313	\$ 188,631	\$ 237,899	\$ 1,681,172
Variance	\$ -	\$ -	\$ (80,779)	\$ (79,342)	\$ 160,121	\$ 12,051	\$ -	\$ 5,241	\$ (0)	\$ -	\$ 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	\$ 8,076,763
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	\$ 7,890,475
Variance	\$ (86,327)	\$ (62,541)	\$ (5,372)	\$ (32,632)	\$ 328,229	\$ 237,283	\$ (275,704)	\$ 148,554	\$ 99,674	\$ (164,457)	\$ 186,708