

was posted on NERC's website on May 5, 2022 and was reviewed at the May 11, 2022 open meeting of the NERC Finance and Audit Committee.

II. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to the following:⁴

Nina Jenkins-Johnston
Assistant General Counsel
North American Electric Reliability
Corporation
3353 Peachtree Road NE, Suite 600 – North
Tower
Atlanta, GA 30326
(404) 446-9650
nina.johnston@nerc.net

Andy Sharp
Vice President, Chief Financial Officer
North American Electric Reliability
Corporation
3353 Peachtree Road NE, Suite 600 – North
Tower
Atlanta, GA 30326
(404) 446-9732
andy.sharp@nerc.net

Stefan Bergere
Counsel
North American Electric Reliability
Corporation
1325 G St. NW, Suite 600
Washington, DC 20005
stefan.bergere@nerc.net

III. DISCUSSION OF SIGNIFICANT VARIANCES BETWEEN THE 2022 BUDGET AND 2022 FIRST QUARTER ACTUAL FINANCIAL RESULTS

In the attached variance report, NERC outlines the following:

- (a) a comparison of actual (unaudited) financial results through March 31, 2022 to NERC's budgeted expenditures through March 31, 2022; and

⁴ Persons to be included in the Commission's official service. The Petitioners respectfully request a waiver of Rule 203 of the Commission's regulations, 18 C.F.R. § 385.203, to allow the inclusion of more than two persons on the service list in this proceeding.

- (b) additional discussion of significant variances by NERC department or program area and by major activity within departments and program areas. NERC treats “significant” variances as those that are \$500,000 or more.⁵

A. 2022 First Quarter Actual Financial Results vs. 2022 Budget Variances of \$500,000 or More by Revenue and Expense Category

Three revenue and expense categories had a budget variance \$500,000 or more as of March 31, 2022:

- Meetings and Travel expenses were \$566,299 (91.7%) under budget. NERC expects this category to be \$433,500 under budget at year-end because of reduced in-person meetings and travel due to the pandemic.
- Contracts and Consultants expenses were \$1,002,835 (29.3%) under budget primarily due to the timing of when costs will be incurred. A large part of that cost is attributable to the CRISP primary subcontractor costs. This category is expected to be \$1,288,361 (9.4%) over budget at year-end primarily from: (a) costs from the CRISP primary subcontractor for new program participants and replacement of equipment for existing program participants, and (b) NERC IT department’s need for two security contractors that were not budgeted (and will be funded by the deferral of FTEs in other departments).
- Fixed Asset Additions expenses were \$875,083 (71.2%) under budget primarily as a result of timing of costs versus the budget. The year-end projection is expected to be \$428,559 (8.7%) under budget at year-end resulting from the net of: (a) a budget

⁵ In Section 7(b)(ii) of the Settlement Agreement, the Commission specifies that the threshold for its review and approval for expenditures from Operating Reserves is where any amount allocated from the unforeseen contingencies account of Operating Reserves plus any amount redirected from previously budgeted funds is, in the aggregate, \$500,000 or more for any one specific project or major activity in a program area.

underrun on leasehold improvements and office furniture budgeted for a 2022 Atlanta office move that did not materialize and (b) a budget overrun on equipment costs that had originally been planned to be spent in 2021 for an operational technology (“OT”) CRISP OT pilot program, but are now being spent in 2022 to complete the same CRISP OT pilot program for which the expenditure was originally approved. The CRISP OT pilot program will be funded by the CRISP Special Projects Reserve.

B. 2022 First Quarter Actual Results vs. 2022 Budget Variances of \$500,000 or More by Department or Program Area

No department or program area had a variance exceeding \$500,000 as of March 31, 2022.

Two departments or program areas are currently anticipated to have a variance at year-end.

- General & Administrative is expected to be \$541,761 (5.8%) under budget at year-end primarily because of the leasehold improvements and office furniture budgeted for a 2022 Atlanta office move that did not materialize.
- CRISP is expected to be \$1,409,360 (17.7%) over budget at year-end. This is because of costs from the CRISP primary subcontractor for new program participants and replacement of equipment for existing program participants. Additionally, there are costs for the OT equipment needs discussed above that were carried over from 2021 and being funded by the CRISP Special Projects Reserve.

IV. CONCLUSION

NERC respectfully requests that the Commission accept this filing as compliant with Section II.7(b)(i) of the Settlement Agreement and the Commission's Settlement Order in Docket No. FA11-21-000.

Respectfully submitted,

/s/ Nina Jenkins-Johnston

Nina Jenkins-Johnston
Assistant General Counsel
North American Electric Reliability Corporation
3353 Peachtree Road NE, Suite 600 – North Tower
Atlanta, GA 30326
(404) 446-9650
nina.johnston@nerc.net

/s/ Stefan Bergere

Stefan Bergere
Counsel
North American Electric Reliability Corporation
1325 G St. NW, Suite 600
Washington, DC 20005
stefan.bergere@nerc.net

*Counsel for North American Electric Reliability
Corporation*

Dated: May 16, 2022

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 16th day of May, 2022.

/s/ Nina Jenkins-Johnston

Nina Jenkins-Johnston
*Counsel for North American Electric
Reliability Corporation*

/s/ Stefan Bergere

Stefan Bergere
*Counsel for North American Electric
Reliability Corporation*

ATTACHMENT

Summary of Unaudited Results For the Period Ending March 31, 2022

Table of Contents

	<u>Page</u>
1. Executive Summary	
a. Projected Year-End Results	2
b. Year-to-Date Actual Results	3
2. Detailed Operating Results	
a. Variances by Revenue and Expense Category	4
b. Variances by Department	6
3. Supplemental Schedules	
a. Schedule 1 – Year-End Projected Reserves	7
b. Schedule 2 – IT Projects	8
c. Schedule 3 – E-ISAC & CRISP Summary of Activity	10
d. Schedule 4 – Summary of Investments	12

Executive Summary

Projected Year-End Results (\$ millions)

<u>FUNDING</u>	<u>Projected</u>	<u>Budget</u>	<u>Over (Under)</u>
Revenues	\$ 88.8	\$ 88.3	\$ 0.5
Funding from Reserves			
Assessment Stabilization Reserve	-	-	-
TOTAL FUNDING	\$ 88.8	\$ 88.3	\$ 0.5
<u>EXPENDITURES</u>			
Expenses (excluding Depreciation)	\$ 86.0	\$ 85.0	\$ 1.0
Fixed Asset Additions	4.5	4.9	(0.4)
Net Financing Activity	(1.2)	(1.1)	(0.1)
TOTAL EXPENDITURES	\$ 89.3	\$ 88.8	\$ 0.5
RESERVE INCREASE (DECREASE)	\$ (0.5)	\$ (0.5)	\$ -

Funding is projected to be over budget mainly due to CRISP third-party funding being higher than budget largely because of new program participants. Expenditures (excluding depreciation) are expected to be over budget primarily attributable to higher contractor and professional services costs, partially offset by lower personnel, travel, meeting, and fixed asset additions costs. The result is a projected total reserve decrease equal to that in the budget. This activity is explained in more detail in the remainder of the report.

Year-to-Date Actual Results
(\$ millions)

				Over
<u>FUNDING</u>	<u>Actual</u>	<u>Budget</u>		<u>(Under)</u>
Revenues	\$ 22.3	\$ 22.8	\$	(0.5)
Funding from Reserves				
Assessment Stabilization Reserve	-	-		-
TOTAL FUNDING	\$ 22.3	\$ 22.8	\$	(0.5)
<u>EXPENDITURES</u>				
Expenses (excluding Depreciation)	\$ 19.9	\$ 22.0	\$	(2.1)
Fixed Asset Additions	0.5	1.2		(0.7)
Net Financing Activity	-	(0.3)		0.3
TOTAL EXPENDITURES	\$ 20.4	\$ 22.9	\$	(2.5)
RESERVE INCREASE (DECREASE)	\$ 1.9	\$ (0.1)	\$	2.0

Funding is under budget mainly as a result of the timing differences between budgeted and actual assessment revenues. Expenses (excluding depreciation) during the year are under budget primarily because of lower personnel, meeting, travel, contractor, and fixed asset addition costs, and is partially offset by higher net financing activity. The result is a reserve increase of \$2.0M higher than budget. This activity is explained in more detail in the remainder of the report.

Detailed Operating Results

Variances by Revenue and Expense Category

Total NERC (including CRISP)

	YTD Actual	YTD Budget	YTD Over (Under)	% Over (Under)	Annual Projection	Annual Budget	Annual Over (Under)	% Over (Under)
TOTAL FUNDING	\$ 22,246,625	\$ 22,756,516	\$ (509,891)	(2.2%)	\$ 88,807,838	\$ 88,268,926	\$ 538,912	0.6%
EXPENDITURES								
Personnel	\$ 13,357,584	\$ 13,716,308	\$ (358,724)	(2.6%)	\$ 51,536,831	\$ 51,966,435	\$ (429,604)	(0.8%)
Meetings and Travel	51,026	617,325	(566,299)	(91.7%)	2,174,550	2,608,050	(433,500)	(16.6%)
Contracts and Consultants	2,415,865	3,418,700	(1,002,835)	(29.3%)	14,963,161	13,674,800	1,288,361	9.4%
Office Rent	896,663	830,619	66,044	8.0%	3,191,370	3,243,277	(51,907)	(1.6%)
Office Costs, Professional, and Misc.*	3,204,877	3,335,493	(130,616)	(3.9%)	14,026,250	13,381,972	644,278	4.8%
Other Non-Operating	19,063	33,750	(14,687)	(43.5%)	117,427	135,000	(17,573)	(13.0%)
Fixed Asset Additions*	354,605	1,229,687	(875,083)	(71.2%)	4,490,191	4,918,750	(428,559)	(8.7%)
Net Financing Activity**	49,338	(275,000)	324,338	(117.9%)	(1,174,933)	(1,100,000)	(74,933)	6.8%
TOTAL EXPENDITURES	\$ 20,349,021	\$ 22,906,883	\$ (2,557,862)	(11.2%)	\$ 89,324,848	\$ 88,828,284	\$ 496,564	0.6%
RESERVE INCREASE (DECREASE)	\$ 1,897,604	\$ (150,367)	\$ 2,047,971	(1362.0%)	\$ (517,009)	\$ (559,358)	\$ 42,348	(7.6%)
FTEs	214.1	223.7	(9.6)	(4.3%)	217.5	223.7	(6.2)	(2.8%)

* Excludes depreciation expense

** A positive amount indicates that NERC is paying off more principal than it is receiving in proceeds. A negative amount indicates that NERC is receiving more in proceeds than it is paying off principal.

Following is a brief description of variances by category, as illustrated in the table above:

- Funding is under budget mainly as a result of actual assessments being recorded evenly over the year, while budgeted assessments are higher in the beginning of the year because of certain activity being budgeted earlier in the year. Funding is projected to be over budget mainly due to CRISP third-party funding being higher than budget largely because of new program participants.
- Personnel expenses are under budget largely as a result of lower training costs, relocation expense, medical insurance premiums, and parking and transportation benefits. They are expected to be under budget primarily because of the deferral of FTEs in several departments to help fund the need for two IT security contractors that were not budgeted.
- Meetings and Travel expenses are under budget and expected to be under budget because of reduced in-person meetings and travel due to the pandemic.
- Contracts and Consultants expenses are under budget primarily due to the timing of costs versus the budget, with a large part of that due to the CRISP third party contractor costs. This category is expected to be over budget at year-end mainly as a result of costs from the CRISP third party contractor for new program participants and replacement of equipment for existing program participants, and also the need for two IT security contractors that were not budgeted (and will be funded by the deferral of FTEs in other departments).

CONTRACTS and CONSULTANTS	YTD	YTD	YTD	%	Annual	Annual	Annual	%
	Actual	Budget	Over (Under)	Over (Under)	Projection	Budget	Over (Under)	Over (Under)
Reliability Standards and Power Risk Issue Management	\$ 49,654	\$ 39,740	\$ 9,914	24.9%	\$ 158,960	\$ 158,960	\$ -	0.0%
Compliance Assurance	-	76,250	(76,250)	(100.0%)	305,000	305,000	-	0.0%
Registration and Certification	10,480	10,000	480	4.8%	40,000	40,000	-	0.0%
Compliance Enforcement	-	62,250	(62,250)	(100.0%)	249,000	249,000	-	0.0%
BPS Security and Grid Transformation	36,848	-	36,848	0.0%	73,320	-	73,320	0.0%
Reliability Assessment and Technical Committees	75,000	52,500	22,500	42.9%	210,000	210,000	-	0.0%
Advanced System Analytics and Modeling & Power System Analysis	25,000	62,500	(37,500)	(60.0%)	250,000	250,000	-	0.0%
Performance Analysis	37,879	55,307	(17,427)	(31.5%)	245,227	221,227	24,000	10.8%
Situation Awareness	-	3,750	(3,750)	(100.0%)	15,000	15,000	-	0.0%
Event Analysis	18,449	29,540	(11,091)	(37.5%)	118,158	118,158	-	0.0%
E-ISAC	463,079	542,760	(79,681)	(14.7%)	2,171,041	2,171,041	-	0.0%
Training, Education and Personnel Certification	52,689	140,797	(88,108)	(62.6%)	563,188	563,188	-	0.0%
General and Administrative and Executive	30,000	25,000	5,000	20.0%	120,000	100,000	20,000	20.0%
Legal and Regulatory	12,820	77,500	(64,680)	(83.5%)	310,000	310,000	-	0.0%
External Affairs	-	5,000	(5,000)	(100.0%)	20,000	20,000	-	0.0%
Information Technology	408,997	433,352	(24,354)	(5.6%)	2,196,602	1,733,406	463,196	26.7%
Human Resources and Administration	53,618	217,500	(163,882)	(75.3%)	820,000	870,000	(50,000)	(5.7%)
Finance and Accounting	48,746	46,250	2,496	5.4%	150,000	185,000	(35,000)	(18.9%)
TOTAL (excluding CRISP)	\$ 1,323,260	\$ 1,879,995	\$ (556,735)	(29.6%)	\$ 8,015,496	\$ 7,519,980	\$ 495,516	6.6%
CRISP	1,092,605	1,538,705	(446,100)	(29.0%)	6,947,665	6,154,820	792,845	12.9%
TOTAL (including CRISP)	\$ 2,415,865	\$ 3,418,700	\$ (1,002,835)	(29.3%)	\$ 14,963,161	\$ 13,674,800	\$ 1,288,361	9.4%

- Professional Services expenses are expected to be over budget largely due to fees for an unbudgeted trustee search and increased costs for liability insurance.
- Fixed Asset Additions are under budget primarily as a result of timing of costs versus the budget and are projected to be under budget mainly because of the leasehold improvements and office furniture budgeted for a new Atlanta office that did not materialize. This under budget amount is expected to be partially offset by equipment costs that had originally been planned to be spent in 2021 for an operational technology (OT) project but are now being spent in 2022 to complete the same CRISP OT pilot program for which the expenditure was originally approved. This will be funded by the CRISP Special Projects Reserve.
- Reserves are over budget by \$2.0 million, primarily due to reduced in-person meeting and travel costs due to the pandemic, as well as lower contracts and consultant costs and fixed asset additions due to timing of costs versus the budget. They are projected to be near-budget at year-end.

Variations by Department

DIRECT EXPENSES, FIXED ASSETS, AND FINANCING ACTIVITY	YTD	YTD	YTD	%	Annual	Annual	Annual	%
	Actual	Budget	Over (Under)	Over (Under)	Projection	Budget	Over (Under)	Over (Under)
Reliability Standards and Power Risk Issue Management	\$ 1,064,403	\$ 1,131,333	\$ (66,930)	(5.9%)	\$ 4,323,691	\$ 4,321,038	\$ 2,653	0.1%
Compliance Assurance	1,376,943	1,549,124	(172,181)	(11.1%)	5,932,790	5,972,082	(39,293)	(0.7%)
Registration and Certification	258,735	262,595	(3,861)	(1.5%)	1,042,171	995,345	46,825	4.7%
Compliance Enforcement	842,141	980,376	(138,235)	(14.1%)	3,713,808	3,782,700	(68,892)	(1.8%)
Power System Analysis	131,768	240,407	(108,640)	(45.2%)	743,238	935,162	(191,923)	(20.5%)
Reliability Assessment and Technical Committees	540,581	589,788	(49,207)	(8.3%)	2,252,001	2,246,928	5,073	0.2%
Advanced System Analytics and Modeling & Power System Analysis	532,702	685,734	(153,032)	(22.3%)	2,552,326	2,633,697	(81,371)	(3.1%)
Performance Analysis	511,819	549,006	(37,188)	(6.8%)	1,997,171	2,146,112	(148,941)	(6.9%)
Situation Awareness	733,595	792,939	(59,344)	(7.5%)	3,160,752	3,129,990	30,762	1.0%
Event Analysis	475,374	549,469	(74,095)	(13.5%)	2,044,730	2,078,854	(34,124)	(1.6%)
E-ISAC	3,130,362	3,447,544	(317,182)	(9.2%)	12,984,538	13,281,050	(296,512)	(2.2%)
Training, Education and Personnel Certification	318,136	416,770	(98,634)	(23.7%)	1,667,218	1,635,993	31,225	1.9%
General and Administrative and Executive	2,210,857	2,375,587	(164,730)	(6.9%)	8,843,503	9,385,265	(541,761)	(5.8%)
Legal and Regulatory	1,243,886	1,346,699	(102,813)	(7.6%)	5,273,311	5,123,376	149,935	2.9%
External Affairs	776,415	830,960	(54,545)	(6.6%)	3,142,869	3,151,081	(8,212)	(0.3%)
Information Technology	3,230,556	3,599,427	(368,871)	(10.2%)	14,411,331	14,026,598	384,733	2.7%
Human Resources and Administration	786,715	994,993	(208,278)	(20.9%)	3,703,293	3,852,313	(149,021)	(3.9%)
Finance and Accounting	536,319	568,515	(32,196)	(5.7%)	2,182,433	2,186,385	(3,952)	(0.2%)
TOTAL (excluding CRISP)	\$ 18,701,306	\$ 20,911,267	\$ (2,209,961)	(10.6%)	\$ 79,971,173	\$ 80,883,970	\$ (912,797)	(1.1%)
CRISP	1,647,714	1,995,616	(347,901)	(17.4%)	9,353,674	7,944,314	1,409,360	17.7%
TOTAL DIRECT EXPENSES, FIXED ASSETS, AND FINANCING ACTIVITY	\$ 20,349,021	\$ 22,906,883	\$ (2,557,862)	(11.2%)	\$ 89,324,848	\$ 88,828,284	\$ 496,564	0.6%

Following is a brief description of significant variances by department, as illustrated in the table above:

- **E-ISAC** – Under budget mostly because of lower personnel expenses due to less FTEs, and lower travel and meeting expenses due to the pandemic. Projected to be under for the same reasons.
- **General & Administrative** – Projected to be under budget primarily because of the leasehold improvements and office furniture budgeted for a new Atlanta office that did not materialize.
- **Information Technology** – Under budget primarily due to timing of costs versus the budget for fixed asset additions and financing activity and projected to be over budget due to the need for two IT security contractors that were not budgeted (and will be funded by the deferral of FTEs in other departments).
- **CRISP** – Under budget largely as a result of timing of costs versus the budget for third party contractor and expected to be over budget because of costs from the CRISP third party contractor for new program participants and replacement of equipment for existing program participants, and also for costs for the OT equipment needs discussed earlier that were carried over from 2021 and being funded by the CRISP Special Projects Reserve.

Supplemental Schedules

Schedule 1 – Year-End Actual Reserves

Reserve Account	1/1/2022		Unbudgeted Funding/(Use) ⁽³⁾	Operating and Financing Activity Versus Budget ⁽⁴⁾	12/31/2022	
	Beginning Balance ⁽¹⁾	Budgeted Funding/(Use) ⁽²⁾			Ending Balance	
NERC Operating Contingency	\$ 8,728,678	\$ (64,253)	\$ -	\$ 90,710	\$ 8,755,135	
Future Obligations	1,381,843	(679,629)	882,756	708,893	2,293,863	
Assessment Stabilization	2,521,000	-	-	-	2,521,000	
System Operator	915,083	(86,212)	-	(86,374)	742,497	
CRISP Defense Fund	512,821	-	25,000	-	537,821	
CRISP Operating	1,596,902	300,000	-	(225,565)	1,671,337	
CRISP Special Projects	445,316	-	-	(445,316)	-	
Total Reserves	\$ 16,101,643	\$ (530,094)	\$ 907,756	\$ 42,348	\$ 16,521,653	

NOTES:

(1) 2022 beginning balances have been adjusted from the 12/31/2021 variance report balances as the result of a reconciliation to the final audited balance sheet.

(2) The amended 2022 Business Plan & Budget (2022 BP&B) contained a budgeted use of NERC Operating Contingency Reserves (OCR) totaling \$64,253 and a budgeted use of \$708,893 of Future Obligation Reserves (FOR) to help fund costs of a potential new Atlanta office space. Those costs will not materialize in 2022 and the money will go back into the NERC OCR and FOR.

The 2022 BP&B included a use of System Operator Reserves derived from budgeted revenues being \$86,212 lower than budgeted expenses.

The 2022 BP&B also contained \$300,000 to build the balance in the CRISP Operating Reserve.

(3) The unbudgeted addition to the FOR of \$882,756 is primarily the result of lease concessions at the current Atlanta office that will be applied to future rent expense.

(4) This column primarily reflects the net impact of normal operations. For example, under normal circumstances, if tracking well under budget in actual expenditures, this would reflect additional funds into the reserve account. It also reflects the increase or decrease in working capital during the period.

Schedule 2 – IT Projects

Projects in Progress	Project Budget ⁽¹⁾	Actual Spend to Date	Expected Spend	Expected Over (Under) Budget
Align Release 4.0/4.5	\$ -	\$ -	\$ 475,000	\$ 475,000
Align Enhancements	300,000	205,769	289,000	(11,000)
Disaster Recovery	490,000	45,217	440,000	(50,000)
CRISP Operational Technology Project	426,000	324,175	426,000	-
Projects Completed in 2022	Project Budget	Actual Spend		
E-ISAC Portal Replacement	259,680	259,680		

NOTES:

(1) The Project Budget noted above usually corresponds to the approved business case if required for each project and funds for each project are drawn from the available budget.

** Some of these projects span multiple years, so the amounts above do not represent a single budget year expenditure.*

Schedule 2 (continued) – IT Projects

Align Release 4.0/4.5

(Started Q1 2022 / Estimated Completion Q4 2022)

Align Release 4.0 will include additional required functionality for audit and scheduling. Release 4.5 will include required functionality for Inherent Risk Assessments (IRAs) and Compliance Oversight Planning (COPs).

Align Enhancements

(Started Q1 2022 / Estimated Completion Q2 2022)

This work includes enhancements from Release 3 (audit and scheduling) as requested and approved by the Align Steering Committee. It also includes platform performance and optimization enhancements resulting from the December 2021 outage event.

Disaster Recovery

(Started Q1 2022 / Estimated Completion Q4 2022)

This project will provide NERC with the capability to securely fail over and restore our network of our Tier 0 and Tier 1 mission critical applications in response to a malicious event or unplanned outage.

CRISP Operational Technology Pilot

(Started Q4 2020 / Estimated Completion Q2 2022)

This project will promote E-ISAC analyst training and capabilities through guided-hunt participation and development of other cyber security threat intelligence best practices (such as generation of analytics and playbooks). The project is being funded through CRISP and benefit its participants, but will enrich the overall threat intelligence capabilities of the E-ISAC.

E-ISAC Portal Replacement

(Started Q3 2020 / Completed Q1 2022)

This project re-platformed the current portal and ticket/case system, which combined the functions and services into a single E-ISAC Sharing Platform (ESP) solution, allowing members, partners, and the E-ISAC staff to interact more effectively and efficiently.

Schedule 3 – E-ISAC and CRISP Summary of Activity

TOTAL E-ISAC (including CRISP)

FUNDING	YTD Actual	Annual Projection	Annual Budget	Projected Over (Under)
Assessments	\$ 6,283,975	\$ 25,135,900	\$ 25,135,900	\$ -
Other Funding	2,168,549	8,608,330	8,011,505	596,825
TOTAL FUNDING	\$ 8,452,524	\$ 33,744,230	\$ 33,147,405	\$ 596,825
EXPENDITURES				
Personnel Expense	\$ 2,578,399	\$ 10,118,233	\$ 10,430,408	\$ (312,175)
Meetings and Travel Expense	4,389	269,200	324,000	(54,800)
Operating Expenses (excluding Depreciation)	2,124,703	11,539,088	10,379,706	1,159,382
Other Non-Operating Expenses	-	-	-	-
Fixed Asset Purchases (excluding Fixed Asset Allocation)	70,586	411,691	91,250	320,441
Net Financing Activity (excluding Net Financing Activity Allocation)	-	-	-	-
Total Direct Costs (excluding Depreciation and Allocations)	\$ 4,778,076	\$ 22,338,212	\$ 21,225,364	\$ 1,112,848
Indirect Expense Allocation	2,615,431	11,041,708	10,944,281	97,427
Fixed Asset Allocation	-	875,800	1,132,166	(256,366)
Net Financing Activity Allocation	14,772	(476,740)	(454,407)	(22,333)
TOTAL EXPENDITURES (excluding Depreciation, including Allocations)	\$ 7,408,279	\$ 33,778,980	\$ 32,847,405	\$ 931,576
RESERVE INCREASE (DECREASE)	\$ 1,044,245	\$ (34,750)	\$ 300,000	\$ (334,750)

Schedule 3 (continued) – E-ISAC and CRISP Summary of Activity

FUNDING	CRISP			
	YTD Actual	Annual Projection	Annual Budget	Projected Over (Under)
Assessments	\$ 338,976	\$ 1,355,903	\$ 1,355,903	\$ -
Other Funding	2,153,304	8,541,106	7,929,423	611,683
TOTAL FUNDING	\$ 2,492,280	\$ 9,897,009	\$ 9,285,326	\$ 611,683
EXPENDITURES				
Personnel Expense	\$ 255,716	\$ 1,061,890	\$ 1,095,553	\$ (33,663)
Meetings and Travel Expense	9,304	27,200	34,000	(6,800)
Operating Expenses (excluding Depreciation)	1,312,109	7,944,143	6,814,761	1,129,382
Other Non-Operating Expenses	-	-	-	-
Fixed Asset Purchases (excluding Fixed Asset Allocation)	70,586	320,441	-	320,441
Net Financing Activity (excluding Net Financing Activity Allocation)	-	-	-	-
Total Direct Costs (excluding Depreciation and Allocations)	\$ 1,647,714	\$ 9,353,674	\$ 7,944,314	\$ 1,409,360
Indirect Expense Allocation	192,311	1,105,736	980,303	125,432
Fixed Asset Allocation	-	87,704	101,411	(13,706)
Net Financing Activity Allocation	1,086	(47,742)	(40,702)	(7,039)
TOTAL EXPENDITURES (excluding Depreciation, including Allocations)	\$ 1,841,112	\$ 10,499,373	\$ 8,985,326	\$ 1,514,047
RESERVE INCREASE (DECREASE)	\$ 651,168	\$ (602,364)	\$ 300,000	\$ (902,364)

E-ISAC (excluding CRISP)

FUNDING	E-ISAC (excluding CRISP)			
	YTD Actual	Annual Projection	Annual Budget	Projected Over (Under)
Assessments	\$ 5,944,999	\$ 23,779,997	\$ 23,779,997	\$ -
Other Funding	15,245	67,224	82,082	(14,858)
TOTAL FUNDING	\$ 5,960,244	\$ 23,847,221	\$ 23,862,079	\$ (14,858)
EXPENDITURES				
Personnel Expense	\$ 2,322,683	\$ 9,056,343	\$ 9,334,855	\$ (278,512)
Meetings and Travel Expense	(4,916)	242,000	290,000	(48,000)
Operating Expenses (excluding Depreciation)	812,594	3,594,945	3,564,945	30,000
Other Non-Operating Expenses	-	-	-	-
Fixed Asset Purchases (excluding Fixed Asset Allocation)	-	91,250	91,250	-
Net Financing Activity (excluding Net Financing Activity Allocation)	-	-	-	-
Total Direct Costs (excluding Depreciation and Allocations)	\$ 3,130,362	\$ 12,984,538	\$ 13,281,050	\$ (296,512)
Indirect Expense Allocation	2,423,120	9,935,972	9,963,978	(28,005)
Fixed Asset Allocation	-	788,096	1,030,756	(242,660)
Net Financing Activity Allocation	13,686	(428,998)	(413,705)	(15,294)
TOTAL EXPENDITURES (excluding Depreciation, including Allocations)	\$ 5,567,167	\$ 23,279,608	\$ 23,862,079	\$ (582,471)
RESERVE INCREASE (DECREASE)	\$ 393,077	\$ 567,613	\$ -	\$ 567,613

Schedule 4 – Summary of Investments

	Quarter-End Balance	Ticker Symbol	Fund Name	S&P Credit Rating	Average Annualized Yield
<u>Cash Sweep Accounts</u>					
Operating Account Sweep	\$ 24,575,215	TDDXX	BlackRock Liquidity Fund FedFund Dollar	AAAm	0.03%
SOCED Account Sweep	2,052,892	TDDXX	BlackRock Liquidity Fund FedFund Dollar	AAAm	0.03%
CRISP Account Sweep	8,654,775	TDDXX	BlackRock Liquidity Fund FedFund Dollar	AAAm	0.03%
<u>Total Cash Sweep Accounts</u>	<u>\$ 35,282,882</u>				
<u>Investment Account</u>					
Reserve Funds	\$ 8,471,955	GRTXX	Federated Hermes Government Obligations Fund	AAAm	0.17%
<u>Total Investments</u>	<u>\$ 8,471,955</u>				