

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

North American Electric Reliability Corporation )  
 )

**Docket No. FA11-21-000**

**COMPLIANCE FILING OF THE  
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION**

**I. INTRODUCTION**

The North American Electric Reliability Corporation (“NERC”)<sup>1</sup> submits this compliance filing in accordance with the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) January 16, 2013 Order in Docket No. FA11-21-000.<sup>2</sup> In the January 16 Order, the Commission approved a Settlement Agreement between the FERC Office of Enforcement (“Enforcement”) and NERC related to Enforcement’s findings and recommendations arising out of its 2012 performance audit of NERC. Specifically, Section II.7(b)(i) of the Settlement Agreement requires that:

Within forty-five days of the end of each quarter, beginning with the quarter ending March 31, 2013, NERC will file with the Commission the unaudited report of the NERC budget-to-actual spending variances during the preceding quarter. This report will include information regarding sources and uses of operating and working capital reserves and will match or exceed the level of detail of the quarterly budget-to-actual variance report of NERC expenditures attached to the agenda of NERC Board of Trustees Finance and Audit Committee’s October 2012 meeting.<sup>3</sup>

Attached hereto is the unaudited report of NERC’s budget-to-actual variance information for the fourth quarter of 2020, in accordance with the January 16 Order. This variance information

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<sup>1</sup> NERC was certified by FERC as the electric reliability organization (“ERO”) authorized by Section 215 of the Federal Power Act. FERC certified NERC as the ERO in its order issued July 20, 2006 in Docket No. RR06-1-000. *Order Certifying North American Electric Reliability Corporation as the Electric Reliability Organization and Ordering Compliance Filing*, 116 FERC ¶ 61,062 (2006) [hereinafter ERO Certification Order].

<sup>2</sup> *See* N. Am. Elec. Reliability Corp., *Order Approving Settlement Agreement*, 142 FERC ¶ 61,042 (Jan. 16, 2013) [hereinafter January 16 Order].

<sup>3</sup> *Id.*

was posted on NERC's website on January 28, 2021 and was reviewed at the February 3, 2021 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:

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## **III. DISCUSSION OF SIGNIFICANT VARIANCES BETWEEN 2020 BUDGET AND ACTUAL YEAR-END 2020 RESULTS**

The attached variance report compares actual (unaudited) financial results for the fourth quarter of 2020 as of December 31, 2020 to NERC's budgeted expenditures for the fourth quarter of 2020 as of December 31, 2020. NERC is also providing additional discussion of significant variances between the actual (unaudited) year-end 2020 results and NERC's 2020 budgeted expenditures, by NERC department or program area and by major activity within departments and program areas. This discussion focuses on variances of \$500,000 or more because this threshold is used in Section 7(b)(ii) of the Settlement Agreement. In Section 7(b)(ii) of the Settlement Agreement, the Commission specifies that its review and approval is triggered 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.

**A. 2020 Actual Year-End Results vs. 2020 Budget Variances of \$500,000 or More by Expense Category**

Five revenue and expense categories had a budget variance of more than \$500,000 as of December 31, 2020:

- “Personnel” expenses were \$1,047,697 (2.2%) under budget at year-end primarily due to deferred hiring of open positions and certain E-ISAC positions that were budgeted as FTEs but filled with contract labor instead. This under budget amount was partially offset by higher expenses in several departments because of lower attrition and transition costs.
- “Meetings and Travel” expenses were \$2,235,253 (67.3%) under budget, due to decreased in-person meetings and travel due to the pandemic.
- “Consultants and Contracts” expenses were \$554,805 (4.5%) under budget; these expenses were under budget mainly due to: (i) timing and lower than budgeted costs for a CRISP pilot program for which most of the costs will be deferred to 2021; (ii) reprioritization of certain projects due to the pandemic and also to help fund a portion the Secure Evidence Locker project and 2020 Align costs. This under budget amount was partially offset by higher E-ISAC costs from FTE positions being filled with contract labor.
- “Fixed Asset Additions” expenses, excluding depreciation expense, were \$1,076,936 (22.9%) over budget at year-end primarily due to the unbudgeted capital investment costs of the Secure Evidence Locker project, though partially offset by the deferral of hardware and software costs to help fund a portion of both

the Secure Evidence Locker project and 2020 Align costs to reduce future debt service, as well as the postponement of Atlanta office renovation costs.

- “Net Financing Activity” expenses were \$909,348 (651.6%) under budget at year-end. For Net Financing Activity, the 2020 budget anticipated that NERC would make principal payments beginning in early 2020 on borrowings for ERO projects; however, borrowings for ERO projects weren’t made until December 2020 and, therefore, actual payments were lower than budget. Additionally, budgeted borrowings for certain audio video equipment purchases weren’t made, eliminating the budgeted payments. Further, certain software license and maintenance costs on leased equipment were budgeted as lease payments, but were more appropriately charged to Office Costs.

**B. 2020 Actual Year-End Results vs. 2020 Budget Variances of \$500,000 or More by Department or Program Area**

The following departments or program areas were over or under budget as of December 31, 2020 by \$500,000 or more:

- Compliance Assurance was \$1,440,394 over budget at year-end. This was mainly due to higher personnel expenses and unbudgeted costs for the Secure Evidence Locker, though partially offset by lower travel costs.
- Compliance Enforcement was \$1,139,941 over budget. This is primarily due to Secure Evidence Locker costs, though partially offset by lower personnel costs.
- Power System Analysis was \$522,762 under budget which was largely attributable to lower personnel and travel costs.

- General and Administrative and Executive expenses were \$1,138,675 under budget, primarily due to the postponement of Atlanta office renovation costs, as well as lower meeting and travel expenses.
- Legal & Regulatory was \$698,957 under budget, mainly in personnel, consultant, and outside legal costs.
- Information Technology was \$564,756 under budget. This was primarily in Contracts and Consultants and Fixed Assets in order to help fund a portion of the Secure Evidence locker and 2020 Align costs to reduce future debt service, although these costs are partially offset by higher personnel costs due to lower attrition.

Additionally, CRISP was \$1,313,087 under budget mainly due to the timing and implementation of Operational Technology (“OT”) pilot program costs which will be deferred to 2021. CRISP participants have approved to place the \$1.0M of OT pilot program funds collected from CRISP participants during 2020 into a reserve that will be used to fund OT pilot program costs in 2021.

**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 January 16 Order in Docket No. FA11-21-000.

Respectfully submitted,

/s/ Nina Jenkins-Johnston

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*Counsel for North American Electric Reliability Corporation*

Dated: February 16, 2021

**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 16<sup>th</sup> day of February, 2021.

*/s/ Nina Jenkins-Johnston*

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

# **ATTACHMENT**



# Summary of Unaudited Results For the Period Ending December 31, 2020

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## Executive Summary

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

<u>FUNDING</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Revenues	\$ 81.4	\$ 82.0	\$ (0.6)
Funding from Reserves			
Assessment Stabilization Reserve	-	-	-
<b>TOTAL FUNDING</b>	<b>\$ 81.4</b>	<b>\$ 82.0</b>	<b>\$ (0.6)</b>
<b><u>EXPENDITURES</u></b>			
Expenses (excluding Depreciation)	\$ 73.3	\$ 77.8	\$ (4.5)
Fixed Asset Additions	5.8	4.7	1.1
Net Financing Activity	(0.8)	0.1	(0.9)
<b>TOTAL EXPENDITURES</b>	<b>\$ 78.3</b>	<b>\$ 82.6</b>	<b>\$ (4.3)</b>
<b>RESERVE INCREASE (DECREASE)</b>	<b>\$ 3.1</b>	<b>\$ (0.6)</b>	<b>\$ 3.7</b>

### Funding

- Revenues
  - Slightly under budget due to lower investment income (from lower interest rates) and third-party revenues for the CRISP program.

### Expenditures

- Expenses (excluding depreciation)
  - Personnel expenses are under budget primarily due to deferred hiring of open positions and certain E-ISAC positions that were budgeted as FTEs and instead are being filled with contract labor, which is being partially offset by higher expenses in other departments because of lower attrition and transition costs.
  - Meeting and Travel expenses are below budget because of the cancellation of in-person meetings and lower employee travel due to the pandemic.
  - Contracts and Consultants expenses are lower than budget, mainly attributable to lower than budgeted costs for a CRISP pilot program and reprioritization of certain projects due to the pandemic, though partially offset by higher E-ISAC costs from FTE positions being filled with contract labor.

- Professional Services expenses are under budget mainly due to lower than budgeted outside legal costs.
- Fixed Asset Additions
  - Over budget due to the unbudgeted capital investment costs of the Secure Evidence Locker project, though partially offset by the deferral of hardware and software costs to help fund a portion of both the Secure Evidence Locker project and 2020 Align costs to reduce future debt service, and the postponement of Atlanta office renovation costs.
- Net Financing Activity
  - The 2020 budget anticipated that NERC would make principal payments beginning in early 2020 on borrowings for ERO projects; however, borrowings for ERO projects weren't made until December 2020 therefore actual payments are lower than budget. Additionally, budgeted borrowings for certain audio visual equipment purchases weren't made which eliminated the budgeted payments, and certain software license and maintenance costs on leased equipment were budgeted as lease payments, but were more appropriately charged to Office Costs.

#### **Operating Reserve Increase (Decrease)**

- Actual reserve increase from operations is higher than budget by \$3.7 million.

## Detailed Operating Results

### Variances by Revenue and Expense Category

Total NERC (including CRISP)

	YTD Actual	YTD Budget	YTD Over (Under)	% Over (Under)
<b>TOTAL FUNDING</b>	<b>\$ 81,366,856</b>	<b>\$ 82,006,951</b>	<b>\$ (640,095)</b>	<b>(0.8%)</b>
<b>EXPENDITURES</b>				
Personnel	\$ 45,550,463	\$ 46,598,160	\$ (1,047,697)	(2.2%)
Meetings and Travel	1,087,997	3,323,250	(2,235,253)	(67.3%)
Consultants and Contracts	11,881,097	12,435,902	(554,805)	(4.5%)
Office Rent	3,451,714	3,450,468	1,246	0.0%
Office Costs, Professional, and Misc.*	11,273,553	11,696,724	(423,170)	(3.6%)
Other Non-Operating	52,633	306,623	(253,990)	(82.8%)
Fixed Asset Additions*	5,783,285	4,706,349	1,076,936	22.9%
Net Financing Activity**	(769,791)	139,558	(909,348)	(651.6%)
<b>TOTAL EXPENDITURES</b>	<b>\$ 78,310,951</b>	<b>\$ 82,657,034</b>	<b>\$ (4,346,083)</b>	<b>(5.3%)</b>
<b>RESERVE INCREASE (DECREASE)</b>	<b>\$ 3,055,905</b>	<b>\$ (650,083)</b>	<b>\$ 3,705,987</b>	<b>(570.1%)</b>
<b>FTEs</b>	<b>202.2</b>	<b>213.4</b>	<b>(11.2)</b>	<b>(5.2%)</b>

\* Excludes depreciation expense

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

Following is a brief summary of variances by category:

- Personnel expenses are under budget primarily due to deferred hiring of open positions and certain E-ISAC positions that were budgeted as FTEs and instead are being filled with contract labor, though partially offset by higher expenses in several departments because of lower attrition and transition costs.
- Meetings and Travel expenses are under budget due to decreased in-person meetings and travel due to the pandemic.

- Contracts and Consultants expenses are under budget mainly due to: (i) lower than budgeted costs for a CRISP pilot program; (ii) reprioritization of certain projects due to the pandemic; (iii) to fund a portion the Secure Evidence Locker project; and, (iv) 2020 Align costs, though partially offset by higher E-ISAC costs from FTE positions being filled with contract labor.

<b>CONTRACTS and CONSULTANTS</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>YTD Over (Under)</b>
Reliability Standards and Risk Issue Management	\$ 180,180	\$ 40,320	\$ 139,860
Compliance Assurance	-	50,000	(50,000)
Compliance Analysis, Registration, and Certification	38,964	40,320	(1,356)
Compliance Enforcement	-	-	-
Power System Analysis	-	63,000	(63,000)
Reliability Assessment and Technical Committees	88,264	365,320	(277,056)
Advanced System Analytics and Modeling	110,000	175,000	(65,000)
Performance Analysis	263,666	149,250	114,416
Situation Awareness	-	-	-
Event Analysis	84,046	10,000	74,046
E-ISAC	2,374,590	1,412,500	962,090
Training, Education and Personnel Certification	324,072	392,000	(67,928)
General and Administrative and Executive	(51,566)	-	(51,566)
Legal and Regulatory	169,962	300,000	(130,038)
Policy and External Affairs	111,140	20,000	91,140
Information Technology	1,564,316	1,805,692	(241,376)
Human Resources and Administration	783,774	760,000	23,774
Finance and Accounting	75,651	175,000	(99,349)
<b>TOTAL (excluding CRISP)</b>	<b>\$ 6,117,060</b>	<b>\$ 5,758,402</b>	<b>\$ 358,658</b>
CRISP	5,764,036	6,677,500	(913,464)
<b>TOTAL (including CRISP)</b>	<b>\$ 11,881,097</b>	<b>\$ 12,435,902</b>	<b>\$ (554,805)</b>

- Professional Services expenses are under budget largely due to lower than budgeted outside counsel costs.
- Fixed Asset Additions are over budget due to the unbudgeted capital investment costs of the Secure Evidence Locker project, though partially offset by the deferral of hardware and software costs to help fund a portion of both the Secure Evidence Locker project and 2020 Align costs to reduce future debt service, as well as the postponement of Atlanta office renovation costs.
- For Net Financing, the 2020 budget anticipated that NERC would make principal payments beginning in early 2020 on borrowings for ERO projects; however, borrowings for ERO projects weren't made until December 2020, therefore actual payments are lower than budget. Additionally, budgeted borrowings for certain audio video equipment purchases weren't made eliminating the budgeted payments. Further, certain software license and maintenance costs on leased equipment were budgeted as lease payments, however were more appropriately charged to Office Costs.

## Variances by Department

DIRECT EXPENSES, FIXED ASSETS, AND FINANCING ACTIVITY	YTD		
	YTD Actual	YTD Budget	Over (Under)
Reliability Standards and Risk Issue Management	\$ 3,549,404	\$ 3,918,311	\$ (368,908)
Compliance Assurance	6,597,150	5,156,756	1,440,394
Compliance Analysis, Registration, and Certification	1,203,888	1,354,660	(150,772)
Compliance Enforcement	4,419,639	3,279,697	1,139,941
Power System Analysis	1,182,762	1,705,525	(522,762)
Reliability Assessment and Technical Committees	1,909,764	2,199,387	(289,623)
Advanced System Analytics and Modeling	1,165,363	1,392,641	(227,278)
Performance Analysis	1,703,394	2,055,961	(352,567)
Situation Awareness	2,477,772	2,942,190	(464,418)
Event Analysis	2,693,642	2,426,341	267,301
E-ISAC	11,874,604	12,370,912	(496,308)
Training, Education and Personnel Certification	1,371,690	1,599,516	(227,826)
General and Administrative and Executive	7,441,641	8,580,315	(1,138,675)
Legal and Regulatory	3,889,418	4,588,376	(698,957)
Policy and External Affairs	2,700,515	3,003,778	(303,264)
Information Technology	12,266,219	12,830,975	(564,756)
Human Resources and Administration	2,773,226	2,724,553	48,673
Finance and Accounting	2,300,047	2,423,239	(123,192)
<b>TOTAL (excluding CRISP)</b>	<b>\$ 71,520,138</b>	<b>\$ 74,553,134</b>	<b>\$ (3,032,995)</b>
CRISP	6,790,812	8,103,900	(1,313,087)
<b>TOTAL DIRECT EXPENSES, FIXED ASSETS, AND FINANCING ACTIVITY</b>	<b>\$ 78,310,951</b>	<b>\$ 82,657,034</b>	<b>\$ (4,346,083)</b>

Following is a brief summary of significant variances by department:

- Compliance Assurance – Over budget mainly due to higher personnel expenses and unbudgeted costs for the Secure Evidence Locker, though partially offset by lower travel costs.
- Compliance Enforcement – Over budget primarily due to Secure Evidence Locker Costs, though partially offset by lower personnel costs.
- Power System Analysis – Under budget largely attributable to lower personnel and travel costs.
- General & Administrative and Executive – Under budget primarily due to the postponement of Atlanta office renovation costs, as well as lower meeting and travel expenses.
- Legal and Regulatory – Under budget mainly in personnel, consultant, and outside legal costs.
- Information Technology – Under budget primarily in Contracts and Consultants and Fixed Assets in order to help fund a portion of the Secure Evidence locker and 2020 Align costs to reduce future debt service, although these costs are partially offset by higher personnel costs due to lower attrition.

- CRISP – Under budget mainly due to the timing and implementation of Operational Technology (OT) pilot program costs that will be deferred to 2021. CRISP participants have approved to place the \$1.0M of OT pilot program funds collected from CRISP participants during 2020 into a reserve that will be used to fund OT pilot program costs in 2021.

## Supplemental Schedules

### Schedule 1 – Year-End Actual Reserves

Reserve Account	1/1/2020		Unbudgeted Funding/(Use)	Operating and Financing Activity		12/31/2020	
	Beginning Balance <sup>(1)</sup>	Budgeted Funding/(Use) <sup>(2)</sup>		Versus Budget <sup>(3)</sup>	Ending Balance <sup>(4)</sup>		
Operating Contingency	\$ 6,199,083	\$ (654,036)	\$ -	\$ 2,546,184	\$	\$ 8,091,231	
Future Obligations	2,119,719	(485,958)	-	-		1,633,761	
Assessment Stabilization	2,521,000	-	-	-		2,521,000	
System Operator	777,274	-	-	110,254		887,528	
CRISP (Defense Fund)	500,000	-	-	-		500,000	
CRISP (Special Projects)	-	-	-	1,049,549		1,049,549	
<b>Total Reserves</b>	<b>\$ 12,117,076</b>	<b>\$ (1,139,994)</b>	<b>\$ -</b>	<b>\$ 3,705,987</b>		<b>\$ 14,683,069</b>	

**NOTES:**

(1) 2020 beginning balances have been adjusted from the 12/31/2019 variance report balances as the result of a reconciliation to the final audited balance sheet.

(2) The 2020 Business Plan & Budget contained a budgeted use of Operating Contingency Reserves totaling \$654,036 to lower assessments. The Future Obligations Reserve decrease of \$485,958 is a budgeted use of deferred rent reserves to fund a portion of office lease costs.

(3) This column reflects the actual reserve impact of operating and financing activities versus budget. In 2020, NERC is under budget primarily due to the deferral of some open FTE positions to 2021, lower meeting and travel costs, lower software and hardware spending, reduction of the Atlanta meeting space renovation costs, and minimal debt service on ERO projects. Of the approved capital investment of \$3.8M for the ERO SEL project, \$3.1M of capital costs were incurred during the year, with approximately \$1.3M funded by loan financing and \$1.8M by the use of Operating Contingency reserves. Due to the timing of implementation and revised completion date of the ERO SEL project, \$700k of approved capital spending budget and approved borrowing is being carried over to 2021. We expect to be at or below the total ERO SEL project capital spending budget of \$3.8M and approved total debt financing of \$2.0M, but a portion of the costs and related financing will be incurred in 2021 versus 2020.

CRISP Special Projects Reserve - Due to the timing of the OT pilot project, the CRISP participants have agreed to carryover \$1.0M of unused funding to 2021.

(4) The Operating Contingency Reserve at year-end is higher than target but will be reduced by \$1.8 million in the 2021 Business Plan & Budget for Align project delay costs.



## Schedule 2 – IT Projects

<b>Projects in Progress</b>	<b>Project Budget <sup>(1)</sup></b>	<b>Actual Spend to Date</b>	<b>Expected Spend</b>	<b>Expected Over (Under) Budget</b>
Align (2017-2021)	\$ 7,203,000	\$ 5,330,368	\$ 7,284,524	\$ 81,524
Secure Evidence Locker	2,265,000	1,661,254	2,265,000	-
E-ISAC Portal Replacement	259,680	259,680	259,680	-

<b>Projects Completed in 2020</b>	<b>Project Budget <sup>(1)</sup></b>	<b>Actual Spend</b>	<b>Actual Over (Under) Budget</b>
Microsoft Windows 10 Upgrade	\$ 169,890	\$ 146,176	\$ (23,714)
Microsoft Teams Pilot	98,000	98,000	-
End-Point Management	76,000	76,682	682

### NOTES:

(1) The Project Budget noted above usually corresponds to the approved business case for each project and funds for each project are drawn from the available budget. In some projects, business cases may not be prepared, particularly when a project is smaller and/or may be in response to a FERC order.

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

\* The amounts noted above do not include internal labor or license/maintenance/support costs and reflect only external (consultant) costs of the projects.

## Schedule 2 (continued) – IT Projects

### **Align**

(Started May 2017 / Planned Completion Q4 2021)

This project will provide registered entities, Regional Entities, and NERC the ability manage the compliance and enforcement processes and data in a single ERO Enterprise system. Today, those processes and related data are managed across three separate systems that have to be synchronized (webCDMS, CITS, and CRATS).

### **Secure Evidence Locker**

(Started May 2020 / Planned Completion Apr 2021)

This is a key component of the NERC's reimagined suite of Compliance Monitoring and Enforcement Program (CMEP) work and data management tools and will be implemented in conjunction with Align. It will be used for the collection and analysis of evidence provided by registered entities in connection with CMEP activities.

### **E-ISAC Portal Replacement**

(Started Aug 2020 / Planned Completion Q1 2021)

This project will re-platform the current portal and ticket/case system, which will combine 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.

### **Microsoft Windows 10 Upgrade**

(Started Dec 2019 / Completed Feb 2020)

This project involved the upgrade of all laptops and desktops from Windows 7 to Windows 10. This upgrade provided a more secure environment. Microsoft stopped support of Windows 7 security patches in January 2020.

### **Microsoft Teams Pilot**

(Started Apr 2020 / Completed Sep 2020)

This project implemented a basic Microsoft Teams environment that allows for a unified communication and collaboration platform that combines persistent workplace chat, video meetings, and file storage (including collaboration on files).

### **End-Point Management**

(Started May 2020 / Completed Sep 2020)

This project will replace the current tool that is used as the application used for Windows security patching and updates.

### Schedule 3 – E-ISAC and CRISP Summary of Activity

#### TOTAL E-ISAC (including CRISP)

FUNDING	Annual Actual	Annual Budget	Over (Under)
Assessments	\$ 23,363,353	\$ 23,363,353	\$ (0)
Other Funding	7,579,441	7,956,784	(377,343)
<b>TOTAL FUNDING</b>	<b>\$ 30,942,794</b>	<b>\$ 31,320,137</b>	<b>\$ (377,343)</b>
<b>EXPENDITURES</b>			
Personnel Expense	\$ 8,470,436	\$ 9,825,628	\$ (1,355,192)
Meetings and Travel Expense	365,133	464,200	(99,067)
Operating Expenses (excluding Depreciation)	9,488,135	9,728,189	(240,054)
Other Non-Operating Expenses	(10,467)	-	(10,467)
Fixed Asset Purchases (excluding Fixed Asset Allocation)	352,181	421,449	(69,268)
Net Financing Activity (excluding Net Financing Activity Allocation)	-	35,347	(35,347)
Total Direct Costs (excluding Depreciation and Allocations)	\$ 18,665,417	\$ 20,474,812	\$ (1,809,395)
Indirect Expense Allocation	8,187,834	10,119,683	(1,931,849)
Fixed Asset Allocation	100,674	439,831	(339,157)
Net Financing Activity Allocation	140,230	285,811	(145,581)
<b>TOTAL EXPENDITURES (excluding Depreciation, including Allocations)</b>	<b>\$ 27,094,155</b>	<b>\$ 31,320,137</b>	<b>\$ (4,225,982)</b>
<b>RESERVE INCREASE (DECREASE)</b>	<b>\$ 3,848,640</b>	<b>\$ -</b>	<b>\$ 3,848,640</b>

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

**CRISP**

FUNDING	Annual Actual	Annual Budget	Over (Under)
Assessments	\$ 945,577	\$ 945,577	\$ (0)
Other Funding	7,499,623	7,850,577	(350,954)
<b>TOTAL FUNDING</b>	<b>\$ 8,445,201</b>	<b>\$ 8,796,155</b>	<b>\$ (350,954)</b>
<b>EXPENDITURES</b>			
Personnel Expense	\$ 665,703	\$ 627,736	\$ 37,967
Meetings and Travel Expense	17,395	49,200	(31,805)
Operating Expenses (excluding Depreciation)	6,053,262	7,289,465	(1,236,202)
Other Non-Operating Expenses	(10,467)	-	(10,467)
Fixed Asset Purchases (excluding Fixed Asset Allocation)	64,920	137,500	(72,580)
Net Financing Activity (excluding Net Financing Activity Allocation)	-	-	-
Total Direct Costs (excluding Depreciation and Allocations)	\$ 6,790,812	\$ 8,103,900	\$ (1,313,087)
Indirect Expense Allocation	685,669	645,937	39,732
Fixed Asset Allocation	8,431	28,074	(19,644)
Net Financing Activity Allocation	11,743	18,243	(6,500)
<b>TOTAL EXPENDITURES (excluding Depreciation, including Allocations)</b>	<b>\$ 7,496,655</b>	<b>\$ 8,796,155</b>	<b>\$ (1,299,499)</b>
<b>RESERVE INCREASE (DECREASE)</b>	<b>\$ 948,545</b>	<b>\$ -</b>	<b>\$ 948,545</b>

**E-ISAC (excluding CRISP)**

FUNDING	Annual Actual	Annual Budget	Over (Under)
Assessments	\$ 22,417,776	\$ 22,417,776	\$ (0)
Other Funding	79,818	106,207	(26,389)
<b>TOTAL FUNDING</b>	<b>\$ 22,497,594</b>	<b>\$ 22,523,983</b>	<b>\$ (26,389)</b>
<b>EXPENDITURES</b>			
Personnel Expense	\$ 7,804,733	\$ 9,197,892	\$ (1,393,159)
Meetings and Travel Expense	347,738	415,000	(67,262)
Operating Expenses (excluding Depreciation)	3,434,872	2,438,724	996,148
Other Non-Operating Expenses	-	-	-
Fixed Asset Purchases (excluding Fixed Asset Allocation)	287,261	283,950	3,311
Net Financing Activity (excluding Net Financing Activity Allocation)	-	35,347	(35,347)
Total Direct Costs (excluding Depreciation and Allocations)	\$ 11,874,604	\$ 12,370,912	\$ (496,308)
Indirect Expense Allocation	7,502,165	9,473,746	(1,971,581)
Fixed Asset Allocation	92,243	411,757	(319,513)
Net Financing Activity Allocation	128,487	267,568	(139,081)
<b>TOTAL EXPENDITURES (excluding Depreciation, including Allocations)</b>	<b>\$ 19,597,499</b>	<b>\$ 22,523,983</b>	<b>\$ (2,926,483)</b>
<b>RESERVE INCREASE (DECREASE)</b>	<b>\$ 2,900,094</b>	<b>\$ -</b>	<b>\$ 2,900,094</b>