

posted on NERC's website and reviewed in open session at the October 28, 2015 meeting of the NERC Finance and Audit Committee. The unaudited report was accepted by the NERC Board of Trustees at its meeting on November 5, 2015.

I. NOTICES AND COMMUNICATIONS

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

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*Persons to be included on the
Commission's official service list

II. 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/ Meredith M. Jolivert

Michael Walker
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Administrative Officer
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*Counsel for North American Electric
Reliability Corporation*

Dated: November 13, 2015

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 13th day of November, 2015.

/s/ Meredith M. Jolivert

Meredith M. Jolivert
*Counsel for North American
Electric Reliability Corporation*

ATTACHMENT

North American Electric Reliability Corporation Summary of Results as of September 30, 2015

Through September, NERC was \$3.9M, 7.7%, under its expense and fixed asset budget, including costs related to CRISP. As reflected in the table below, NERC is projecting to be approximately \$590k, 0.9%, over budget at year end, after taking into account authorized use of operating reserves.

Excluding CRISP, NERC was \$418k, 1.0%, under budget and is projecting to be approximately \$1.8M, 3.1% over budget. The year-end over budget variance is primarily due to the authorized use of reserves for various expenditures which are noted below in more detail. The difference between the Q3 budget variance (\$418k under budget) and the year-end projection (\$1.8M over budget) is primarily due to a number of information technology expenditures that we anticipate making prior to year-end, but have not yet been incurred. These include costs associated with the document management program, E-ISAC physical separation, enterprise reporting software and compliance applications.

YTD Actual vs Budget and Annual Projection vs Budget By Category – Including CRISP

	Variance Over				Annual Projection	Annual Budget	Variance Over	
	Actual	Budget	(Under)	%			(Under)	%
TOTAL FUNDING	\$ 51,287,493	\$ 50,753,028	\$ 534,465	1.1%	\$ 65,675,921	\$ 67,371,264	\$ (1,695,343)	-2.5%
BUDGET - EXPENSES and FIXED ASSETS								
PERSONNEL EXPENSES	\$ 26,766,274	\$ 26,982,565	\$ (216,291)	-0.8%	\$ 35,901,685	\$ 35,803,311	\$ 98,374	0.3%
MEETINGS, TRAVEL and CONFERENCE CALLS	2,571,505	2,581,257	(9,752)	-0.4%	3,470,462	3,566,146	(95,684)	-2.7%
CONSULTANTS and CONTRACTS	8,229,860	10,985,797	(2,755,938)	-25.1%	14,100,239	14,311,466	(211,227)	-1.5%
RENT	2,138,711	2,240,831	(102,120)	-4.6%	2,877,749	2,987,777	(110,028)	-3.7%
OFFICE COSTS, PROFESSIONAL SERVICES and MISC.	4,196,079	4,673,314	(477,235)	-10.2%	5,895,014	6,231,108	(336,094)	-5.4%
Other Non-Operating Expenses	60,068	98,250	(38,182)	-38.9%	70,206	131,000	(60,794)	-46.4%
FIXED ASSET PURCHASES (excluding depreciation)	2,460,969	2,713,875	(252,906)	-9.3%	4,924,472	3,618,500	1,305,972	36.1%
TOTAL BUDGET	\$ 46,423,466	\$ 50,275,890	\$ (3,852,424)	-7.7%	\$ 67,239,826	\$ 66,649,308	\$ 590,518	0.9%
FTEs	192.05	192.35	(0.30)	-0.2%	193.68	192.30	1.38	0.7%

NERC VARIANCES - excluding CRISP

NERC was \$418k, 1.0%, under budget but is projecting to be \$1.8M, 3.1%, over budget at year end due primarily to the following previously reported items which required and received all necessary reserve authorizations:

- (1) Consulting support for assessment studies regarding the EPA’s proposed Clean Power Plan;
- (2) Contract costs for multiple reliability tools and costs of a secure alert system that was anticipated to be replaced by another system at lower costs¹;
- (3) Leasehold improvements in the Atlanta and DC offices, which were funded by reserves and approved by the FAC at their meeting in November, 2014;
- (4) Capitalized software costs to begin development of the document management system for which reserve funding has been authorized; and
- (5) The executive and employee compensation studies.

**YTD Actual vs Budget and Annual Projection vs Budget
By Category – Excluding CRISP**

	Variance				Annual			
	Actual	Budget	Over (Under)	%	Projection	Annual Budget	Variance Over (Under)	%
TOTAL FUNDING	\$ 43,391,362	\$ 43,383,048	\$ 8,314	0.0%	\$ 57,564,083	\$ 57,550,142	\$ 13,942	0.0%
BUDGET - EXPENSES and FIXED ASSETS								
PERSONNEL EXPENSES	\$ 26,548,272	\$ 26,636,561	\$ (88,289)	-0.3%	\$ 35,442,306	\$ 35,344,061	\$ 98,245	0.3%
MEETINGS, TRAVEL and CONFERENCE CALLS	2,528,498	2,543,755	(15,257)	-0.6%	3,408,962	3,516,146	(107,184)	-3.0%
CONSULTANTS and CONTRACTS	5,321,241	5,236,256	84,984	1.6%	7,584,139	6,645,411	938,728	14.1%
RENT	2,138,711	2,240,831	(102,120)	-4.6%	2,877,749	2,987,777	(110,028)	-3.7%
OFFICE COSTS, PROFESSIONAL SERVICES and MISC.	4,109,417	4,182,063	(72,647)	-1.7%	5,403,532	5,576,108	(172,575)	-3.1%
Other Non-Operating Expenses	60,068	98,250	(38,182)	-38.9%	70,206	131,000	(60,794)	-46.4%
FIXED ASSET PURCHASES (excluding depreciation)	2,451,929	2,638,875	(186,946)	-7.1%	4,724,472	3,518,500	1,205,972	34.3%
TOTAL BUDGET	\$ 43,158,135	\$ 43,576,591	\$ (418,457)	-1.0%	\$ 59,511,366	\$ 57,719,003	\$ 1,792,364	3.1%
FTEs	190.57	190.47	0.10	0.1%	191.80	190.42	1.38	0.7%

¹ A replacement system is currently under evaluation.

Following is a brief summary of variances by major categories (excluding CRISP):

- Personnel expenses were under budget \$88k, 0.3%, due to lower than budgeted benefits and retirement costs, offset by higher than budgeted employment agency fees and payroll taxes. Personnel expenses are projected to be \$98k, 0.3%, over budget at year-end. For purposes of the year-end projection, the Q4 vacancy rate assumption for most staff members was reduced to 0%, which had the effect of increasing the projected FTEs to 191.80, 1.38 FTEs higher than budget, as well as increasing projected year-end personnel expense. The 2015 budget for personnel expenses and total FTEs included a 6% vacancy assumption to account for attrition and timing of hiring open positions. As we move through the year, we adjust this vacancy rate down to account for the declining impact of vacancies as the year progresses. Actual results may vary.
- Meeting, travel and conferencing expenses were collectively under budget \$15k, 0.6%, through September, and are projected to be \$107k, 3.0%, under budget at year-end. Travel expenses were under budget \$43k through September, but are projected to be \$83k under budget at year-end. Meetings expenses were over budget \$60k through September, but are projected to be \$4k under budget at year-end. Conference calls expense was \$31k under budget and projected to be \$21k under budget. The reduction in projected expenses from prior forecasts is in large part due to ongoing efforts by operating area management to further control these costs.
- Consultant and Contract expenses were \$85k, 1.6%, over budget through September and projected to be \$939k, 14.1%, over budget at year-end inclusive of the previously reported authorized use of reserves. The table below summarizes existing and projected over budget variances by department.
 - RAPA - Over budget \$143k YTD and projected to be \$187k over budget at year-end due to costs for consulting support for assessment studies regarding the EPA's proposed Clean Power Plan and added support for the Reliability Issues Steering Committee (RISC). The use of operating reserves received all required authorizations.
 - Reliability Risk Management – Over budget \$703k YTD and projected to be \$590k over budget at year-end due to higher than budgeted costs for multiple reliability tools, costs resulting from delays in the replacement of a secure alert system, and costs resulting from delays in the transition from NERCnet to the new network established by the Eastern Interconnection Data Sharing Network, Inc. Effective September 30th, all NERCnet connections were discontinued.
 - General and Administrative – The YTD actual and projected year-end over budget variance is related to the ERO effectiveness survey which began in 2014 and carried over into 2015 and was not budgeted in 2015.

- Compliance Assurance; E-ISAC; Training and Education; and Finance and Accounting - Under budget YTD due to timing difference between actual expenses incurred and the budget, which is allocated equally throughout the year.
- IT – Under budget YTD partially due to the timing difference between actual expenses incurred and the budget, and also due to the reallocation of funding budgeted in Consultants and Contracts to cover costs that will be recorded in fixed assets and travel.
- HR - Under budget \$91k YTD but projected to be \$189k over budget at year-end due to costs for the executive and employee compensation study.

**Consultant and Contract Expenses
By Department**

CONSULTANTS and CONTRACTS	Actual	Budget	Variance Over (Under)	Annual Projection	Annual Budget	Variance Over (Under)
COMPLIANCE ASSURANCE	\$ 246,930	\$ 291,001	\$ (44,071)	\$ 388,000	\$ 388,000	\$ -
RAPA	1,023,524	880,274	143,250	1,142,030	955,450	186,580
RRM	1,599,325	896,503	702,822	1,666,589	1,077,321	589,268
E-ISAC	682,853	817,600	(134,747)	1,154,080	1,090,135	63,945
TRAINING, EDUC and OP CERT	447,329	564,096	(116,767)	739,354	752,130	(12,776)
GEN & ADMIN	61,045	-	61,045	80,000	-	80,000
POLICY and EXTERNAL AFFAIRS	2,400	11,250	(8,850)	15,000	15,000	-
INFORMATION TECHNOLOGY	979,837	1,297,201	(317,364)	1,586,853	1,729,600	(142,747)
HUMAN RESOURCES	132,432	223,707	(91,275)	487,275	298,275	189,000
FINANCE and ACCOUNTING	145,565	254,624	(109,059)	324,958	339,500	(14,542)
TOTAL (excluding CRISP)	\$ 5,321,241	\$ 5,236,256	\$ 84,984	\$ 7,584,139	\$ 6,645,411	\$ 938,728

- Office Costs, Professional Services and Miscellaneous expenses were collectively \$73k, 1.7%, under budget through September; projected to be \$173k, 3.1%, under budget at year-end.
 - Office Costs were \$229k, 9.3%, over budget and projected to be \$142k, 4.3% over budget at year-end, primarily due to higher than budgeted software and computer maintenance costs and higher than budgeted subscription services.
 - Professional services were \$286k, 16.9%, under budget through September and projected to be \$313k, 13.8%, under budget at year-end, primarily due to lower projected outside counsel expense
- Other Non-Operating expenses were \$38k, 38.9%, under budget through September, and are projected to be \$61k, 46.4%, under budget at year-end due to lower than budgeted interest

expense related to the capital financing loan. As a result of budget under runs in 2014, management did not draw on the loan in 2014 as was planned when the 2015 budget was developed.

- Fixed Asset Purchases (excluding depreciation) were \$187k, 7.1%, under budget through September and are projected to be \$1.2M, 34.3%, over budget at year end due to (1) the document management implementation that was approved by the FAC and Board in May, 2015 and (2) leasehold improvements in the Atlanta and DC offices, which were funded by reserves and approved at the FAC in November, 2014. A number of significant projects that are built into the projection are under way, but have not been completed. These projects include document management, enhancements to the compliance database and standards balloting system, and replacement for the software application for industry access to GADS data.

CRISP VARIANCES

CRISP was \$3.4M, 51.3% under budget through September, and is projected to be \$1.2M, 13.5%, under budget at year-end, primarily due to lower than budgeted contract and consulting expense. When the 2015 budget was prepared, it was assumed that all CRISP contracts would be executed and associated expenses would be incurred in 2015. However, as previously reported, a portion of CRISP expenses that were budgeted in 2015 were incurred in 2014. Based upon 2015 contract costs, which were finalized after the 2015 budget was submitted to FERC, contract and consulting expense related to CRISP is projected to be \$1.1M under budget in 2015. This will also reduce 2015 funding from CRISP participants since CRISP contractual provisions require funding to match actual costs. Any under runs in actual versus budgeted CRISP costs which are funded by CRISP participants will be credited to CRISP participants pursuant to the terms of the CRISP participant agreements.

OPERATING RESERVES – Current Balances

As of September 30, 2015, the balance in working capital and operating reserves was \$11.5M, which was \$6.4M higher than budget. As previously reported, this higher than budgeted reserve balance was the result of two factors that were not anticipated at the time the 2015 budget was approved:

- (1) The reserve balance reflects \$4.4M in CRISP reserves that are in addition to a \$500k CRISP insurance reserve, due to timing differences between receipt of third-party funding for CRISP, which occurs at the beginning of the year, and expenses incurred throughout the year.
- (2) The beginning balance in working capital and operating reserves was \$1.9M higher than budgeted due to expense and fixed asset under runs in 2014. The actual 2015 beginning balance in working capital and operating reserves was \$7.5M, based upon audited 2014 year-end results.
- (3) The balances in the Future Obligations Reserve, the Operating Contingency Reserve, the System Operator Reserves, and CRISP Reserves as of September 30, were approximately \$3.2M, \$2.5M, \$932k, and \$4.9M respectively.

				September 30, 2015 Reserve Balances				
				Future Obligations Reserve	Operating Contingency Reserve	System Operator Reserves	***CRISP Reserves	Assessment Stabilization Reserve
	Actual	Budget	Variance Over (Under)					
2015 Beginning Reserve Balances	\$ 7,460,907	\$ 5,573,225	\$ 1,887,682	\$ 3,569,492	\$ 2,011,402	\$ 1,294,513	\$ 585,500	\$ -
<u>Change in Reserves from Current Year Operations</u>								
Change in Reserves from budgeted operations	5,271,965	477,138	4,794,826	62,000	1,197,189	(362,368)	4,375,144	
Approved use of reserves	(407,938)	-	(407,938)		(407,938)			
<u>Capital Financing</u>								
Proceeds from Financing Activities (non-current only)	-	-	-		-			
Debt Service	(316,250)	(670,248)	353,998		(316,250)			
Other adjustments to reserves**	(476,338)	(241,664)	(234,675)	(451,083)	60,245		(85,500)	
Reserve Balance	\$ 11,532,346	\$ 5,138,451	\$ 6,393,894	\$ 3,180,409	\$ 2,544,648	\$ 932,145	\$ 4,875,144	\$ -

**Represents transactions recorded only on the Statement of Financial Position (balance sheet) and do not impact the Statement of Activities (income statement), including recording of capitalized leases,

***Represents 2015 CRISP funding billed, net of 2014 credits issued for budget under runs.

OPERATING RESERVES – Year End Projection

The current year-end projection in total operating reserves for 2015 is \$6.2M, including \$1.86M in the Operating Contingency Reserve, which is slightly below the \$2.0M Operating Contingency Reserve balance included in the 2016 Business Plan and Budget. The projected use of operating reserves includes the following:

- (1) \$600k for a document management program (approved by the Board in May 2015)
- (2) \$597k for leasehold improvements (approved by the FAC in November 2014)
- (3) \$110k to study the EPA Clean Power Plan (approved by the CEO)
- (4) \$50k for higher than budgeted costs associated with GridEx III (approved by the CFAO)
- (5) \$174k for the executive and employee compensation study (approved by the CEO)
- (6) \$60k for RISC support (approved by CFAO)

					2015 Projected Year End Reserve Balances				
	2015 Projection	2015 Budget	Variance Over (Under)		Future Obligations Reserve	Operating Contingency Reserve	System Operator Reserves	***CRISP Reserves	Assessment Stabilization Reserve
2015 Beginning Reserve Balances	\$ 7,460,907	\$ 5,573,225	\$ 1,887,682		\$ 3,569,492	\$ 2,011,402	\$ 1,294,513	\$ 585,500	\$ -
<u>Change in Reserves from Current Year Operations</u>									
Change in Reserves from budgeted operations	(181,899)	721,956	(965,855)		62,000	343,620	(512,435)	(75,084)	
Approved use of reserves	(1,320,006)	-	(1,320,006)			(1,320,006)			
<u>Capital Financing</u>									
Proceeds from Financing Activities (non-current only)	1,266,667	1,266,667	-			1,266,667			
Debt Service	(421,667)	(893,664)	471,997			(421,667)			
Other adjustments to reserves**	(621,320)	(322,218)	(299,102)		(593,418)	(17,486)		(10,416)	
Reserve Balance	\$ 6,182,681	\$ 6,345,966	\$ (225,284)		\$ 3,038,074	\$ 1,862,530	\$ 782,077	\$ 500,000	\$ -

**Represents transactions recorded only on the Statement of Financial Position (balance sheet) and do not impact the Statement of Activities (income statement), including recording of capitalized

***Represents 2015 CRISP funding billed, net of 2014 credits issued for budget under runs.

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION
Statement of Activities and Fixed Assets Budget
(Unaudited)
For the period ended 09/30/2015

	Actual	Budget	Variance Over (Under)	%	Annual Projection	Annual Budget	Variance Over (Under)	%
Funding								
Assessments	\$ 41,481,281	\$ 41,481,281	\$ -		\$ 55,308,375	\$ 55,308,375	\$ -	
Penalties	1,155,000	1,155,000	-		1,155,000	1,155,000	-	
Third-Party Funding (CRISP)	7,233,146	6,707,692	525,454		7,233,146	8,943,589	(1,710,443)	
Testing	1,167,083	1,252,502	(85,419)		1,670,000	1,670,000	-	
Services & Software	47,000	37,502	9,498		50,000	50,000	-	
Workshop Fees	196,952	116,800	80,152		250,040	241,300	8,740	
Interest	6,875	2,251	4,624		9,204	3,000	6,204	
Miscellaneous	156	-	156		156	-	156	
Total Funding	\$ 51,287,493	\$ 50,753,028	\$ 534,465	1.1%	\$ 65,675,921	\$ 67,371,264	\$ (1,695,343)	-2.5%
Expenses								
Personnel Expenses								
Salaries	\$ 20,908,156	\$ 20,685,509	\$ 222,647		\$ 28,157,784	\$ 27,580,676	\$ 577,108	
Payroll Taxes	1,484,799	1,428,189	56,609		1,820,933	1,673,628	147,305	
Employee Benefits	2,438,897	2,660,380	(221,483)		3,184,986	3,547,177	(362,191)	
Savings & Retirement	1,934,422	2,208,486	(274,064)		2,737,982	3,001,829	(263,847)	
Total Personnel Expenses	\$ 26,766,274	\$ 26,982,565	\$ (216,291)	-0.8%	\$ 35,901,685	\$ 35,803,311	\$ 98,374	0.3%
Meeting Expenses								
Meetings	\$ 753,638	\$ 694,154	\$ 59,484		\$ 1,046,283	\$ 1,050,000	\$ (3,717)	
Travel	1,618,512	1,652,538	(34,026)		2,135,600	2,203,395	(67,795)	
Conference Calls	199,355	234,565	(35,210)		288,579	312,751	(24,172)	
Total Meeting Expenses	\$ 2,571,505	\$ 2,581,257	\$ (9,752)	-0.4%	\$ 3,470,462	\$ 3,566,146	\$ (95,684)	-2.7%
Operating Expenses								
Consultants and Contracts	\$ 8,229,860	\$ 10,985,797	\$ (2,755,938)		\$ 14,100,239	\$ 14,311,466	\$ (211,227)	
Rent & Improvements	2,138,711	2,240,831	(102,120)		2,877,749	2,987,777	(110,028)	
Office Costs	2,689,058	2,687,477	1,581		3,721,919	3,583,328	138,591	
Professional Services	1,495,583	1,958,462	(462,879)		2,137,845	2,611,280	(473,435)	
Miscellaneous	11,438	27,375	(15,937)		35,250	36,500	(1,250)	
Depreciation	1,472,302	1,749,755	(277,453)		2,284,218	2,333,006	(48,788)	
Total Operating Expenses	\$ 16,036,952	\$ 19,649,698	\$ (3,612,746)	-18.4%	\$ 25,157,220	\$ 25,863,357	\$ (706,138)	-2.7%
Other Non-Operating Expenses								
	\$ 60,068	\$ 98,250	\$ (38,182)	-38.9%	\$ 70,206	\$ 131,000	\$ (60,794)	-46.4%
Indirect Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Total Expenses	\$ 45,434,799	\$ 49,311,770	\$ (3,876,972)	-7.9%	\$ 64,599,572	\$ 65,363,815	\$ (764,242)	-1.2%
Net Change in Assets	\$ 5,852,694	\$ 1,441,258	\$ 4,411,437	306.1%	\$ 1,076,348	\$ 2,007,449	\$ (931,101)	-46.4%
Fixed Assets								
Depreciation	\$ (1,472,302)	\$ (1,749,755)	\$ 277,453		\$ (2,284,218)	\$ (2,333,006)	\$ 48,788	
Computer & Software	1,156,124	2,365,125	(1,209,001)		3,254,761	3,153,500	101,261	
Furniture & Fixtures	193,216	-	193,216		193,216	-	193,216	
Equipment	897,780	348,750	549,030		1,088,740	465,000	623,740	
Leasehold Improvements	213,849	-	213,849		387,756	-	387,756	
Allocation of Fixed Assets	-	-	-		-	-	-	
Incr(Dec) in Fixed Assets	\$ 988,667	\$ 964,120	\$ 24,547	2.5%	\$ 2,640,254	\$ 1,285,494	\$ 1,354,760	105.4%
Total Budget (Expenses plus Incr(Dec) in Fixed Assets)	\$ 46,423,466	\$ 50,275,890	\$ (3,852,424)	-7.7%	\$ 67,239,826	\$ 66,649,308	\$ 590,518	0.9%
FTE's	192.05	192.35	(0.30)	-0.2%	193.68	192.30	1.38	0.7%

**NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION
STATEMENT OF FINANCIAL POSITION
(Unaudited)**

	Unaudited		Audited		Working Capital and Operating Reserves	
	9/30/2015	12/31/2014	9/30/2015	12/31/2014	9/30/2015	12/31/2014
ASSETS						
Cash	\$ 42,856,028	\$ 38,904,711	\$ 42,856,028	\$ 38,904,711		
Accounts receivable, net of allowance for uncollectible accounts of \$0	15,667,168	5,059,002	15,667,168	5,059,002		
Prepaid expenses and other current assets	1,110,902	756,727	1,110,902	756,727		
Security deposit	125,416	99,136				
Employee Fiduciary - 457b	522,756	522,756				
457(f) Non-Qualified Def Comp	271,200	-				
Property and equipment	6,916,412	5,929,365				
Total Assets	\$ 67,469,882	\$ 51,271,697				
LIABILITIES AND NET ASSETS						
Liabilities						
Current Portion						
Accounts payable and accrued expenses (includes vacation accrual)	\$ 4,257,317	\$ 4,970,198	\$ (4,257,317)	\$ (4,970,198)		
Accrued incentive compensation	3,133,453	4,054,329	(3,133,453)	(4,054,329)		
Deferred rent-current	252,933	249,269	(252,933)	(249,269)		
Deferred compensation - current	14,257	14,257	(14,257)	(14,257)		
Capital lease obligations - current	56,457	56,457	(56,457)	(56,457)		
Accrued retirement liabilities	1,533,228	1,907,562	(1,533,228)	(1,907,562)		
Debt service - current portion	421,667	421,667	(421,667)	(421,667)		
Deferred income	13,926,691	6,228,959	(13,926,691)	(6,228,959)		
Deferred revenue - other	-	-	-	-		
Deferred revenue - penalties	-	-	-	-		
Deferred revenue - CRISP	251,854	3,953,379	(251,854)	(3,953,379)		
Regional assessments	20,543,894	11,438,455	(20,543,894)	(11,438,455)		
Total Current Portion	\$ 44,391,752	\$ 33,294,532				
Long-Term Portion						
Deferred compensation ¹	782,848	783,446				
Long-Term Debt	140,556	456,806				
Deferred Rent-non-current	3,389,609	3,569,492				
CRISP Insurance Reserve	500,000	500,000				
Capital lease obligations - non-current	216,481	216,481				
Total Long-Term Portion	\$ 5,029,494	\$ 5,526,224				
Total Liabilities	\$ 49,421,246	\$ 38,820,756				
Net Assets - unrestricted	\$ 14,338,636	\$ 8,485,941				
Net Assets - restricted	3,710,000	3,965,000	(3,710,000)	(3,965,000)		
Total Liabilities and Net Assets	\$ 67,469,882	\$ 51,271,697	\$ 11,532,346	\$ 7,460,907		
Working Capital and Operating Reserves	\$ 11,532,346	\$ 7,460,907				

¹Includes 457b liability, life insurance for former executive, and retiree medical

Financial Covenants

1 - WC & OR Balance to Debt Service Ratio > 1.2 to 1.0 (Working Capital / Debt Service)	27.35
2 - Liquidity to Debt Service Ratio > 1.5 to 1.0* (= Cash - Regional Assessments - Restricted Net Assets)	44.12