

Item 6.1: Review 2019 Financial Summary

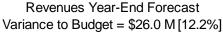
Sean Taylor Controller

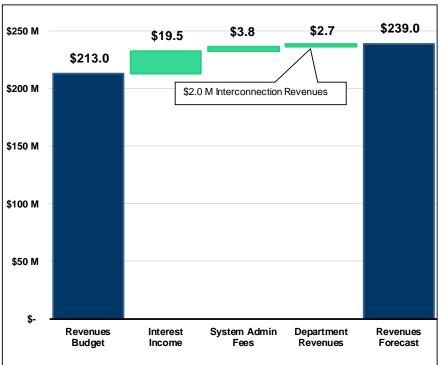
Finance & Audit Committee Meeting

ERCOT Public August 12, 2019

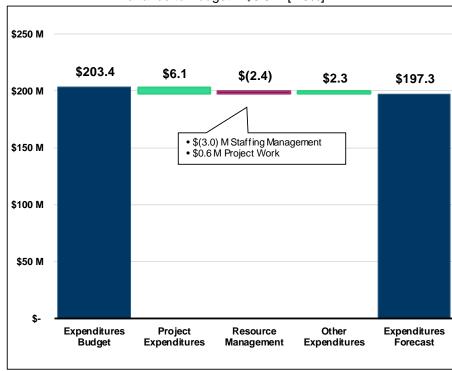
Review 2019 Financial Summary: 2019 Variance to Budget (\$ in Millions)

Net Available Year-End Forecast Variance to Budget = \$32.0 M





Expenditures Year-End Forecast Variance to Budget = \$6.0 M [2.9%]



Charts may not foot due to rounding.



Review 2019 Financial Summary: Statements of Financial Position

As of June 30, 2019 and 2018 (\$ in Millions)

	2019		2018
Assets			
Unrestricted cash	\$ 872.7	\$	767.9
Bond investments	101.4		_
Total unrestricted cash and bond investments	974.1		767.9
Restricted cash	429.6		639.1
Other current assets	39.2		39.1
Other long-term assets	139.5		136.0
Total assets	\$ 1,582.4	\$	1,582.1
Liabilities and Net Assets			
CRR auction liabilities-current	\$ 511.6	\$	440.5
CRR auction liabilities-long term	373.5		251.1
Other market liabilities	95.2		108.0
Total market settlement liabilities	980.3		799.6
Security deposits	429.6		639.1
Other current liabilities	21.7		22.8
Other long-term liabilities	49.2		53.2
Net assets without donor restrictions	101.6		67.4
Total liabilities and net assets	\$ 1,582.4	\$	1,582.1



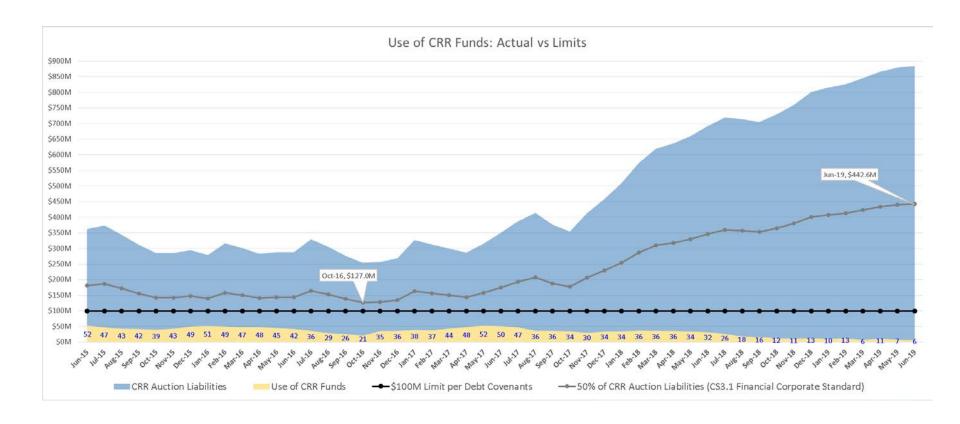
Review 2019 Financial Summary: Statements of Activities and Net Assets

For the Six Months Ended June 30, 2019 and 2018 (\$ in Millions)

	2019		2018
Operating revenues	\$	112.7	\$ 112.0
Operating expenses		111.4	103.1
(Loss) income from operations		1.3	8.9
Other income (expense)		10.0	4.0
Change in net assets without donor restrictions		11.3	12.9
Net assets without donor restrictions, beginning of year		90.3	54.5
Net assets without donor restrictions, end of period	\$	101.6	\$ 67.4



Review 2019 Financial Summary: Use of CRR Funds: Actual vs Limits





Item 6.1
ERCOT Public

Review 2019 Financial Summary

Appendices



As of July 29, 2019										
\$ in Millions)		Year to D	ate (June 30)				Year En			
-	2018		2019	Varia	nce	2018		2019	Varian	ce
Line	Actual	Budget	Actual	\$	%	Actual	Budget	Forecast	<u></u>	%
1 System Administration Revenue	\$ 100.5	\$ 98.2	\$ 99.2	\$ 0.9	1.0	\$ 209.9	\$ 207.4	\$ 211.2	\$ 3.8	1.8
2 Department Net Expenditures										
3 Chief Information Office	33.7	36.8	37.2	(0.4)	(1.0)	72.4	72.5	72.2	0.3	0.4
4 Chief Operating Office	30.0	32.5	30.4	2.1	6.6	54.5	65.1	62.9	2.2	3.4
5 Chief Administrative Office	11.6	13.4	12.8	0.6	4.4	28.2	26.8	26.2	0.6	2.3
6 External Affairs & Corporate Communications	3.1	3.3	3.2	0.1	3.1	6.0	6.9	6.7	0.2	2.9
7 General Counsel	2.1	2.4	2.0	0.4	18.1	3.9	5.0	4.7	0.2	4.
8 Chief Executive Office	0.9	1.1	1.1	(0.0)	(4.5)	2.0	2.1	2.2	(0.1)	(4.9
9 Project Funded Labor	(5.4)	(4.9)	(3.9)	(1.0)	(20.2)	(10.6)	(9.8)	(8.6)	(1.2)	(12.
10 Total Department Net Expenditures	75.9	84.7	82.8	1.9	2.2	156.6	168.6	166.3	2.3	1.4
11 Net Revenues After Department Expenditures	24.6	13.6	16.4	2.8	20.6	53.3	38.8	44.9	6.1	15.8
12										
13 Less: Project Expenditures	20.2	14.3	11.6	2.7	18.6	40.3	28.5	22.4	6.1	21.
14 Less: Interest Expense	0.8	1.0	0.8	0.2	20.0	1.4	2.0	1.7	0.3	16.
15 Add: Interest Income	4.7	0.7	10.8	10.1	1,556.4	13.1	1.3	20.8	19.5	1,500.
16										
17 Net Available	\$ 8.4	\$ (1.0)	\$ 14.8	\$ 15.8	1,564.2	\$ 24.8	\$ 9.6	\$ 41.6	\$ 32.0	334.

Electric Reliability Council of Texas, Inc.

2019 Financial Summary Variance Explanations
As of July 29, 2019

As of July 29, 2019					
Line		Year to Date (June 30)	Year End (December 31)		
1	System Administration Revenue	+\$0.5 M - Stronger economy +\$0.4 M - Weather	+\$3.8 M - Based on current actuals and load forecast for remainder of year		
3	Chief Information Office	+\$0.9 M - HW/SW vendor support services [Resource Management-Project Work] +\$0.3 M - Employee training and business travel +\$0.2 M - Wide Area Network (WAN) revenue +\$0.2 M - Building systems maintenance -\$1.2 M - Contingent labor [Resource Management-Staffing Management] -\$0.5 M - HW/SW support and maintenance renewals -\$0.2 M - Lower-than-budgeted vacancy [Resource Management-Staffing Management] Timing Differences -\$0.3 M - Outside services +\$0.2 M - Minor capital purchases	+\$1.8 M - HW/SW vendor support services [Resource Management-Project Work] +\$0.5 M - Employee training and business travel +\$0.4 M - Wide Area Network (WAN) revenue +\$0.4 M - Building systems maintenance -\$1.9 M - Contingent labor [Resource Management-Staffing Management] -\$0.6 M - HW/SW support and maintenance renewals -\$0.3 M - Lower-than-budgeted vacancy [Resource Management-Staffing Management]		
4	Chief Operating Office	+\$1.5 M - Interconnection revenue +\$0.4 M - Electricity and building maintenance +\$0.2 M - Employee training and business travel +\$0.2 M - Black Start and Operator Training Seminar expense -\$0.2 M - Lower-than-budgeted vacancy [Resource Management-Staffing Management] -\$0.2 M - HW/SW purchases and maintenance -\$0.2 M - Contingent labor [Resource Management-Staffing Management] Timing Differences +\$0.3 M - Minor capital purchases +\$0.1 M - Black Start and Operator Training Seminar expense +\$0.1 M - Equipment and maintenance +\$0.1 M - Professional services/research -\$0.1 M - Professional services/research -\$0.1 M - Black Start and Operator Training Seminar revenue	+\$2.0 M - Interconnection revenue +\$0.4 M - Electricity and building maintenance +\$0.2 M - Employee training and business travel +\$0.2 M - Black Start and Operator Training Seminar expense +\$0.1 M - Black Start and Operator Training Seminar revenue +\$0.1 M - Special project billing revenue -\$0.3 M - Lower-than-budgeted vacancy [Resource Management-Staffing Management] -\$0.3 M - HW/SW purchases and maintenance -\$0.2 M - Contingent labor [Resource Management-Staffing Management]		

Electric Reliability Council of Texas, Inc. 2019 Financial Summary Variance Explanations

As of July 29, 2019

Line		Year to Date (June 30)	Year End (December 31)
5	Chief Administrative Office	+\$0.3 M - Insurance premiums	+\$0.5 M - Insurance premiums
		+\$0.1 M - Property tax	+\$0.2 M - Property tax
		+\$0.1 M - Higher-than-budgeted vacancy [Resource Management-Staffing Management]	+\$0.1 M - Higher-than-budgeted vacancy [Resource Management-Staffing Management]
		+\$0.1 M - Employee training and business travel	+\$0.1 M - Employee training and business travel
		-\$0.1 M - Contingent labor [Resource Management-Staffing Management]	-\$0.2 M - Contingent labor [Resource Management-Staffing Management]
		-\$0.1 M - Protocol services	-\$0.1 M - Protocol services
		Timing Differences	
		+\$0.1 M - Corporate events	
		+\$0.1 M - Higher-than-budgeted vacancy [Resource Management-Staffing Management]	
6	External Affairs &	+\$0.1 M - Higher-than-budgeted vacancy [Resource Management-Staffing Management]	+\$0.1 M - Higher-than-budgeted vacancy [Resource Management-Staffing Management]
	Corporate Communications		+\$0.1 M - Employee training and business travel
7	General Counsel	+\$0.3 M - Outside legal services	+\$0.3 M - Outside legal services
		+\$0.1 M - Special project billing revenue	+\$0.1 M - Special project billing revenue
		-\$0.1 M - Lower-than-budgeted vacancy [Resource Management-Staffing Management]	-\$0.2 M - Lower-than-budgeted vacancy [Resource Management-Staffing Management]
		<u>Timing Differences</u>	
		+\$0.1 M - Outside legal services	
8	Chief Executive Office	-\$0.1 M - Lower-than-budgeted vacancy [Resource Management-Staffing Management]	-\$0.1 M - Lower-than-budgeted vacancy [Resource Management-Staffing Management]
		<u>Timing Differences</u>	
		+\$0.1 M - Miscellaneous variances	
9	Project Funded Labor	-\$1.0 M - Multiple projects [Resource Management-Project Work]	-\$1.2 M - Multiple projects [Resource Management-Project Work]
10	D 1 - E - 15	00.734 34 34 34	ACTIVE DE LA LA LA LA DE DE CARACTERÍA DOS
13	Project Expenditures	+\$2.7 M - Multiple projects	+\$6.1 M - Primarily due to accelerated spend for Data Center 4.0 Optimization (DC4)
			and Training Facility in 2018
14	Interest Expense	+\$0.2 M - Use of revolver has not been necessary	+\$0.4 M - Use of revolver may not be necessary
	1	Í	-\$0.1 M - Lower capitalized interest
			, i
15	Interest Income	+\$10.1 M - Interest rate and average investment balance approximately six and three	+\$19.5 M - Interest rate and average investment balance approximately six and three
		times higher than budget, respectively	times higher than budget, respectively

Electric Reliability Council of Texas, Inc. Project Expenditures Summary

(\$ in Millions)

		Year to		Year End (YE) 9 As of July 29, 2019				Date	Estimate at Completion (EAC As of July 29, 2019				.C)
		As of June		Ì	% of All				% of All		29, 2019		
Line	,	Actual	% of YE Forecast	YE Forecast	Included Projects	Act	ual	% of EAC Forecast		AC ecast	Included Projects	Budget	Variance
	Projects with EAC Budget Over \$2.0 M												
1	Data Center 4.0 Optimization (DC4) Program	\$ 1.2	53%	\$ 2.4	11%	\$ 4	43.9	97%	\$	45.4	36%	\$ 48.0	\$ 2.6
2	Training Facility	0.6	98%	0.6	3%		10.4	100%		10.4	8%	11.0	0.6
3	Identity and Access Management (IAM)	1.5	67%	2.2	10%		7.3	90%		8.1	6%	7.7	(0.4)
4	IT Change and Configuration Management (ITCM)	0.5	95%	0.5	2%		6.2	100%		6.3	5%	6.3	(0.0)
5	System Grid Geospatially (Grid Geo) Viewed Program	1.0	45%	2.2	10%		3.6	59%		6.1	5%	6.0	(0.1)
6	Resource Asset Registration Form (RARF) Replacement	0.7	28%	2.7	12%		1.6	27%		5.9	5%	5.9	0.0
7	2015 Credit Monitoring and Management (CMM) NPRRs	1.0	95%	1.0	5%		5.1	99%		5.1	4%	5.1	(0.0)
8	Enterprise Content Alignment Program (ECAP)	0.4	33%	1.2	6%		2.9	59%		5.0	4%	5.0	(0.0)
9	Market Management System (MMS) / Outage Scheduler (OS) Technology Refresh	0.1	10%	1.0	4%		0.1	4%		2.8	2%	2.8	0.0
10	Retail Portfolio Refresh (RPR) Program	1.2	71%	1.7	8%		1.5	56%		2.6	2%	2.7	0.0
11	Privileged Account Management (PAM)	0.0	0%	0.9	4%		0.8	33%		2.6	2%	2.6	0.0
12	Total Projects with EAC Budget Over \$2.0 M	8.2	50%	16.4	73%		83.5	83%		100.3	79%	102.9	2.6
13	Other Projects	3.4	56%	6.0	27%	;	12.4	47%		26.6	21%	27.2	0.6
14	Total Project Expenditures	\$ 11.6	52%	\$ 22.4	100%	\$	95.9	76%	\$ 1	126.9	100%	\$ 130.1	\$ 3.2
	Note: Schedule may not foot due to rounding.					·							

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC. Statements of Financial Position As of June 30, 2019 and 2018

(Dollars in Thousands)

Assets Current assets: Cash and cash equivalents \$872,71	17 \$ 767,939
Cash and cash equivalents \$ 872,71	17 ¢ 767 030
, ,	17 ¢ 767 030
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Accounts receivable 4,68	3,904
Unbilled revenue 5,01	19 4,827
Restricted cash and cash equivalents 429,62	24 639,068
Short-term investments 101,10	- 00
Prepaid expenses and other current assets 29,68	30,342
Total current assets 1,442,82	29 1,446,080
Long-term investments -	-
Property and equipment, net 106,89	91 105,609
Systems under development 32,65	56 30,438
Total assets \$1,582,37	76 \$1,582,127
Liabilities and Net Assets	
Current liabilities:	
Accounts payable \$ 2,58	39 \$ 3,727
Accrued liabilities 10,20	
Deferred revenue 4,87	
Market settlement liabilities 606,76	
Security deposits 429,62	
Notes payable, current portion 4,00	
Total current liabilities 1,058,05	
Long-term liabilities:	.,,,
Notes payable, less current portion:	
Principal 49,00	53,000
Less unamortized debt issuance costs 17	
Notes payable less current portion and unamortized	
debt issuance costs 48,82	22 52,806
Long-term CRR liabilities 373,51	
Other long-term liabilities 35	
Total long-term liabilities 422,68	
Total liabilities 1,480,74	
Net assets without donor restrictions 101.63	
Total liabilities and net assets \$1,582,37	

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC. Statements of Activities and Net Assets For the Six Months Ended June 30, 2019 and 2018 (Dollars in Thousands)

Operating revenues \$ 99,180 \$ 100,525 Reliability organization pass-through 9,474 8,164 Other services revenue 4,060 3,315 Total operating revenues 112,714 112,004 Operating expenses 57,611 53,628 Salaries and related benefits 57,611 53,628 Facility and equipment costs 4,833 4,640 Outside services 8,448 6,747 Hardware and software maintenance and licensing 12,999 11,847 Reliability organization assessment 9,474 8,164 Depreciation 14,578 14,605 Amortization of regulatory asset - - Other 3,420 3,440 Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) 10,767 4,733 Interest expense (799) (781) Non-operating expense - (66)		2019	2018
Reliability organization pass-through 9,474 8,164 Other services revenue 4,060 3,315 Total operating revenues 112,714 112,004 Operating expenses 57,611 53,628 Salaries and related benefits 57,611 53,628 Facility and equipment costs 4,833 4,640 Outside services 8,448 6,747 Hardware and software maintenance and licensing 12,999 11,847 Reliability organization assessment 9,474 8,164 Depreciation 14,578 14,605 Amortization of regulatory asset - - Other 3,420 3,440 Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) 10,767 4,733 Interest expense (799) (781)	Operating revenues		
Other services revenue 4,060 3,315 Total operating revenues 112,714 112,004 Operating expenses 57,611 53,628 Salaries and related benefits 57,611 53,628 Facility and equipment costs 4,833 4,640 Outside services 8,448 6,747 Hardware and software maintenance and licensing 12,999 11,847 Reliability organization assessment 9,474 8,164 Depreciation 14,578 14,605 Amortization of regulatory asset - - Other 3,420 3,440 Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) 10,767 4,733 Interest expense (799) (781)	System administration fees	\$ 99,180	\$100,525
Total operating revenues 112,714 112,004 Operating expenses 57,611 53,628 Salaries and related benefits 57,611 53,628 Facility and equipment costs 4,833 4,640 Outside services 8,448 6,747 Hardware and software maintenance and licensing 12,999 11,847 Reliability organization assessment 9,474 8,164 Depreciation 14,578 14,605 Amortization of regulatory asset - - Other 3,420 3,440 Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) 10,767 4,733 Interest expense (799) (781)	Reliability organization pass-through	9,474	8,164
Operating expenses 57,611 53,628 Salaries and related benefits 57,611 53,628 Facility and equipment costs 4,833 4,640 Outside services 8,448 6,747 Hardware and software maintenance and licensing 12,999 11,847 Reliability organization assessment 9,474 8,164 Depreciation 14,578 14,605 Amortization of regulatory asset - - Other 3,420 3,440 Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) 10,767 4,733 Interest expense (799) (781)	Other services revenue	4,060	3,315
Salaries and related benefits 57,611 53,628 Facility and equipment costs 4,833 4,640 Outside services 8,448 6,747 Hardware and software maintenance and licensing 12,999 11,847 Reliability organization assessment 9,474 8,164 Depreciation 14,578 14,605 Amortization of regulatory asset - - Other 3,420 3,440 Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) 10,767 4,733 Investment return, net 10,767 4,733 Interest expense (799) (781)	Total operating revenues	112,714	112,004
Facility and equipment costs 4,833 4,640 Outside services 8,448 6,747 Hardware and software maintenance and licensing 12,999 11,847 Reliability organization assessment 9,474 8,164 Depreciation 14,578 14,605 Amortization of regulatory asset - - Other 3,420 3,440 Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) Investment return, net 10,767 4,733 Interest expense (799) (781)	Operating expenses		
Outside services 8,448 6,747 Hardware and software maintenance and licensing 12,999 11,847 Reliability organization assessment 9,474 8,164 Depreciation 14,578 14,605 Amortization of regulatory asset - - Other 3,420 3,440 Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) Investment return, net 10,767 4,733 Interest expense (799) (781)	Salaries and related benefits	57,611	53,628
Hardware and software maintenance and licensing 12,999 11,847 Reliability organization assessment 9,474 8,164 Depreciation 14,578 14,605 Amortization of regulatory asset - - Other 3,420 3,440 Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) Investment return, net 10,767 4,733 Interest expense (799) (781)	Facility and equipment costs	4,833	4,640
Reliability organization assessment 9,474 8,164 Depreciation 14,578 14,605 Amortization of regulatory asset - - Other 3,420 3,440 Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) Investment return, net 10,767 4,733 Interest expense (799) (781)	Outside services	8,448	6,747
Depreciation 14,578 14,605 Amortization of regulatory asset - - Other 3,420 3,440 Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) Investment return, net 10,767 4,733 Interest expense (799) (781)	Hardware and software maintenance and licensing	12,999	11,847
Amortization of regulatory asset - - Other 3,420 3,440 Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) 10,767 4,733 Investment return, net 10,767 4,733 Interest expense (799) (781)	Reliability organization assessment	9,474	8,164
Other 3,420 3,440 Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) 10,767 4,733 Interest expense (799) (781)	Depreciation	14,578	14,605
Total operating expenses 111,363 103,071 Income from operations 1,351 8,933 Other income (expense) 10,767 4,733 Investment return, net 10,767 4,733 Interest expense (799) (781)	Amortization of regulatory asset	-	-
Income from operations 1,351 8,933 Other income (expense) 10,767 4,733 Interest expense (799) (781)	Other	 3,420	3,440
Other income (expense) Investment return, net 10,767 4,733 Interest expense (799) (781)	Total operating expenses	111,363	103,071
Investment return, net 10,767 4,733 Interest expense (799) (781)	Income from operations	1,351	8,933
Interest expense (799) (781)	Other income (expense)		
	Investment return, net	10,767	4,733
Non-operating expense - (66)	Interest expense	(799)	(781)
	Non-operating expense	-	(66)
Change in net assets without donor restrictions 11,319 12,819	Change in net assets without donor restrictions	11,319	12,819
Net assets without donor restrictions, beginning of year 90,317 54,533	Net assets without donor restrictions, beginning of year	90,317	54,533
Net assets without donor restrictions, end of period \$\\\\$101,636 \\$67,352	Net assets without donor restrictions, end of period	\$ 101,636	\$ 67,352

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.

Statements of Cash Flows

For the Six Months Ended June 30, 2019 and 2018

(Dollars in Thousands)

Operating activities: ***11,319** ***12,819** Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities: ***11,319** ***12,819** Depreciation 14,578** 14,605** Amortization of debt issuance costs 8 7 Amortization of bond discount (1,670) - Net loss on capital assets - 85 Changes in operating assets and liabilities: - 1,182 853 Unbilled revenue 1,182 853 Unbilled revenue (1,883) (425) Prepaid expenses and other assets (1,883) (425) Office of the imabilities (72) 31 Accounts payable 398 (890) Accrued liabilities (767) 1,010 Deferred revenue (767) 1,010 Security deposits (28,900) 83,060 Market settlement liabilities (28,900) 83,060 Long-term CRR liabilities (28,804) - Net cash provided by operating activities (28,834) <			2019		2018
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities: Depreciation 14,578 14,605 Amortization of debt issuance costs 8 7 Amortization of bond discount (1,670) - Net loss on capital assets - 85 Changes in operating assets and liabilities: - 85 Accounts receivable 1,182 853 Unbilled revenue (1,883) (425) Prepaid expenses and other assets (1,883) (3,977) Other long-term liabilities (72) 31 Accounts payable 398 (890) Accrued liabilities (767) 1,010 Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities (28,834) - Proceeds from Investments (28,834) - Proceeds from sale of property and equipment (13,603) (19,801) Pro	Operating activities:				_
to net cash provided by operating activities: 14,578 14,605 Depreciation 14,578 14,605 Amortization of beht issuance costs 7 Amortization of bond discount (1,670) - Net loss on capital assets - 85 Changes in operating assets and liabilities: - 85 Accounts receivable (1,883) (425) Prepaid expenses and other assets (1,888) (3,977) Other long-term liabilities (72) 31 Accounts payable 398 (890) Accrued liabilities (767) 1,010 Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 70,114 165,491 Net cash provided by operating activities 70,114 165,491 Net cash provided by operating activities 28,340 - Proceeds from Investments (28,834) - Capital expenditures for property and equipment and systems under development 1,3,603 (19,801) Procee	Change in net assets without donor restrictions	\$	11,319	\$	12,819
Depreciation 14,578 14,605 Amortization of debt issuance costs 8 7 Amortization of bond discount (1,670) - Net loss on capital assets - 85 Changes in operating assets and liabilities: - 85 Changes in operating assets and other assets (1,883) (425) Unbilled revenue (1,883) (3,977) Other long-term liabilities (72) 31 Accounts payable 398 (890) Accrued liabilities (767) 1,010 Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 28,834 - Purchase of Investments (28,834) - Proceeds from Investments (28,834) - Proceeds from sale of property and equipment (29,347) - Capital expenditures for property and equipment	Adjustments to reconcile change in net assets without donor restrictions				
Amortization of debt issuance costs 8 7 Amortization of bond discount (1,670) - Net loss on capital assets - 85 Changes in operating assets and liabilities: - 85 Accounts receivable 1,182 853 Unbilled revenue (1,883) (425) Prepaid expenses and other assets (1,888) (3,977) Other long-term liabilities (72) 31 Accounts payable 398 (890) Accrued liabilities (767) 1,010 Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 70,114 165,491 Net cash provided by operating activities 29,347 - Proceeds from Investments (28,834) - Proceeds from Investments (28,834) - Capital expenditures for property and equipment -	to net cash provided by operating activities:				
Amortization of bond discount (1,670) - Net loss on capital assets - 85 Changes in operating assets and liabilities: 1,182 853 Unbilled revenue (1,883) (425) Prepaid expenses and other assets (1,888) (3,977) Other long-term liabilities (72) 31 Accounts payable 398 (890) Accrued liabilities (767) 1,010 Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 70,114 165,491 Net cash provided by operating activities (28,834) - Purchase of Investments (28,834) - Proceeds from Investments (28,834) - Capital expenditures for property and equipment and systems under development Net cash (used in) investing activities (2,000) (13,090) (19,801) Financing activities: (Depreciation		14,578		14,605
Net loss on capital assets - 85 Changes in operating assets and liabilities: - 85 Accounts receivable 1,182 853 Unbilled revenue (1,883) (425) Prepaid expenses and other assets (1,888) (3,977) Other long-term liabilities (72) 31 Accounts payable 398 (890) Accrued liabilities (767) 1,010 Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 70,114 165,491 Investing activities: 1 1 1 Purchase of Investments (28,834) - - Proceeds from Investments (28,834) - - Capital expenditures for property and equipment and systems under development 1 - - Net cash (used in) investing activities (13,090) (1	Amortization of debt issuance costs		8		7
Changes in operating assets and liabilities: 1,182 853 Accounts receivable 1,182 853 Unbilled revenue (1,883) (425) Prepaid expenses and other assets (1,888) (3,977) Other long-term liabilities (722) 31 Accounts payable 398 (890) Accrued liabilities (767) 1,010 Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 67,561 371,803 Investing activities: Purchase of Investments (28,834) - Proceeds from Investments (28,834) - Proceeds from Investments (28,834) - Proceeds from sale of property and equipment and systems under development (13,603) (19,801) Proceeds from sale of property and equipment and systems under development - - - <	Amortization of bond discount		(1,670)		-
Accounts receivable 1,182 853 Unbilled revenue (1,883) (425) Prepaid expenses and other assets (1,888) (3,977) Other long-term liabilities (72) 31 Accounts payable 398 (890) Accrued liabilities (767) 1,010 Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 67,561 371,803 Investing activities: 29,347 - Purchase of Investments (28,834) - Proceeds from Investments (28,834) - Capital expenditures for property and equipment and systems under development (13,603) (19,801) Proceeds from sale of property and equipment and systems under development - - Net cash (used in) investing activities (2,000) (2,000) Payment of notes payable (2,000) (2,000)	Net loss on capital assets		-		85
Unbilled revenue (1,883) (425) Prepaid expenses and other assets (1,888) (3,977) Other long-term liabilities (72) 31 Accounts payable 398 (890) Accrued liabilities (767) 1,010 Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 70,114 165,491 Net cash provided by operating activities 29,347 - Purchase of Investments (28,834) - Capital expenditures for property and equipment and systems under development (13,603) (19,801) Proceeds from sale of property and equipment and systems under development - - Net cash (used in) investing activities (2,000) (2,000) Payment of notes payable (2,000) (2,000) Payment of debt issuance costs - (4) Net cash (used in) financing activities 5	Changes in operating assets and liabilities:				
Prepaid expenses and other assets (1,888) (3,977) Other long-term liabilities (72) 31 Accounts payable 398 (890) Accrued liabilities (767) 1,010 Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 70,114 165,491 Net cash provided by operating activities 29,347 - Purchase of Investments (28,834) - Proceeds from Investments 29,347 - Capital expenditures for property and equipment and systems under development (13,603) (19,801) Proceeds from sale of property and equipment - - - Net cash (used in) investing activities (2,000) (2,000) Payment of notes payable (2,000) (2,000) Payment of debt issuance costs - (4) Net cash (used in) financing activities 52,471 </td <td>Accounts receivable</td> <td></td> <td>1,182</td> <td></td> <td>853</td>	Accounts receivable		1,182		853
Other long-term liabilities (72) 31 Accounts payable 398 (890) Accrued liabilities (767) 1,010 Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 70,114 165,491 Investing activities: 29,347 - Purchase of Investments (28,834) - Proceeds from Investments 29,347 - Capital expenditures for property and equipment and systems under development (13,603) (19,801) Proceeds from sale of property and equipment and systems under development - - Net cash (used in) investing activities (2,000) (2,000) Financing activities: (2,000) (2,000) Repayment of notes payable (2,000) (2,000) Payment of debt issuance costs - (4) Net cash (used in) financing activities (2,000) (2	Unbilled revenue		(1,883)		(425)
Accounts payable 398 (890) Accrued liabilities (767) 1,010 Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 67,561 371,803 Investing activities: 29,347 - Purchase of Investments (28,834) - Proceeds from Investments 29,347 - Capital expenditures for property and equipment and systems under development (13,603) (19,801) Proceeds from sale of property and equipment and systems under development - - - Net cash (used in) investing activities (13,090) (19,801) Financing activities: (2,000) (2,000) Payment of notes payable (2,000) (2,000) Payment of debt issuance costs - (4) Net cash (used in) financing activities (2,000) (2,000) Net cash (used in) financing activities	Prepaid expenses and other assets		(1,888)		(3,977)
Accrued liabilities (767) 1,010 Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 67,561 371,803 Investing activities: 29,347 - Purchase of Investments (28,834) - Proceeds from Investments 29,347 - Capital expenditures for property and equipment and systems under development (13,603) (19,801) Proceeds from sale of property and equipment - - - Net cash (used in) investing activities (2,000) (2,000) Financing activities: (2,000) (2,000) Repayment of notes payable (2,000) (2,000) Payment of debt issuance costs - (4) Net cash (used in) financing activities (2,000) (2,004) Net cash (used in) financing activities 52,471 349,998 Cash, cash equivalents, and restricted cash and			(72)		_
Deferred revenue (791) (414) Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 67,561 371,803 Investing activities: 29,347 - Purchase of Investments (28,834) - Proceeds from Investments 29,347 - Capital expenditures for property and equipment and systems under development (13,603) (19,801) Proceeds from sale of property and equipment and systems under development - - - Net cash (used in) investing activities (13,090) (19,801) Financing activities: (2,000) (2,000) Payment of debt issuance costs - (4) Net cash (used in) financing activities (2,000) (2,004) Net increase in cash, cash equivalents, and restricted cash and cash equivalents 52,471 349,998 Cash, cash equivalents, and restricted cash and cash equivalents , beginning of year 1,249,870 1,057,009	Accounts payable		398		(890)
Security deposits (28,900) 83,060 Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 67,561 371,803 Investing activities: Purchase of Investments (28,834) - Proceeds from Investments 29,347 - Capital expenditures for property and equipment and systems under development (13,603) (19,801) Proceeds from sale of property and equipment - - - Net cash (used in) investing activities (13,090) (19,801) Financing activities: Repayment of notes payable (2,000) (2,000) Payment of debt issuance costs - (4) Net cash (used in) financing activities (2,000) (2,004) Net increase in cash, cash equivalents, and restricted cash and cash equivalents 52,471 349,998 Cash, cash equivalents, and restricted cash and cash equivalents , beginning of year 1,249,870 1,057,009	Accrued liabilities		(767)		1,010
Market settlement liabilities 5,933 99,548 Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 67,561 371,803 Investing activities: Purchase of Investments (28,834) - Proceeds from Investments 29,347 - Capital expenditures for property and equipment and systems under development (13,603) (19,801) Proceeds from sale of property and equipment - - - Net cash (used in) investing activities (13,090) (19,801) Financing activities: Repayment of notes payable (2,000) (2,000) Payment of debt issuance costs - (4) Net cash (used in) financing activities (2,000) (2,004) Net increase in cash, cash equivalents, and restricted cash and cash equivalents 52,471 349,998 Cash, cash equivalents, and restricted cash and cash equivalents beginning of year 1,249,870 1,057,009	Deferred revenue		(791)		(414)
Long-term CRR liabilities 70,114 165,491 Net cash provided by operating activities 67,561 371,803 Investing activities: 9 Urchase of Investments (28,834) - Proceeds from Investments 29,347 - Capital expenditures for property and equipment and systems under development (13,603) (19,801) Proceeds from sale of property and equipment - - - Net cash (used in) investing activities (13,090) (19,801) Financing activities: (2,000) (2,000) Payment of notes payable (2,000) (2,000) Payment of debt issuance costs - (4) Net cash (used in) financing activities (2,000) (2,004) Net increase in cash, cash equivalents, and restricted cash and cash equivalents 52,471 349,998 Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year 1,249,870 1,057,009	Security deposits		(28,900)		83,060
Net cash provided by operating activities67,561371,803Investing activities:28,834-Purchase of Investments29,347-Proceeds from Investments29,347-Capital expenditures for property and equipment and systems under development(13,603)(19,801)Proceeds from sale of property and equipmentNet cash (used in) investing activities(13,090)(19,801)Financing activities:Repayment of notes payable(2,000)(2,000)Payment of debt issuance costs-(4)Net cash (used in) financing activities(2,000)(2,004)Net increase in cash, cash equivalents, and restricted cash and cash equivalents52,471349,998Cash, cash equivalents, and restricted cash and cash equivalents , beginning of year1,249,8701,057,009	Market settlement liabilities		•		,
Purchase of Investments Proceeds from Investments Capital expenditures for property and equipment and systems under development Proceeds from sale of property and equipment Net cash (used in) investing activities Financing activities: Repayment of notes payable Payment of debt issuance costs Net cash (used in) financing activities Net cash (used in) financing activities Net cash (used in) activities Repayment of notes payable Payment of debt issuance costs Net cash (used in) financing activities Net cash (used in) financing activities Net increase in cash, cash equivalents, and restricted cash and cash equivalents Cash, cash equivalents, and restricted cash and cash equivalents Payment of year 1,249,870 1,057,009	Long-term CRR liabilities				
Purchase of Investments Proceeds from Investments Capital expenditures for property and equipment and systems under development Proceeds from sale of property and equipment and systems under development Net cash (used in) investing activities Capital expenditures for property and equipment and systems under development Capital expenditures for property and equipment and systems under development	Net cash provided by operating activities		67,561		371,803
Proceeds from Investments 29,347 - Capital expenditures for property and equipment and systems under development Proceeds from sale of property and equipment Net cash (used in) investing activities (13,603) (19,801) Financing activities: Repayment of notes payable Payment of debt issuance costs Net cash (used in) financing activities Net cash (used in) financing activities Net cash (used in) financing activities Net increase in cash, cash equivalents, and restricted cash and cash equivalents Cash, cash equivalents, and restricted cash and cash equivalents beginning of year 1,249,870 1,057,009	Investing activities:				
Capital expenditures for property and equipment and systems under development Proceeds from sale of property and equipment Net cash (used in) investing activities Financing activities: Repayment of notes payable Payment of debt issuance costs Net cash (used in) financing activities Net cash (used in) financing activities Net cash equivalents, and restricted cash and cash equivalents Cash, cash equivalents, and restricted cash and cash equivalents beginning of year (13,603) (19,801) (2,000) (19,801) (2,000) (2,000) (2,000) (2,000) (2,000) (2,004)	Purchase of Investments		(28,834)		-
Proceeds from sale of property and equipment Net cash (used in) investing activities Financing activities: Repayment of notes payable Payment of debt issuance costs Net cash (used in) financing activities Net cash (used in) financing activities Net increase in cash, cash equivalents, and restricted cash and cash equivalents Cash, cash equivalents, and restricted cash and cash equivalents beginning of year 1,249,870 1,057,009	Proceeds from Investments		29,347		-
Net cash (used in) investing activities (13,090) (19,801) Financing activities: Repayment of notes payable (2,000) (2,000) Payment of debt issuance costs - (4) Net cash (used in) financing activities (2,000) (2,004) Net increase in cash, cash equivalents, and restricted cash and cash equivalents (2,000) (2,004) Net increase in cash, cash equivalents, and restricted cash and cash equivalents (2,000) (2,004) Cash, cash equivalents, and restricted cash and cash equivalents (1,249,870) (1,057,009)	Capital expenditures for property and equipment and systems under development		(13,603)		(19,801)
Financing activities: Repayment of notes payable Payment of debt issuance costs Net cash (used in) financing activities Repayment of debt issuance costs (2,000) (2,000) (2,004) Net increase in cash, cash equivalents, and restricted cash and cash equivalents Cash, cash equivalents, and restricted cash and cash equivalents beginning of year 1,249,870 1,057,009	Proceeds from sale of property and equipment		-		-
Repayment of notes payable Payment of debt issuance costs Net cash (used in) financing activities Net increase in cash, cash equivalents, and restricted cash and cash equivalents Cash, cash equivalents, and restricted cash and cash equivalents beginning of year 1,249,870 1,057,009	Net cash (used in) investing activities		(13,090)		(19,801)
Repayment of notes payable Payment of debt issuance costs Net cash (used in) financing activities Net increase in cash, cash equivalents, and restricted cash and cash equivalents Cash, cash equivalents, and restricted cash and cash equivalents beginning of year 1,249,870 1,057,009	Financing activities:				
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Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year 1,249,870 1,057,009	·		(2,000)		
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year 1,249,870 1,057,009	Net increase in cash, cash equivalents, and restricted cash and cash equivalents		52,471		349,998
	·	•	1,249,870	1	
<u>_ + </u>	Cash, cash equivalents, and restricted cash and cash equivalents, end of period				