

The committee reviewed the draft questions from RFP responders and proposed responses:

1. Does CPCNH have a Copy of the Determination Letter from the IRS?

We don't have an IRS tax status determination letter. That filing (Form 1024-A) is due by the end of the year if we want to have IRS acknowledge our 501(3)(4) status from date of inception, which has been our goal all along. We, through DWGP, did timely file Form 8976 to put on the record that we are operating as 501(c)4. Here for reference is what IRS says on their Form 8976 web page:

"Organizations complete Form 8976 only once. However, you will have to file annual information returns or notices (e.g., Form 990, Form 990-EZ, or Form 990-N) depending on your total assets and gross receipts.

*"In addition to submitting Form 8976, organizations operating as 501(c)(4) organizations **may also choose to file** [Form 1024-A, Application for Recognition of Exemption Under Section 501\(c\)\(4\) of the Internal Revenue Code](#), to request recognition of tax-exempt status. Submission of a Form 1024-A does not relieve an organization of the requirement to submit Form 8976."*

And here is what the instructions for Form 1024-A say:

"When to File Generally, if you file Form 1024-A within 27 months after the month in which you were legally formed, and we approve your application, the effective date of recognition of your exempt status will be your legal date of formation. If you otherwise meet the requirements for tax-exempt status but don't meet the requirements for recognition from your date of formation, the effective date of recognition of your exempt status will be the date you submitted Form 1024-A."

2. Did CPCNH file the NH annual report for 2021?

This has not been done. It is not clear if it was actually required and upon completion of the 2022 Form 990 CPCNH will be filing a Form NHCT-10, Request for Pre-Registration Review.

3. Has CPCNH filed the 2022 tax returns.

Not yet, but we have contracted with Miller and Associates to have 2022 Form 990 completed by Nov 15.

4. Does CPCNH need an audit for 2022 or just for 2023?

Yes. and audit of 2022 is desirable. The Audit Committee members think an audit of the few 2022 transactions would be foundational for all other work since the bulk was done by a volunteer prior to hiring ECO CFO.

5. The RFP requests that the proposals include an affirmative statement that “the firm and all assigned key professional staff are properly licensed to practice in NH.” Please clarify if CPCNH is referring to a business license or CPA license? Does CPCNH require a copy of the firm’s license, or copies of licenses for each individual engagement team member?

Our intent is that the audit staff assigned to the CPCNH contract would be licensed to perform audits in the state of NH. This requires the audit staff to have a CPA license and the Firm to be licensed in NH to perform audit work.

6. In two places, the RFP requests that the Proposer state the proposal is valid for “[fill in] days” following the deadline. Can you please confirm how many days?

90 days would be preferable, but we hope to make a decision on the audit contract within 60 days of receipt of the RFP responses.

7. Please clarify if the first audit report is expected to be for the year ending 12/31/2023 as compared to the year (or period) ending 12/31/2022.

The first audit report is expected to be for the year ending 12/31/22. CPCNH will make records available for the few transactions of the year ending 12/31/21 that influence the beginning balance as soon as contract is signed.

8. When are the 12/31/2023 records expected to be available to begin our audit procedures?

12/31/2023 records will be available by or before February 1, 2024.

9. Does CPCNH prefer remote or on-site work during the engagement?

Remote work during the engagement would be better, due to the availability of office space.

10. Is it expected that we will work with the external accountants/ bookkeepers directly or through CPCNH staff (or both)?

Both the CPCNH staff, CPCNH Treasurer and the ECO-CFO will work directly with the auditing firm selected.

11. Does CPCNH expect to have internal audit staff?

Not at this time.

12. Does CPCNH consider its hedging activities to be safeguards against power market fluctuations or derivative financial instruments as defined under U.S. GAAP?

Hedging activities thus far are actual procurement of strips of power supply in the ISO New England market and are safeguards against power market fluctuations.

13. What are the details of the deferred compensation plan identified in CPCNH's Board Approved 4/21/23 Budget-2023?

CPCNH has not worked out the details yet with the CEO. There is no plan yet in place.

14. How many, and what type of leases does CPCNH have?

CPCNH has short term leases the office space in Lebanon, NH and in Concord, NH.

15. Is the start-up funding received from Calpine an investment or a loan to be paid back?

Calpine Energy Solutions, LLC provided the funding as part of its contract for start-up services to CPCNH. It is neither an investment in terms of generating any equity for Calpine, nor a loan.

16. Is CPCNH required to have a letter of credit or cash deposits or a combination of both with ISO-NE?

No

17. Will CPCNH or the electric distribution companies be billing and collecting the purchased power for customers?

The electric distribution companies are currently billing and collecting from customers the cost of electricity purchased and provided by CPCNH called "Consolidated Billing", however in some special cases "Dual Billing" or separate billing by CPCNH (with Calpine Energy Solutions support) may be utilized for the power supply portion of the customer bill.

18. Could you provide the most recent internally prepared financial statements to include the statement of operations and statement of net assets (balance sheet)?

Yes, August Financial Statements are attached as presented to the Board.