

# NORTHEAST POWER COORDINATING COUNCIL, INC.



## **Financial Statements (Together with Accountants' Compilation Report)**

**For The Six Months Ended June 30, 2018**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**NORTHEAST POWER COORDINATING COUNCIL, INC.**

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**FOR THE SIX MONTHS ENDED JUNE 30, 2018**

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## ACCOUNTANTS' COMPILATION REPORT

Northeast Power Coordinating Council, Inc.  
1040 Avenue of the Americas, 10<sup>th</sup> Floor  
New York, New York 10018

Management is responsible for the accompanying financial statements of Northeast Power Coordinating Council, Inc. (the "Company"), which comprise the statement of financial position as of June 30, 2018, and the related statement of activities for the six months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Northeast Power Coordinating Council, Inc.

*Marks Paneth LLP*

New York, New York  
September 21, 2018

**Northeast Power Coordinating Council, Inc.**  
**Statement of Financial Position**  
**(See Accountants' Compilation Report)**  
**June 30, 2018**

	<b>Regional Entity Division</b>	<b>Criteria Services Division</b>	<b>Total</b>
<b>Assets</b>			
Cash	\$ 5,079,383	\$ 902,354	\$ 5,981,737
Restricted cash	139,846	10,358	150,204
Investments	1,580,562	245,594	1,826,156
Prepaid expenses	273,639	15,432	289,071
Other assets	204,669	1,296	205,965
Equipment and leasehold improvements, net	643,101	42,686	685,787
Total Assets	<u>\$ 7,921,200</u>	<u>\$ 1,217,720</u>	<u>\$ 9,138,920</u>
<b>Liabilities and Net Assets</b>			
Accrued expenses and other liabilities	\$ 1,400,606	\$ 73,390	\$ 1,473,996
Deferred revenue	-	509,571	509,571
Deferred rent	514,734	38,149	552,883
Total Liabilities	1,915,340	621,110	2,536,450
Net Assets - Unrestricted:			
Operations	5,065,860	536,610	5,602,470
Board designated	940,000	60,000	1,000,000
Total Unrestricted Net Assets	6,005,860	596,610	6,602,470
Total Liabilities and Net Assets	<u>\$ 7,921,200</u>	<u>\$ 1,217,720</u>	<u>\$ 9,138,920</u>

**Northeast Power Coordinating Council, Inc.**  
**Statement of Activities**  
**(See Accountants' Compilation Report)**  
**For The Six Months Ended June 30, 2018**

	Regional Entity Division			Criteria Services Division			Total	
	2018 Budget	Year to Date Actual	Percent of Budget	2018 Budget	Year to Date Actual	Percent of Budget	2018 Budget	Year to Date Actual
<b>Revenue</b>								
41000-Assessments	\$ 14,341,787	\$ 7,170,894	50.00	\$ -	\$ -	-	\$ 14,341,787	\$ 7,170,894
41100-Penalty Sanctions	75,000	-	-	-	-	-	75,000	-
42100-Non-Statutory Funding	-	-	-	1,019,141	509,571	50.00	1,019,141	509,571
47000-Workshops	64,000	33,810	-	-	-	-	64,000	33,810
49000-Interest Income	-	11,289	-	-	655	-	-	11,944
<b>Total Revenue</b>	<b>14,480,787</b>	<b>7,215,993</b>	<b>49.83</b>	<b>1,019,141</b>	<b>510,226</b>	<b>50.06</b>	<b>15,499,928</b>	<b>7,726,219</b>
<b>Expenditures</b>								
<b>Salaries</b>								
51000-Direct Salaries	7,057,483	3,339,030	47.31	404,848	185,120	45.73	7,462,331	3,524,150
51200-Employment Agency Fee	10,000	2,510	25.10	-	-	-	10,000	2,510
51300-Temporary Office Services	40,116	7,301	18.20	-	-	-	40,116	7,301
<b>Total Salaries</b>	<b>7,107,599</b>	<b>3,348,841</b>	<b>47.12</b>	<b>404,848</b>	<b>185,120</b>	<b>45.73</b>	<b>7,512,447</b>	<b>3,533,961</b>
<b>Payroll Taxes</b>								
52000-Payroll Taxes-FICA	270,078	213,261	78.96	15,846	12,583	79.41	285,924	225,844
52100-Payroll Taxes-Medicare	106,291	57,668	54.25	5,216	3,403	65.24	111,507	61,071
52200-Payroll Taxes-SUI	8,263	3,913	47.36	800	239	29.88	9,063	4,152
52300-Payroll Taxes-FUI	1,720	1,659	96.45	167	100	59.88	1,887	1,759
52400-Payroll Taxes-MCTMT	25,088	12,831	51.14	1,384	757	54.70	26,472	13,588
<b>Total Payroll Taxes</b>	<b>411,440</b>	<b>289,332</b>	<b>70.32</b>	<b>23,413</b>	<b>17,082</b>	<b>72.96</b>	<b>434,853</b>	<b>306,414</b>
<b>Benefits</b>								
54000-Benefits-Education Reimbursement	30,000	-	-	-	-	-	30,000	-
54001-Benefits-Training Classes and Seminars	44,232	19,808	44.78	2,568	-	-	46,800	19,808
54100-Benefits-Medical	811,369	443,106	54.61	21,880	12,449	56.90	833,249	455,555
54200-Benefits-Life	72,465	47,449	65.48	22,695	2,906	12.80	95,160	50,355
54250-Officers-Life	18,000	1,108	6.16	-	-	-	18,000	1,108
54300-Insurance -WC	15,000	(3,373)	(22.49)	-	(198)	-	15,000	(3,571)
54400-Vacation Expense	485,312	224,467	46.25	27,848	13,089	47.00	513,160	237,556
<b>Total Benefits</b>	<b>1,476,378</b>	<b>732,565</b>	<b>49.62</b>	<b>74,991</b>	<b>28,246</b>	<b>37.67</b>	<b>1,551,369</b>	<b>760,811</b>
<b>Retirement</b>								
55000-Pension Contribution	38,000	-	-	-	-	-	38,000	-
55100-Employee Savings Plan	714,353	354,888	49.68	43,272	21,050	48.65	757,625	375,938
55200-Pension & Savings Admin	35,000	13,261	37.89	-	-	-	35,000	13,261
55300-Deferred Compensation Expense	38,000	-	-	-	-	-	38,000	-
<b>Total Retirement</b>	<b>825,353</b>	<b>368,149</b>	<b>44.61</b>	<b>43,272</b>	<b>21,050</b>	<b>48.65</b>	<b>868,625</b>	<b>389,199</b>
<b>Meetings Expenses</b>								
61000-Meeting Expense	203,050	80,339	39.57	5,000	3,279	65.58	208,050	83,618
61100-Workshop Expense	150,000	-	-	-	-	-	150,000	-
<b>Total Meetings Expenses</b>	<b>353,050</b>	<b>80,339</b>	<b>22.76</b>	<b>5,000</b>	<b>3,279</b>	<b>65.58</b>	<b>358,050</b>	<b>83,618</b>

**Northeast Power Coordinating Council, Inc.**  
**Statement of Activities**  
**(See Accountants' Compilation Report)**  
**For The Six Months Ended June 30, 2018**

	<u>Regional Entity Division</u>			<u>Criteria Services Division</u>			<u>Total</u>	
		Year to Date	Percent of		Year to Date	Percent of	2018 Budget	Year to Date
	2018 Budget	Actual	Budget	2018 Budget	Actual	Budget	2018 Budget	Actual
Travel Expenses								
62000-Travel	\$ 799,500	\$ 259,741	32.49	\$ 55,647	\$ 18,638	33.49	\$ 855,147	\$ 278,379
62200-Travel Directors	35,000	7,010	20.03	-	-	-	35,000	7,010
Total Travel Expenses	<u>834,500</u>	<u>266,751</u>	31.97	<u>55,647</u>	<u>18,638</u>	33.49	<u>890,147</u>	<u>285,389</u>
Communications								
63000-Conference Calls	37,000	13,873	37.49	-	-	-	37,000	13,873
Total Communications	<u>37,000</u>	<u>13,873</u>	37.49	<u>-</u>	<u>-</u>	-	<u>37,000</u>	<u>13,873</u>
Contracts & Consultants								
65100-Contracts	703,640	255,012	36.24	40,360	34,693	85.96	744,000	289,705
65110-Contract Audit Labor	939,940	479,564	51.02	-	-	-	939,940	479,564
65120-Contract Audit Travel	234,060	94,396	40.33	-	-	-	234,060	94,396
Total Contracts & Consultants	<u>1,877,640</u>	<u>828,972</u>	44.15	<u>40,360</u>	<u>34,693</u>	85.96	<u>1,918,000</u>	<u>863,665</u>
Office Rent								
70000-Office Rent	650,000	306,638	47.18	-	-	-	650,000	306,638
70010-Utilities	43,000	15,201	35.35	-	-	-	43,000	15,201
70020-Maintenance	35,000	16,100	46.00	-	-	-	35,000	16,100
70030-Security	2,700	1,455	53.89	-	-	-	2,700	1,455
70040-Real Estate Taxes	80,000	49,353	61.69	-	-	-	80,000	49,353
Total Office Rent	<u>810,700</u>	<u>388,747</u>	47.95	<u>-</u>	<u>-</u>	-	<u>810,700</u>	<u>388,747</u>
Office Costs								
71000-Telephone	111,660	36,821	32.98	-	-	-	111,660	36,821
71100-Internet Expense	95,000	50,982	53.67	-	-	-	95,000	50,982
71200-Office Supplies	33,000	6,657	20.17	-	16	-	33,000	6,673
71300-Computer Supplies & Maintenance	350,600	205,860	58.72	-	-	-	350,600	205,860
71400-Subscriptions & Publications	13,500	13,407	99.31	-	-	-	13,500	13,407
71500-Dues	3,400	2,015	59.26	-	287	-	3,400	2,302
71600-Postage	1,200	496	41.33	-	-	-	1,200	496
71700-Express Shipping	10,000	1,143	11.43	-	-	-	10,000	1,143
71800-Copying	26,400	12,650	47.92	-	-	-	26,400	12,650
71900-Reports	8,000	395	4.94	-	-	-	8,000	395
72000-Stationery & Office Forms	2,000	454	22.70	-	-	-	2,000	454
72200-Bank Charges	10,000	487	4.87	-	12	-	10,000	499
Total Office Costs	<u>664,760</u>	<u>331,367</u>	49.85	<u>-</u>	<u>315</u>	-	<u>664,760</u>	<u>331,682</u>

**Northeast Power Coordinating Council, Inc.**  
**Statement of Activities**  
**(See Accountants' Compilation Report)**  
**For The Six Months Ended June 30, 2018**

	<u>Regional Entity Division</u>			<u>Criteria Services Division</u>			<u>Total</u>	
	2018 Budget	Year to Date Actual	Percent of Budget	2018 Budget	Year to Date Actual	Percent of Budget	2018 Budget	Year to Date Actual
Professional Services								
75000-BOT Fee	\$ 340,000	\$ 153,240	45.07	\$ -	\$ -	-	\$ 340,000	\$ 153,240
75300-Accounting and Auditing Fees	300,000	134,668	44.89	-	-	-	300,000	134,668
75400-Legal Fees - Other	250,000	106,910	42.76	-	-	-	250,000	106,910
75500-Insurance - Commercial	70,000	56,793	81.13	-	-	-	70,000	56,793
Total Professional Services	<u>960,000</u>	<u>451,611</u>	47.04	<u>-</u>	<u>-</u>	-	<u>960,000</u>	<u>451,611</u>
Other Non-Operating Expenses								
80300-Cash Reserve Requirement	(780,180)	-	-	(63,843)	-	-	(844,023)	-
Total Other Non-Operating Expenses	<u>(780,180)</u>	<u>-</u>	-	<u>(63,843)</u>	<u>-</u>	-	<u>(844,023)</u>	<u>-</u>
Depreciation Expense								
95100-Depreciation Expense-Equipment	269,000	24,074	8.95	16,000	1,086	6.79	285,000	25,160
95250-Depreciation - Software	-	63,993	-	-	279	-	-	64,272
95300-Depreciation Expense-Furniture	-	9,243	-	-	1,006	-	-	10,249
95400-Depreciation Expense - L.I.	-	29,241	-	-	3,249	-	-	32,490
Total Depreciation Expense	<u>269,000</u>	<u>126,551</u>	47.04	<u>16,000</u>	<u>5,620</u>	35.13	<u>285,000</u>	<u>132,171</u>
Miscellaneous Expenses								
99000-Miscellaneous Expense	50,000	15,609	31.22	3,000	130	4.33	53,000	15,739
99990-Indirect Expenses	(416,453)	(192,556)	46.24	416,453	192,556	46.24	-	-
Total Miscellaneous Expenses	<u>(366,453)</u>	<u>(176,947)</u>	48.29	<u>419,453</u>	<u>192,686</u>	-	<u>53,000</u>	<u>15,739</u>
Total Expenditures	<u>14,480,787</u>	<u>7,050,151</u>	48.69	<u>1,019,141</u>	<u>506,729</u>	49.72	<u>15,499,928</u>	<u>7,556,880</u>
Change in Unrestricted Net Assets	<u>\$ -</u>	165,842		<u>\$ -</u>	3,497		<u>\$ -</u>	169,339
Net Assets - Beginning of Period		<u>5,840,018</u>			<u>593,113</u>			<u>6,433,131</u>
Net Assets - End of Period		<u>\$ 6,005,860</u>			<u>\$ 596,610</u>			<u>\$ 6,602,470</u>