



NORTHEAST POWER COORDINATING COUNCIL, INC.
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May 3, 2021

North American Electric Reliability Corporation
3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326
Attention: Mr. Andy Sharp

Subject: NPCC 2020 True Up Actual vs. Budget Variance Analysis
True Up Filing Based on Audited 2020 Financial Statements

Dear Andy:

Enclosed is the Northeast Power Coordinating Council, Inc. (NPCC) submittal regarding the 2020 NPCC actual vs. budget variances. NPCC's independent audit performed by Pricewaterhouse Coopers LLP was concluded on March 30, 2021 and forwarded to NERC for its information and provision to FERC.

As you know, NPCC is a Cross-border Regional Entity which provides Regional Entity functions and services through its regional entity (RE) division. The establishment of Regionally-specific criteria, and monitoring and enforcement of compliance with such criteria are provided through the criteria services (CS) division of NPCC. The CS division is funded by assessments to the Independent System Operators/Balancing Authority Areas within the Region based on their respective Net Energy for Load.

No Regional Entity division assessments were used to fund CS division activities. Allocation between the RE division and CS division represents a 93/7 split for 2020 based upon direct program area FTEs. No indirect costs were allocated from the CS division to the RE division and no cross subsidies exist. In addition, NPCC reports interest and investment income apportioned based upon its Regional Entity (RE) and Criteria Services (CS) division full time equivalent (FTE) ratio.

Actual total expenses and fixed asset expenditures for NPCC's RE division for 2020 were \$14,942,338 which is \$1,659,311 or 9.99% under the 2020 operating budget of \$16,601,648. Actual total expenses and fixed asset expenditures for NPCC's CS division for 2020 were \$916,120 which is \$232,548 or 20.24% under the 2020 operating budget of \$1,148,668. In the aggregate, actual total expenses and fixed asset expenditures for the NPCC RE and CS divisions were \$15,858,458 which is \$1,891,858 or 10.66% under the 2020 total corporate expense budget of \$17,750,315. Indirect expenses are allocated to the direct programs based on FTE ratio.

Variances from budget in total for NPCC, total non-statutory, total statutory and total by statutory program area are reported using the template provided by NERC which presents actual and budgeted costs in a program-by-program format. A single consolidated budget versus actual cost comparison is presented for Administrative Services in order to be consistent with the presentation in NPCC's 2020 Business Plan and Budget. Explanations of significant expense variances are provided for the Regional Entity division in total and by program area where the explanation differs from that for the Regional Entity total.

Multiple open positions over varying periods throughout the year resulted in lower than budgeted personnel expenses. Staff was reallocated during the year to continue to meet NPCC's Regional Delegation Agreement (RDA) responsibilities. Despite not being fully staffed, NPCC performed all of its 2020 delegated responsibilities as outlined in the RDA as well as target attainment of its corporate goals and objectives for the calendar year.

Should you have any questions please do not hesitate to contact me via email at jhala@npcc.org or via telephone at (646) 632-7071.

Sincerely,

Jessica Hala

Jessica Hala
Director, Finance and Accounting

Enclosures

cc: Mr. Charles Dickerson – NPCC President & CEO
Ms. Jennifer Budd Mattiello – NPCC Senior Vice President & COO

Northeast Power Coordinating Council, Inc.
2020 Statement of Activities Summary
Total NPCC (RE and CS Divisions)

	2020 Actual	2020 Budget	2020 Variance from Budget Over(Under)	
Funding				
ERO Funding				
Assessments	15,338,736	15,338,736	-	0.00%
Penalty Sanctions	120,000	120,000	-	0.00%
Total ERO Funding	15,458,736	15,458,736	-	0.00%
Federal Grants	-	-	-	
Non-Statutory Assessments	1,065,203	1,065,203	-	0.00%
Testing	-	-	-	
Services & Software	-	-	-	
Workshop Fees	-	67,500	(67,500)	-100.00%
Interest & Investment Income	18,769	60,000	(41,231)	-68.72%
Miscellaneous	-	-	-	
Total Funding	16,542,708	16,651,439	(108,731)	-0.65%
Expenses				
Personnel Expenses				
Salaries	7,840,367	8,072,241	(231,874)	-2.87%
Payroll Taxes	502,744	503,882	(1,138)	-0.23%
Employee Benefits	1,732,597	2,066,645	(334,048)	-16.16%
Savings & Retirement	803,332	924,904	(121,572)	-13.14%
Total Personnel Expenses	10,879,040	11,567,673	(688,633)	-5.95%
Meeting Expenses				
Meetings & Conference Calls	42,088	411,750	(369,662)	-89.78%
Travel	100,172	902,700	(802,528)	-88.90%
Total Meeting Expenses	142,260	1,314,450	(1,172,190)	-89.18%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	1,945,687	2,147,510	(201,823)	-9.40%
Rent & Improvements	861,691	832,700	28,991	3.48%
Office Costs	724,906	685,981	38,925	5.67%
Professional Services	1,076,433	947,000	129,433	13.67%
Miscellaneous	12,020	55,000	(42,980)	-78.15%
Depreciation	-	-	-	
Total Operating Expenses	4,620,737	4,668,191	(47,454)	-1.02%
Indirect Expenses				
	-	-	-	
Other Non-Operating Expenses				
	-	-	-	
Total Expenses	15,642,037	17,550,314	(1,908,277)	-10.87%
Change in Net Assets	900,671	(898,875)	1,799,546	-200.20%
Fixed Asset Additions, excluding Right of Use Assets	216,421	200,000	16,421	8.21%
TOTAL BUDGET (Expenses plus Fixed Asset Additions)	15,858,458	17,750,314	(1,891,857)	-10.66%
Change in Working Capital (Total Funding less Total Budget)	684,251	(1,098,874)	1,783,125	-162.27%
FTE's	40.08	43.25	(3.17)	

Northeast Power Coordinating Council, Inc.
2020 Statement of Activities Summary

TOTAL STATUTORY	2020	2020	2020 Variance	
	Actual	Budget	from Budget	
			Over(Under)	
Funding				
ERO Funding				
Assessments	15,338,736	15,338,736	-	0.00%
Penalty Sanctions	120,000	120,000	-	0.00%
Total ERO Funding	<u>15,458,736</u>	<u>15,458,736</u>	-	0.00%
Federal Grants	-	-	-	
Non-Statutory Assessments	-	-	-	
Testing	-	-	-	
Services & Software	-	-	-	
Workshop Fees	-	67,500	(67,500)	
Interest & Investment Income	17,543	55,800	(38,257)	-68.56%
Miscellaneous	-	-	-	
Total Funding	<u>15,476,279</u>	<u>15,582,036</u>	<u>(105,757)</u>	<u>-0.68%</u>
Expenses				
Personnel Expenses				
Salaries	7,479,595	7,704,262	(224,667)	-2.92%
Payroll Taxes	478,025	479,019	(994)	-0.21%
Employee Benefits	1,682,760	1,943,384	(260,624)	-13.41%
Savings & Retirement	775,076	882,951	(107,875)	-12.22%
Total Personnel Expenses	<u>10,415,456</u>	<u>11,009,616</u>	<u>(594,160)</u>	<u>-5.40%</u>
Meeting Expenses				
Meetings & Conference Calls	41,866	397,750	(355,884)	-89.47%
Travel	94,847	845,900	(751,053)	-88.79%
Total Meeting Expenses	<u>136,713</u>	<u>1,243,650</u>	<u>(1,106,937)</u>	<u>-89.01%</u>
Operating Expenses, excluding Depreciation				
Consultants & Contracts	1,945,687	2,071,150	(125,463)	-6.06%
Rent & Improvements	861,691	832,700	28,991	3.48%
Office Costs	722,892	685,981	36,911	5.38%
Professional Services	1,076,433	947,000	129,433	13.67%
Miscellaneous	11,815	51,000	(39,185)	-76.83%
Depreciation	-	-	-	
Total Operating Expenses	<u>4,618,518</u>	<u>4,587,831</u>	<u>30,687</u>	<u>0.67%</u>
Indirect Expense Allocation	<u>(436,556)</u>	<u>(409,449)</u>	<u>(27,107)</u>	<u>6.62%</u>
Other Non-Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>	
Total Expenses	<u>14,734,131</u>	<u>16,431,647</u>	<u>(1,697,516)</u>	<u>-10.33%</u>
Change in Net Assets	<u>742,148</u>	<u>(849,611)</u>	<u>1,591,759</u>	<u>-187.35%</u>
Fixed Asset Additions, excluding Right of Use Assets	<u>208,207</u>	<u>170,000</u>	<u>38,206</u>	<u>22.47%</u>
TOTAL BUDGET (Expenses plus Fixed Asset Additions)	<u>14,942,338</u>	<u>16,601,647</u>	<u>(1,659,310)</u>	<u>-9.99%</u>
Change in Working Capital (Total Funding less Total Budget)	<u>533,942</u>	<u>(1,019,611)</u>	<u>1,553,553</u>	<u>-152.37%</u>
FTE's	<u>37.94</u>	<u>41.09</u>	<u>(3.15)</u>	<u>-7.66%</u>

TOTAL STATUTORY

Workshop Fees

Under budget variance is a result of NPCC's Spring and Fall Compliance and Standards Workshops being converted to a virtual format to allow for remote participation due to in-person meeting and travel restrictions as a result of the COVID-19 pandemic. The virtual workshops have received positive feedback and high attendance. Fees are only charged for in-person workshops in order to offset the associated expenses. There are no fees collected for virtual workshop participation.

Interest & Investment Income

Interest & investment income earned from the investment of excess operating cash into a 100% U.S. Treasury Securities money market fund was lower than budgeted based on actual yields.

Personnel Expenses

Multiple open positions over varying periods throughout the year resulted in lower than budgeted personnel expenses. Staff was reallocated during the year to continue to meet NPCC's Regional Delegation Agreement (RDA) responsibilities. Despite not being fully staffed, NPCC performed all of its 2020 delegated responsibilities as outlined in the RDA as well as target attainment of its corporate goals and objectives for the calendar year. In response to the COVID-19 pandemic, NPCC also successfully adjusted recruiting and hiring procedures, conducting teleconference, WebEx and video conference interviews with candidates and remote onboarding. NPCC ended the year fully staffed, with the exception of the successor President and CEO budgeted to start in November 2020 and actually onboarded in March 2021.

Meeting Expenses

Under budget variance is due to travel being suspended since early March 2020 due to the COVID-19 pandemic. NPCC's Spring and Fall Compliance and Standards Workshops were converted to a remote attendance webinar format. The increased number of attendees encouraged NPCC to deliver a third workshop in the Summer to reach as wide an audience of participants as possible. Based on positive feedback received on the virtual format, NPCC will deliver workshops both in person and virtually going forward. From mid-March planned meetings and activities, including the 2020 Annual Meeting of NPCC Members, were conducted successfully via webinar, video conferencing and teleconference.

Professional Services

Over budget variance is related to legal fees and accounting fees. Legal fees associated with successor CEO search efforts were budgeted under consulting fees, but properly recorded under legal fees. There is an offsetting underage in consulting fees.

Miscellaneous

Under budget variance is related to remote working due to the COVID-19 pandemic. Miscellaneous expenses typically include services and items related working on-site such as document destruction services and carpet cleaning.

Fixed Assets

Over budget variance is due to the timing of a website development project, with more project benchmarks occurring during 2020 than originally projected. The website development project was completed in December 2020.

Compliance Hearings

No funds were budgeted in association with NPCC conducting compliance hearings and no hearings have been initiated to date in NPCC.

Northeast Power Coordinating Council, Inc.
2020 Statement of Activities Summary

RELIABILITY STANDARDS	2020 Variance			
	2020	2020	from Budget	
	Actual	Budget	Over(Under)	
Funding				
ERO Funding				
Assessments	1,063,510	1,063,510	-	0.00%
Penalty Sanctions	7,505	7,505	-	0.00%
Total ERO Funding	1,071,015	1,071,015	-	0.00%
Federal Grants	-	-	-	
Non-Statutory Assessments	-	-	-	
Testing	-	-	-	
Services & Software	-	-	-	
Workshop Fees	-	-	-	
Interest & Investment Income	-	-	-	
Miscellaneous	-	-	-	
Total Funding	1,071,015	1,071,015	-	0.00%
Expenses				
Personnel Expenses				
Salaries	444,406	400,744	43,662	10.90%
Payroll Taxes	26,993	23,034	3,959	17.19%
Employee Benefits	116,624	110,172	6,452	5.86%
Savings & Retirement	42,599	43,833	(1,234)	-2.82%
Total Personnel Expenses	630,622	577,783	52,839	9.15%
Meeting Expenses				
Meetings & Conference Calls	879	5,000	(4,121)	-82.42%
Travel	13,077	90,900	(77,823)	-85.61%
Total Meeting Expenses	13,956	95,900	(81,944)	-85.45%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	-	20,000	(20,000)	-100.00%
Rent & Improvements	-	-	-	
Office Costs	2,092	-	2,092	
Professional Services	-	-	-	
Miscellaneous	-	-	-	
Depreciation	-	-	-	
Total Operating Expenses	2,092	20,000	(17,908)	-89.54%
Indirect Expense Allocation	393,667	366,700	26,967	7.35%
Other Non-Operating Expenses	-	-	-	
Total Expenses	1,040,337	1,060,383	(20,046)	-1.89%
Change in Net Assets	30,678	10,632	20,046	188.54%
Fixed Asset Additions, excluding Right of Use Assets	14,232	10,632	3,600	33.86%
TOTAL BUDGET (Expenses plus Fixed Asset Additions)	1,054,569	1,071,015	(16,446)	-1.54%
Change in Working Capital (Total Funding less Total Budget)	16,446	-	16,446	
FTE's	1.93	1.93	-	0.00%

RELIABILITY STANDARDS

Personnel Expenses

Over budget variance is due to the program area being fully staffed for the year. The 2020 budget included a staff vacancy factor of 6% based on recent actual staffing levels.

Consultants & Contracts

Consulting support was utilized less than projected. Increased staff efforts enabled NPCC to perform all of its responsibilities in this program area despite the underspend.

Northeast Power Coordinating Council, Inc.
2020 Statement of Activities Summary

COMPLIANCE ENFORCEMENT and ORGANIZATION	2020	2020	2020 Variance from	
REGISTRATION	Actual	Budget	Budget	Over(Under)
Funding				
ERO Funding				
Assessments	9,034,625	9,034,625	-	0.00%
Penalty Sanctions	69,994	69,994	-	0.00%
Total ERO Funding	9,104,619	9,104,619	-	0.00%
Federal Grants	-	-	-	
Non-Statutory Assessments	-	-	-	
Testing	-	-	-	
Services & Software	-	-	-	
Workshop Fees	-	-	-	
Interest & Investment Income	-	-	-	
Miscellaneous	-	-	-	
Total Funding	9,104,619	9,104,619	-	0.00%
Expenses				
Personnel Expenses				
Salaries	2,639,520	2,928,438	(288,918)	-9.87%
Payroll Taxes	171,853	202,717	(30,864)	-15.22%
Employee Benefits	686,147	732,104	(45,957)	-6.28%
Savings & Retirement	248,092	314,664	(66,572)	-21.16%
Total Personnel Expenses	3,745,612	4,177,923	(432,311)	-10.35%
Meeting Expenses				
Meetings & Conference Calls	-	15,000	(15,000)	-100.00%
Travel	23,539	300,400	(276,861)	-92.16%
Total Meeting Expenses	23,539	315,400	(291,861)	-92.54%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	1,166,132	1,097,150	68,982	6.29%
Rent & Improvements	-	-	-	
Office Costs	14,361	-	14,361	
Professional Services	-	-	-	
Miscellaneous	(436)	-	(436)	
Depreciation	-	-	-	
Total Operating Expenses	1,180,057	1,097,150	82,907	7.56%
Indirect Expense Allocation	3,246,874	3,420,003	(173,129)	-5.06%
Other Non-Operating Expenses	-	-	-	
Total Expenses	8,196,082	9,010,476	(814,394)	-9.04%
Change in Net Assets	908,537	94,143	814,394	865.06%
Fixed Asset Additions, excluding Right of Use Assets	118,907	99,157	19,750	19.92%
TOTAL BUDGET (Expenses plus Fixed Asset Additions)	8,314,989	9,109,633	(794,644)	-8.72%
Change in Working Capital (Total Funding less Total Budget)	789,630	(5,014)	794,644	-15848.40%
FTE's	16.13	18.00	(1.88)	-10.42%

COMPLIANCE ENFORCEMENT and ORGANIZATION REGISTRATION

Total Expenses

Despite the under budget variance in total expenses and travel restrictions due to the COVID-19 pandemic in 2020, NPCC's Compliance Monitoring and Enforcement and Organization Registration and Certification program area was able to carry out all of its RDA duties which include conducting:

- 23 off-site Operations & Planning (O&P) audits
- 1 off-site CIP and Operations & Planning (O&P) audit
- 5 on-site O&P audits that were converted to virtual audits
- 1 off-site O&P spot check
- 5 on-site CIP audits
- 57 off-site CIP self-certifications
- Participated in 1 MRRE audit

In addition to the listed Compliance Monitoring activities, NPCC also:

- Performed 30 Inherent Risk Assessments (IRA)
- Developed 30 Compliance Oversight Plans (COP)
- Performed 4 Evaluation of Internal Controls (EIC) (4 O&P, 0 CIP)
- Processed 5 new Technical Feasibility Exception (TFE) submittals and 27 Material Change Reports (MCR)
- Closed 161 instances of non-compliance with NERC Reliability Standards
- Performed a Preliminary Screen on 230 incoming non-compliances
- Registered 4 new entities, delisted 8 entities, deactivated 2 functions, processed 3 entity name changes, and added new functions to 1 entity
- Completed 8 Internal Compliance Program (ICP) reviews for those entities in the Self-Logging program
- Conducted 4 compliance webinars attended by a total of 900 stakeholders

Northeast Power Coordinating Council, Inc.
2020 Statement of Activities Summary

RELIABILITY ASSESSMENTS and PERFORMANCE ANALYSIS	2020 Actual	2020 Budget	2020 Variance from Budget Over(Under)	
Funding				
ERO Funding				
Assessments	3,210,054	3,210,054	-	0.00%
Penalty Sanctions	21,115	21,115	-	0.00%
Total ERO Funding	<u>3,231,169</u>	<u>3,231,169</u>	-	0.00%
Federal Grants	-	-	-	
Non-Statutory Assessments	-	-	-	
Testing	-	-	-	
Services & Software	-	-	-	
Workshop Fees	-	-	-	
Interest & Investment Income	-	-	-	
Miscellaneous	-	-	-	
Total Funding	<u>3,231,169</u>	<u>3,231,169</u>	-	0.00%
Expenses				
Personnel Expenses				
Salaries	1,122,656	1,006,128	116,528	11.58%
Payroll Taxes	70,942	64,022	6,920	10.81%
Employee Benefits	279,908	218,787	61,121	27.94%
Savings & Retirement	110,698	109,418	1,280	1.17%
Total Personnel Expenses	<u>1,584,204</u>	<u>1,398,355</u>	<u>185,849</u>	<u>13.29%</u>
Meeting Expenses				
Meetings & Conference Calls	13,571	22,000	(8,429)	-38.31%
Travel	26,420	216,200	(189,780)	-87.78%
Total Meeting Expenses	<u>39,991</u>	<u>238,200</u>	<u>(198,209)</u>	<u>-83.21%</u>
Operating Expenses, excluding Depreciation				
Consultants & Contracts	480,877	533,000	(52,123)	-9.78%
Rent & Improvements	-	-	-	
Office Costs	11,385	-	11,385	
Professional Services	-	-	-	
Miscellaneous	-	-	-	
Depreciation	-	-	-	
Total Operating Expenses	<u>492,262</u>	<u>533,000</u>	<u>(40,738)</u>	<u>-7.64%</u>
Indirect Expense Allocation	<u>1,107,735</u>	<u>1,031,701</u>	<u>76,034</u>	<u>7.37%</u>
Other Non-Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>	
Total Expenses	<u>3,224,192</u>	<u>3,201,256</u>	<u>22,936</u>	<u>0.72%</u>
Change in Net Assets	<u>6,977</u>	<u>29,913</u>	<u>(22,936)</u>	<u>-76.68%</u>
Fixed Asset Additions, excluding Right of Use Assets	<u>40,656</u>	<u>29,913</u>	<u>10,743</u>	<u>35.91%</u>
TOTAL BUDGET (Expenses plus Fixed Asset Additions)	<u>3,264,848</u>	<u>3,231,169</u>	<u>33,679</u>	<u>1.04%</u>
Change in Working Capital (Total Funding less Total Budget)	<u>(33,679)</u>	<u>-</u>	<u>(33,679)</u>	
FTE's	<u>5.51</u>	<u>5.43</u>	<u>0.08</u>	<u>1.53%</u>

RELIABILITY ASSESSMENTS and PERFORMANCE ANALYSIS

Personnel Expenses

Over budget variance is due to this program area being fully staffed for the year and the addition of a partial reallocation of an FTE for a portion of the year to support this program area.

Consultants and Contracts

Consulting support was utilized less than projected. Increased staff efforts enabled NPCC to perform all of its responsibilities in this program area despite the underspend.

Office Costs

Un-budgeted office costs include home internet expense reimbursements and other remote working related expenses.

Northeast Power Coordinating Council, Inc.
2020 Statement of Activities Summary

TRAINING, EDUCATION and OPERATOR CERTIFICATION	2020 Variance			
	2020	2020	from Budget	
	Actual	Budget	Over(Under)	
Funding				
ERO Funding				
Assessments	171,524	171,524	-	0.00%
Penalty Sanctions	389	389		0.00%
Total ERO Funding	<u>171,913</u>	<u>171,913</u>	<u>-</u>	<u>0.00%</u>
Federal Grants	-	-	-	
Non-Statutory Assessments	-	-	-	
Testing	-	-	-	
Services & Software	-	-	-	
Workshop Fees	-	67,500	(67,500)	-100.00%
Interest & Investment Income	-	-	-	
Miscellaneous	-	-	-	
Total Funding	<u>171,913</u>	<u>239,413</u>	<u>(67,500)</u>	<u>-28.19%</u>
Expenses				
Personnel Expenses				
Salaries	25,482	11,793	13,689	116.08%
Payroll Taxes	1,476	939	537	57.26%
Employee Benefits	6,173	5,652	521	9.22%
Savings & Retirement	2,326	1,478	848	57.35%
Total Personnel Expenses	<u>35,457</u>	<u>19,862</u>	<u>15,595</u>	<u>78.52%</u>
Meeting Expenses				
Meetings & Conference Calls	-	185,000	(185,000)	-100.00%
Travel	640	15,000	(14,360)	-95.73%
Total Meeting Expenses	<u>640</u>	<u>200,000</u>	<u>(199,360)</u>	<u>-99.68%</u>
Operating Expenses, excluding Depreciation				
Consultants & Contracts	-	-	-	
Rent & Improvements	-	-	-	
Office Costs	485	-	485	
Professional Services	-	-	-	
Miscellaneous	-	-	-	
Depreciation	-	-	-	
Total Operating Expenses	<u>485</u>	<u>-</u>	<u>485</u>	
Indirect Expense Allocation	<u>20,445</u>	<u>19,000</u>	<u>1,445</u>	<u>7.61%</u>
Other Non-Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>	
Total Expenses	<u>57,027</u>	<u>238,862</u>	<u>(181,835)</u>	<u>-76.13%</u>
Change in Net Assets	<u>114,886</u>	<u>551</u>	<u>114,335</u>	<u>20749.54%</u>
Fixed Asset Additions, excluding Right of Use Assets	<u>737</u>	<u>551</u>	<u>186</u>	<u>33.83%</u>
TOTAL BUDGET (Expenses plus Fixed Asset Additions)	<u>57,764</u>	<u>239,413</u>	<u>(181,648)</u>	<u>-75.87%</u>
Change in Working Capital (Total Funding less Total Budget)	<u>114,148</u>	<u>-</u>	<u>114,148</u>	
FTE's	<u>0.10</u>	<u>0.10</u>	<u>-</u>	<u>0.00%</u>

TRAINING, EDUCATION and OPERATOR CERTIFICATION

Workshop Fees

Under budget variance is a result of NPCC's Spring and Fall Compliance and Standards Workshops being converted to a virtual format to allow for remote participation due to in-person meeting and travel restrictions as a result of the COVID-19 pandemic. The virtual workshops have received positive feedback and high attendance. Fees are only charged for in-person workshops in order to offset the associated expenses. There are no fees collected for virtual workshop participation.

Personnel expenses

Over budget variance is due to this program area being fully staffed for the year and a change in the FTE being partially allocated to support this program area. The 2020 budget included a staff vacancy factor of 6% based on recent actual staffing levels.

Northeast Power Coordinating Council, Inc.
2020 Statement of Activities Summary

SITUATION AWARENESS and INFRASTRUCTURE SECURITY	2020	2020	2020 Variance	
	Actual	Budget	from Budget	
			Over(Under)	
Funding				
ERO Funding				
Assessments	2,484,879	2,484,879	-	0.00%
Penalty Sanctions	20,998	20,998	-	0.00%
Total ERO Funding	<u>2,505,877</u>	<u>2,505,877</u>	-	0.00%
Federal Grants	-	-	-	
Non-Statutory Assessments	-	-	-	
Testing	-	-	-	
Services & Software	-	-	-	
Workshop Fees	-	-	-	
Interest & Investment Income	-	-	-	
Miscellaneous	-	-	-	
Total Funding	<u>2,505,877</u>	<u>2,505,877</u>	-	0.00%
Expenses				
Personnel Expenses				
Salaries	868,830	924,110	(55,280)	-5.98%
Payroll Taxes	53,337	61,713	(8,376)	-13.57%
Employee Benefits	157,283	202,020	(44,737)	-22.14%
Savings & Retirement	84,085	99,986	(15,901)	-15.90%
Total Personnel Expenses	<u>1,163,535</u>	<u>1,287,829</u>	<u>(124,294)</u>	<u>-9.65%</u>
Meeting Expenses				
Meetings & Conference Calls	103	8,000	(7,897)	-98.71%
Travel	16,145	94,300	(78,155)	-82.88%
Total Meeting Expenses	<u>16,248</u>	<u>102,300</u>	<u>(86,052)</u>	<u>-84.12%</u>
Operating Expenses, excluding Depreciation				
Consultants & Contracts	30,000	60,000	(30,000)	-50.00%
Rent & Improvements	-	-	-	
Office Costs	9,459	-	9,459	
Professional Services	-	-	-	
Miscellaneous	-	-	-	
Depreciation	-	-	-	
Total Operating Expenses	<u>39,459</u>	<u>60,000</u>	<u>(20,541)</u>	<u>-34.24%</u>
Indirect Expense Allocation	<u>97,252</u>	<u>1,026,001</u>	<u>(28,749)</u>	<u>-2.80%</u>
Other Non-Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>	
Total Expenses	<u>2,216,494</u>	<u>2,476,130</u>	<u>(259,636)</u>	<u>-10.49%</u>
Change in Net Assets	<u>289,383</u>	<u>29,747</u>	<u>259,636</u>	<u>872.81%</u>
Fixed Asset Additions, excluding Right of Use Assets	<u>33,675</u>	<u>29,747</u>	<u>3,928</u>	<u>13.20%</u>
TOTAL BUDGET (Expenses plus Fixed Asset Additions)	<u>2,250,169</u>	<u>2,505,877</u>	<u>(255,709)</u>	<u>-10.20%</u>
Change in Working Capital (Total Funding less Total Budget)	<u>255,709</u>	<u>-</u>	<u>255,709</u>	
FTE's	<u>4.57</u>	<u>5.40</u>	<u>(0.83)</u>	<u>-15.43%</u>

SITUATION AWARENESS and INFRASTRUCTURE SECURITY

Consultants and Contracts

Consulting support was utilized less than projected. Increased staff efforts enabled NPCC to perform all of its responsibilities in this program area despite the underspend.

Northeast Power Coordinating Council, Inc.
2020 Statement of Activities Summary

ADMINISTRATIVE SERVICES	2020 Actual	2020 Budget	2020 Variance from Budget Over(Under)	
Funding				
ERO Funding				
Assessments	(625,856)	(625,856)	-	0.00%
Penalty Sanctions	-	-		
Total ERO Funding	<u>(625,856)</u>	<u>(625,856)</u>	<u>-</u>	<u>0.00%</u>
Federal Grants	-	-	-	
Non-Statutory Assessments	-	-	-	
Testing	-	-	-	
Services & Software	-	-	-	
Workshop Fees	-	-	-	
Interest & Investment Income	17,543	55,800	(38,257)	-68.56%
Miscellaneous	-	-	-	
Total Funding	<u>(608,313)</u>	<u>(570,056)</u>	<u>(38,257)</u>	<u>6.71%</u>
Expenses				
Personnel Expenses				
Salaries	2,378,701	2,433,049	(54,348)	-2.23%
Payroll Taxes	153,424	126,595	26,829	21.19%
Employee Benefits	436,625	674,649	(238,024)	-35.28%
Savings & Retirement	287,276	313,571	(26,295)	-8.39%
Total Personnel Expenses	<u>3,256,026</u>	<u>3,547,864</u>	<u>(291,838)</u>	<u>-8.23%</u>
Meeting Expenses				
Meetings & Conference Calls	27,313	162,750	(135,437)	-83.22%
Travel	15,026	129,100	(114,074)	-88.36%
Total Meeting Expenses	<u>42,339</u>	<u>291,850</u>	<u>(249,511)</u>	<u>-85.49%</u>
Operating Expenses, excluding Depreciation				
Consultants & Contracts	268,678	361,000	(92,322)	-25.57%
Rent & Improvements	861,691	832,700	28,991	3.48%
Office Costs	685,110	685,981	(871)	-0.13%
Professional Services	1,076,433	947,000	129,433	13.67%
Miscellaneous	12,251	51,000	(38,749)	-75.98%
Depreciation	-	-	-	
Total Operating Expenses	<u>2,904,163</u>	<u>2,877,681</u>	<u>26,482</u>	<u>0.92%</u>
Indirect Expense Allocation	<u>(6,202,529)</u>	<u>(6,272,855)</u>	<u>70,326</u>	<u>-1.12%</u>
Other Non-Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>	
Total Expenses	<u>-</u>	<u>444,540</u>	<u>(444,547)</u>	<u>-100.00%</u>
Change in Net Assets	<u>(608,313)</u>	<u>(1,014,596)</u>	<u>406,290</u>	<u>-40.04%</u>
Fixed Asset Additions, excluding Right of Use Assets	<u>-</u>	<u>-</u>	<u>-</u>	
TOTAL BUDGET (Expenses plus Fixed Asset Additions)	<u>-</u>	<u>444,540</u>	<u>(444,547)</u>	<u>-100.00%</u>
Change in Working Capital (Total Funding less Total Budget)	<u>(608,313)</u>	<u>(1,014,596)</u>	<u>406,290</u>	<u>-40.04%</u>
FTE's	<u>9.71</u>	<u>10.23</u>	<u>(0.52)</u>	<u>-5.10%</u>

ADMINISTRATIVE SERVICES

Personnel

Payroll taxes were over budget due to accrual of payroll taxes related to a deferred compensation payment. All other personnel related expenses were under budget as a result of staff vacancies for varying periods throughout the year. NPCC ended the year fully staffed, with the exception of the successor President and CEO budgeted to start in November 2020 and actually onboarded in March 2021.

Consultants and Contracts

Lower than budgeted expense related to a limited compensation study conducted this year.