

# NORTHEAST POWER COORDINATING COUNCIL, INC.



Financial Statements  
(Together with Accountants' Compilation Report)

For The Year Ended December 31, 2016

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

ACCOUNTANTS & ADVISORS

NORTHEAST POWER COORDINATING COUNCIL, INC.

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**M A R K S P A N E T H**  
ACCOUNTANTS & ADVISORS

## 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., which comprise the statement of financial position as of December 31, 2016, and the related statement of activities for the year 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 of 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  
May 17, 2017

**Northeast Power Coordinating Council, Inc.**  
**Statement of Financial Position**  
(See Accountants' Compilation Report)  
**December 31, 2016**

	<u>Regional Entity Division</u>	<u>Criteria Services Division</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash	\$ 5,626,602	\$ 1,549,878	\$ 7,176,480
Restricted cash	214,862	10,362	225,224
Investments	1,569,811	241,228	1,811,039
Prepaid expenses	319,506	22,843	342,349
Other assets	176,805	1,501	178,306
Equipment and leasehold improvements, net	<u>730,079</u>	<u>58,485</u>	<u>788,564</u>
Total Assets	<u>\$ 8,637,665</u>	<u>\$ 1,884,297</u>	<u>\$ 10,521,962</u>
<b><u>Liabilities and Net Assets</u></b>			
Accrued expenses and other liabilities	\$ 1,915,051	\$ 574,022	\$ 2,489,073
Deferred revenue	-	823,560	823,560
Deferred rent	<u>589,648</u>	<u>43,701</u>	<u>633,349</u>
Total Liabilities	<u>2,504,699</u>	<u>1,441,283</u>	<u>3,945,982</u>
Net Assets - Unrestricted	<u>6,132,966</u>	<u>443,014</u>	<u>6,575,980</u>
Total Liabilities and Net Assets	<u>\$ 8,637,665</u>	<u>\$ 1,884,297</u>	<u>\$ 10,521,962</u>

**Northeast Power Coordinating Council, Inc.**  
**Statement of Activities**  
(See Accountants' Compilation Report)  
**For The Year Ended December 31, 2016**

	Regional Entity Division			Criteria Services Division			Total	
	2016 Budget	Year to Date Actual	Percent of Budget	2016 Budget	Year to Date Actual	Percent of Budget	2016 Budget	Year to Date Actual
Revenue								
41000-Assessments	\$ 14,349,196	\$ 14,349,196	100.00	\$ -	\$ -	-	\$ 14,349,196	\$ 14,349,196
41100-Penalty Sanctions	67,000	75,000	111.94	-	-	-	67,000	75,000
42100-Non-Statutory Funding	-	-	-	1,060,542	1,060,543	100.00	1,060,542	1,060,543
47000-Workshops	64,000	64,540	100.84	-	-	-	64,000	64,540
49000-Interest Income	-	4,875	-	-	283	-	-	5,158
Total Revenue	14,480,196	14,493,611	100.09	1,060,542	1,060,826	100.03	15,540,738	15,554,437
Expenditures								
Salaries								
51000-Direct Salaries	6,531,471	6,350,910	97.24	393,882	353,260	89.69	6,925,353	6,704,170
51200-Employment Agency Fee	10,000	-	-	-	-	-	10,000	-
51300-Temporary Office Services	20,000	15,324	76.62	-	247	-	20,000	15,571
Total Salaries	6,561,471	6,366,234	97.02	393,882	353,507	89.75	6,955,353	6,719,741
Payroll Taxes								
52000-Payroll Taxes-FICA	268,299	263,075	98.05	15,766	15,386	97.59	284,065	278,461
52100-Payroll Taxes-Medicare	99,061	94,519	95.41	5,286	5,545	104.90	104,347	100,064
52200-Payroll Taxes-SUI	6,843	9,007	131.62	684	538	78.65	7,527	9,545
52300-Payroll Taxes-FUI	1,470	1,663	113.13	147	99	67.35	1,617	1,762
52400-Payroll Taxes-MCTMT	23,384	20,869	89.24	1,392	1,224	87.93	24,776	22,093
Total Payroll Taxes	399,057	389,133	97.51	23,275	22,792	97.92	422,332	411,925
Benefits								
54000-Benefits-Education Reimbursement	15,000	7,927	52.85	-	421	-	15,000	8,348
54001-Benefits-Training Classes and Seminars	36,860	27,045	73.37	2,140	314	14.67	39,000	27,359
54100-Benefits-Medical	763,048	676,239	88.62	54,837	14,211	25.91	817,885	690,450
54200-Benefits-Life	68,049	80,862	118.83	4,179	11,200	268.01	72,228	92,062
54250-Officers-Life	15,000	23,546	156.97	-	-	-	15,000	23,546
54300-Insurance -WC	15,000	602	4.01	-	(68)	-	15,000	534
54400-Vacation Expense	451,843	421,007	93.18	27,257	24,599	90.25	479,100	445,606
Total Benefits	1,364,800	1,237,228	90.65	88,413	50,677	57.32	1,453,213	1,287,905
Retirement								
55000-Pension Contribution	-	-	-	102,000	-	-	102,000	-
55100-Employee Savings Plan	713,118	679,597	95.30	42,950	35,881	83.54	756,068	715,478
55200-Pension & Savings Admin	60,000	27,997	46.66	-	(115)	-	60,000	27,882
55300-Deferred Compensation Expense	60,000	73,100	121.83	-	-	-	60,000	73,100
Total Retirement	833,118	780,694	93.71	144,950	35,766	24.67	978,068	816,460
Meetings Expenses								
61000-Meeting Expense	244,000	126,152	51.70	6,500	900	13.85	250,500	127,052
61100-Workshop Expense	150,000	119,204	79.47	-	-	-	150,000	119,204
Total Meetings Expenses	394,000	245,356	62.27	6,500	900	13.85	400,500	246,256

**Northeast Power Coordinating Council, Inc.**  
**Statement of Activities**  
(See Accountants' Compilation Report)  
**For The Year Ended December 31, 2016**

	Regional Entity Division			Criteria Services Division			Total	
		Year to Date	Percent of		Year to Date	Percent of		Year to Date
	2016 Budget	Actual	Budget	2016 Budget	Actual	Budget	2016 Budget	Actual
Travel Expenses								
62000-Travel	\$ 867,100	\$ 750,084	86.50	\$ 46,000	\$ 49,383	107.35	\$ 913,100	\$ 799,467
62200-Travel Directors	40,000	23,604	59.01	-	-	-	40,000	23,604
Total Travel Expenses	907,100	773,688	85.29	46,000	49,383	107.35	953,100	823,071
Communications								
63000-Conference Calls	47,000	34,450	73.30	-	-	-	47,000	34,450
Total Communications	47,000	34,450	73.30	-	-	-	47,000	34,450
Contracts & Consultants								
65000-Consultants	48,000	-	-	-	-	-	48,000	-
65100-Contracts	710,500	469,939	66.14	25,000	1,723	6.89	735,500	471,662
65110-Contract Audit Labor	1,200,000	1,022,193	85.18	-	-	-	1,200,000	1,022,193
65120-Contract Audit Travel	90,000	242,437	269.37	-	-	-	90,000	242,437
65130-Contract Audit Expenses	175,000	-	-	-	-	-	175,000	-
Total Contracts & Consultants	2,223,500	1,734,569	78.01	25,000	1,723	6.89	2,248,500	1,736,292
Office Rent								
70000-Office Rent	650,000	631,575	97.17	-	-	-	650,000	631,575
70010-Utilities	40,000	36,669	91.67	-	-	-	40,000	36,669
70020-Maintenance	40,000	24,160	60.40	-	-	-	40,000	24,160
70030-Security	2,500	2,390	95.60	-	-	-	2,500	2,390
70040-Real Estate Taxes	70,000	72,884	104.12	-	-	-	70,000	72,884
Total Office Rent	802,500	767,678	95.66	-	-	-	802,500	767,678
Office Costs								
71000-Telephone	112,000	96,083	85.79	-	-	-	112,000	96,083
71100-Internet Expense	95,400	79,177	82.99	-	-	-	95,400	79,177
71200-Office Supplies	33,000	21,496	65.14	-	40	-	33,000	21,536
71300-Computer Supplies & Maintenance	321,000	254,745	79.36	-	1	-	321,000	254,746
71400-Subscriptions & Publications	13,500	11,871	87.93	-	840	-	13,500	12,711
71500-Dues	4,000	170	4.25	-	-	-	4,000	170
71600-Postage	1,200	847	70.58	-	1	-	1,200	848
71700-Express Shipping	10,000	5,268	52.68	-	18	-	10,000	5,286
71800-Copying	26,400	23,561	89.25	-	-	-	26,400	23,561
71900-Reports	6,000	7,873	131.22	-	-	-	6,000	7,873
72000-Stationary & Office Forms	2,000	789	39.45	-	600	-	2,000	1,389
72200-Bank Charges	15,000	1,433	9.55	-	74	-	15,000	1,507
Total Office Costs	639,500	503,313	78.70	-	1,574	-	639,500	504,887

**Northeast Power Coordinating Council, Inc.**  
**Statement of Activities**  
(See Accountants' Compilation Report)  
**For The Year Ended December 31, 2016**

	Regional Entity Division			Criteria Services Division			Total	
		Year to Date	Percent of		Year to Date	Percent of		Year to Date
	2016 Budget	Actual	Budget	2016 Budget	Actual	Budget	2016 Budget	Actual
Professional Services								
75000-BOT Fee	\$ 325,000	\$ 333,416	102.59	\$ -	\$ -	-	\$ 325,000	\$ 333,416
75100-BOT Search Fee	-	85,468	-	-	-	-	-	85,468
75300-Accounting and Auditing Fees	310,000	259,061	83.57	-	-	-	310,000	259,061
75400-Legal Fees - Other	316,000	213,601	67.60	-	-	-	316,000	213,601
75500-Insurance - Commercial	60,000	50,585	84.31	-	-	-	60,000	50,585
Total Professional Services	1,011,000	942,131	93.19	-	-	-	1,011,000	942,131
Other Non-Operating Expenses								
80300-Cash Reserve Requirement	(548,624)	-	-	(105,031)	-	-	(653,655)	-
Total Other Non-Operating Expenses	(548,624)	-	-	(105,031)	-	-	(653,655)	-
Depreciation Expense								
95100-Depreciation Expense-Equipment	231,821	32,405	13.98	8,506	1,242	14.60	240,327	33,647
95250-Depreciation - Software	-	140,200	-	-	294	-	-	140,494
95300-Depreciation Expense-Furniture	-	18,380	-	-	2,012	-	-	20,392
95400- Depreciation Expense - L.I.	-	58,481	-	-	6,498	-	-	64,979
Total Depreciation Expense	231,821	249,466	107.61	8,506	10,046	118.10	240,327	259,512
Miscellaneous Expenses								
99000-Miscellaneous Expense	41,000	43,818	106.87	2,000	496	24.80	43,000	44,314
99990-Indirect Expenses	(427,047)	(341,268)	79.91	427,047	341,268	79.91	-	-
Total Miscellaneous Expenses	(386,047)	(297,450)	77.05	429,047	341,764	-	43,000	44,314
Total Expenditures	14,480,196	13,726,490	94.79	1,060,542	868,132	81.86	15,540,738	14,594,622
Change in Unrestricted Net Assets	\$ -	767,121	-	\$ -	192,694	-	\$ -	959,815
Net Assets - Beginning of Period		5,365,845			250,320			5,616,165
Net Assets - End of Period		\$ 6,132,966			\$ 443,014			\$ 6,575,980