

NORTHEAST POWER COORDINATING COUNCIL, INC.



Financial Statements
(Together with Accountants' Compilation Report)

For The Year Ended December 31, 2017

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

NORTHEAST POWER COORDINATING COUNCIL, INC.

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ACCOUNTANTS' COMPILATION REPORT

Northeast Power Coordinating Council, Inc.
1040 Avenue of the Americas, 10th 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 December 31, 2017, 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 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 24, 2018

Northeast Power Coordinating Council, Inc.
Statement of Financial Position
(See Accountants' Compilation Report)
December 31, 2017

	<u>Regional Entity Division</u>	<u>Criteria Services Division</u>	<u>Total</u>
<u>Assets</u>			
Cash	\$ 5,855,507	\$ 1,122,122	\$ 6,977,629
Restricted cash	214,789	10,354	225,143
Investments	1,573,975	242,903	1,816,878
Prepaid expenses	282,353	15,901	298,254
Other assets	214,116	1,296	215,412
Equipment and leasehold improvements, net	<u>747,267</u>	<u>58,327</u>	<u>805,594</u>
 Total Assets	 <u>\$ 8,888,007</u>	 <u>\$ 1,450,903</u>	 <u>\$ 10,338,910</u>
<u>Liabilities and Net Assets</u>			
Accrued expenses and other liabilities	\$ 2,508,284	\$ 133,564	\$ 2,641,848
Deferred revenue	-	684,226	684,226
Deferred rent	<u>539,705</u>	<u>40,000</u>	<u>579,705</u>
 Total Liabilities	 <u>3,047,989</u>	 <u>857,790</u>	 <u>3,905,779</u>
 Net Assets - Unrestricted	 <u>5,840,018</u>	 <u>593,113</u>	 <u>6,433,131</u>
 Total Liabilities and Net Assets	 <u>\$ 8,888,007</u>	 <u>\$ 1,450,903</u>	 <u>\$ 10,338,910</u>

Northeast Power Coordinating Council, Inc.
Statement of Activities
(See Accountants' Compilation Report)
For The Year Ended December 31, 2017

	Regional Entity Division			Criteria Services Division			Total	
	2017 Budget	Year to Date Actual	Percent of Budget	2017 Budget	Year to Date Actual	Percent of Budget	2017 Budget	Year to Date Actual
Revenue								
41000-Assessments	\$ 14,255,061	\$ 14,255,060	100.00	\$ -	\$ -	-	\$ 14,255,061	\$ 14,255,060
41100-Penalty Sanctions	-	-	-	-	-	-	-	-
42100-Non-Statutory Funding	-	-	-	1,105,867	1,105,866	100.00	1,105,867	1,105,866
47000-Workshops	64,000	69,729	108.95	-	-	-	64,000	69,729
49000-Interest Income	-	10,871	-	-	631	-	-	11,502
Total Revenue	14,319,061	14,335,660	100.12	1,105,867	1,106,497	100.06	15,424,928	15,442,157
Expenditures								
Salaries								
51000-Direct Salaries	6,718,926	6,630,911	98.69	401,142	387,874	96.69	7,120,068	7,018,785
51200-Employment Agency Fee	10,000	-	-	-	-	-	10,000	-
51300-Temporary Office Services	30,000	22,622	75.41	-	-	-	30,000	22,622
Total Salaries	6,758,926	6,653,533	98.44	401,142	387,874	96.69	7,160,068	7,041,407
Payroll Taxes								
52000-Payroll Taxes-FICA	269,512	282,728	104.90	15,793	16,440	104.10	285,305	299,168
52100-Payroll Taxes-Medicare	100,986	99,650	98.68	5,172	5,674	109.71	106,158	105,324
52200-Payroll Taxes-SUI	8,263	5,603	67.81	800	325	40.63	9,063	5,928
52300-Payroll Taxes-FUI	1,720	1,704	99.07	167	99	59.28	1,887	1,803
52400-Payroll Taxes-MCTMT	23,839	21,974	92.18	1,369	1,250	91.31	25,208	23,224
Total Payroll Taxes	404,320	411,659	101.82	23,301	23,788	102.09	427,621	435,447
Benefits								
54000-Benefits-Education Reimbursement	22,500	18,938	84.17	-	-	-	22,500	18,938
54001-Benefits-Training Classes and Seminars	36,860	29,201	79.22	2,140	395	18.46	39,000	29,596
54100-Benefits-Medical	790,033	755,540	95.63	17,295	11,427	66.07	807,328	766,967
54200-Benefits-Life	70,716	62,166	87.91	22,632	6,180	27.31	93,348	68,346
54250-Officers-Life	18,000	16,049	89.16	-	-	-	18,000	16,049
54300-Insurance -WC	15,000	18,306	122.04	-	(68)	-	15,000	18,238
54400-Vacation Expense	462,494	454,029	98.17	27,033	26,558	98.24	489,527	480,587
Total Benefits	1,415,603	1,354,229	95.66	69,100	44,492	64.39	1,484,703	1,398,721
Retirement								
55000-Pension Contribution	37,000	-	-	-	-	-	37,000	-
55100-Employee Savings Plan	727,223	701,250	96.43	42,605	43,883	103.00	769,828	745,133
55200-Pension & Savings Admin	45,000	31,250	69.44	-	-	-	45,000	31,250
55300-Deferred Compensation Expense	38,000	73,100	192.37	-	-	-	38,000	73,100
Total Retirement	847,223	805,600	95.09	42,605	43,883	103.00	889,828	849,483
Meetings Expenses								
61000-Meeting Expense	227,100	210,635	92.75	5,000	2,113	42.26	232,100	212,748
61100-Workshop Expense	150,000	158,586	105.72	-	-	-	150,000	158,586
Total Meetings Expenses	377,100	369,221	97.91	5,000	2,113	42.26	382,100	371,334

Northeast Power Coordinating Council, Inc.
Statement of Activities
(See Accountants' Compilation Report)
For The Year Ended December 31, 2017

	Regional Entity Division			Criteria Services Division			Total	
		Year to Date	Percent of		Year to Date	Percent of		Year to Date
	2017 Budget	Actual	Budget	2017 Budget	Actual	Budget	2017 Budget	Actual
Travel Expenses								
62000-Travel	\$ 815,232	\$ 717,607	88.02	\$ 51,600	\$ 49,283	95.51	\$ 866,832	\$ 766,890
62200-Travel Directors	40,000	26,964	67.41	-	-	-	40,000	26,964
Total Travel Expenses	<u>855,232</u>	<u>744,571</u>	87.06	<u>51,600</u>	<u>49,283</u>	95.51	<u>906,832</u>	<u>793,854</u>
Communications								
63000-Conference Calls	37,000	32,239	87.13	-	-	-	37,000	32,239
Total Communications	<u>37,000</u>	<u>32,239</u>	87.13	<u>-</u>	<u>-</u>	-	<u>37,000</u>	<u>32,239</u>
Contracts & Consultants								
65000-Consultants	65,000	-	-	-	-	-	65,000	-
65100-Contracts	750,000	690,234	92.03	18,000	114	0.63	768,000	690,348
65110-Contract Audit Labor	1,045,000	964,916	92.34	-	-	-	1,045,000	964,916
65120-Contract Audit Travel	55,000	336,249	611.36	-	-	-	55,000	336,249
65130-Contract Audit Expenses	94,000	-	-	-	-	-	94,000	-
Total Contracts & Consultants	<u>2,009,000</u>	<u>1,991,399</u>	99.12	<u>18,000</u>	<u>114</u>	0.63	<u>2,027,000</u>	<u>1,991,513</u>
Office Rent								
70000-Office Rent	650,000	627,209	96.49	-	-	-	650,000	627,209
70010-Utilities	43,000	32,927	76.57	-	-	-	43,000	32,927
70020-Maintenance	40,000	31,494	78.74	-	-	-	40,000	31,494
70030-Security	2,700	2,390	88.52	-	-	-	2,700	2,390
70040-Real Estate Taxes	74,000	82,440	111.41	-	-	-	74,000	82,440
Total Office Rent	<u>809,700</u>	<u>776,460</u>	95.89	<u>-</u>	<u>-</u>	-	<u>809,700</u>	<u>776,460</u>
Office Costs								
71000-Telephone	112,000	88,153	78.71	-	-	-	112,000	88,153
71100-Internet Expense	105,600	89,201	84.47	-	-	-	105,600	89,201
71200-Office Supplies	33,000	28,861	87.46	-	32	-	33,000	28,893
71300-Computer Supplies & Maintenance	350,000	313,811	89.66	-	147	-	350,000	313,958
71400-Subscriptions & Publications	13,500	17,655	130.78	-	162	-	13,500	17,817
71500-Dues	4,400	2,379	54.07	-	14	-	4,400	2,393
71600-Postage	1,200	722	60.17	-	-	-	1,200	722
71700-Express Shipping	10,000	3,399	33.99	-	4	-	10,000	3,403
71800-Copying	26,400	24,564	93.05	-	-	-	26,400	24,564
71900-Reports	6,000	-	-	-	-	-	6,000	-
72000-Stationery & Office Forms	2,000	1,213	60.65	-	1	-	2,000	1,214
72200-Bank Charges	15,000	2,558	17.05	-	164	-	15,000	2,722
Total Office Costs	<u>679,100</u>	<u>572,516</u>	84.31	<u>-</u>	<u>524</u>	-	<u>679,100</u>	<u>573,040</u>

Northeast Power Coordinating Council, Inc.
Statement of Activities
(See Accountants' Compilation Report)
For The Year Ended December 31, 2017

	Regional Entity Division			Criteria Services Division			Total	
	2017 Budget	Year to Date Actual	Percent of Budget	2017 Budget	Year to Date Actual	Percent of Budget	2017 Budget	Year to Date Actual
	Professional Services							
75000-BOT Fee	\$ 325,000	\$ 327,707	100.83	\$ -	\$ -	-	\$ 325,000	\$ 327,707
75100-BOT Search Fee	20,000	117,479	587.40	-	-	-	20,000	117,479
75300-Accounting and Auditing Fees	310,000	284,465	91.76	-	-	-	310,000	284,465
75400-Legal Fees - Other	316,000	246,555	78.02	-	-	-	316,000	246,555
75500-Insurance - Commercial	70,000	45,097	64.42	-	-	-	70,000	45,097
Total Professional Services	<u>1,041,000</u>	<u>1,021,303</u>	98.11	<u>-</u>	<u>-</u>	-	<u>1,041,000</u>	<u>1,021,303</u>
Other Non-Operating Expenses								
80300-Cash Reserve Requirement	(801,994)	-	-	68,970	-	-	(733,024)	-
Total Other Non-Operating Expenses	<u>(801,994)</u>	<u>-</u>	-	<u>68,970</u>	<u>-</u>	-	<u>(733,024)</u>	<u>-</u>
Depreciation Expense								
95100-Depreciation Expense-Equipment	250,000	43,881	17.55	10,000	1,887	18.87	260,000	45,768
95250-Depreciation - Software	-	117,325	-	-	712	-	-	118,037
95300-Depreciation Expense-Furniture	-	18,380	-	-	2,012	-	-	20,392
95400- Depreciation Expense - L.I.	-	58,481	-	-	6,498	-	-	64,979
Total Depreciation Expense	<u>250,000</u>	<u>238,067</u>	95.23	<u>10,000</u>	<u>11,109</u>	111.09	<u>260,000</u>	<u>249,176</u>
Miscellaneous Expenses								
99000-Miscellaneous Expense	50,000	50,449	100.90	3,000	580	19.33	53,000	51,029
99990-Indirect Expenses	(413,149)	(392,638)	95.04	413,149	392,638	95.04	-	-
Total Miscellaneous Expenses	<u>(363,149)</u>	<u>(342,189)</u>	94.23	<u>416,149</u>	<u>393,218</u>	-	<u>53,000</u>	<u>51,029</u>
Total Expenditures	<u>14,319,061</u>	<u>14,628,608</u>	102.16	<u>1,105,867</u>	<u>956,398</u>	86.48	<u>15,424,928</u>	<u>15,585,006</u>
Change in Unrestricted Net Assets	<u>\$ -</u>	<u>(292,948)</u>		<u>\$ -</u>	<u>150,099</u>		<u>\$ -</u>	<u>(142,849)</u>
Net Assets - Beginning of Period		<u>6,132,966</u>			<u>443,014</u>			<u>6,575,980</u>
Net Assets - End of Period		<u>\$ 5,840,018</u>			<u>\$ 593,113</u>			<u>\$ 6,433,131</u>