

NORTHEAST POWER COORDINATING COUNCIL, INC.



Financial Statements
(Together with Accountants' Compilation Report)

Six Months Ended June 30, 2016

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

NORTHEAST POWER COORDINATING COUNCIL, INC.

CONTENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2016

	<u>Page No.</u>
Accountants' Compilation Report	1
<u>Financial Statements</u>	
Statement of Financial Position	2
Statement of Activities	3-5

Marks Paneth LLP
685 Third Avenue
New York, NY 10017
P 212.503.8800
F 212.370.3759
www.markspaneth.com

New York
New Jersey
Pennsylvania
Washington, DC

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, 10th 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 June 30, 2016, 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 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.



New York, New York
August 30, 2016



An independent member of
Morison International

Northeast Power Coordinating Council, Inc.
Statement of Financial Position
(See Accountants' Compilation Report)
June 30, 2016

	<u>Regional Entity Division</u>	<u>Criteria Services Division</u>	<u>Total</u>
<u>Assets</u>			
Cash	\$ 5,068,341	\$ 644,958	\$ 5,713,299
Restricted cash	139,821	10,356	150,177
Investments	1,569,811	241,203	1,811,014
Prepaid expenses	263,597	14,006	277,603
Other assets	127,194	1,706	128,900
Equipment and leasehold improvements, net	<u>798,040</u>	<u>63,009</u>	<u>861,049</u>
Total Assets	<u>\$ 7,966,804</u>	<u>\$ 975,238</u>	<u>\$ 8,942,042</u>
<u>Liabilities and Net Assets</u>			
Accrued expenses and other liabilities	\$ 1,118,249	\$ 55,800	\$ 1,174,049
Deferred revenue	-	530,271	530,271
Deferred rent	<u>614,618</u>	<u>45,552</u>	<u>660,170</u>
Total Liabilities	<u>1,732,867</u>	<u>631,623</u>	<u>2,364,490</u>
Net Assets - Unrestricted	<u>6,233,937</u>	<u>343,615</u>	<u>6,577,552</u>
Total Liabilities and Net Assets	<u>\$ 7,966,804</u>	<u>\$ 975,238</u>	<u>\$ 8,942,042</u>

Northeast Power Coordinating Council, Inc.
Statement of Activities
(See Accountants' Compilation Report)
For The Six Months Ended June 30, 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
Revenue								
41000-Assessments	\$ 14,349,196	\$ 7,174,598	50.00	\$ -	\$ -	-	\$ 14,349,196	\$ 7,174,598
41100-Penalty Sanctions	67,000	-	-	-	-	-	67,000	-
42100-Non-Statutory Funding	-	-	-	1,060,542	530,272	50.00	1,060,542	530,272
47000-Workshops	64,000	31,550	49.30	-	-	-	64,000	31,550
49000-Interest Income	-	2,332	-	-	135	-	-	2,467
Total Revenue	14,480,196	7,208,480	49.78	1,060,542	530,407	50.01	15,540,738	7,738,887
Expenditures								
Salaries								
51000-Direct Salaries	6,531,471	3,178,718	48.67	393,882	190,130	48.27	6,925,353	3,368,848
51200-Employment Agency Fee	10,000	-	-	-	-	-	10,000	-
51300-Temporary Office Services	20,000	8,256	41.28	-	-	-	20,000	8,256
Total Salaries	6,561,471	3,186,974	48.57	393,882	190,130	48.27	6,955,353	3,377,104
Payroll Taxes								
52000-Payroll Taxes-FICA	268,299	202,536	75.49	15,766	12,002	76.13	284,065	214,538
52100-Payroll Taxes-Medicare	99,061	53,227	53.73	5,286	3,151	59.61	104,347	56,378
52200-Payroll Taxes-SUI	6,843	8,904	130.12	684	532	77.78	7,527	9,436
52300-Payroll Taxes-FUI	1,470	1,627	110.68	147	97	65.99	1,617	1,724
52400-Payroll Taxes-MCTMT	23,384	11,762	50.30	1,392	696	50.00	24,776	12,458
Total Payroll Taxes	399,057	278,056	69.68	23,275	16,478	70.80	422,332	294,534
Benefits								
54000-Benefits-Education Reimbursement	15,000	1,683	11.22	-	421	-	15,000	2,104
54001-Benefits-Training Classes and Seminars	36,860	11,640	31.58	2,140	107	5.00	39,000	11,747
54100-Benefits-Medical	763,048	333,625	43.72	54,837	8,867	16.17	817,885	342,492
54200-Benefits-Life	68,049	44,331	65.15	4,179	13,341	319.24	72,228	57,672
54250-Officers-Life	15,000	29,210	194.73	-	-	-	15,000	29,210
54300-Insurance -WC	15,000	(581)	(3.87)	-	(34)	-	15,000	(615)
54400-Vacation Expense	451,843	214,442	47.46	27,257	12,623	46.31	479,100	227,065
Total Benefits	1,364,800	634,350	46.48	88,413	35,325	39.95	1,453,213	669,675
Retirement								
55000-Pension Contribution	-	-	-	102,000	-	-	102,000	-
55100-Employee Savings Plan	713,118	361,203	50.65	42,950	16,484	38.38	756,068	377,687
55200-Pension & Savings Admin	60,000	4,584	7.64	-	(115)	-	60,000	4,469
55300-Deferred Compensation Expense	60,000	-	-	-	-	-	60,000	-
Total Retirement	833,118	365,787	43.91	144,950	16,369	11.29	978,068	382,156
Meetings Expenses								
61000-Meeting Expense	244,000	45,829	18.78	6,500	885	13.62	250,500	46,714
61100-Workshop Expense	150,000	45,962	30.64	-	-	-	150,000	45,962
Total Meetings Expenses	394,000	91,791	23.30	6,500	885	13.62	400,500	92,676

Northeast Power Coordinating Council, Inc.
Statement of Activities
(See Accountants' Compilation Report)
For The Six Months Ended June 30, 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	\$ 313,767	36.19	\$ 46,000	\$ 15,628	33.97	\$ 913,100	\$ 329,395
62200-Travel Directors	40,000	8,273	20.68	-	-	-	40,000	8,273
Total Travel Expenses	907,100	322,040	35.50	46,000	15,628	33.97	953,100	337,668
Communications								
63000-Conference Calls	47,000	15,600	33.19	-	-	-	47,000	15,600
Total Communications	47,000	15,600	33.19	-	-	-	47,000	15,600
Contracts & Consultants								
65000-Consultants	48,000	-	-	-	-	-	48,000	-
65100-Contracts	710,500	190,971	26.88	25,000	651	2.60	735,500	191,622
65110-Contract Audit Labor	1,200,000	221,297	18.44	-	-	-	1,200,000	221,297
65120-Contract Audit Travel	90,000	58,236	64.71	-	-	-	90,000	58,236
65130-Contract Audit Expenses	175,000	-	-	-	-	-	175,000	-
Total Contracts & Consultants	2,223,500	470,504	21.16	25,000	651	2.60	2,248,500	471,155
Office Rent								
70000-Office Rent	650,000	309,374	47.60	-	-	-	650,000	309,374
70010-Utilities	40,000	12,726	31.82	-	-	-	40,000	12,726
70020-Maintenance	40,000	13,760	34.40	-	-	-	40,000	13,760
70030-Security	2,500	1,793	71.72	-	-	-	2,500	1,793
70040-Real Estate Taxes	70,000	-	-	-	-	-	70,000	-
Total Office Rent	802,500	337,653	42.08	-	-	-	802,500	337,653
Office Costs								
71000-Telephone	112,000	40,962	36.57	-	-	-	112,000	40,962
71100-Internet Expense	95,400	38,191	40.03	-	-	-	95,400	38,191
71200-Office Supplies	33,000	7,872	23.85	-	29	-	33,000	7,901
71300-Computer Supplies & Maintenance	321,000	132,545	41.29	-	-	-	321,000	132,545
71400-Subscriptions & Publications	13,500	5,270	39.04	-	429	-	13,500	5,699
71500-Dues	4,000	-	-	-	-	-	4,000	-
71600-Postage	1,200	404	33.67	-	1	-	1,200	405
71700-Express Shipping	10,000	8,611	86.11	-	12	-	10,000	8,623
71800-Copying	26,400	5,273	19.97	-	-	-	26,400	5,273
71900-Reports	6,000	7,873	131.22	-	-	-	6,000	7,873
72000-Stationary & Office Forms	2,000	394	19.70	-	4	-	2,000	398
72200-Bank Charges	15,000	(1,186)	(7.91)	-	8	-	15,000	(1,178)
Total Office Costs	639,500	246,209	38.50	-	483	-	639,500	246,692

Northeast Power Coordinating Council, Inc.
Statement of Activities
(See Accountants' Compilation Report)
For The Six Months Ended June 30, 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	\$ 164,171	50.51	\$ -	\$ -	-	\$ 325,000	\$ 164,171
75100-BOT Search Fee	-	25,000	-	-	-	-	-	25,000
75300-Accounting and Auditing Fees	310,000	110,533	35.66	-	-	-	310,000	110,533
75400-Legal Fees - Other	316,000	95,577	30.25	-	-	-	316,000	95,577
75500-Insurance - Commercial	60,000	16,399	27.33	-	-	-	60,000	16,399
Total Professional Services	<u>1,011,000</u>	<u>411,680</u>	<u>40.72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,011,000</u>	<u>411,680</u>
Other Non-Operating Expenses								
80300-Cash Reserve Requirement	(548,624)	-	-	(105,031)	-	-	(653,655)	-
Total Other Non-Operating Expenses	<u>(548,624)</u>	<u>-</u>	<u>-</u>	<u>(105,031)</u>	<u>-</u>	<u>-</u>	<u>(653,655)</u>	<u>-</u>
Depreciation Expense								
95100-Depreciation Expense-Equipment	231,821	16,203	6.99	8,506	621	7.30	240,327	16,824
95250-Depreciation - Software	-	67,858	-	-	132	-	-	67,990
95300-Depreciation Expense-Furniture	-	9,190	-	-	1,006	-	-	10,196
95400- Depreciation Expense - L.I.	-	29,241	-	-	3,249	-	-	32,490
Total Depreciation Expense	<u>231,821</u>	<u>122,492</u>	<u>52.84</u>	<u>8,506</u>	<u>5,008</u>	<u>58.88</u>	<u>240,327</u>	<u>127,500</u>
Miscellaneous Expenses								
99000-Miscellaneous Expense	41,000	13,384	32.64	2,000	23	1.15	43,000	13,407
99990-Indirect Expenses	(427,047)	(156,132)	36.56	427,047	156,132	36.56	-	-
Total Miscellaneous Expenses	<u>(386,047)</u>	<u>(142,748)</u>	<u>36.98</u>	<u>429,047</u>	<u>156,155</u>	<u>-</u>	<u>43,000</u>	<u>13,407</u>
Total Expenditures	<u>14,480,196</u>	<u>6,340,388</u>	<u>43.79</u>	<u>1,060,542</u>	<u>437,112</u>	<u>41.22</u>	<u>15,540,738</u>	<u>6,777,500</u>
Change in Unrestricted Net Assets	<u>\$ -</u>	<u>868,092</u>	<u>-</u>	<u>\$ -</u>	<u>93,295</u>	<u>-</u>	<u>\$ -</u>	<u>961,387</u>
Net Assets - Beginning of Period		<u>5,365,845</u>			<u>250,320</u>			<u>5,616,165</u>
Net Assets - End of Period		<u>\$ 6,233,937</u>			<u>\$ 343,615</u>			<u>\$ 6,577,552</u>