

# **NORTHEAST POWER COORDINATING COUNCIL, INC.**



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

**For The Year Ended December 31, 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 YEAR ENDED DECEMBER 31, 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 December 31, 2018, 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 15, 2019

**Northeast Power Coordinating Council, Inc.**  
**Statement of Financial Position**  
**(See Accountants' Compilation Report)**  
**December 31, 2018**

	<b>Regional Entity Division</b>	<b>Criteria Services Division</b>	<b>Total</b>
<b>Assets</b>			
Cash	\$ 5,916,144	\$ 996,764	\$ 6,912,908
Restricted cash	259,931	10,362	270,293
Investments	1,590,600	249,694	1,840,294
Prepaid expenses	230,701	13,536	244,237
Other assets	246,125	1,091	247,216
Equipment and leasehold improvements, net	572,533	38,709	611,242
Total Assets	<u>\$ 8,816,034</u>	<u>\$ 1,310,156</u>	<u>\$ 10,126,190</u>
<b>Liabilities and Net Assets</b>			
Accrued expenses and other liabilities	\$ 2,659,646	\$ 158,027	\$ 2,817,673
Deferred revenue	-	509,901	509,901
Deferred rent	489,763	36,298	526,061
Total Liabilities	3,149,409	704,226	3,853,635
Net Assets - Without Donor Restrictions:			
Available for operations	4,726,625	545,930	5,272,555
Board designated for future use	940,000	60,000	1,000,000
Total Net Assets Without Donor Restrictions	5,666,625	605,930	6,272,555
Total Liabilities and Net Assets	<u>\$ 8,816,034</u>	<u>\$ 1,310,156</u>	<u>\$ 10,126,190</u>

**Northeast Power Coordinating Council, Inc.**  
**Statement of Activities**  
**(See Accountants' Compilation Report)**  
**For The Year Ended December 31, 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	\$ 14,341,787	100.00	\$ -	\$ -	-	\$ 14,341,787	\$ 14,341,787
41100-Penalty Sanctions	75,000	120,000	160.00	-	-	-	75,000	120,000
42100-Non-Statutory Funding	-	-	-	1,019,141	1,019,141	100.00	1,019,141	1,019,141
47000-Workshops	64,000	63,449	99.14	-	-	-	64,000	63,449
49000-Interest Income	-	27,198	-	-	1,579	-	-	28,777
<b>Total Revenue</b>	<b>14,480,787</b>	<b>14,552,434</b>	<b>100.49</b>	<b>1,019,141</b>	<b>1,020,720</b>	<b>100.15</b>	<b>15,499,928</b>	<b>15,573,154</b>
<b>Expenditures</b>								
<b>Salaries</b>								
51000-Direct Salaries	7,057,483	6,736,884	95.46	404,848	377,366	93.21	7,462,331	7,114,250
51200-Employment Agency Fee	10,000	5,000	50.00	-	-	-	10,000	5,000
51300-Temporary Office Services	40,116	12,161	30.31	-	-	-	40,116	12,161
<b>Total Salaries</b>	<b>7,107,599</b>	<b>6,754,045</b>	<b>95.03</b>	<b>404,848</b>	<b>377,366</b>	<b>93.21</b>	<b>7,512,447</b>	<b>7,131,411</b>
<b>Payroll Taxes</b>								
52000-Payroll Taxes-FICA	270,078	282,554	104.62	15,846	16,609	104.82	285,924	299,163
52100-Payroll Taxes-Medicare	106,291	100,588	94.63	5,216	5,897	113.06	111,507	106,485
52200-Payroll Taxes-SUI	8,263	3,954	47.85	800	241	30.13	9,063	4,195
52300-Payroll Taxes-FUI	1,720	1,687	98.08	167	101	60.48	1,887	1,788
52400-Payroll Taxes-MCTMT	25,088	22,586	90.03	1,384	1,324	95.66	26,472	23,910
53000-UBIT on Transit Benefit	-	16,000	-	-	-	-	-	16,000
<b>Total Payroll Taxes</b>	<b>411,440</b>	<b>427,369</b>	<b>103.87</b>	<b>23,413</b>	<b>24,172</b>	<b>103.24</b>	<b>434,853</b>	<b>451,541</b>
<b>Benefits</b>								
54000-Benefits-Education Reimbursement	30,000	-	-	-	-	-	30,000	-
54001-Benefits-Training Classes and Seminars	44,232	37,747	85.34	2,568	-	-	46,800	37,747
54100-Benefits-Medical	811,369	901,799	111.15	21,880	27,987	127.91	833,249	929,786
54200-Benefits-Life	72,465	79,082	109.13	22,695	5,520	24.32	95,160	84,602
54250-Officers-Life	18,000	5,472	30.40	-	-	-	18,000	5,472
54300-Insurance -WC	15,000	3,243	21.62	-	23	-	15,000	3,266
54400-Vacation Expense	485,312	471,481	97.15	27,848	27,424	98.48	513,160	498,905
<b>Total Benefits</b>	<b>1,476,378</b>	<b>1,498,824</b>	<b>101.52</b>	<b>74,991</b>	<b>60,954</b>	<b>81.28</b>	<b>1,551,369</b>	<b>1,559,778</b>
<b>Retirement</b>								
55000-Pension Contribution	38,000	-	-	-	-	-	38,000	-
55100-Employee Savings Plan	714,353	648,000	90.71	43,272	40,722	94.11	757,625	688,722
55200-Pension & Savings Admin	35,000	29,856	85.30	-	-	-	35,000	29,856
55300-Deferred Compensation Expense	38,000	72,000	189.47	-	-	-	38,000	72,000
<b>Total Retirement</b>	<b>825,353</b>	<b>749,856</b>	<b>90.85</b>	<b>43,272</b>	<b>40,722</b>	<b>94.11</b>	<b>868,625</b>	<b>790,578</b>
<b>Meetings Expenses</b>								
61000-Meeting Expense	203,050	161,647	79.61	5,000	4,775	95.50	208,050	166,422
61100-Workshop Expense	150,000	103,426	68.95	-	-	-	150,000	103,426
<b>Total Meetings Expenses</b>	<b>353,050</b>	<b>265,073</b>	<b>75.08</b>	<b>5,000</b>	<b>4,775</b>	<b>95.50</b>	<b>358,050</b>	<b>269,848</b>

**Northeast Power Coordinating Council, Inc.**  
**Statement of Activities**  
**(See Accountants' Compilation Report)**  
**For The Year Ended December 31, 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	\$ 616,675	77.13	\$ 55,647	\$ 45,079	81.01	\$ 855,147	\$ 661,754
62200-Travel Directors	35,000	23,391	66.83	-	-	-	35,000	23,391
Total Travel Expenses	<u>834,500</u>	<u>640,066</u>	76.70	<u>55,647</u>	<u>45,079</u>	81.01	<u>890,147</u>	<u>685,145</u>
Communications								
63000-Conference Calls	37,000	33,517	90.59	-	-	-	37,000	33,517
Total Communications	<u>37,000</u>	<u>33,517</u>	90.59	<u>-</u>	<u>-</u>	-	<u>37,000</u>	<u>33,517</u>
Contracts & Consultants								
65100-Contracts	703,640	654,815	93.06	40,360	47,693	118.17	744,000	702,508
65110-Contract Audit Labor	939,940	1,251,812	133.18	-	-	-	939,940	1,251,812
65120-Contract Audit Travel	234,060	206,303	88.14	-	-	-	234,060	206,303
Total Contracts & Consultants	<u>1,877,640</u>	<u>2,112,930</u>	112.53	<u>40,360</u>	<u>47,693</u>	118.17	<u>1,918,000</u>	<u>2,160,623</u>
Office Rent								
70000-Office Rent	650,000	625,013	96.16	-	-	-	650,000	625,013
70010-Utilities	43,000	34,766	80.85	-	-	-	43,000	34,766
70020-Maintenance	35,000	27,901	79.72	-	-	-	35,000	27,901
70030-Security	2,700	2,670	98.89	-	-	-	2,700	2,670
70040-Real Estate Taxes	80,000	97,937	122.42	-	-	-	80,000	97,937
Total Office Rent	<u>810,700</u>	<u>788,287</u>	97.24	<u>-</u>	<u>-</u>	-	<u>810,700</u>	<u>788,287</u>
Office Costs								
71000-Telephone	111,660	80,604	72.19	-	-	-	111,660	80,604
71100-Internet Expense	95,000	83,422	87.81	-	4	-	95,000	83,426
71200-Office Supplies	33,000	14,804	44.86	-	63	-	33,000	14,867
71300-Computer Supplies & Maintenance	350,600	348,579	99.42	-	21	-	350,600	348,600
71400-Subscriptions & Publications	13,500	18,390	136.22	-	164	-	13,500	18,554
71500-Dues	3,400	5,356	157.53	-	301	-	3,400	5,657
71600-Postage	1,200	892	74.33	-	-	-	1,200	892
71700-Express Shipping	10,000	3,524	35.24	-	-	-	10,000	3,524
71800-Copying	26,400	25,479	96.51	-	-	-	26,400	25,479
71900-Reports	8,000	198	2.48	-	198	-	8,000	396
72000-Stationery & Office Forms	2,000	1,071	53.55	-	-	-	2,000	1,071
72200-Bank Charges	10,000	15,866	158.66	-	127	-	10,000	15,993
Total Office Costs	<u>664,760</u>	<u>598,185</u>	89.99	<u>-</u>	<u>878</u>	-	<u>664,760</u>	<u>599,063</u>

**Northeast Power Coordinating Council, Inc.**  
**Statement of Activities**  
**(See Accountants' Compilation Report)**  
**For The Year Ended December 31, 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
Professional Services								
75000-BOT Fee	\$ 340,000	\$ 310,398	91.29	\$ -	\$ -	-	\$ 340,000	\$ 310,398
75300-Accounting and Auditing Fees	300,000	307,976	102.66	-	-	-	300,000	307,976
75400-Legal Fees - Other	250,000	266,729	106.69	-	-	-	250,000	266,729
75500-Insurance - Commercial	70,000	63,704	91.01	-	-	-	70,000	63,704
Total Professional Services	<u>960,000</u>	<u>948,807</u>	<u>98.83</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>960,000</u>	<u>948,807</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>-</u>	<u>(63,843)</u>	<u>-</u>	<u>-</u>	<u>(844,023)</u>	<u>-</u>
Depreciation Expense								
95100-Depreciation Expense-Equipment	269,000	49,112	18.26	16,000	2,171	13.57	285,000	51,283
95250-Depreciation - Software	-	128,200	-	-	570	-	-	128,770
95300-Depreciation Expense-Furniture	-	18,486	-	-	2,012	-	-	20,498
95400-Depreciation Expense - L.I.	-	58,481	-	-	6,498	-	-	64,979
Total Depreciation Expense	<u>269,000</u>	<u>254,279</u>	<u>94.53</u>	<u>16,000</u>	<u>11,251</u>	<u>70.32</u>	<u>285,000</u>	<u>265,530</u>
Miscellaneous Expenses								
99000-Miscellaneous Expense	50,000	49,268	98.54	3,000	334	11.13	53,000	49,602
99990-Indirect Expenses	(416,453)	(394,679)	94.77	416,453	394,679	94.77	-	-
Total Miscellaneous Expenses	<u>(366,453)</u>	<u>(345,411)</u>	<u>94.26</u>	<u>419,453</u>	<u>395,013</u>	<u>94.17</u>	<u>53,000</u>	<u>49,602</u>
Total Expenditures	<u>14,480,787</u>	<u>14,725,827</u>	<u>101.69</u>	<u>1,019,141</u>	<u>1,007,903</u>	<u>98.90</u>	<u>15,499,928</u>	<u>15,733,730</u>
Change in Net Assets Without Donor Restrictions	<u>\$ -</u>	<u>(173,393)</u>		<u>\$ -</u>	<u>12,817</u>		<u>\$ -</u>	<u>(160,576)</u>
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>\$ 5,666,625</u>			<u>\$ 605,930</u>			<u>\$ 6,272,555</u>