

Fuel Fund of Maryland, Inc.
Audited Financial Statements

June 30, 2014 and 2013

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Independent Auditor's Report

Board of Trustees
Fuel Fund of Maryland, Inc.
Baltimore, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of Fuel Fund of Maryland, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fuel Fund of Maryland, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Fitzpatrick, Leary + Szarko, LLC

Timonium, Maryland
September 22, 2014

Fuel Fund of Maryland, Inc.

Statements of Financial Position

June 30,	<u>2014</u>	<u>2013</u>
Assets		
Current Assets:		
Cash and cash equivalents, including money market's of \$278,772 in 2014 and \$1,238 in 2013	\$ 586,637	\$ 344,369
Contributions receivable	4,147,530	8,130,987
Prepaid expenses	<u>2,683</u>	<u>5,685</u>
Total current assets	<u>4,736,850</u>	<u>8,481,041</u>
Property and Equipment:		
Furniture and equipment	33,601	72,390
Software	<u>84,677</u>	<u>-</u>
Total	118,278	72,390
Less accumulated depreciation	<u>(28,949)</u>	<u>(50,496)</u>
Net property and equipment	<u>89,329</u>	<u>21,894</u>
Other Assets:		
Contribution receivable - long-term	2,584,315	6,225,223
Investments	4,983,951	-
Security deposit	<u>2,926</u>	<u>2,576</u>
Total other assets	<u>7,571,192</u>	<u>6,227,799</u>
Total Assets	<u>\$ 12,397,371</u>	<u>\$ 14,730,734</u>

	<u>2014</u>	<u>2013</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 304,717	\$ 74,526
Accrued expenses	<u>23,305</u>	<u>9,092</u>
Total current liabilities	<u>328,022</u>	<u>83,618</u>
Net Assets:		
Unrestricted	1,292,611	278,405
Temporarily restricted	<u>10,776,738</u>	<u>14,368,711</u>
Total net assets	<u>12,069,349</u>	<u>14,647,116</u>
Total Liabilities and Net Assets	<u>\$ 12,397,371</u>	<u>\$ 14,730,734</u>

The notes to financial statements are an integral part of these statements.

Fuel Fund of Maryland, Inc.

Statements of Activities

For the years ended June 30,	<u>2014</u>	<u>2013</u>
UNRESTRICTED NET ASSETS		
Unrestricted Revenues, Gains and Other Support:		
Utility credits	\$ 3,816,218	\$ 2,513,004
Donated facilities and services	1,110	10,288
Foundation grant revenue	180,573	125,225
Individual and corporate revenue	1,509,726	1,737,720
Investment income	248,654	(525)
Net assets released from restriction	<u>3,969,253</u>	<u>96,250</u>
Total unrestricted revenues, gains and other support	<u>9,725,534</u>	<u>4,481,962</u>
Expenses:		
Program services	8,049,054	4,396,375
Management and general	172,986	122,301
Fundraising	<u>489,288</u>	<u>188,875</u>
Total expenses	<u>8,711,328</u>	<u>4,707,551</u>
Increase (decrease) in unrestricted net assets	<u>1,014,206</u>	<u>(225,589)</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	377,280	14,438,711
Net assets released from restrictions	<u>(3,969,253)</u>	<u>(96,250)</u>
(Decrease) increase in temporarily restricted net assets	<u>(3,591,973)</u>	<u>14,342,461</u>
(Decrease) increase in total net assets	<u>(2,577,767)</u>	<u>14,116,872</u>
Net assets - beginning of year	<u>14,647,116</u>	<u>530,244</u>
Net assets - end of year	<u>\$ 12,069,349</u>	<u>\$ 14,647,116</u>

The notes to financial statements are an integral part of these statements.

Fuel Fund of Maryland, Inc.

Statements of Cash Flows

For the years ended June 30,	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (2,577,767)	\$ 14,116,872
Adjustments to reconcile (decrease) increase in net assets to net cash provided by (used in) operating activities:		
Loss on disposal of fixed assets	87	26,204
Depreciation	10,319	3,500
Unrealized gain on investments	(211,671)	-
Realized loss on investments	5,359	-
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Contributions receivable	7,624,365	(14,246,210)
Expense reimbursement receivables	-	5,204
Prepaid expenses	3,002	(244)
Security deposit	(350)	-
Increase in:		
Accounts payable	230,191	15,761
Accrued expenses	14,213	431
Net cash provided by (used in) operating activities	<u>5,097,748</u>	<u>(78,482)</u>
Cash flows from investing activities:		
Purchase of investments	(5,027,194)	-
Proceeds from sale of investments	249,555	-
Purchases of property and equipment	<u>(77,841)</u>	<u>(13,558)</u>
Net cash used in investing activities	<u>(4,855,480)</u>	<u>(13,558)</u>
Net increase (decrease) in cash and cash equivalents	242,268	(92,040)
Cash and cash equivalents, beginning of year	<u>344,369</u>	<u>436,409</u>
Cash and cash equivalents, end of year	<u>\$ 586,637</u>	<u>\$ 344,369</u>

The notes to financial statements are an integral part of these statements.

Fuel Fund of Maryland, Inc.

Notes to Financial Statements

For the years ended June 30, 2014 and 2013

1. Nature of Operations

The Fuel Fund of Maryland provides resources to vulnerable Maryland families for heat and home utility needs. Termination of utility service is a traumatic event for families and communities. Through the generosity of thousands of private donors, the Fuel Fund keeps families connected, safe, and warm.

The mission of the Fuel Fund is accomplished through two programs: Bill Assistance – raising funds that are used to assist low income individuals and families pay their utility bills; and, Watt Watchers of Maryland – an energy conservation education program that teaches people how to conserve utilities and save money on their bills.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Fund considers cash on hand, cash on deposit with banks and money market funds and all unrestricted highly liquid investments with an original maturity of three months or less, to be “cash and cash equivalents”.

The Fund maintains cash in bank and money market accounts which, at times, may exceed federally insured limits. The Federal Deposit Insurance Corporation (“FDIC”) limits provide insurance on all interest and non-interest bearing account balances up to \$250,000. The Fund believes that the associated risk has been mitigated by maintaining cash balances in high quality financial institutions. Additionally, the Fund has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. At June 30, 2014 and 2013, the Fund’s cash accounts exceeded federally insured limits by \$496,325 and \$1,238, respectively.

Contributions Receivable

Contributions receivable represent amounts due from contributors based on unconditional promises to give and are considered fully collectible. Accordingly, no allowance for doubtful accounts is provided.

Property and Equipment and Depreciation

Property and equipment are stated at cost. Expenditures for maintenance, repairs and renewals are charged to expense as incurred. Expenditures for additions, improvements and replacements in excess of \$750 are added to the property and equipment accounts and depreciated over their estimated useful lives. When assets are retired or sold, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss on disposition is recognized in income.

Depreciation is provided under the straight-line method over the estimated useful lives of the respective assets. Property and equipment (consisting of furniture and equipment) is

Fuel Fund of Maryland, Inc.

Notes to Financial Statements

For the years ended June 30, 2014 and 2013

2. Summary of Significant Accounting Policies (continued)

depreciated over estimated useful lives of 3 to 5 years. Depreciation expense was \$10,319 and \$3,500 for the years ended June 30, 2014 and 2013, respectively.

Restricted and Unrestricted Revenue Recognition

Contributions are recognized as income when the donor makes an unconditional promise to give to the Fund. Contributions and grants received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor imposed restrictions. Additionally, recognition and collectability of contributions are evaluated based on historical collection trends of specific types of promises to give.

The Fund reports contributions of cash and other assets (including grants) as restricted support if they are received with donor stipulations that limit the time period or manner of use of the contribution. These donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires (that is, when a stipulated time restriction or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as “net assets released from restriction.” Donor restricted contributions that are both received and satisfied within the same year are recorded as unrestricted support.

Grants are generally conditioned on spending the funds in accordance with the terms of the grant. Funds not spent are usually refundable to the granting agency. The Fund recognizes revenue from conditional grants as the related expenses are incurred. Funds expended in excess of collections are recorded as “accounts receivable” and funds received but not spent are recorded as “deferred revenue” on the Statements of Financial Position.

Donated Services

The Fund receives various types of donated services each year. Some of these donated services relate to media promotions on behalf of the Fund. It is common industry practice for organizations similar to the Fund not to record donated media promotions. Accordingly, no revenue or expense relating to such donated services has been recorded in the accompanying financial statements of the Fund for the years ended June 30, 2014 and 2013.

In-kind revenue recognized related to donated gift cards totaled \$1,110 and \$652 for the years ended June 30, 2014 and 2013. In-kind revenue of \$9,636 related to donated computer software was capitalized during the year ended June 30, 2013.

No amounts have been recorded in the accompanying financial statements for donated services of other volunteers as no objective basis is available to measure the value of such services. However, a substantial number of volunteers donated significant amounts of their time to the Fund’s program services.

Fuel Fund of Maryland, Inc.

Notes to Financial Statements

For the years ended June 30, 2014 and 2013

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Basis of Accounting

The financial statements of the Fund have been prepared on the accrual basis of accounting, whereby, revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification. Under these standards, the Fund is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

Unrestricted net assets - Unrestricted net assets are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. These assets are currently available to support the Fund's operations.

Temporarily restricted net assets - Temporarily restricted net assets result from contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Fund pursuant to these stipulations. Net assets may be temporarily restricted for various purposes, such as use in future periods or use for specified purposes.

Permanently restricted net assets - Permanently restricted net assets result from contributions whose use is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Fund's actions. The Fund had no permanently restricted net assets at June 30, 2014 and 2013.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fuel Fund of Maryland, Inc.

Notes to Financial Statements

For the years ended June 30, 2014 and 2013

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Fund is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and is classified as an “other than private foundation” (public charity).

The Fund accounts for income tax provisions in accordance with Financial Accounting Standards Board Accounting Standards Concept Topic 740-10, *Accounting for Uncertainty in Income Taxes*, which creates a single model to address uncertainty in tax positions and clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. The Fund believes that its income tax filing positions and deductions will be sustained upon examination and, accordingly, has not recorded any reserves, or related accruals for interest and penalties, at June 30, 2014 and 2013 for uncertain income tax positions. The Fund continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. The Fund has adopted a policy under which, if required to be recognized in the future, it will classify interest related to the underpayment of income taxes as a component of interest expense, and it will classify any related penalties in operating expenses in the Statements of Activities. With few exceptions, the Fund is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2011.

Advertising

Advertising is expensed as incurred. Total advertising expense for the years ended June 30, 2014 and 2013 totaled \$4,500 and \$1,650, respectively, and is included in marketing/education expense in the accompanying Schedules of Functional Expenses.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Statements of Financial Position. The change in net unrealized appreciation of marketable securities for the year is reflected in the Statements of Activities in “investment income.” Realized gains and losses on sales of investments are computed on a specific identification basis, are recorded on the trade date of the transaction and are also included in “investment income.”

The Fund’s portfolio is a professionally managed portfolio that contains fixed income and equity funds. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

Fuel Fund of Maryland, Inc.

Notes to Financial Statements

For the years ended June 30, 2014 and 2013

2. Summary of Significant Accounting Policies (continued)

Fair value measurements

The Fund has characterized its investments in securities based on the priority of inputs used to value the investments, based on a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the investments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the investments. Marketable securities recorded in the financial statements are categorized based on the inputs to valuation techniques as follows:

Level 1 - These are investments where values are based on unadjusted quoted prices for identical assets in active markets that the Fund has the ability to access. The Fund currently has no level 1 investments.

Level 2 - These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments. All marketable securities in fixed income funds and equity funds currently held by the Fund are considered to be level two.

Level 3 - These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. The Fund currently has no level 3 investments.

Reclassifications

Certain amounts from 2013 have been reclassified to conform to the 2014 presentation, with no changes to previously reported net assets.

3. Investments

In 2014 the Fund received payments from the Public Service Commission of Maryland as a condition of the merger of Constellation Energy Group, Inc. and Exelon Corporation. Under the terms of the award, the Fund was to use \$5,000,000 of the payments received to develop a quasi-endowment fund as a stable and sustainable resource to meet the true demand for energy assistance. The net assets associated with the quasi-endowment fund are classified as temporality restricted net assets at June 30, 2014.

Fuel Fund of Maryland, Inc.

Notes to Financial Statements

For the years ended June 30, 2014 and 2013

3. Investments (continued)

Marketable securities consist of the following at June 30, 2014:

	<u>Cost</u>	<u>Unrealized Appreciation</u>	<u>Fair Value</u>
Fixed income funds	\$ 995,918	\$ 3,488	\$ 999,406
Equity Funds	<u>3,776,362</u>	<u>208,183</u>	<u>3,984,545</u>
Total	<u>\$ 4,772,280</u>	<u>\$ 211,671</u>	<u>\$ 4,983,951</u>

The following schedule summarizes investment return and its classification in the Statements of Activities for the years ended June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividends	\$ 42,342	\$ -	\$ 42,342
Realized loss on sale of investments	(5,359)	-	(5,359)
Unrealized gains on investments	<u>211,671</u>	<u>-</u>	<u>211,671</u>
Total	<u>\$ 248,654</u>	<u>\$ -</u>	<u>\$ 248,654</u>

Investment fees totaled \$11,157 for the year ended June 30, 2014, and are included in investment income.

An investment may be considered to be impaired if its cost basis exceeds its fair value, thus resulting in unrealized depreciation. Management feels that the investment portfolio's unrealized losses are temporary and no significant losses other than those already recorded will be recognized on these investments.

The following schedule summarizes investments in the portfolio that were in a loss position as of June 30, 2014:

	<u>Fair Value</u>	<u>Unrealized Losses</u>	
		<u>Less than 12 months</u>	<u>12 months or more</u>
Equity Funds	<u>\$ 245,868</u>	<u>\$ 1,687</u>	<u>\$ -</u>

Fuel Fund of Maryland, Inc.

Notes to Financial Statements

For the years ended June 30, 2014 and 2013

3. Investments (continued)

Fair values of assets measured on a recurring basis are as follows at June 30, 2014:

	Fair Value	Quoted Prices in Markets that are not Active (Level 2)
Fixed income funds	\$ 999,406	\$ 999,406
Equity Funds	3,984,545	3,984,545
Total	<u>\$ 4,983,951</u>	<u>\$ 4,983,951</u>

4. Contributions Receivable

The Fund solicits contributions for specific purposes and also to cover management and general costs.

In November 2012, the Fund was awarded \$14,871,204 from the Public Service Commission of Maryland as a condition of the merger of Constellation Energy Group, Inc. and Exelon Corporation. Under the terms of the award, the funds are to be utilized for the expansion of energy assistance, expansion of energy education and awareness, and the development of a quasi-endowment fund as a stable and sustainable resource to meet the true demand for energy assistance. This award has been accounted for as an unconditional promise to give.

Contributions receivable represent unrestricted and unconditional promises to give. Unconditional promises to give totaled \$6,731,845 and \$14,356,210 as of June 30, 2014 and 2013, respectively. The total amount expected to be received at June 30, 2014 is recorded at the present value of the expected future cash flows using a discount rate of 4 percent. Contributions receivable consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Contributions receivable	6,937,060	\$ 14,883,705
Less: unamortized discount	<u>(205,215)</u>	<u>(527,495)</u>
Present value	<u>\$ 6,731,845</u>	<u>\$ 14,356,210</u>

Fuel Fund of Maryland, Inc.

Notes to Financial Statements

For the years ended June 30, 2014 and 2013

4. Contributions Receivable (continued)

The total of contributions receivable is reflected in the Statement of Financial Position as follows at June 30:

	<u>2014</u>	<u>2013</u>
Contributions receivable - current	\$ 4,147,530	\$ 8,130,987
Contributions receivable - long-term	<u>2,584,315</u>	<u>6,225,223</u>
	<u>\$ 6,731,845</u>	<u>\$ 14,356,210</u>

Scheduled payments on the promises to give are as follows at June 30:

	<u>2014</u>	<u>2013</u>
Within one year	\$ 4,282,820	\$ 8,346,645
Within one to five years	<u>2,654,240</u>	<u>6,537,060</u>
Total	<u>\$ 6,937,060</u>	<u>\$ 14,883,705</u>

5. Utility Credit Program

BGE has a component regulated into its utility rates to provide funds to be used to assist persons with limited incomes with the payment of energy bills. These funds are distributed each year in the form of matching energy credits from BGE. In order to qualify for the credits, customers must demonstrate financial need. Under the program, BGE provides one dollar of energy credit assistance for every two dollars paid by qualifying customers and the Fuel Fund (on behalf of the qualifying BGE customers).

In order to raise matching funds to assist needy BGE customers, the Fund solicits donations from BGE customers through an annual envelope campaign. In addition, the Fund solicits donations and grants from corporate and private donors and religious organizations to provide assistance.

The Fuel Fund administers the utility credit program on behalf of BGE through a series of local agencies. The Fund assists Maryland residents in demonstrating financial need, provides administrative staff to administer the program, and provides matching funds.

Based on the process employed by the Fund to reserve and distribute the credits, management considers the credits to be effectively received as income and expended by the Fund. The Fund administered the distribution of utility credits in the amounts of \$3,816,218 and \$2,513,004 for the years ended June 30, 2014 and 2013, respectively. Accordingly, these

Fuel Fund of Maryland, Inc.

Notes to Financial Statements

For the years ended June 30, 2014 and 2013

5. Utility Credit Program (continued)

amounts are reflected in the accompanying statements of activities as both revenue and program expense.

6. Commitments

The Fund leases office space for its corporate offices. The lease agreement is classified as an operating lease for financial reporting purposes. The base rent is \$11,663 plus \$9,044 for operating expenses for a total of \$20,707 per year for the lease term. The lease also contains certain escalation clauses for increases in operating expenses as well as a 3% annual increase in the base rent. Additional rent will be charged to reflect the Fund's proportionate share of any future increases in operating expenses. The Fund also leases one additional office space under a month to month contract for \$325 per month. Rent expense was \$28,507 and \$24,983 for the years ended June 30, 2014 and 2013, respectively.

The Fund leased office equipment under an operating lease that expired in February 2014. The lease provided for monthly rental payments of \$111. Equipment rent amounted to \$1,298 and \$2,050 for the years ended June 30, 2014 and 2013, respectively, and is included in "equipment maintenance" in the accompanying "Schedules of Functional Expenses".

Future minimum payments required under these leases are as follows:

<u>Year ended June 30,</u>	<u>Amount</u>
2015	21,571
2016	21,947
2017	12,932
Total	<u>\$ 56,450</u>

7. Concentrations

The Fund has one donor that comprised 94% and 100% of the total of contributions receivable for the years ended June 30, 2014 and 2013, respectively. The Fund believes that the concentration of credit risk is limited due to the reputation of, financial stability of, and the Fund's history with the donor.

Approximately 39% and 56% of the Fund's unrestricted revenues for the years ended June 30, 2014 and 2013, respectively, represent utility credits provided through Baltimore Gas and Electric Company.

Fuel Fund of Maryland, Inc.

Notes to Financial Statements

For the years ended June 30, 2014 and 2013

8. Defined Contribution Plan

The Fund instituted a 403(b) defined contribution plan for its employees during fiscal year 2001. Under the terms of the Plan the Fund contributes up to 50% of the first 6% of eligible employees' wages. The Plan is available to all full time employees (full time employees are defined as employees working greater than 20 hours per week) meeting the eligibility requirements of the Plan. Plan participant eligibility is based on years of service (minimum of six months of service) and age (must be age 21 or older). Plan expense totaled \$10,103 and \$6,579 for the years ended June 30, 2014 and 2013, respectively.

9. Restricted Net Assets

Temporarily restricted net assets are as follows as of June 30:

	<u>2014</u>	<u>2013</u>
Watt Watchers	\$ -	\$ 25,000
Quasi-endowment fund	5,000,000	4,981,038
Energy bill assistance	5,756,470	9,362,673
Power of Home	20,268	-
Total	<u>\$ 10,776,738</u>	<u>\$ 14,368,711</u>

10. Subsequent Events

Management has evaluated subsequent events through September 22, 2014, the date the financial statements were available to be issued. Subsequent to year end, the Fund received its third payment of Consumer Investment Funds from Exelon in the amount of \$2,110,008.

Supplemental Information

Fuel Fund of Maryland, Inc.

Schedules of Functional Expenses

For the years ended June 30,

	2014				2013			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and related expenses:								
Salaries	\$ 287,992	\$ 80,658	\$ 209,179	\$ 577,829	\$ 192,740	\$ 61,422	\$ 54,288	\$ 308,450
Payroll taxes	22,806	6,643	16,919	46,368	11,884	5,508	4,868	22,260
Employee benefits	11,941	3,344	8,673	23,958	9,257	3,685	3,257	16,199
Total salaries and related expenses	<u>322,739</u>	<u>90,645</u>	<u>234,771</u>	<u>648,155</u>	<u>213,881</u>	<u>70,615</u>	<u>62,413</u>	<u>346,909</u>
Other operating expenses:								
Bank charges	-	-	19,575	19,575	-	-	19,760	19,760
Board expense	-	1,587	-	1,587	-	4,403	-	4,403
Contract labor	16,276	22,970	-	39,246	-	-	13,167	13,167
Consulting	57,582	16,877	24,820	99,279	50,107	14,202	-	64,309
Depreciation	8,255	2,064	-	10,319	3,500	-	-	3,500
Equipment maintenance	1,744	511	752	3,007	2,788	464	1,394	4,646
Fuel assistance	3,724,224	-	-	3,724,224	1,538,069	-	-	1,538,069
Fundraising	-	1,925	137,025	138,950	-	163	60,419	60,582
Insurance	-	3,378	-	3,378	-	41	-	41
Marketing/education	52,302	-	52,302	104,604	19,943	-	19,942	39,885
Meetings and conferences	2,330	-	-	2,330	2,714	-	-	2,714
Membership and dues	5,377	5,377	5,377	16,131	5,730	-	-	5,730
Miscellaneous	-	2,676	-	2,676	-	1,964	-	1,964
Occupancy	9,977	9,977	8,553	28,507	8,744	8,744	7,495	24,983
Postage	3,553	1,042	1,532	6,127	3,825	3,825	849	8,499
Professional fees	-	9,590	-	9,590	-	12,350	-	12,350
Supplies	7,074	2,073	3,049	12,196	979	978	978	2,935
Telephone	2,184	2,184	1,092	5,460	2,469	2,469	1,236	6,174
Training	-	-	-	-	2,031	2,031	1,015	5,077
Travel	4,947	110	440	5,497	2,341	52	207	2,600
Utility credits	3,816,218	-	-	3,816,218	2,513,004	-	-	2,513,004
Watt Watchers	14,272	-	-	14,272	26,250	-	-	26,250
Total other operating expenses	<u>7,726,315</u>	<u>82,341</u>	<u>254,517</u>	<u>8,063,173</u>	<u>4,182,494</u>	<u>51,686</u>	<u>126,462</u>	<u>4,360,642</u>
Total expenses	<u>\$ 8,049,054</u>	<u>\$ 172,986</u>	<u>\$ 489,288</u>	<u>\$ 8,711,328</u>	<u>\$ 4,396,375</u>	<u>\$ 122,301</u>	<u>\$ 188,875</u>	<u>\$ 4,707,551</u>