We Advocate. We Collaborate. We Serve.

Operation Fuel, Inc.

2014/2015 Annual Report
2014–2015 Board of Directors

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Laura Gonzalez  
United Illuminating
Lori Johnson  
Commverge Marketing
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Operation Fuel Staff

Patricia J. Wrice  
Executive Director
Julian Freund  
Small Business Advocate
Kimberly O’Brien Green  
Director of Development
Betty Walsh  
Director of Finance and Administration
Brenda Watson  
Director of Community Programs

Nadia De La Puente  
Case Management Coordinator
Clasina Jones  
Development Assistant
Melissa Mendoza  
Case Manager
Regina Petrie  
Executive Administrative Assistant
As we close on another fiscal year, I cannot help but reflect on the challenges so many Connecticut residents faced this past winter and spring. Although the cost for heating oil was the lowest in recent years, many working families and seniors still struggled to keep up. Families with lower incomes and seniors on fixed incomes were more susceptible to energy costs as they represented a larger portion of their household budgets.

The past winter was both bitterly cold and snowy. In fact, February was the coldest month on record for Connecticut with an average daily temperature of 16 degrees. For households earning just above the poverty line, staying ahead of their heating costs proved to be more than they could manage.

With over 305,000 households facing energy bills that average $2,560 more than they are able to pay, Operation Fuel had a very busy year. We were able to provide energy assistance to over 8,000 low-income households totaling more than $3.6 million.

Thanks to the generous support of our donors and the dedication of our volunteer fuel banks, Operation Fuel has the unique ability to cast a wide net across the state to reach those in need. A $500 grant once a year helps at-risk families partially cover the energy demands for their household and frees up finances for basic needs such as food, prescription medications, mortgage and rent.

As Connecticut’s only year-round and statewide energy assistance program, we will continue to make it our priority to provide vulnerable residents with access to safe, adequate and affordable home energy.

Operation Fuel is committed to providing $3.5 million in energy assistance for the next fiscal year, while continuing to work towards a long-term solution for the energy affordability crisis that affects so many households.

Thank you for being a part of the Operation.

Patricia J. Wrice
Executive Director, Operation Fuel
Operation Fuel provided more than $3.6 million in statewide energy assistance to over 8,300 households this past fiscal year. Although oil prices were lower, the need for energy assistance continued to increase as Connecticut residents once again faced one of the coldest winters in history. Energy affordability is a year-round problem for more than 305,000 Connecticut households. Many of these households are elderly people who are living on fixed incomes and lower-income working families with young children. For the full year, Operation Fuel helped 21,361 individuals including 1,843 senior citizens and 8,260 children under the age of 18. Operation Fuel is the only year-round, statewide energy assistance program. We help households that are in financial crisis and not eligible for energy assistance from government funded programs. Operation Fuel is “energy-blind” and assists with all types of home energy bills, including oil, gas, electric and propane.

Operation Fuel relies on grants and donations from foundations, corporations and individuals to fund its program. This past winter, Operation Fuel provided more than $2.5 million in energy assistance, and provided an additional $1.1 million during the summer of 2014. Every spring and summer, thousands of families and individuals are in danger of having their gas and electric services terminated due to high balances on their utility bills.

Add-a-Dollar Program
A significant portion of Operation Fuel’s funding comes from its Add-a-Dollar program. This past fiscal year, Operation Fuel raised $584,610 through the Add-a-Dollar program, $460,011 from utility customers’ donations and $124,599 in utility provided shareholder-matching funds. Operation Fuel uses 100% of the donations made to the Add-a-Dollar program for energy assistance.

305,000 Households Can’t Afford Energy Bills
The home energy affordability gap has more than tripled since 2006, when the gap was $23.5 million! The annual home energy affordability gap is now $784 million and more than 305,000 lower-income Connecticut households can’t afford their energy bills, according to Operation Fuel’s Home Energy Affordability Gap: Connecticut (2014) report.

Currently, Connecticut households with incomes at or below 200% of the Federal Poverty Level, on average owe about $2,560 more in annual energy bills than they can afford to pay. With limited funds available, Operation Fuel can help only a fraction of these households.

Long-Term Solutions
Operation Fuel has positioned itself as Connecticut’s voice on low-income energy issues. Each year, Operation Fuel releases an Energy Affordability Gap Study. The study outlines why Connecticut residents with lower incomes are susceptible to rising energy prices. Operation Fuel is also working with its business and community partners to develop an education campaign that clearly defines the energy affordability gap and its impact on Connecticut households.

Fuel Banks Play Critical Role
Operation Fuel’s 100 fuel banks play a key role in the energy assistance program’s continued success. The fuel banks are located within community agencies, municipal departments of social and human services, and religious organizations. Fuel banks provide case management services and respond to residents’ needs, very often when faced with a crisis. If it were not for our fuel banks, many of our state’s most vulnerable residents would not have the ability to access our program.

The Homeless Intervention and Prevention Program (HIPP)
The HIPP Program is one way that Operation Fuel is working with its community partners on long-term solutions. This past fiscal year, the program provided $46,681 in energy assistance grants to 70 families and individuals who were able to resume or maintain housing as a result. Now in its second year, Operation Fuel developed the program to prevent and reduce homelessness. Lack of utilities often violates a lease agreement while a past utility debt can prevent the transition from a shelter to permanent housing. Applicants for HIPP must be below 60% of the state median income to qualify for an energy assistance grant of up to...
$1,000. Operation Fuel’s partners for HIPP this past fiscal year were LifeBridge Community Services (formerly FSW) in Bridgeport, Inspirica, Inc. in Stamford, and Norwich Social Services in Norwich.

More than 350 people attended the first Social Agency Energy Assistance Conference where Operation Fuel, fuel banks, and representatives from utility companies and state agencies met to prepare for the 2014-2015 heating season. Previously, Operation Fuel and the utilities had held separate meetings for the same audience — fuel banks, social service agencies, advocacy groups and state agencies. One of the reasons for the combined meeting was to eliminate duplication and to reduce the number of meetings people attended.

Helping Small Businesses Lower Energy Costs
During this past fiscal year, Operation Fuel’s small business program helped a variety of Connecticut small business owners become more energy efficient. Project BEST provided 89 Connecticut small businesses with free energy assessments, and 74 of the businesses completed additional energy-saving upgrades. Operation Fuel’s Project BEST has partnered with Eversource Energy and The United Illuminating Company since 2013. As a result, a total of 230 small businesses have completed energy assessments and 149 of the small business owners have made energy efficiency improvements, such as efficient lighting, refrigeration controls and weatherization measures. Since its inception, small business participation in Project BEST has expanded from the original five pilot communities to 16 cities and towns throughout the state.

Operation Fuel’s First Year at the CT Nonprofit Center
In late May 2014, Operation Fuel moved to the newly established CT Nonprofit Center in Hartford. The Center is a program of the Connecticut Association of Nonprofits and currently serves as a home to 23 nonprofit organizations serving communities both in Hartford and statewide.

Operation Fuel employees have enjoyed the collaborative environment the Center provides, including networking events such as tenant breakfasts and complimentary member trainings. Monthly workshops provide access to information and resources that help staff learn specialized skills to further promote Operation Fuel’s mission and goals. The modern community spaces at the Center, including multiple conference rooms with the latest technology, have provided a centralized location for our board members, fuel banks and other community partners to come together for meetings and trainings to more effectively serve our clients.

Social Agency Energy Assistance Conference
This past October, Operation Fuel held its annual fuel bank directors meeting as a social agency energy conference in partnership with Eversource Energy (formerly Connecticut Light and Power Company and Yankee Gas) and UIL Holdings, which includes The United Illuminating Company (UI), Connecticut Natural Gas Corporation, and Southern Connecticut Gas.
Financials

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>2014-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable &amp; Accrued Liabilities</td>
<td>189,159</td>
</tr>
<tr>
<td>Deferred Revenue - Small Business Program</td>
<td>47,050</td>
</tr>
<tr>
<td>Charitable Gift Annuity Payment Liability</td>
<td>14,046</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>250,255</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
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</tr>
<tr>
<td>Unrestricted</td>
<td>1,021,828</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>1,430,521</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>2,452,349</td>
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<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>2,702,604</td>
</tr>
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Statement of Financial Position
For the year ended June 30, 2015

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>2,335,283</td>
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<tr>
<td>Certification of Deposit</td>
<td>327,666</td>
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<tr>
<td>Grants and other Receivables</td>
<td>79,017</td>
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<tr>
<td>Prepaid Expense</td>
<td>1,789</td>
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<tr>
<td>Security Deposit</td>
<td>3,341</td>
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<td><strong>Total Current Assets</strong></td>
<td>2,647,096</td>
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</table>

<table>
<thead>
<tr>
<th>OTHER ASSETS</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Property &amp; Equipment (Net of depreciation)</td>
<td>55,508</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>2,702,604</td>
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</table>
## Financials

### Revenue and Expenses

#### For the Year Ended June 30, 2015

**REVENUES AND SUPPORT FOR RESIDENTIAL PROGRAMS**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Related Industry</td>
<td>53,610</td>
</tr>
<tr>
<td>Governmental Grants - State</td>
<td>2,100,000</td>
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<tr>
<td>Add-a-Dollar</td>
<td>460,010</td>
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<tr>
<td>Foundation Grants</td>
<td>305,770</td>
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<tr>
<td>Individuals</td>
<td>382,077</td>
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<tr>
<td>Utility Shareholder Match</td>
<td>124,999</td>
</tr>
<tr>
<td>Corporations and Small Businesses</td>
<td>46,565</td>
</tr>
<tr>
<td>Faith Communities</td>
<td>21,820</td>
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<tr>
<td>Special Events</td>
<td>7,760</td>
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<tr>
<td>Interest Income</td>
<td>5,075</td>
</tr>
</tbody>
</table>

Total Support for Residential Programs: $3,506,886

Support for Small Businesses Pilot Program: $195,439

Grand Total Revenues and Support: $3,702,325

**EXPENSES**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Assistance Programs</td>
<td>4,479,242</td>
</tr>
<tr>
<td>Management</td>
<td>217,369</td>
</tr>
<tr>
<td>Fundraising</td>
<td>185,848</td>
</tr>
</tbody>
</table>

Total Expenses: $4,882,459

**Revenue and Expenses**

- **Energy Assistance Programs**: 91.7%
- **State Government Grants**: 59.9%
- **Add-a-Dollar**: 13.1%
- **Foundation Grants**: 8.7%
- **Individuals**: 10.9%
- **Utility Shareholder Match**: 3.6%
- **Corporations and Small Businesses**: 1.3%
- **Faith Communities**: 0.6%
- **Special Events**: 0.2%
- **Interest Income**: 0.1%
- **Energy Related Industry**: 1.5%

**Revenue Sources**

- State Government Grants: 59.9%
- Add-a-Dollar: 13.1%
- Foundation Grants: 8.7%
- Individuals: 10.9%
- Utility Shareholder Match: 3.6%
- Corporations and Small Businesses: 1.3%
- Faith Communities: 0.6%
- Special Events: 0.2%
- Interest Income: 0.1%
- Energy Related Industry: 1.5%

**Expense Breakdown**

- Energy Assistance Programs: 4,479,242
- Management: 217,369
- Fundraising: 185,848

Total Expenses: 4,882,459

**Other**

- Management: 4.5%
- Fundraising: 3.8%
- Energy Assistance Programs: 91.7%