

WINTERCARE, INC.
BOARD OF DIRECTORS MEETING
MONDAY –NOVEMBER 27, 2017
913 GEORGETOWN STREET, TRAINING ROOM
LEXINGTON, KY
(TO FOLLOW CAC'S REGULAR BOARD MEETING)

Agenda

- 1) Minutes of Last Meeting Held – May 22, 2017
- 2) Financial Reports, 2017
- 3) WinterCare Energy Fund, Inc. Audit FY ending June, 30, 2017

WINTERCARE, INC.

Board of Directors Meeting Minutes

May 22, 2017

913 Georgetown Street Lexington, Kentucky

The meeting was called to order by Chairperson Michele Lee at 8:37 p.m., immediately following the regular Board of Directors meeting.

Approval of Minutes from Meeting held October 24, 2016—the minutes of the previous meeting were reviewed, motioned, seconded and approved by all.

Financial Reports (February, 2017)—financial reports were presented, then motioned, seconded and approved by all.

Budget FY 2017-2018—budget was presented for the upcoming fiscal year, then motioned, seconded and approved by all.

WinterCare, Inc. Form 990, Exempt Organization Tax Return—this form was presented to the board, then motioned, seconded and approved by all.

Adjournment—motion was made to adjourn, seconded and carried. The meeting was adjourned at 8:44 p.m.

<u>Members Present</u>	<u>Excused/Absent</u>	<u>Staff Present</u>
Joshua Lewis	Ann Vail	Malcolm Ratchford
Tyrone Nelson	Art Crosby	David Webster
Michele Lee		Catrena Bowman
Richard Heine		Denise Brown

Respectfully Submitted,

Michele C. Lee, Board Chair

Ann Vail, Secretary

08.11.2017

Date

WINTERCARE ENERGY FUND, INC.

FINANCIAL SUMMARY FOR 2017-2018


ITEM	BUDGET	REVENUE Sep-17	REVENUE YTD	BUDGET BALANCE	% BUDGET REMAINING
Reallocation From June 2017			98,904.33		
Revenue					
Other Utility Contributions	191,950.00	8,355.15	26,583.28	165,366.72	86%
Natural Gas Revenue	46,343.00	3,558.00	10,560.00	35,783.00	77%
Citizen's Energy Revenue	86,850.00	0.00	0.00	86,850.00	100%
Direct Contributions	2,768.00	0.00	1,000.00	1,768.00	64%
Interest - Checking accounts	48.00	0.00	12.11	35.89	75%
Total Revenue	327,959.00	11,913.15	38,155.39	289,803.61	88%
	BUDGET	ADVANCES Sep-17	ADVANCES YTD	BUDGET BALANCE	% BUDGET REMAINING
Advances & Administrative Expenses					
Other Utilities Advances	194,768.00	43,999.05	43,999.05	150,768.95	77%
Natural Gas Advances	46,663.00	11,970.37	11,970.37	34,692.63	74%
Citizen's Energy Advances	74,464.00	56,923.03	56,923.03	17,540.97	24%
Direct Contributions Advances	2,768.00	0.00	0.00	2,768.00	100%
Administrative Expenses**	12,064.00	0.00	32.00	12,032.00	100%
Total Advances & Admin Expenses	330,727.00	112,892.45	112,924.45	217,802.55	
Revenue Over / (Under) Expenses	(2,768.00)	(100,979.30)	(74,769.06)		


BALANCE

24,135.27

**Kentucky Utilities now allows an Admin Fee (payable to Community Action Council). Fees have been updated to reflect KU since October.

Prepared by:
Heather M. Belcher
Staff Account II

Approved by: 
Malcolm Ratchford, M.S., CCAP
Executive Director


Approved by:
Board of Directors

ACTION ITEM


Agenda Item #3


ISSUE: WinterCare Energy Fund, Inc. Audit for fiscal year ending June 30, 2017.

DISCUSSION: Attached is the WinterCare Energy Fund, Inc. Audit for fiscal year ending June 30, 2017. The Audit will be presented by Jean Christensen, Partner, Wipfli, LLP, the Council's audit firm. Any significant changes will be brought back to the board for acceptance.

No Audit Findings were noted.

RECOMMENDATION: It is recommended that the Board of Directors accept the WinterCare Energy Fund, Inc. audit for fiscal year ending June 30, 2017.

Submitted by 
Erin Hensley
Acting, Chief Financial Officer
11 / 17 / 2017

Approved by: 
Malcolm J. Ratchford, M.S. CCAP
Executive Director
11 / 17 / 17

Approved by:
Board of Directors

DRAFT

WinterCare Energy Fund, Inc.

Lexington, Kentucky

Financial Statements

Year Ended June 30, 2017

WinterCare Energy Fund, Inc.

Financial Statements
Year Ended June 30, 2017

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Independent Auditor's Report

Board of Directors
WinterCare Energy Fund, Inc.
Lexington, Kentucky

We have audited the accompanying financial statements of WinterCare Energy Fund, Inc., which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year 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; 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. 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 WinterCare Energy Fund, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Wipfli LLP

Report Date
Madison, Wisconsin

WinterCare Energy Fund, Inc.

Statement of Financial Position

June 30, 2017

<i>Assets</i>	
Current assets:	
Cash	\$ 45,403
Accounts receivable	88,305
TOTAL ASSETS	\$ 133,708

<i>Liabilities and Net Assets</i>	
Current liabilities:	
Accounts payable	\$ 28,896
Total liabilities	28,896
Unrestricted net assets	104,812
TOTAL LIABILITIES AND NET ASSETS	\$ 133,708

See accompanying notes to financial statements.

WinterCare Energy Fund, Inc.

Statement of Activities Year Ended June 30, 2017

Revenue:	
Utility contributions	\$ 305,292
Other contributions	5,449
Total revenue	310,741
Expenses:	
Program distributions	322,003
Management and general expenses	29,850
Total expenses	351,853
Change in unrestricted net assets	(41,112)
Unrestricted net assets - Beginning of year	145,924
Unrestricted net assets - End of year	\$ 104,812

See accompanying notes to financial statements.

WinterCare Energy Fund, Inc.

Statement of Cash Flows

Year Ended June 30, 2017

Increase (decrease) in cash:	
Cash flows from operating activities:	
Change in unrestricted net assets	(\$ 41,112)
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:	
Bad debt expense	1,301
Changes in operating assets and liabilities:	
Accounts receivable	42,996
Accounts payable	11,789
Net cash provided by operating activities	14,974
Change in cash	14,974
Cash - Beginning of year	30,429
Cash - End of year	\$ 45,403

See accompanying notes to financial statements.

WinterCare Energy Fund, Inc.

Notes to Financial Statements

Note 1

Summary of Significant Accounting Policies

Nature of Operations

WinterCare Energy Fund, Inc. (the "Organization") was formed in 1983 to provide energy assistance to individuals demonstrating need in Kentucky. Program funding is by donations from individuals, utility companies, and a grant from Citizens Energy Corporation, a national not-for-profit organization involved in providing energy assistance for low-income households.

Basis of Presentation

All financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Classification of Net Assets

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Currently, the Organization does not have any temporarily restricted net assets.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. Currently, the Organization does not have any permanently restricted net assets.

Revenue Recognition

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restriction.

WinterCare Energy Fund, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Funds are advanced by the Organization to the participating agencies during the year for operating purposes and the Organization makes an annual settlement at year-end. Accounts receivable are the result of those advances in excess of benefits provided and are all deemed collectible by management.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from Kentucky state income tax.

The Organization is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organization has determined there is no amount to record as assets or liabilities related to uncertain tax positions.

Statement of Functional Expenses

The Organization operates one program. Management and general costs are based on fees to Community Action Council of Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc. ("Community Action"). In addition, bad debt expense in the amount of \$1,301 is included in management and general costs. The statement of activities includes the functional and natural classifications of the expenses of the Organization; therefore, a statement of functional expense has not been presented.

Subsequent Events

Subsequent events have been evaluated through Report Date, which is the date the financial statements were available to be issued.

WinterCare Energy Fund, Inc.

Notes to Financial Statements

Note 2 **Concentration of Credit Risk**

The Organization maintains cash balances at a financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. Cash balances do not exceed the FDIC limit, and management also believes this financial institution has a strong credit rating.

Note 3 **Related Party**

The Organization and Community Action are related through common Board members.

Maintenance of financial records and the management of the Organization are the responsibility of Community Action pursuant to a management contract. Those fees were \$28,549 for the year ended June 30, 2017 of which \$28,439 was payable to Community Action for reimbursement of administrative charges at June 30, 2017. Community Action is also a participating agency for the Organization and disbursed funds in the amount of \$144,729 for energy assistance for the year ended June 30, 2017. There is a receivable of \$20,402 from Community Action related to this program at June 30, 2017.

Note 4 **Program Distributions**

The Organization disbursed assistance on a reimbursement basis to the following agencies:

CAC Lexington-Fayette	\$ 144,729
Blue Grass CAA	39,635
Kentucky River Foothills	23,168
Northern Kentucky CAA	17,214
Northeast KY ADC	15,229
Central Kentucky CAC	14,100
Pennyrile CSO	8,812
Multi-Purpose	8,710
Tri-County CAA	7,816
Bell-Whitley CAA	5,891
Audubon Area CSO	5,832
Licking Valley Comm. Action	5,328
Daniel Boone Dev Council	5,267
Gateway Community Action	4,919
Harlan County CAA	4,641
Lake Cumberland CAA	4,349
Big Sandy CAA	2,600
West KY Allied Services	1,452
KCEOC Community Action Partnership	1,120
Comm. Action of Southern KY	590
Middle Kentucky Community Action Partnership	301
LKLP Community Action Council, Inc.	300
Total	\$ 322,003

WinterCare Energy Fund, Inc.

Notes to Financial Statements

Note 5 **Utility Contributions**

The Organization received contributions from the following:

Kentucky Utilities	\$ 151,238
Citizens Energy	86,850
Columbia Gas	38,638
Owen Electric Cooperative	10,486
Shelby Energy Cooperative	7,517
Salt River Electric	3,662
Meade County RECC	2,335
Frankfort Water & Electric	1,383
City of Henderson	757
City of Nicholasville	617
Nolin RECC	561
Delta Natural Gas	534
Fleming-Mason Energy	529
InterCounty Energy	171
<u>KENERGY</u>	<u>14</u>
<u>Total</u>	<u>\$ 305,292</u>