

**GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.**

**Consolidated Financial Statements and Supplementary Information  
June 30, 2018  
(With Comparative Totals for 2017)**

GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
JUNE 30, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)

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To the Board of Directors of  
Green Energy Consumers Alliance, Inc.  
and Amory Street Energy Ventures, Inc.  
Jamaica Plain, Massachusetts

Independent Auditors' Report on the Consolidated Financial Statements and Supplementary Information

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Green Energy Consumers Alliance, Inc. and Amory Street Energy Ventures, Inc., which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, functional expenses, 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Green Energy Consumers Alliance, Inc. and Amory Street Energy Ventures, Inc. as of June 30, 2018, 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 of America.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 31, 2018 on our consideration of Green Energy Consumers Alliance, Inc. and Amory Street Energy Ventures, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Green Energy Consumers Alliance, Inc. and Amory Street Energy Ventures, Inc.'s internal control over financial reporting and compliance.

### Report on Supplementary Information

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules of supplementary information starting on page 18 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.



GONZALEZ & ASSOCIATES, P.C.  
Certified Public Accountants

Stoughton, Massachusetts  
December 31, 2018

**GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)**

**ASSETS**

	<u>2018</u>	<u>2017</u>
<b><u>Current Assets</u></b>		
Cash	\$ 1,177,808	\$ 986,123
Accounts receivable (net of allowance of \$41,084 and \$41,084, for 2018 and 2017, respectively)	505,367	442,013
Pledges receivable	25,000	25,000
Escrow account	140,990	257,668
Escrow interest	44,745	44,426
Prepaid expenses	936,719	39,884
Total current assets	2,830,629	1,795,114
<b><u>Property and Equipment</u></b>		
Equipment and software	420,881	411,117
Leasehold improvements	27,481	27,481
IT upgrades	383,897	179,422
Less: accumulated depreciation and amortization	(494,158)	(429,089)
Total property and equipment	338,101	188,931
<b><u>Other Assets</u></b>		
Deferred tax asset	110,407	106,029
Deposits	237,017	237,017
Total other assets	347,424	343,046
<b><u>Total Assets</u></b>	<b>\$ 3,516,154</b>	<b>\$ 2,327,091</b>

**LIABILITIES AND NET ASSETS**

<b><u>Current Liabilities</u></b>		
Accrued expenses	\$ 1,309,666	\$ 960,282
Accrued payroll and benefits	145,409	90,555
Deferred revenue	613,258	
Prepaid dues	131,313	113,805
Tenant security deposit	1,300	1,300
Total current liabilities	2,200,946	1,165,942
<b><u>Net Assets</u></b>		
Unrestricted net assets - undesignated	504,965	458,677
Unrestricted net assets - board designated	532,121	462,579
Total unrestricted net assets	1,037,086	921,256
Temporarily restricted net assets	278,122	239,893
Total net assets	1,315,208	1,161,149
<b><u>Total Liabilities and Net Assets</u></b>	<b>\$ 3,516,154</b>	<b>\$ 2,327,091</b>

See accompanying notes. See Independent Auditors' Report on the Consolidated Financial Statements and Supplementary Information.

GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	Total
<b><u>Support and Revenue</u></b>				
<b><u>Support</u></b>				
Contributions and grants	\$ 35,625	\$ 157,125	\$ 192,750	\$ 155,961
Contributions released from restriction	175,179	(175,179)		
Membership dues	150,862		150,862	142,470
Other income	1,109		1,109	
Special events	11,797		11,797	4,990
<b><u>Revenue</u></b>				
Green power service fees	1,068,414		1,068,414	807,564
Contract service fees	1,979,752	56,283	2,036,035	926,353
Bulk buying service fees	491,657		491,657	501,101
Generated electricity sales	16,719		16,719	21,409
Rental income	17,284		17,284	17,284
Consulting fees	48,753		48,753	29,860
Deferred tax benefit	4,378		4,378	7,238
Investment income	535		535	274
Total support and revenue	4,002,064	38,229	4,040,293	2,614,504
<b><u>Operating Expenses</u></b>				
Program services	3,262,520		3,262,520	2,194,410
Fundraising expenses	17,748		17,748	17,435
Management and general	605,966		605,966	484,295
Total operating expenses	3,886,234		3,886,234	2,696,140
<b><u>Change in Net Assets</u></b>	115,830	38,229	154,059	(81,636)
<b><u>Net Assets - Beginning of Year</u></b>	921,256	239,893	1,161,149	1,242,785
<b><u>Net Assets - End of Year</u></b>	\$ 1,037,086	\$ 278,122	\$ 1,315,208	\$ 1,161,149

See accompanying notes. See Independent Auditors' Report on the Consolidated Financial Statements and Supplementary Information.

**GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)**

	2018					2017		
	Solar PV	Green Power	Heating Oil	Community Programs	Total Program	Fundraising	Management and General	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Advertising								
Bad debt expense								
Bank charges		17,965	10,435	539	28,939		450	3,829
Commissions and brokers' fees		37,518			37,518		361	27,381
Consultants and subcontractors	640	72,355	27,184	3,792	103,971	4,000	67,369	15,816
Copying, printing and mail house		30,418	8,828		39,246	2,041	2,986	166,619
Data Management		25,313			25,313			57,957
Deferred tax expense								27,000
Depreciation and amortization	22,300	17,108	8,554	5,560	53,522	427	11,120	4,922
Dues and subscriptions		1,159		484	1,643		8,589	65,069
Employee benefits		78,168	39,084	25,405	142,657	1,954	50,809	10,232
Equipment rental and maintenance		2,329	1,165	757	4,251	58	1,514	195,420
Grant expense								5,823
Insurance	945	4,284	2,142	1,392	8,763	107	7,788	25,600
Interest								16,353
Marketing		14,961	5,988	415	21,364		2,439	37,411
Meetings and conferences		8,616	15	3,541	12,172		56,009	68,181
Office supplies and expense		1,144			1,144		23,648	24,792
Oil bank delivery and vouchers				22,690	22,690			22,690
Payroll service								16,428
Postage		8,025	10,028	2	18,055	670	8,355	8,118
Professional fees	5,000	19,590		5,525	30,115		2,145	20,870
Regulatory fees & licenses		200		424	624		30,371	62,596
Renewable energy certificates		1,729,462			1,729,462		2,243	2,029
Rent	11,004	48,620	24,310	15,802	99,736	1,216	31,603	771,581
Repairs and maintenance	7,066				7,066			132,555
Salaries and wages		406,279	201,923	128,342	736,544	6,215	7,066	131,454
Special events		15,408	38	661	16,107			448
Staff development								896,871
Taxes - payroll		34,452	17,226	11,197	62,875	861	22,393	21,718
Taxes - state	456	16,635			17,091			74,495
Telephone and internet		4,639	2,320	1,508	8,467	116	3,015	16,738
Travel		6,751	921	2,127	9,799		952	11,213
Utilities		3,346	1,673	1,087	6,106	83	2,175	10,751
Utilities								8,364
<b>Total</b>	<b>\$ 47,411</b>	<b>\$ 2,611,985</b>	<b>\$ 371,422</b>	<b>\$ 231,702</b>	<b>\$ 3,262,520</b>	<b>\$ 17,748</b>	<b>\$ 605,966</b>	<b>\$ 3,886,234</b>
								<b>\$ 2,696,140</b>

**GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)**

	2018	2017
<b><u>Cash Flows From Operating Activities</u></b>		
Change in net assets	\$ 154,059	\$ (81,636)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation and amortization	65,069	65,889
(Increase) decrease in:		
Accounts receivable	(63,354)	131,875
Pledges receivable		(25,000)
Escrow account	116,678	100,000
Escrow interest	(319)	(80)
Prepaid expenses	(896,835)	8,522
Deferred tax asset	(4,378)	(2,316)
Increase (decrease) in:		
Accrued expenses	349,384	(8,922)
Accrued payroll and benefits	54,854	(50,207)
Prepaid dues	630,766	23,395
	<u>405,924</u>	<u>161,520</u>
<b><u>Net Cash Provided by Operating Activities</u></b>		
	<u>405,924</u>	<u>161,520</u>
<b><u>Cash Flows From Investing Activities</u></b>		
Purchase of equipment and IT upgrades	(214,239)	(55,430)
	<u>(214,239)</u>	<u>(55,430)</u>
<b><u>Net Cash (Used) by Investing Activities</u></b>		
	<u>(214,239)</u>	<u>(55,430)</u>
<b><u>Cash Flows From Financing Activities</u></b>		
Payment of note principal	0	(95,587)
	<u>0</u>	<u>(95,587)</u>
<b><u>Net Cash (Used) by Financing Activities</u></b>		
	<u>0</u>	<u>(95,587)</u>
<b><u>Increase in Cash and Cash Equivalents</u></b>	191,685	10,503
<b><u>Cash and Cash Equivalents - Beginning of Year</u></b>	986,123	975,620
	<u>986,123</u>	<u>975,620</u>
<b><u>Cash and Cash Equivalents - End of Year</u></b>	\$ 1,177,808	\$ 986,123
	<u>\$ 1,177,808</u>	<u>\$ 986,123</u>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest paid	\$ 0	\$ 524
Income taxes paid	\$ 17,091	\$ 16,738
Disposal of fully depreciated fixed assets	\$ 0	\$ 15,684
	<u>\$ 0</u>	<u>\$ 15,684</u>

See accompanying notes. See Independent Auditors' Report on the Consolidated Financial Statements and Supplementary Information.



**GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018

**Note 1. Organization**

Green Energy Consumers Alliance, Inc. (Green Energy Consumers) was organized in the Commonwealth of Massachusetts in June 1982, then as Boston Fuel Consortium, Inc., as a not-for-profit corporation. In September 2018, the name was officially changed from Energy Consumers Alliance of New England, to Green Energy Consumers Alliance. Prior to July 1, 2006, Energy Consumers Alliance of New England (ECANE) existed as a joint venture between the Massachusetts Energy Consumers Alliance (Mass Energy) and People's Power & Light (PP&L) for the sole purpose of offering renewable energy to customers in Massachusetts and Rhode Island. The two Organizations also had a separate agreement governing PP&L's marketing of Mass Energy's heating oil program in Rhode Island. As of July 1, 2006, Mass Energy acquired the assets of PP&L. Officially the combined Organizations were known as Energy Consumers Alliance of New England, Inc. (ECANE), doing business as Mass Energy Consumers Alliance in Massachusetts and People's Power and Light in Rhode Island. Now, the organizations all operate under the official name of Green Energy Consumers Alliance, Inc.

The new Green Energy Consumers has a dual mission of promoting energy affordability and environmental sustainability. It eases the burden of high energy costs through discount heating oil, education on energy efficiency, public advocacy, and an "Oil Bank" for households in need. Green Energy Consumers also promotes the development and usage of renewable energy sources by members of the Organization and the public at large.

Green Energy Consumers' programs consist of the following:

**Heating Oil Program**

A membership-based program that operates like a buyers club or a co-op. Members pay an annual fee and are assigned to one of our dealers. We use the buying power of our members across Massachusetts and Rhode Island to negotiate better prices for consumers. Our contracts with dealers limit how much our dealers can charge the retail consumer above the wholesale price they pay for heating oil. These dealers pay Green Energy Consumers a monthly commission based on the number of gallons delivered to customers.

**Community Programs (including Energy Efficiency, Oil Bank, and Advocacy)**

Green Energy Consumers is active in local, state, and regional discussions about energy, advocating for affordable and sustainable solutions. We also promote energy efficiency to our members and the public at large. Member donations to our Oil Bank enable Green Energy Consumers to provide free oil deliveries to low-income households.

**Green Power Program**

Our green power options enable consumers to choose electricity resources that are cleaner and healthier for the environment than current sources of their electricity. Green Energy Consumers also runs a Drive Green program to promote Electric Vehicle adoption. Discounts with dealers are pre-negotiated and advertised on Green Energy Consumers website, and dealers pay commissions for each car sold through the Drive Green Program.

In December 2011, Amory Street Energy Ventures, Inc. (ASEV), a wholly-owned subsidiary of Green Energy Consumers, was organized in the Commonwealth of Massachusetts, as a for-

GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018

(Continued)

**Note 1. Organization** (Continued)

profit corporation. The purpose of the Organization is to promote the development of renewable energy, green power, and energy efficiency in an effort to encourage community reliance on local energy resources and their benefits. To accomplish this, ASEV develops, markets, buys and sells renewable energy products and green energy certificates to the public, business entities, governmental units, nonprofits, and other Organizations.

**Note 2. Summary of Significant Accounting Policies**

a. Standards of Accounting and Reporting  
Green Energy Consumers Alliance, Inc. follows standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' Audit and Accounting Guide "Not-for-Profit Organizations".

b. Financial Statement Presentation  
The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. No permanently restricted assets were received or held during 2018 or 2017 and accordingly, these financial statements do not reflect any activity related to this class of net assets for 2018 or 2017.

c. Cash and Cash Equivalents  
For purposes of the statements of cash flows, Green Energy Consumers Alliance, Inc. and Amory Street Energy Ventures, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

d. Property and Equipment  
Property and equipment are recorded at cost, when purchased, or if donated, at their estimated fair market value at date of donation. All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized.

GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- e. Depreciation and Amortization  
Depreciation is calculated on a straight line and double declining balance method over the estimated useful lives of the assets. The useful life of all equipment is 3-5 years and leasehold improvements is 5-20 years. IT upgrades are amortized by the straight-line method over 5 years.
- f. Expense Allocation  
Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.
- g. Summarized Comparative Financial Statements  
The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.
- h. Use of Estimates  
Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.
- i. Restricted and Unrestricted Revenue and Support  
Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends 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 restrictions.
- j. Allowance for Doubtful Accounts Receivable  
Management has recorded an allowance for doubtful accounts for contract fees not expected to be paid. The balances of the allowance for June 30, 2018 and 2017 were \$41,084 and \$41,084, respectively. This estimate is based on prior collection history.
- k. Advertising Costs  
Advertising costs are expensed as incurred. Advertising costs for the years ended June 30, 2018 and 2017 totaled \$24,729 and \$11,105, respectively.

GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

i. Contracts

Financial awards from state governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

m. Principles of Consolidation

The accompanying financial statements include the accounts of Green Energy Consumers Alliance, Inc. and Amory Street Energy Ventures, Inc. All significant inter-organization transactions and balances if any have been eliminated on consolidation. Both Organizations have fiscal years ending on June 30, 2018.

n. Fair Value

The Organization follows the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 820 "Fair Value Measurements and Disclosures", for assets and liabilities that are measured at fair value on a recurring basis, and to determine fair value disclosures. The standard defines fair value and it establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The standard applies to certain other existing pronouncements that require or permit fair value measurements. It does not establish or change any existing requirements for fair value accounting.

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value accounting standard established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The three tiers are defined as:

- Level 1 – Observable inputs such as quoted prices in active markets.
- Level 2 – Inputs other than Level 1 inputs that are observable, whether directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable markets.
- Level 3 – Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions and are significant to the fair measurement.

The Organization's investments are valued as follows:

Level 3: Investments in subsidiaries.

**GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018

(Continued)

**Note 3. Tax Status**

Green Energy Consumers Alliance, Inc. is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an Organization that is not a private foundation under Section 509(a)(2).

The Organization's wholly owned for-profit subsidiary, Amory Street Energy Ventures, Inc., is a taxable entity and is, therefore, subject to federal and state income taxes. Amory Street Energy Ventures, Inc. files a separate income tax return. Amory Street Energy Ventures, Inc. has a net operating loss carry forward resulting from the current and prior year. A deferred tax asset has been recognized for the tax benefits of loss carry forwards, however a valuation allowance has not been calculated since the loss will be carried over for a twenty-year period, and it is too early to evaluate whether all or a portion of the deferred tax asset will not be realized.

The Organization adopted previously deferred guidance related to uncertain tax positions. Financial Accounting Standards Board Accounting Standards Codification (ASC) 740-10 and related subsections prescribes rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. As a result of implementing this guidance, management has determined that the Organization does not have any uncertain tax positions that materially impact the consolidated financial statements or related disclosures.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Organization's tax returns remain open for federal income tax examination for three years from the date of filing.

**Note 4. Deposits**

Deposits as of June 30, 2018 and 2017 consist of the following:

	2018	2017
Office rental – MA	\$ 17,057	\$ 17,057
Office rental – RI	1,460	1,460
REC agreements	207,500	207,500
Site rental	11,000	11,000
Total deposits	<u>\$ 237,017</u>	<u>\$ 237,017</u>

GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018

(Continued)

**Note 5. Lease Commitments**

The Organization entered into a five-year extended lease for office space in Jamaica Plain commencing on January 1, 2015 with a monthly payment of \$8,401, subject to annual increases. In addition, Green Energy Consumers Alliance, Inc. entered into a five-year lease for an office in Rhode Island on April 1, 2012 with a monthly payment of \$1,410, subject to annual increases. In December 2016, the Organization extended their lease for an additional three years commencing on April 1, 2017, with a monthly payment of \$1,510, subject to annual increase.

Amory Street Energy Ventures, Inc. entered into a twenty-year agreement to lease the roof of a facility to build, own, and operate a solar photovoltaic system on December 22, 2011. Commencing upon commercial operation, the terms of the lease are \$917 per month for the first 213 months of the twenty-year term, \$0 per month for the following 27 months, and \$917 per month thereafter for any permitted extensions. The commercial operation of the solar photovoltaic system began on December 21, 2012, and the rent expense commenced on January 1, 2013.

Total rent expense in both states and for the use of the facility's roof for fiscal years ended June 30, 2018 and 2017 was \$132,555 and \$131,454, respectively.

Future minimum lease payments for office space in Jamaica Plain are as follows:

2019	\$ 51,936
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Future minimum lease payments for office space in Rhode Island are as follows:

2019	\$ 18,495
2020	14,040

Future minimum lease payments for the use of the facility's roof are as follows:

2019	\$ 11,004
2020	11,004
2021	11,004
2022	11,004
2023	11,004
2024 and thereafter	79,779

The Organization subleases space under an agreement expiring December 31, 2018. Monthly rental receipts of \$1,440 are required. Rental income for fiscal years ended June 30, 2018 and 2017 was \$17,284 and \$17,284, respectively.

**Note 6. Concentration of Credit Risk**

The Organization maintains its cash balance in a local bank. The balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances in the bank, at times, may

**GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018

(Continued)

**Note 6. Concentration of Credit Risk** (Continued)

exceed the Federal Deposit Insurance Corporation (FDIC) insured limit per financial institution. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Balances as of June 30, 2018 and 2017 are as follows:

	2018	2017
Fully insured deposits	\$ 336,399	\$ 426,361
Uninsured deposits	981,825	623,533
Total	<u>\$ 1,318,224</u>	<u>\$ 1,049,894</u>

Credit risk with respect to receivables is considered low as a significant portion are from well-established Organizations.

**Note 7. Tax-deferred Annuity Plan**

The Organization maintains a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time and part-time employees of the Organization. Contribution is subject to board approval. Pension expense for fiscal years ended June 30, 2018 and 2017 was \$36,000 and \$0, respectively. Employees may make voluntary contributions to the plan up to the maximum amount allowed by the Internal Revenue Code.

**Note 8. Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30, 2018 consist of the following:

	2018	2017
NEWF 2.0	\$ 102,672	\$ 46,389
Oil bank	76,846	87,412
Administrative fees – oil bank	4,968	4,968
Other restricted purposes	93,636	101,124
Total temporarily restricted net assets	<u>\$ 278,122</u>	<u>\$ 239,893</u>

**Note 9. Board Designated Assets**

In June 2013, the Board passed a resolution that the income or losses incurred by ASEV and the repayment of ASEV's loan receivable will be netted against the board designated net assets. The balance as of June 30, 2018 reflects ASEV's losses and the repayment of ASEV's loan receivable for fiscal years 2012 through 2018. The losses total \$205,041 as of June 30, 2018.

Board designated net assets as of June 30, 2018 consists of the following:

	2018	2017
Renewable energy generation	<u>\$ 532,121</u>	<u>\$ 462,579</u>

**GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018

(Continued)

**Note 10. Joint Costs**

The Organization achieves some of its programmatic and management and general goals in direct mail campaigns that include requests for contributions. In fiscal years 2018 and 2017 the costs of conducting those campaigns included a total of \$65,143 and \$83,715, respectively of joint costs that are not directly attributable to either the program or management and general components or the fund-raising component of the activities. Those joint costs were allocated as follows:

	2018			2017
	Printing	Postage	Total	Total
Program service	\$ 39,246	\$ 18,055	\$ 57,301	\$ 74,222
Management and general	2,986	2,145	5,131	5,750
Fundraising	2,041	670	2,711	3,743
Total	<u>\$ 44,273</u>	<u>\$ 20,870</u>	<u>\$ 65,143</u>	<u>\$ 83,715</u>

**Note 11. Line of Credit**

On February 27, 2013, the Organization entered into a \$150,000 line of credit with Eastern Bank secured by an assignment in a deposit account with a minimum balance required of \$167,000. The interest rate on this line of credit is subject to change based on changes in an index which is the Eastern Bank Base Rate. The interest rate is the base rate plus .25%, with a floor of 3%. The outstanding balance as of June 30, 2018 is \$0.

The interest expense for the line of credit was \$0 and \$524 for the years ended June 30, 2018 and 2017, respectively.

**Note 12. Accrued Liabilities for Compensated Absences**

The Organization accrues a liability for vacation time. All regular employees of Green Energy Consumers Alliance, Inc. accrue vacation time. Vacation time may be carried over to the following year but must be used by the end of the next fiscal year. Any carried over unused vacation is forfeited at the end of that following fiscal year. Employees who terminate their employment during the year are entitled to receive payment for any unused vacation at the date of termination.

**Note 13. New England Wind Fund**

The balance of New England Wind Fund (NEWF), which represents contributions for the purchase of Renewable Energy Certificates (RECs), is currently in two separate designated accounts until the actual transfers of RECs to the Generation Information System have been confirmed. The escrow account includes contributions from Massachusetts residents and entities to NEWF from June 2006 to June 2009. This account (including its interest earned) is being held by the Massachusetts Clean Energy Center (MCEC). The principal balance on June 30, 2018 was \$140,990, and interest totaled \$44,745. Beginning July 1, 2009, all NEWF contributions were deposited by Green Energy Consumers Alliance, Inc. in a non-interest bearing checking account,



**GREEN ENERGY CONSUMERS ALLIANCE, INC.  
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2018

(Continued)

**Note 13. New England Wind Fund** (Continued)

along with contributions made prior to July 1, 2009 from non-Massachusetts residents and entities. The last contribution to NEWF was made in August 2011. Contributions in all accounts are currently being spent on REC purchases. The Organization can retain up to 25% of the cash receipts to NEWF for administration and program support. At least 75% of the cash receipts and all accrued interest from the escrow account must be used to purchase RECs from wind farms. An accrued REC expense has been included in the financial statements representing the amount of RECs the Organization must purchase based on the current escrow balance, the balance of contributions held by Green Energy Consumers Alliance, Inc., terms and conditions, and related REC purchase agreements. NEWF remaining balances as of June 30, 2018 and 2017 total:

	2018	2017
NEWF Escrow account with MCEC	\$ 140,990	\$ 257,668
NEWF Escrow interest	44,745	44,426
NEWF Checking Account	87,852	87,852
Accrued REC expense	(236,919)	(336,609)
Net profits held in escrow	\$ 36,668	\$ 53,337

**Note 14. Pledges Receivable**

As of June 30, 2018, Green Energy Consumers Alliance, Inc.'s pledges receivable represented unconditional promises to give by one donor. The Organization believes that pledges receivable are fully collectible. Therefore, no allowance for doubtful accounts is considered necessary.

**Note 15. Date of Management's Review**

Subsequent events were evaluated through December 31, 2018, which is the date the financial statements were available to be issued.

To the Board of Directors  
Green Energy Consumers Alliance, Inc.  
and Amory Street Energy Ventures, Inc.  
Jamaica Plain, Massachusetts

Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of Green Energy Consumers Alliance, Inc. and Amory Street Energy Ventures, Inc., which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 31, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Green Energy Consumers Alliance, Inc. and Amory Street Energy Ventures, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Green Energy Consumers Alliance, Inc. and Amory Street Energy Ventures, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

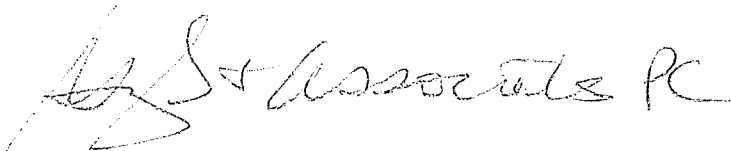
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Green Energy Consumers Alliance, Inc. and Amory Street Energy Ventures, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



GONZALEZ & ASSOCIATES, P.C.  
Certified Public Accountants

Stoughton, Massachusetts  
December 31, 2018

**SUPPLEMENTARY INFORMATION**  
**GREEN ENERGY CONSUMERS ALLIANCE, INC.**

SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)

**ASSETS**

<b><u>Current Assets</u></b>	2018	2017
Cash		
Accounts receivable (net of allowance of \$41,084 and \$41,084, for 2018 and 2017, respectively)	\$ 1,093,814	\$ 809,762
Pledges receivable	500,976	445,210
Interest receivable	25,000	25,000
Escrow account	32,885	46,718
Escrow interest	140,990	257,668
Prepaid expenses	44,745	44,426
Notes receivable, current portion and net of share of deficiency in assets of subsidiary	936,633	39,884
Total current assets	2,964,443	1,914,454
<b><u>Property and Equipment</u></b>		
Equipment and software	48,319	38,555
Leasehold improvements	10,681	10,681
IT upgrades	383,897	179,422
Less: accumulated depreciation and amortization	(116,976)	(74,207)
Total property and equipment	325,921	154,451
<b><u>Other Assets</u></b>		
Deposits	226,017	226,017
Notes receivable, net of current portion and net of share of deficiency in assets of subsidiary		29,418
Total other assets	226,017	255,435
<b><u>Total Assets</u></b>	<b>\$ 3,516,381</b>	<b>\$ 2,324,340</b>

**LIABILITIES AND NET ASSETS**

<b><u>Current Liabilities</u></b>		
Accrued expenses	\$ 1,309,893	\$ 957,531
Accrued payroll and benefits	145,409	90,555
Deferred revenue	613,258	
Prepaid dues	131,313	113,805
Tenant security deposit	1,300	1,300
Total current liabilities	2,201,173	1,163,191
<b><u>Net Assets</u></b>		
Unrestricted net assets - undesignated	504,965	458,677
Unrestricted net assets - board designated	532,121	462,579
Total unrestricted net assets	1,037,086	921,256
Temporarily restricted net assets	278,122	239,893
Total net assets	1,315,208	1,161,149
<b><u>Total Liabilities and Net Assets</u></b>	<b>\$ 3,516,381</b>	<b>\$ 2,324,340</b>

See accompanying notes. See Independent Auditors' Report on the Consolidated Financial Statements and Supplementary Information.

**SUPPLEMENTARY INFORMATION**  
**GREEN ENERGY CONSUMERS ALLIANCE, INC.**

SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	Total
<b><u>Support and Revenue</u></b>				
<b><u>Support</u></b>				
Contributions and grants	\$ 35,625	\$ 157,125	\$ 192,750	\$ 155,961
Contributions released from restriction	175,179	(175,179)		
Membership dues	150,862		150,862	142,470
Other income	1,109		1,109	
Special events	11,797		11,797	4,990
<b><u>Revenue</u></b>				
Green power service fees	1,068,414		1,068,414	807,564
Contract service fees	1,950,197	56,283	2,006,480	894,958
Bulk buying service fees	491,657		491,657	501,101
Rental income	17,284		17,284	17,284
Consulting fees	51,133		51,133	30,665
Investment income	9,527		9,527	11,258
Total support and revenue	<u>3,962,784</u>	<u>38,229</u>	<u>4,001,013</u>	<u>2,566,251</u>
<b><u>Operating Expenses</u></b>				
Program services	3,215,109		3,215,109	2,127,794
Fundraising expenses	17,748		17,748	17,435
Management and general	605,966		605,966	484,295
Total operating expenses	<u>3,838,823</u>		<u>3,838,823</u>	<u>2,629,524</u>
<b><u>Change in Net Assets Before Earnings/ Loss of Subsidiary</u></b>				
	123,961	38,229	162,190	(63,273)
<b><u>Equity in Net Income/Loss of Subsidiary</u></b>				
	(8,131)		(8,131)	(18,363)
<b><u>Change in Net Assets</u></b>				
	115,830	38,229	154,059	(81,636)
<b><u>Net Assets - Beginning of Year</u></b>				
	921,256	239,893	1,161,149	1,242,785
<b><u>Net Assets - End of Year</u></b>				
	<u>\$ 1,037,086</u>	<u>\$ 278,122</u>	<u>\$ 1,315,208</u>	<u>\$ 1,161,149</u>

See accompanying notes. See Independent Auditors' Report on the Consolidated Financial Statements and Supplementary Information.

**SUPPLEMENTARY INFORMATION  
GREEN ENERGY CONSUMERS ALLIANCE, INC.**

SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)

	2018					2017	
	Green Power	Heating Oil	Community Programs	Program	Fundraising	Management and General	Total
Advertising	\$ 7,240	\$ 9,588	\$ 452	\$ 17,280	\$	\$ 7,449	\$ 11,105
Bad debt expense						450	3,829
Bank charges	17,965	10,435	539	28,939		361	27,369
Commissions and brokers' fees	37,518			37,518			15,816
Consultants and subcontractors	72,355	27,184	3,792	103,331	4,000	67,369	166,619
Copying, printing and mail house	30,418	8,828		39,246	2,041	2,986	57,957
Data Management	25,313			25,313			27,000
Depreciation and amortization	17,108	8,554	5,560	31,222	427	11,120	22,130
Dues and subscriptions	1,159		484	1,643		8,589	8,100
Employee benefits	78,168	39,084	25,405	142,657	1,954	50,809	115,678
Equipment rental and maintenance	2,329	1,165	757	4,251	58	1,514	6,749
Grant expense							25,600
Insurance	4,284	2,142	1,392	7,818	107	7,788	15,338
Interest							524
Marketing	14,961	5,988	415	21,364		2,439	37,411
Meetings and conferences	8,616	15	3,541	12,172		56,009	39,274
Office supplies and expense	1,144			1,144		23,648	10,501
Oil bank delivery and vouchers			22,690	22,690			16,428
Payroll service							8,118
Postage	8,025	10,028	2	18,055	670	8,355	25,758
Professional fees	19,590		5,525	25,115		2,145	57,596
Regulatory fees & licenses	200		424	624		2,243	2,029
Renewable energy certificates	1,729,462			1,729,462			771,581
Rent	48,620	24,310	15,802	88,732	1,216	31,603	120,450
Salaries and wages	406,279	201,923	128,342	736,544	6,215	262,183	896,871
Special events	15,408	38	661	16,107			21,718
Staff development							747
Taxes - payroll	34,452	17,226	11,197	62,875	861	22,393	74,495
Taxes - state	16,635			16,635			16,282
Telephone and internet	4,639	2,320	1,508	8,467	116	3,015	11,213
Travel	6,751	921	2,127	9,799		952	5,808
Utilities	3,346	1,673	1,087	6,106	83	2,175	9,430
<b>Total</b>	<b>\$ 2,611,985</b>	<b>\$ 371,422</b>	<b>\$ 231,702</b>	<b>\$ 3,215,109</b>	<b>\$ 17,748</b>	<b>\$ 605,966</b>	<b>\$ 2,629,524</b>

**SUPPLEMENTARY INFORMATION**  
**GREEN ENERGY CONSUMERS ALLIANCE, INC.**

SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)

	2018	2017
<b><u>Cash Flows From Operating Activities</u></b>		
Change in net assets	\$ 154,059	\$ (81,636)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Equity in net income/loss of subsidiary	8,131	18,363
Depreciation and amortization	42,769	22,130
(Increase) decrease in:		
Accounts receivable	(55,766)	120,511
Pledges receivable		(25,000)
Notes receivable	77,673	
Interest receivable	13,833	(10,984)
Escrow account	116,678	100,000
Escrow interest	(319)	(80)
Prepaid expenses	(896,749)	8,522
Increase (decrease) in:		
Accrued expenses	352,362	(10,756)
Accrued payroll and benefits	54,854	(50,207)
Prepaid dues	630,766	23,395
<b><u>Net Cash Provided by Operating Activities</u></b>	<b>498,291</b>	<b>114,258</b>
<b><u>Cash Flows From Investing Activities</u></b>		
Purchase of equipment and IT upgrades	(214,239)	(55,430)
<b><u>Net Cash (Used) by Investing Activities</u></b>	<b>(214,239)</b>	<b>(55,430)</b>
<b><u>Cash Flows From Financing Activities</u></b>		
Payment of note principal	0	(95,587)
<b><u>Net Cash (Used) by Financing Activities</u></b>	<b>0</b>	<b>(95,587)</b>
<b><u>Increase (Decrease) in Cash and Cash Equivalents</u></b>	<b>284,052</b>	<b>(36,759)</b>
<b><u>Cash and Cash Equivalents - Beginning of Year</u></b>	<b>809,762</b>	<b>846,521</b>
<b><u>Cash and Cash Equivalents - End of Year</u></b>	<b>\$ 1,093,814</b>	<b>\$ 809,762</b>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest paid	\$ 0	\$ 524
Income taxes paid	\$ 16,635	\$ 16,282
Disposal of fully depreciated fixed assets	\$ 0	\$ 15,684

See accompanying notes. See Independent Auditors' Report on the Consolidated Financial Statements and Supplementary Information.

SUPPLEMENTARY INFORMATION  
AMORY STREET ENERGY VENTURES, INC.

SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)

ASSETS

	2018	2017
<b><u>Current Assets</u></b>		
Cash and cash equivalents	\$ 83,994	\$ 176,361
Accounts receivable	11,771	27,478
Prepaid expenses	86	
Total current assets	95,851	203,839
<b><u>Property and Equipment</u></b>		
Equipment	372,562	372,562
Leasehold improvement	16,800	16,800
Less: accumulated depreciation	(377,182)	(354,882)
Total property and equipment	12,180	34,480
<b><u>Other Assets</u></b>		
Deposits	11,000	11,000
Deferred tax asset	110,407	106,029
Total other assets	121,407	117,029
<b><u>Total Assets</u></b>	\$ 229,438	\$ 355,348

LIABILITIES AND NET ASSETS

<b><u>Current Liabilities</u></b>		
Accrued expenses	\$ 7,153	\$ 33,426
Interest payable	32,885	46,718
Note payable, current portion	228,184	245,786
Total current liabilities	268,222	325,930
<b><u>Long-Term Liabilities</u></b>		
Note payable, net	165,257	225,328
Total long-term liabilities	165,257	225,328
<b><u>Stockholder's Equity</u></b>		
Capital stock, no par value, 1000 authorized, 1000 authorized and issued	1,000	1,000
Retained deficit	(205,041)	(196,910)
Total stockholder's equity	(204,041)	(195,910)
<b><u>Total Liabilities and Stockholder's Equity</u></b>	\$ 229,438	\$ 355,348

See accompanying notes. See Independent Auditors' Report on the Consolidated Financial Statements and Supplementary Information.



SUPPLEMENTARY INFORMATION  
AMORY STREET ENERGY VENTURES, INC.

STATEMENT OF REVENUES, EXPENSES AND RETAINED EARNINGS  
FOR THE YEAR ENDED JUNE 30, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)

<u>Revenue</u>	<u>2018</u>	<u>2017</u>
Generated electricity sales	\$ 16,719	\$ 21,409
Contract service fees	29,555	31,395
Deferred tax benefit	4,378	7,238
<b>Total Revenue</b>	<u>50,652</u>	<u>60,042</u>
 <u>Operating Expenses</u>	 <u>(58,327)</u>	 <u>(73,027)</u>
 <u>Net Income Before Taxes</u>	 (7,675)	 (12,985)
 <u>Deferred Tax Expense</u>		 (4,922)
 <u>State Income Taxes</u>	 <u>(456)</u>	 <u>(456)</u>
 <u>Net Income After Taxes</u>	 (8,131)	 (18,363)
 <u>Retained Deficit - Beginning</u>	 <u>(196,910)</u>	 <u>(178,547)</u>
 <u>Retained Deficit - Ending</u>	 <u>\$ (205,041)</u>	 <u>\$ (196,910)</u>

See accompanying notes. See Independent Auditors' Report on the Consolidated Financial Statements and Supplementary Information.

**SUPPLEMENTARY INFORMATION**  
**AMORY STREET ENERGY VENTURES, INC.**

SCHEDULE OF OPERATING EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)

<u>Operating Expenses</u>	<u>2018</u>	<u>2017</u>
Bank charges	\$	\$ 12
Consultants	3,020	805
Depreciation	22,300	43,759
Insurance	945	1,015
Interest expense	8,992	10,984
Professional fees	5,000	5,000
Repairs and maintenance	7,066	448
Rent	11,004	11,004
	<u>11,004</u>	<u>11,004</u>
<b><u>Total Operating Expenses</u></b>	<b><u>\$ 58,327</u></b>	<b><u>\$ 73,027</u></b>

See accompanying notes. See Independent Auditors' Report on the Consolidated Financial Statements and Supplementary Information.

SUPPLEMENTARY INFORMATION  
AMORY STREET ENERGY VENTURES, INC.

SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)

	2018	2017
<b><u>Cash Flows From Operating Activities</u></b>		
Deficit of revenues over expenses	\$ (8,131)	\$ (18,363)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	22,300	43,759
(Increase) decrease in:		
Accounts receivable	15,707	5,560
Prepaid expenses	(86)	
Deferred tax asset	(4,378)	(2,316)
Increase (decrease) in:		
Accounts payable	(26,273)	17,041
Accrued expenses		(9,402)
Interest payable	(13,833)	10,984
<b><u>Net Cash Provided (Used) by Operating Activities</u></b>	(14,694)	47,263
<b><u>Cash Flows From Investing Activities</u></b>	0	0
<b><u>Cash Flows From Financing Activities</u></b>		
Payment of note principal	(77,673)	0
<b><u>Net Cash (Used) by Financing Activities</u></b>	(77,673)	0
<b><u>Increase (Decrease) in Cash and Cash Equivalents</u></b>	(92,367)	47,263
<b><u>Cash and Cash Equivalents - Beginning of Year</u></b>	176,361	129,098
<b><u>Cash and Cash Equivalents - End of Year</u></b>	\$ 83,994	\$ 176,361
 <b><u>SUPPLEMENTAL DISCLOSURES</u></b>		
Interest paid	\$ 8,992	\$ 10,984
Income taxes paid	\$ 456	\$ 456

See accompanying notes. See Independent Auditors' Report on the Consolidated Financial Statements and Supplementary Information.