

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

**Consolidated Financial Statements and Supplementary Information
June 30, 2017
(With Comparative Totals for 2016)**

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

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To the Board of Directors of
Energy Consumers Alliance of New England, 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 Energy Consumers Alliance of New England, Inc. and Amory Street Energy Ventures, Inc., which comprise the consolidated statement of financial position as of June 30, 2017, 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

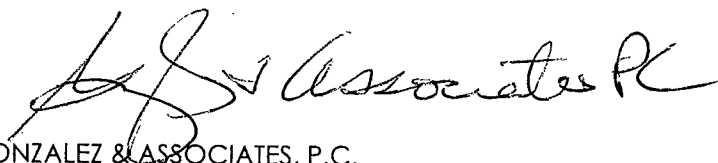
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Energy Consumers Alliance of New England, Inc. and Amory Street Energy Ventures, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 13, 2017, on our consideration of Energy Consumers Alliance of New England, 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 Energy Consumers Alliance of New England, 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 13, 2017

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

ASSETS

	2017	2016
<u>Current Assets</u>		
Cash	\$ 986,123	\$ 975,620
Accounts receivable (net of allowance of \$41,084 and \$37,254, for 2017 and 2016, respectively)	442,013	573,888
Pledges receivable	25,000	
Escrow account	257,668	357,668
Escrow interest	44,426	44,346
Prepaid expenses	39,884	48,406
Total current assets	1,795,114	1,999,928
<u>Property and Equipment</u>		
Equipment and software	411,117	417,375
Leasehold improvements	27,481	27,481
IT upgrades	179,422	133,418
Less: accumulated depreciation and amortization	(429,089)	(378,884)
Total property and equipment	188,931	199,390
<u>Other Assets</u>		
Deferred tax asset	106,029	103,713
Deposits	237,017	237,017
Total other assets	343,046	340,730
<u>Total Assets</u>	\$ 2,327,091	\$ 2,540,048
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accrued expenses	\$ 960,282	\$ 969,204
Accrued payroll and benefits	90,555	140,762
Prepaid dues	113,805	90,410
Tenant security deposit	1,300	1,300
Line of credit		95,587
Total current liabilities	1,165,942	1,297,263
<u>Net Assets</u>		
Unrestricted net assets - undesignated	458,677	616,881
Unrestricted net assets - board designated	462,579	480,942
Total unrestricted net assets	921,256	1,097,823
Temporarily restricted net assets	239,893	144,962
Total net assets	1,161,149	1,242,785
<u>Total Liabilities and Net Assets</u>	\$ 2,327,091	\$ 2,540,048

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

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
<u>Support</u>				
Contributions and grants	\$ 2,968	\$ 152,993	\$ 155,961	\$ 134,021
Contributions released from restriction	104,451	(104,451)		
Membership dues	142,470		142,470	191,000
Other income				4,977
Special events	4,990		4,990	710
<u>Revenue</u>				
Green power service fees	807,564		807,564	864,755
Contract service fees	879,964	46,389	926,353	1,145,781
Bulk buying service fees	501,101		501,101	487,578
Generated electricity sales	21,409		21,409	23,908
Rental income	17,284		17,284	17,284
Consulting fees	29,860		29,860	35,010
Deferred tax benefit	7,238		7,238	2,575
Investment income	274		274	447
Total support and revenue	<u>2,519,573</u>	<u>94,931</u>	<u>2,614,504</u>	<u>2,908,046</u>
<u>Operating Expenses</u>				
Program services	2,194,410		2,194,410	2,272,675
Fundraising expenses	17,435		17,435	13,137
Management and general	484,295		484,295	533,203
Total operating expenses	<u>2,696,140</u>		<u>2,696,140</u>	<u>2,819,015</u>
<u>Change in Net Assets</u>	(176,567)	94,931	(81,636)	89,031
<u>Net Assets - Beginning of Year</u>	<u>1,097,823</u>	<u>144,962</u>	<u>1,242,785</u>	<u>1,153,754</u>
<u>Net Assets - End of Year</u>	<u>\$ 921,256</u>	<u>\$ 239,893</u>	<u>\$ 1,161,149</u>	<u>\$ 1,242,785</u>

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

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)**

	2017					2016		
	Solar PV	Green Power	Heating Oil	Community Programs	Total Program	Fundraising	Management and General	Total
Advertising								
Bad debt expense								
Bank charges	12	18,673	8,235	378	27,298		3,829	29,849
Commissions		15,816			15,816		83	8,095
Consultants and subcontractors		72,667	30,260	6,333	109,260			24,894
Copying, printing and mail house		29,670	21,574	962	52,206	2,741	57,359	12,915
Data Management		27,000			27,000		3,010	196,368
Deferred tax expense	4,922				4,922			57,767
Depreciation and amortization	43,759	7,524	4,647	4,205	60,135	221	5,533	27,000
Dues and subscriptions		410		740	1,150			4,918
Employee benefits		45,027	21,016	19,015	85,058	1,001	6,950	65,677
Equipment rental and maintenance fees		2,295	1,417	1,282	4,994	68	29,619	8,100
Grant expense	1,015				1,015		1,687	115,678
Insurance				25,600	25,600			6,313
Interest			2,170	1,963	8,661	103	7,589	2,076
Marketing								25,600
Meetings and conferences		22,800	8,937	2,216	33,953		524	16,353
Office supplies and expense		2,637	62	1,225	3,924		3,458	2,757
Oil bank delivery and vouchers		350			350		35,350	61,459
Payroll service				16,428	16,428		10,151	38,166
Postage		10,108	11,857	51	22,016	1,002	8,118	12,865
Professional fees	5,000	31,843		2,218	39,061		2,740	23,170
Repairs and maintenance	448				448		23,535	8,633
Renewable energy certificates		771,581			771,581		448	38,662
Regulatory fees & licenses		200		40	240			60,977
Rent	11,004	40,953	25,295	22,886	100,138	1,204	1,789	775,079
Salaries and wages		303,904	188,310	1,661,911	658,405	10,144	30,112	1,804
Special events		19,386		2,332	21,718		228,322	130,641
Staff development		249	249	249	747		747	914,421
Taxes - payroll		25,328	15,644	14,154	55,126	745	18,624	10,110
Taxes - state	456	16,282			16,738			209
Telephone and internet		3,813	2,355	2,130	8,298	112	2,803	80,212
Travel		2,878	956	1,477	5,311		497	15,922
Utilities		3,206	1,980	1,792	6,978	94	5,808	12,775
Total	\$ 66,616	\$ 1,479,376	\$ 352,071	\$ 296,347	\$ 2,194,410	\$ 17,435	\$ 484,295	\$ 2,696,140
								\$ 2,819,015

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

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017	2016
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ (81,636)	\$ 89,031
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation and amortization	65,889	65,677
(Increase) decrease in:		
Accounts receivable	131,875	(133,905)
Pledges receivable	(25,000)	
Escrow account	100,000	100,000
Escrow interest	(80)	(95)
Prepaid expenses	8,522	(3,740)
Deferred tax asset	(2,316)	2,343
Increase (decrease) in:		
Accrued expenses	(8,922)	(143,746)
Accrued payroll and benefits	(50,207)	49,374
Prepaid dues	23,395	3,535
	<u>161,520</u>	<u>28,474</u>
<u>Net Cash Provided by Operating Activities</u>		
	<u>161,520</u>	<u>28,474</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of equipment and IT upgrades	(55,430)	(40,462)
	<u>(55,430)</u>	<u>(40,462)</u>
<u>Net Cash (Used) by Investing Activities</u>		
	<u>(55,430)</u>	<u>(40,462)</u>
<u>Cash Flows From Financing Activities</u>		
Proceeds from line of credit		45,587
Forgiveness of debt		(62,546)
Payment of note principal	(95,587)	(67,659)
	<u>(95,587)</u>	<u>(67,659)</u>
<u>Net Cash (Used) by Financing Activities</u>		
	<u>(95,587)</u>	<u>(84,618)</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	10,503	(96,606)
<u>Cash and Cash Equivalents - Beginning of Year</u>	975,620	1,072,226
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ 986,123</u>	<u>\$ 975,620</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	\$ 524	\$ 2,757
Income taxes paid	\$ 16,738	\$ 15,922
Disposal of fully depreciated fixed assets	\$ 15,684	\$ 0

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

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1. Organization

The Massachusetts Energy Consumers Alliance, Inc. (Mass Energy) was organized in the Commonwealth of Massachusetts in June 1982, then as Boston Fuel Consortium, Inc., as a not-for-profit corporation. 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 are 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.

The new ECANE 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. ECANE also promotes the development and usage of renewable energy sources by members of the Organization and the public at large.

ECANE's 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 ECANE a monthly commission based on the number of gallons delivered to customers.

Community Programs (including Energy Efficiency and Advocacy)

ECANE 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 ECANE 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.

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

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

(Continued)

Note 2. Summary of Significant Accounting Policies

a. Standards of Accounting and Reporting

ECANE 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 2017 or 2016 and accordingly, these financial statements do not reflect any activity related to this class of net assets for 2017 or 2016.

c. Cash and Cash Equivalents

For purposes of the statements of cash flows, Energy Consumers Alliance of New England, 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.

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.

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- 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, 2016, 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, 2017 and 2016 were \$41,084 and \$37,254, 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, 2017 and 2016 totaled \$11,105 and \$29,849 respectively.

- l. 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.

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

m. Principles of Consolidation

The accompanying financial statements include the accounts of Energy Consumers Alliance of New England, 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, 2017.

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.

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

(Continued)

Note 3. Tax Status

ECANE 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, 2017 and 2016 consist of the following:

	2017	2016
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>

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

(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, ECANE 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, ECANE 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, 2017 and 2016 was \$131,454 and \$130,641, respectively.

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

2018	\$ 103,356
2019	51,936

Future minimum lease payments for office space in Rhode Island are as follows:

2018	\$ 18,195
2019	18,495
2020	14,040

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

2018	\$ 11,004
2019	11,004
2020	11,004
2021	11,004
2022 and thereafter	101,787

The Organization subleases space under an agreement expiring December 31, 2017. Monthly rental receipts of \$1,440 are required. Rental income for fiscal years ended June 30, 2017 and 2016 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

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

(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, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Fully insured deposits	\$ 426,361	\$ 379,098
Uninsured deposits	623,533	694,014
Total	<u>\$ 1,049,894</u>	<u>\$ 1,073,112</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, 2017 and 2016 was \$0 and \$48,000, respectively. Employees may make voluntary contributions to the plan up to the maximum amount allowed by the Internal Revenue Code.

Note 8. Note Payable

Mass Energy secured a loan from Massachusetts Technology Park Corporation (MTPC) on November 18, 2003 with no principal or interest payments due until November 18, 2008. Interest was accrued at a fixed rate of 7.25% annually. In December 2008, ECANE and MTPC signed an Amendment to the Loan agreement that effectively cancelled the original loan agreement and set forth new terms for repayment. The Amendment forgives all interest accrued and previously paid to MTPC, and calls for repayment of the remaining principal balance of \$306,365 at 0% interest. Quarterly payments over a ten-year period began January 1, 2010. On December 18, 2015, the remaining balance of the loan in the amount of \$62,546 was forgiven. ECANE agreed to increase clean energy payroll for a period of seven months.

Note 9. 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 2017 and 2016 the costs of conducting those campaigns included a total of \$83,715 and \$96,429, 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:

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

(Continued)

Note 9. Joint Costs (Continued)

	2017			2016
	Printing	Postage	Total	Total
Program service	\$ 52,206	\$ 22,016	\$ 74,222	\$ 84,731
Management and general	3,010	2,740	5,750	7,863
Fundraising	2,741	1,002	3,743	3,835
Total	<u>\$ 57,957</u>	<u>\$ 25,758</u>	<u>\$ 83,715</u>	<u>\$ 96,429</u>

Note 10. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2017 consist of the following:

	2017	2016
NEWF 2.0	\$ 46,389	\$
Oil bank	87,412	112,566
Administrative fees – oil bank	4,968	4,968
Other restricted purposes	101,124	26,304
Advanced clean energy		1,124
Total temporarily restricted net assets	<u>\$ 239,893</u>	<u>\$ 144,962</u>

Note 11. Board Designated Assets

In June 2013, the Board passed a resolution that the income or losses incurred by ASEV will be netted against the board designated net assets. The balance as of June 30, 2017 reflects ASEV's losses for fiscal years 2012 through 2017. The losses total \$196,910.

Board designated net assets as of June 30, 2017 consists of the following:

	2017	2016
Renewable energy generation	\$ 462,579	\$ 480,942

Note 12. 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, 2017 is \$0.

The interest expense for the line of credit was \$524 and \$2,757 for the years ended June 30, 2017 and 2016, respectively.

**ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.
AND AMORY STREET ENERGY VENTURES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

(Continued)

Note 13. Accrued Liabilities for Compensated Absences

The Organization accrues a liability for vacation time. All regular employees of ECANE 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 14. 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, 2017 was \$257,668, and interest totaled \$44,426. Beginning July 1, 2009, all NEWF contributions were deposited by ECANE in a non-interest bearing checking account, 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 ECANE must purchase based on the current escrow balance, the balance of contributions held by ECANE, terms and conditions, and related REC purchase agreements. NEWF remaining balances as of June 30, 2017 and 2016 total:

	2017	2016
NEWF Escrow account with MCEC	\$ 257,668	\$ 357,668
NEWF Escrow interest	44,426	44,346
NEWF Checking Account	87,852	87,852
Accrued REC expense	(336,609)	(442,984)
Net profits held in escrow	\$ 53,337	\$ 46,882

Note 15. Pledges Receivable

As of June 30, 2017, ECANE'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 16. Date of Management's Review

Subsequent events were evaluated through December 13, 2017, which is the date the financial statements were available to be issued.

To the Board of Directors
Energy Consumers Alliance of New England, 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 Energy Consumers Alliance of New England, Inc. and Amory Street Energy Ventures, Inc., which comprise the consolidated statement of financial position as of June 30, 2017, 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 13, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Energy Consumers Alliance of New England, 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 Energy Consumers Alliance of New England, 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.

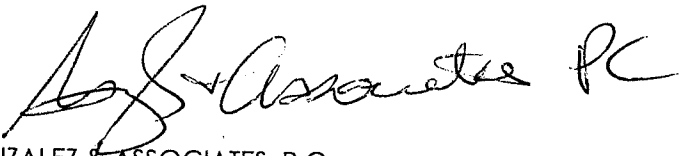
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Energy Consumers Alliance of New England, 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 13, 2017

SUPPLEMENTARY INFORMATION
ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.

SCHEDULE OF FINANCIAL POSITION
 JUNE 30, 2017
 (WITH COMPARATIVE TOTALS FOR 2016)

ASSETS

	<u>2017</u>	<u>2016</u>
<u>Current Assets</u>		
Cash	\$ 809,762	\$ 846,521
Accounts receivable (net of allowance of \$41,084 and \$37,254, for 2017 and 2016, respectively)	445,210	565,721
Pledges receivable	25,000	
Interest receivable	46,718	35,734
Escrow account	257,668	357,668
Escrow interest	44,426	44,346
Prepaid expenses	39,884	48,406
Notes receivable, current portion	245,786	187,779
Total current assets	<u>1,914,454</u>	<u>2,086,175</u>
 <u>Property and Equipment</u>		
Equipment and software	38,555	44,813
Leasehold improvements	10,681	10,681
IT upgrades	179,422	133,418
Less: accumulated depreciation and amortization	<u>(74,207)</u>	<u>(67,761)</u>
Total property and equipment	154,451	121,151
 <u>Other Assets</u>		
Deposits	226,017	226,017
Notes receivable, net of current portion and net of share of deficiency in assets of subsidiary	29,418	105,788
Total other assets	<u>255,435</u>	<u>331,805</u>
 <u>Total Assets</u>	 <u>\$ 2,324,340</u>	 <u>\$ 2,539,131</u>
 <u>LIABILITIES AND NET ASSETS</u>		
 <u>Current Liabilities</u>		
Accrued expenses	\$ 957,531	\$ 968,287
Accrued payroll and benefits	90,555	140,762
Prepaid dues	113,805	90,410
Tenant security deposit	1,300	1,300
Line of credit		95,587
Total current liabilities	<u>1,163,191</u>	<u>1,296,346</u>
 <u>Net Assets</u>		
Unrestricted net assets - undesignated	458,677	616,881
Unrestricted net assets - board designated	462,579	480,942
Total unrestricted net assets	<u>921,256</u>	<u>1,097,823</u>
Temporarily restricted net assets	239,893	144,962
Total net assets	<u>1,161,149</u>	<u>1,242,785</u>
 <u>Total Liabilities and Net Assets</u>	 <u>\$ 2,324,340</u>	 <u>\$ 2,539,131</u>

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

SUPPLEMENTARY INFORMATION
ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.

SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
<u>Support</u>				
Contributions and grants	\$ 2,968	\$ 152,993	\$ 155,961	\$ 134,021
Contributions released from restriction	104,451	(104,451)		
Membership dues	142,470		142,470	191,000
Other income				2,592
Special events	4,990		4,990	710
<u>Revenue</u>				
Green power service fees	807,564		807,564	864,755
Contract service fees	848,569	46,389	894,958	1,103,331
Bulk buying service fees	501,101		501,101	487,578
Rental income	17,284		17,284	17,284
Consulting fees	30,665		30,665	40,446
Investment income	11,258		11,258	13,355
Total support and revenue	<u>2,471,320</u>	<u>94,931</u>	<u>2,566,251</u>	<u>2,855,072</u>
<u>Operating Expenses</u>				
Program services	2,127,794		2,127,794	2,210,001
Fundraising expenses	17,435		17,435	13,137
Management and general	484,295		484,295	533,203
Total operating expenses	<u>2,629,524</u>		<u>2,629,524</u>	<u>2,756,341</u>
<u>Change in Net Assets Before Earnings/ Loss of Subsidiary</u>				
	(158,204)	94,931	(63,273)	98,731
<u>Equity in Net Income/Loss of Subsidiary</u>				
	(18,363)		(18,363)	(9,700)
<u>Change in Net Assets</u>				
	(176,567)	94,931	(81,636)	89,031
<u>Net Assets - Beginning of Year</u>				
	<u>1,097,823</u>	<u>144,962</u>	<u>1,242,785</u>	<u>1,153,754</u>
<u>Net Assets - End of Year</u>				
	<u>\$ 921,256</u>	<u>\$ 239,893</u>	<u>\$ 1,161,149</u>	<u>\$ 1,242,785</u>

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

SUPPLEMENTARY INFORMATION
ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017					2016	
	Green Power	Heating Oil	Community Programs	Total Program	Fundraising	Management and General	Total
	\$	\$	\$	\$	\$	\$	\$
Advertising	1,263	7,107	2,480	10,850		255	11,105
Bad debt expense						3,829	3,829
Bank charges	18,673	8,235	378	27,286		83	27,369
Commissions	15,816			15,816			15,816
Consultants and subcontractors	72,667	30,260	6,333	109,260		57,359	166,619
Copying, printing and mail house	29,670	21,574	962	52,206	2,741	3,010	57,957
Data Management	27,000			27,000			27,000
Depreciation and amortization	7,524	4,647	4,205	16,376	221	5,533	22,130
Dues and subscriptions	410		740	1,150		6,950	8,100
Employee benefits	45,027	21,016	19,015	85,058	1,001	29,619	115,678
Equipment rental and maintenance	2,295	1,417	1,282	4,994	68	1,687	6,749
Fees							
Grant expense			25,600	25,600			25,600
Insurance	3,513	2,170	1,963	7,646	103	7,589	15,338
Interest						524	524
Marketing	22,800	8,937	2,216	33,953		3,458	37,411
Meetings and conferences	2,637	62	1,225	3,924		35,350	39,274
Office supplies and expense	350			350		10,151	10,501
Oil bank delivery and vouchers			16,428	16,428			16,428
Payroll service							
Postage	10,108	11,857	51	22,016	1,002	8,118	31,993
Professional fees	31,843		2,218	34,061		2,740	36,801
Renewable energy certificates	771,581			771,581		23,535	795,116
Regulatory fees & licenses	200		40	240		1,789	2,029
Rent	40,953	25,295	22,886	89,134		30,112	119,246
Salaries and wages	303,904	188,310	166,191	658,405	1,204	896,871	1,556,480
Special events	19,386		2,332	21,718	10,144		31,862
Staff development	249	249	249	747			1,496
Taxes - payroll	25,328	15,644	14,154	55,126	745	18,624	74,495
Taxes - state	16,282			16,282			16,282
Telephone and internet	3,813	2,355	2,130	8,298	112	2,803	11,518
Travel	2,878	956	1,477	5,311		497	5,808
Utilities	3,206	1,980	1,792	6,978	94	2,358	9,430
Total	\$ 1,479,376	\$ 352,071	\$ 296,347	\$ 2,127,794	\$ 17,435	\$ 484,295	\$ 2,629,524
							\$ 2,756,341

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

SUPPLEMENTARY INFORMATION
ENERGY CONSUMERS ALLIANCE OF NEW ENGLAND, INC.

SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017	2016
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ (81,636)	\$ 89,031
Adjustments to reconcile change in net assets to cash (used) by operating activities:		
Equity in net income/loss of subsidiary	18,363	9,700
Depreciation and amortization	22,130	21,918
(Increase) decrease in:		
Accounts and notes receivable	120,511	(156,670)
Pledges receivable	(25,000)	
Interest receivable	(10,984)	(12,908)
Escrow account	100,000	100,000
Escrow interest	(80)	(95)
Prepaid expenses	8,522	(4,217)
Increase (decrease) in:		
Accrued expenses	(10,756)	(123,865)
Accrued payroll and benefits	(50,207)	49,374
Prepaid dues	23,395	3,535
<u>Net Cash Provided (Used) by Operating Activities</u>	114,258	(24,197)
<u>Cash Flows From Investing Activities</u>		
Purchase of equipment and IT upgrades	(55,430)	(40,462)
<u>Net Cash (Used) by Investing Activities</u>	(55,430)	(40,462)
<u>Cash Flows From Financing Activities</u>		
Proceeds from line of credit		45,587
Forgiveness of debt		(62,546)
Payment of note principal	(95,587)	(67,659)
<u>Net Cash (Used) by Financing Activities</u>	(95,587)	(84,618)
<u>(Decrease) in Cash and Cash Equivalents</u>	(36,759)	(149,277)
<u>Cash and Cash Equivalents - Beginning of Year</u>	846,521	995,798
<u>Cash and Cash Equivalents - End of Year</u>	\$ 809,762	\$ 846,521
SUPPLEMENTAL INFORMATION:		
Interest paid	\$ 524	\$ 2,757
Income taxes paid	\$ 16,282	\$ 15,466
Disposal of fully depreciated fixed assets	\$ 15,684	\$ 0

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, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

ASSETS

	2017	2016
<u>Current Assets</u>		
Cash and cash equivalents	\$ 176,361	\$ 129,098
Accounts receivable	27,478	33,038
Total current assets	203,839	162,136
<u>Property and Equipment</u>		
Equipment	372,562	372,562
Leasehold improvement	16,800	16,800
Less: accumulated depreciation	(354,882)	(311,123)
Total property and equipment	34,480	78,239
<u>Other Assets</u>		
Deposits	11,000	11,000
Deferred tax asset	106,029	103,713
Total other assets	117,029	114,713
<u>Total Assets</u>	\$ 355,348	\$ 355,088

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	\$ 33,426	\$ 16,385
Accrued expenses		9,402
Interest payable	46,718	35,734
Note payable, current portion	245,786	187,779
Total current liabilities	325,930	249,300
<u>Long-Term Liabilities</u>		
Note payable, net	225,328	283,335
Total long-term liabilities	225,328	283,335
<u>Stockholder's Equity</u>		
Capital stock, no par value, 1000 authorized, 1000 authorized and issued	1,000	1,000
Retained earnings	(196,910)	(178,547)
Total stockholder's equity	(195,910)	(177,547)
<u>Total Liabilities and Stockholder's Equity</u>	\$ 355,348	\$ 355,088

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, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

<u>Revenue</u>	2017	2016
Generated electricity sales	\$ 21,409	\$ 23,908
Contract service fees	31,395	42,450
Other income		2,385
Deferred tax benefit	7,238	2,575
<u>Total Revenue</u>	60,042	71,318
<u>Operating Expenses</u>	(73,027)	(75,644)
<u>Net Income Before Taxes</u>	(12,985)	(4,326)
<u>Deferred Tax Expense</u>	(4,922)	(4,918)
<u>State Income Taxes</u>	(456)	(456)
<u>Net Income After Taxes</u>	(18,363)	(9,700)
<u>Retained Earning - Beginning</u>	(178,547)	(168,847)
<u>Retained Earning - Ending</u>	\$ (196,910)	\$ (178,547)

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, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

<u>Operating Expenses</u>	<u>2017</u>	<u>2016</u>
Bank charges	\$ 12	\$ 12
Consultants	805	5,436
Depreciation	43,759	43,759
Insurance	1,015	1,039
Interest expense	10,984	12,908
Permits, licenses and fees		135
Professional fees	5,000	903
Repairs and maintenance	448	448
Rent	11,004	11,004
	<hr/>	<hr/>
<u>Total Operating Expenses</u>	<u>\$ 73,027</u>	<u>\$ 75,644</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 CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017	2016
<u>Cash Flows From Operating Activities</u>		
Deficit of revenues over expenses	\$ (18,363)	\$ (9,700)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	43,759	43,759
(Increase) decrease in:		
Accounts receivable	5,560	(2,106)
Prepaid expenses		477
Deferred tax asset	(2,316)	2,343
Increase (decrease) in:		
Accounts payable	17,041	587
Accrued expenses	(9,402)	4,402
Interest payable	10,984	12,908
	<u>47,263</u>	<u>52,670</u>
<u>Net Cash Provided by Operating Activities</u>		
	<u>0</u>	<u>0</u>
<u>Cash Flows From Investing Activities</u>		
	<u>0</u>	<u>0</u>
<u>Cash Flows From Financing Activities</u>		
	<u>0</u>	<u>0</u>
<u>Increase in Cash and Cash Equivalents</u>	47,263	52,670
<u>Cash and Cash Equivalents - Beginning of Year</u>	129,098	76,428
<u>Cash and Cash Equivalents - End of Year</u>	\$ 176,361	\$ 129,098
 <u>SUPPLEMENTAL DISCLOSURES</u>		
Interest paid	\$ 10,984	\$ 12,908
Income taxes paid	\$ 456	\$ 456

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