Quarterly Report

(For the Period Ended March 31, 2014)

ABCO ENERGY, INC.

Formerly Known as
"Energy Conservation Technologies, Inc."

2100 North Wilmot #211,
Tucson, AZ 85712
(520) 777-0511
www.abcosolar.com

Federal I.D. No.	**CUSIP No.**
20-1914514	**00287V105**

ISSUER'S EQUITY SECURITIES

Capital Stock
500,000,000 Shares Authorized
Par Value $ .001
18,985,216 Common Shares Issued and Outstanding
As of March 31, 2014

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Formerly Known as
"Energy Conservation Technologies, Inc."

Quarterly Report
(For the period ended March 31, 2014

All information in this Report has been compiled to fulfill the disclosure requirements of Rule 15c2-11 promulgated under the Securities Exchange Act of 1934, as amended (the Act). The enumerated items and captions contained herein correspond to the format set forth therein and with the guidelines set forth by the OTC Markets Group.

Forward-Looking Statements

This Report contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Forward – looking statements represent the Company's expectations or beliefs concerning future events. Words such as *"believe," "expect," "anticipate," "intend," "estimate," "project,"* or similar words are intended to identify forward-looking statements. The Company cautions that such statements are further qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, including without limitations, the factors described in this Quarterly Report.

Investors are cautioned not to place undue reliance upon such forward-looking statements because they refer only to the Company's views as of the statement date(s). Although the Company has attempted to indicate the important factors that presently affect the Company's business and operating results, the Company further cautions investors that other factors may in the future prove to be important in affecting the Company's results of operations. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Item 1 The exact name of the issuer and its predecessor (if any).

The Company name is ABCO Energy, Inc. The Company is incorporated under the laws of the State of Nevada. The issuer was originally incorporated under the name of Energy Conservation Technologies, Inc., in Nevada on July 29, 2004. On October 31, 2011, the Company changed its name to ABCO Energy, Inc.

The Company's corporate offices are located at:

2100 North Wilmot #211
Tucson, AZ 85712
Phone: (520) 777-0511
Fax: (520) 620-5574

Item 2 Shares Outstanding

As of March 31, 2014, the share structure for the Issuer was as follows:

Common Stock Authorized	500,000,000
Common Stock Issued	18,985,216
Par Value:	$.001
Float:	372,695
Number of Shareholders of Record	172

Item 3 Interim Financial Statements

Quarterly/interim financial statements required by this Item are incorporated into this report for the quarterly period. These statements are provided at the end of this report.

ABCO Energy engaged the public company auditing firm of LL Bradford and Company LLC, Certified Public Accountants during November 2013. This engagement is to provide the company with audited financial statements for the fiscal years 2013 and 2012. It is the Company's intent to qualify for market makers and to become an SEC fully reporting company. This accomplishment will provide a more active market for our shareholders securities and for ABCO to begin marketing its SEC approved Regulation A offering to raise capital. With increased capital we may be able to expand more rapidly to other markets and within our own occupied markets. The auditors have completed the audit of the fiscal year ended December 31, 2012 and are nearly completed with the audit of the fiscal year ended December 31, 2013.

Item 4 Management's Discussion and Analysis or Plan of Operation

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND MARCH 31, 2013 AND FOR THE YEAR ENDED DECEMBER 31, 2013.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes. This discussion and analysis contains certain statements that are not historical facts, including, among others, those relating to our financial performance for the three months ended March 31, 2014 and March 31, 2013 and the fiscal year ended December 31, 2013, cash requirements, and our expected operating office openings. Only statements which are not historical facts are forward-looking and speak only as of the date on which they are made. Information included in this discussion and analysis includes commentary on company-owned offices and sales volumes. Management believes such sales information is an important measure of our performance, and is useful in assessing consumer acceptance of the ABCO Energy Business Model and the overall health of the Company. All of our financial information is reported in accordance with U. S. Generally Accepted Accounting Principles (GAAP). Such financial information should not be considered in isolation or as a substitute for other measures of performance prepared in accordance with GAAP.

RESULTS OF OPERATIONS - OVERVIEW

As of March 31, 2014, we operated in three locations in Arizona and an office in NY, NY. The Company plan is to expand to more locations in North America in the next year. We believe that the solar and energy efficiency business functions better if the employees are local individuals working and selling in their own community. Our customers have indicated a preference for dealing with local firms and we will continue our focus on company-owned integrated product and services offices. Once a local firm is established, growth tends to come from experience, quality and name recognition. This will result in larger contracting jobs, statewide expansion and growth in revenue. We remain committed to high quality operations.

Our operating results for the three months ended March 31, 2014 and March 31, 2013 are presented below with major category details of revenue and expense including the components of operating expenses.

THREE MONTHS ENDED MARCH 31, 2014 COMPARED TO THREE MONTHS ENDED MARCH 31, 2013.

Sales consist of photovoltaic products and installation during both periods for the three months ended March 31, 2014 and for the three months ended March 31, 2013. We also sold new LED lighting projects in the first quarter of 2014.

Sales for the three months ended March 31, 2014 were $255,773 as compared to $215,594 for the same three months in 2013. The Solar sales revenue in 2014 reflected changing market conditions in the financing of solar installations and a slowdown or reduction in utility incentives offered to residential and commercial buyers. ABCO has worked diligently to overcome these changes by focusing on large commercial applications and the increased interest of business and government in the LED lighting contracts.

Cost of sales was 54% of revenues in 2014 and 56% of revenues in 2013. The change is insignificant but expected to remain unstable under the current market conditions. Gross margins were 46% and 44% of revenue respectively for the two three month periods.

Total operating expenses were 68% of revenues in 2014 and 49% of revenues for the same period in 2013. Fixed costs prevented the company from cutting more expenses but the major variable expenditures were reduced to match sales reductions for the period.

Net loss for the three months period ended March 31, 2014 was $(60,502) as compared to the net loss of $(9,827) for the same three month period ended March 31, 2013. Sales reductions and fixed costs created the reduction from one year to the next.

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity and capital requirements have been for carrying cost of accounts receivable after completion of contracts. The industry habitually requires the solar contractor to wait for the utility rebate and in order to be paid for the contracts. This process can easily exceed 90 days and requires the contractor to pay all or most of the cost of the project without assistance from suppliers. Our working capital at March 31, 2014 was $84,607 and it was $19,266 at March 31, 2013. This increase of $65,341 was primarily funded by our equity offerings during the three months ended March 31, 2014. Bank financing has not been available to the Company. Our supplier lines of credit have increased in this period due to our working capital and credit experience, however our accounts payable are significantly higher. We have been able to borrow $60,000 from one of our Directors to increase working capital during the first quarter of 2013 and this will remain a source of limited capital for the future.

During the three months ended March 31, 2014 our net cash used by operating activities was $(186,419) and comparatively the net cash provided by operating activities in the three months ended March 31, 2013 was $11,486. Net cash used by operating activities in the period ended March 31, 2014 consisted primarily of net loss from operations adjusted for non-cash expenses and an increase in accounts payable and accrued expenses.

Net cash provided in investing activities for the three months ended March 31, 2014 and 2013 was $226 and $(655) respectively due to receipt of principal on leases, acquisitions of equipment and deposits on inventory. Net cash provided by financing activities for the three months ended March 31, 2014 and 2013 was $160,009 and $12,432 respectively. Net cash provided by financing activities for 2014 and 2013 resulted primarily from the sale of common stock.

Cash flows from Financing Activities were reduced by legal and other costs of SEC Regulation A offering circular, Blue Sky registrations in various states and other offering expenses that aggregated a total of $7,500 for the three months ended March 31, 2014. (See Note 9)

ABCO Energy has very little contracted lease obligations or long term debt. At March 31, 2014 and December 31, 2013 the company owed Officers and Directors $60,000 and $60,000 respectively on demand notes. The 2013 note was increased by $50,000 in the first quarter of 2013.

STATEMENTS OF CASH FLOWS

Since our inception on August 8, 2008 through March 31, 2014 we have incurred net operating losses of $(1,141,586) including the three months period ended March 31, 2014. Our cash and cash equivalent balances were $62,334 for the period ended March 31, 2014. At March 31, 2014 we had total liabilities of $204,951 as opposed to $212,058 at December 31, 2013. This indicates a decrease of our liabilities in the amount of $7,107 during this period.

We plan to satisfy our future cash requirements – primarily the working capital required for the marketing of our services and to offset legal and accounting fees – by additional financing. This will likely be in the form of future debt or equity financing.

Based on our current operating plan, we have sufficient working capital to sustain operations for the short term if we do not expand our business. We will not however, be able to reach our goals and projections for multistate expansion without a cash infusion. We expect that our revenue will increase at a steady pace and that this volume of business will result in profitable operations in the future.

We have been able to raise sufficient capital through the sale of our common shares and we have paid off nearly all of our debt other than trade creditors due in the normal course of business. We have continued to raise funds through the sale of common shares and feel that our capital requirements will be completed with the Regulation A offering or other financing sources. We will use these funds for fees and expenses related to this offering and to sustain our business over the next year. Management will not expand the business until adequate working capital is provided. Our ability to maintain sufficient liquidity is dependent on our ability to continue profitable operations or to raise additional capital.

PLAN OF OPERATION

Based on our current operating plan, we expect to generate revenue that is sufficient to cover our expenses for the next twelve months. In addition, we have sufficient cash and working capital to execute our operations but will need to obtain additional financing to expand our business for the future.

Item 5. Legal Proceedings

On March 5, 2014, the Arizona Superior Court affirmed the ruling of the Arizona Corporate Commission ("ACC") and remanded the matter for action consistent with the original ACC ruling. This means that the Company, a successor in interest to Westcap Energy, Inc. ("Westcap") is subject to an order, jointly and severally with the other defendants, to pay the $15,000 penalty to the ACC along with offering rescission to the 24 shareholders who received stock under the initial Westcap Reg. S offering. The Company intends to file a Notice of Appeal with the Arizona Court of Appeals. The filing of this Notice does not automatically stay the original ACC Order. It is the company's opinion that the defense of its legal position enhances it chance of survival and therefore has paid legal fees during 2013 totaling $48,059 and none in the first quarter of 2014.

The Company previously offered rescission voluntarily to the 21 of the 24 shareholders who could be reached, and none elected to accept the rescission offer. The Company believes that the ACC mandated rescission offer to the same 24 shareholders will ultimately not have an adverse impact on the Company's financial condition. Accordingly, the Company has not recorded a liability on the legal matter.

It is within the ACC's power to order the Company to place funds into escrow matching the amount required to accomplish rescission to all 24 shareholders. The ACC has thus far not indicated that the escrow payment will be required. If the aggregate of the 24 potential rescission claims plus the 4 ½% interest allowed by law is required to be placed into escrow, absent the infusion of new capital into the Company, the Company will be unable to pay the required amounts into escrow. If the escrow is ordered by the ACC, the Company intends to seek a waiver of the requirement.

We have had no current, past, or pending trading suspensions by a securities regulator.

Item 6. Defaults Upon Senior Securities

Not Applicable.

Item 7. Other Information
There are no other information items to be included in this Report.

Item 8. Exhibits
There are no other exhibits that have not been described.

Item 9. <u>Issuer's Certifications</u>

I, Charles O'Dowd, certify that:

1. I have reviewed this Quarterly Report of ABCO Energy, Inc.

2. Based upon my knowledge, this Report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statement made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report.

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Report fairly represent in all material respects the financial condition and results of operations of the Issuer as of, and for, the periods presented in this Report.

Date: May 20, 2014

Name: Charles O'Dowd
Title: President

ABCO ENERGY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2014 AND MARCH 31, 2013

(UNAUDITED)

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ABCO ENERGY, INC.
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2014 AND DECEMBER 31, 2013
(Unaudited)

	March 31, 2014	December 31, 2013
ASSETS		
Current Assets		
Cash in bank	$62,334	$88,518
Accounts receivable –net of reserve of $0 - Note 2	164,085	65,899
Inventory - Note 4	63,139	38,375
Total Current Assets	289,558	192,792
Fixed Assets – Note 6		
Vehicles, office furniture & equipment – net of accumulated depreciation	34,631	38,771
Other Assets		
Investment in long term leases – Note 5	21,484	21,711
Security deposits – Note 4	5,190	5,190
Total Other Assets	26,674	26,901
Total Assets	$350,863	$258,464
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 144,951	$ 152,058
Note payable – Director – Note 7	60,000	60,000
Total Current Liabilities	204,951	212,058
Total Liabilities	204,951	212,058
Stockholders' Equity: - Note 8		
Common stock, 500,000,000 shares authorized, $0.001 par value, 18,985,216 & 17,768,574 outstanding at March 31, 2014 & December 31, 2013 respectively.	18,985	17,768
Additional paid in capital in excess of par	1,268,513	1,158,521
Accumulated deficit	(1,141,586)	(1,129,883
Total Stockholders' Equity	145,912	46,406
Total Liabilities and Stockholders' Equity	$ 350,863	$ 258,464

See accompanying notes to the financial statements.

ABCO ENERGY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND MARCH 31, 2013
(Unaudited)

	March 31, 2014	March. 31, 2013
Revenues	$255,773	$ 215,594
Cost of Sales	138,657	119,983
Gross Profit	117,116	95,611
Operating Expenses:		
Selling, General & Administrative	175,720	104,485
Income (loss) from operations	(58,604)	(8,874)
Other expenses		
Interest on notes payable	1,898	953
Income (Loss) before provision for income taxes	$(60,502)	(9,827)
Provision for income tax - Note 1	-	-
Net Income (loss) applicable to common shareholders	$(60,502)	$ (9,827)
Net Income (loss) per share (Basic and fully diluted)	$ (0.01)	$ (0.01)
Weighted average number of common shares used in the calculation	18,376,895	14,179,048

See accompanying notes to the financial statements.

ABCO ENERGY, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE PERIOD ENDING DECEMBER 31, 2011
THROUGH THE PERIOD ENDED March 31, 2014
(Unaudited)

	Common Stock				Total
	Shares	Amount $0.001Par	Addt'l Paid in Capital	Accumulated Deficit	Stock holders' Equity
Balance at December 31, 2011	18,129,871	$18,130	$855,274	$(374,130)	$499,274
Common shares issued under private placement offering net of expenses	1,935,763	1,936	172,204		174,140
Legal & administrative expense-public offering			(208,041)		(208,041)
Net (loss) for the period	-	-	-	(164,119)	(164,119)
Balance at Dec. 31, 2012	20,065,634	20,066	819,437	(538,249)	301,254
Common shares issued under private placement offering net of expenses	4,302,940	4,302	388,817		393,119
Common shares cancelled	(6,600,000)	(6,600)			(6,600)
Legal & administrative expense-public offering			(49,733)		(49,733)
Net (loss) for the period	-	-	-	(591,634)	(591,634)
Balance at Dec. 31, 2013	17,768,574	$17,768	$1,158,521	$ (1,129,883)	$ 46,406
Common shares issued under private placement offering net of expenses	1,216,642	1,217	109,992		111,209
Prior period adjustment to equity					48,799
Net loss for the three months ended March 31, 2014	-	-	-	(60,502)	(60,502)
Balances at March 31, 2014	18,985,216	$18,985	$1,268,513	$(1,141,586)	$145,912

See accompanying notes to the financial statements

ABCO ENERGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND MARCH 31, 2013
(Unaudited)

	March 31, 2014	March 31, 2013
Cash Flows From Operating Activities:		
Net Income (loss) for the period before	$ (60,502)	$ (9,827)
Add back non-cash items –depreciation	4,140	4,200
Adjustments to reconcile net income or (loss) to net cash provided by (used for) operating activities		
Accounts receivable (incr.) decr.	(98186)	76,491
Inventory (incr.) decr.	(24764)	(90,234)
Other current assets (incr.) decr.		5,470
Note payable officer		50,000
Accounts payable & accrued expenses - incr. (decr.)	(7107)	(24,614)
Net cash provided (used for) operating activities	(186,419)	11,486
Cash Flows From Investing Activities:		
Purchase of vehicles, furniture & equipment		(419)
Principal payments on long term leases	226	76
Product and lease deposits	-	997
Net cash provided by (used for) investing activities	226	654
Cash Flows From Financing Activities:		
Proceeds from sale of common stock – net of expenses	160,009	26,099
Expenses of public stock offering	-	(13,666)
Net cash provided by financing activity	160,009	12,433
Net Increase (Decrease) in cash	(26,184)	24,573
Cash At The Beginning Of The Period	88,518	45,785
Cash At The End Of The Period	$ 62,334	$ 70,358

Schedule of Non-Cash Investing and Financing Activities - Supplemental Disclosure

Cash paid for interest	$ 1,898	$ 953

See accompanying notes to the financial statements

ABCO ENERGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED MARCH 31, 2014 and 2013
(Unaudited)

Description of Business

Note 1 Overview and Description of the Company

ABCO Energy, Inc. is an installation contractor for alternative energy products that are used in the replacement of fossil fuel energy generation. ABCO is a Nevada corporation, which maintains offices located in Tucson and Phoenix, Arizona.

ABCO Energy holds 100% of the outstanding common shares of ABCO Solar, Inc., an Arizona corporation, whose business is the installation of solar photovoltaic products, solar thermal products and energy efficient lighting products (LED lighting).

ABCO Energy holds 100% of the outstanding common shares of ABCO Thermal, LLC, an Arizona limited liability company, whose business is the installation of solar hot water and plumbing systems.

ABCO Energy holds 100% of the outstanding common shares of Alternative Energy Finance Corporation (AEFC), a Wyoming and Arizona corporation. AEFC offers leasing and other financial services for the alternative energy industry.

ABCO Energy, Inc. (the "Company" or "ABCO Energy") was formerly named "Energy Conservation Technologies, Inc. (ENYC)" and currently trades with the symbol "ABCE".

ABCO sells and installs Solar Photovoltaic, Solar Thermal products and LED lighting products that are purchased from both USA and offshore manufacturers. We have available and utilize many suppliers of US manufactured solar products from such companies as Sunpower, Mage, Siliken Solar, Westinghouse Solar and others. We also purchase products from Schuco, Phillips and various Chinese suppliers. In addition, we purchase from a number of local and regional distributors whose products are readily available and selected for markets and price.

ABCO offers various solar leasing and long term financing programs from Sunpower, NRG, Clean Power Finance, Soligent and AEFC that are offered to ABCO Energy customers and other marketing and installation organizations.

We are operating in Tucson, Phoenix and Williams, Arizona. We also operate in New York State with an office in NY, NY. We operate all of our locations as company owned businesses. Tucson is our warehousing and training facility for all other company operations.

Note 2 Summary of significant accounting policies

Critical Accounting Policies and Use of Estimates

These financial statements consist of the consolidated financial positions and results of operations of both the parent, ABCO Energy, Inc. and the subsidiary companies. In the opinion of Management, all adjustments necessary for a fair statement of results for the fiscal years presented and for the interim period have been included. These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) generally accepted in the United States of America.

GAAP requires the Company to make estimates and judgments that affect the reported amounts of assets. On an on-going basis, the Company evaluates its estimates and judgments, including those related to revenue recognition, inventories, adequacy of allowances for doubtful accounts, valuation of long-lived assets, income taxes, equity-based compensation, litigation and warranties. The Company bases its estimates on historical and anticipated results and trends and on various other assumptions that the Company believes are reasonable under the circumstances, including assumptions as to future events.

The policies discussed below are considered by management to be critical to an understanding of the Company's financial statements. These estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent for other sources. By their nature, estimates are subject to an inherent degree of uncertainty. Actual results may differ from those estimates.

Cash and Cash Equivalents

There are only cash accounts included in our cash equivalents in these statements. For purposes of the statement of cash flows, the Company considers all short-term securities with a maturity of three months or less to be cash equivalents. There are no short term cash equivalents reported in these financial statements.

Property and Equipment

Property and equipment are to be stated at cost less accumulated depreciation. Depreciation is recorded on the straight-line and accelerated basis according to IRS guidelines over the estimated useful lives of the assets, which range from three to ten years. Maintenance and repairs are charged to operations as incurred.

Revenue Recognition

The Company generates revenue from sales of solar products, LED lighting, installation services and leasing fees. During the last fiscal year the company had product sales as follows:

Sales Product and Services Description	**March 2014**	**March 2013**	**2013**	
Solar PV residential and commercial sales	$231,000	$215,291	$551,969	61%
Solar thermal residential -commercial	25,470		92,611	10%
ABCO LED & energy efficient lighting			256,435	28%
Interest Income	303	303	2,516	1%

Total revenue	$255,773	$215,594	$903,531	100%

The Company recognizes product revenue, net of sales discounts, returns and allowances, in accordance Securities and Exchange Commission Staff Accounting Bulletin No. 104, "Revenue Recognition" ("SAB No. 104") and ASC 605. These statements establish that revenue can be recognized when persuasive evidence of an arrangement exists, delivery has occurred and all significant contractual obligations have been satisfied, the fee is fixed or determinable, and collection is considered probable.

Our revenue recognition is recorded on the percentage of completion method for sales and installation revenue and on the accrual basis for fees and interest income. We recognize and record income when the customer has a legal obligation to pay. All of our revenue streams are acknowledged by written contracts for any of the revenue we record. There are no differences between major classes of customers or customized orders. We record discounts, product returns, rebates and other related accounting issues in the normal business manner and experience very small number of adjustments to our written contractual sales. There are no post-delivery obligations because warranties are maintained by our suppliers. Our lease fees are earned by providing services to contractors for financing of solar systems. Normally we will acquire the promissory note (lease) on a leased system that will provide cash flow for up to 20 years. Interest is recorded on the books when earned on amortized leases.

Accounts Receivable
The Company recognizes revenue upon delivery of product to customers and does not make bill-and-hold sales. Contracts spanning reporting periods are recorded on the percentage of completion method for recognition of revenue and expenses. Accounts receivable includes fully completed and partially completed projects and partially billed statements for completed work and product delivery.

Inventory
Inventory is recorded at cost and is managed on a first in first out method.

Income Taxes
Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting. Deferred taxes represent the future tax return consequences of those differences, which will be taxable either when the assets and liabilities are recovered or settled. Deferred taxes also are recognized for net operating losses (NOL) that are available to offset future federal income taxes. Income tax expense is the current tax payable or refundable for the period plus or minus the net change in the deferred tax asset and liability accounts. A deferred tax asset results from the benefit of utilizing the NOL carry-forwards in future years.

Due to the current uncertainty of realizing the benefits of the tax NOL carry-forward, a valuation allowance equal to the tax benefits for the deferred taxes has not been established. The full realization of the tax benefit associated with the carry-forward depends predominately upon the Company's ability to generate taxable income during future periods, which is not assured.

We have adopted FIN 48, *Accounting for Uncertainty in Income Taxes – An interpretation of FASB Statement No. 109* ("FIN48"). FIN 48 clarifies the accounting for uncertainty in tax positions by prescribing the recognition threshold a tax position is required to meet before being recognized in the financial statements. It also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. During the periods presented in this report there were no changes in our unrecognized tax benefits.

Fair Values of Financial Instruments
ASC 825 requires the Corporation to disclose estimated fair value for its financial instruments. Fair value estimates, methods, and assumptions are set forth as follows for the Corporation's financial instruments. The carrying amounts of cash, receivables, other current assets, payables, accrued expenses and notes payable are reported at cost but approximate fair value because of the short maturity of those instruments.

Stock-Based Compensation
The Company accounts for employee and non-employee stock awards under ASC 718, whereby equity instruments issued to employees for services are recorded based on the fair value of the instrument issued and those issued to non-employees are recorded based on the fair value of the consideration received or the fair value of the equity instrument, whichever is more reliably measurable. The company has no stock based compensation reported in these financial statements.

Effects of Recently Issued Accounting Pronouncements
In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* ("SFAS 141R") (now contained in FASB Codification Topic 805- *Business Combinations)*. Among other changes, SFAS 141R requires the acquiring entity in a business combination to recognize all (and only) the assets acquired and liabilities assumed in the transaction at fair value; and establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed, including earn-out provisions. Effective January 1, 2009, the Company adopted SFAS No. 141(R). The adoption of SFAS No. 141(R) has not had and is not expected to have a material impact on the results of operations and financial position.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles* ("SFAS 162"). This statement identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in accordance with GAAP. With the issuance of this statement, the FASB concluded that the GAAP hierarchy should be directed toward the entity and not its auditor, and reside in the accounting literature established by the FASB as opposed to the American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards No. 69, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*. This statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*. The Company has evaluated the new statement and has determined that it will not have a significant impact on the determination or reporting of its financial results.

Per Share Computations

Basic net earnings per share are computed using the weighted-average number of common shares outstanding. Diluted earnings per share is computed by dividing net income by the weighted-average number of common shares and the dilutive potential common shares outstanding during the period.

Reclassification

Certain reclassifications have been made to conform to prior periods' data to the current presentation. These reclassifications had no effect on reported income.

Note 3 Share Exchange Agreements between ABCO Energy, Inc. and Energy Conservation Technologies, Inc. (ENYC)

On July 1, 2011 Energy Conservation Technologies, Inc. (ENYC) completed a share exchange agreement (SEA) to exchange ENYC shares for 100 % of the common shares of ABCO Energy. The Company has accounted for this transaction utilizing the purchase method as directed in SFAS 141 and FASB Statement No. 38.

As a result of the SEA, the outstanding shares of ENYC as of June 30, 2011 were restated in a one for twenty three (1 for 23) reverse division prior to the exchange, equaling approximately 9% of the post-exchange outstanding ABCO common shares. The result of the reverse split was a reissue of all pre-acquisition shares of ENYC with ABCO shares.

The share exchange agreement resulted in the issuance of the following shares:

Issued to	Issued for	Number of shares
Management of ENYC (1) (Cancelled in 2013)	Inventory – subject to escrow agreement	600,000
To be issued to management and insiders	Shares exchanged	112,849
To be issued to ENYC preferred shareholder	Preferred share conversion	124,254
To be issued to non-management ENYC shareholders	Common shares exchanged	538,627
Total shares to be issued	Exchanged shares total	1,375,730

(1) The controlling shareholders of pre-exchange ENYC agreed to purchase the inventory of ENYC for cash after closing of the SEA. A total of 600,000 restricted shares will be held in escrow until the payment to the company of $92,248 or these shares will be cancelled for non-payment. This group of shares was canceled in 2013 in exchange for the inventory by mutual agreement resulting in a net acquisition issue of 775,730 shares.

ABCO Energy pre-acquisition shareholders were issued 13,957,708 shares of the post-acquisition company.

An additional 120,000 shares were issued to consultants who were instrumental in the completion of the transaction. The value of $120 ($0.001 per share (par)) for this service has been charged to expense in the transaction.

The predecessor to ABCO Energy, the private company, was liquidated after transferring all of its assets to ENYC. The private company owned the wholly owned subsidiaries, ABCO Solar and AEFC prior to the exchange agreement.

Note 4 Security deposits and Long Term Commitments

The Company has paid security deposits on the three rented spaces it occupies for offices and warehouse which total $5,190 on March 31, 2014 and December 31, 2013.

ABCO lease a 1,200 square foot office and warehouse in an industrial park in Phoenix Arizona for a monthly rental of $1,254 which expires on February 28, 2016. The aggregate total rent due on this lease through expiration is $28,482.

There is no lease on the Williams, Arizona property because this office is located in the office of a Director and no lease has been established. The NY office lease has expired and the Company has moved the office to a consultant's home.

On May 1, 2014 the Company rented office and warehouse space at 2100 N. Wilmot #211, Tucson, Arizona 85712. This facility consists of 3,600 square feet and the two year lease has a forward commitment of $64,800 with an option to cancel one third of the rental after six months.

Note 5 Alternative Energy Finance Corporation (AEFC)

AEFC is a wholly owned subsidiary of ABCO Energy. AEFC provides funding for leases of photovoltaic systems. AEFC finances its leases from cash payments from its own cash or from single payments or long term leases from lessees. Long term leases recorded on the consolidated financial statements were $21,486 and $21,712 at March 31, 2014 and December 31, 2013 respectively. The aggregate total of leases receivable over the entire term including inputted interest at 8% internal rate of return is approximately $39,617 and $40,897 at March 31, 2014 and December 31, 2013 respectively.

Note 6 Property and equipment

The Company has acquired all of its office and field work equipment with cash payments and do not owe any liens or mortgages. These assets consist of vehicles, office furniture, tools and various equipment items and the totals are as follows:

	March 31,	December

Asset	2014	31, 2013
Equipment	$72,308	$72,308
Accumulated depreciation	37,677	33,537
Net Fixed Assets	$34,631	$38,771

Note 7 Note Payable Officer

Officer's loan is a demand note totaling $60,000 and $60,000 as of December 31, 2013 and December 31, 2012 respectively. This note provides for interest at 12% per annum and is unsecured. Notes payable to the Director resulted in an interest charge of $1,800 and $7,240 for the period ended March 31, 2014 and 2013 respectively.

Note 8 Stockholder's Equity

ABCO Energy was incorporated on July 29, 2004. Its predecessor ABCO Solar was incorporated October 8, 2008 and capitalized for the sum of $10,000 and the Founders were issued 10,000,000 restricted common shares for organizational efforts. The capitalization sum of $10,000 was charged to compensation, common stock and additional paid in capital. On December 31, 2010 an ABCO director converted a promissory note in the amount of $50,000 into 1,000,000 shares of common stock. These transactions resulted in total common stock equity of $60,000.

On March 2, 2010, the Company began a private placement of an 8% Series A Convertible Preferred Stock ("Preferred Stock") offering which was offered only in the European markets. All preferred shares sold in this offering were convertible to common stock upon the event of going public on USA markets. The Preferred Stock had an interest requirement of 8% per annum which ceased upon the conversion to common or when held for 12 months. This offering was terminated as of March 31, 2011. Effective July 1, 2011, all of the Preferred Stock was converted to common shares. The conversion resulted in the issue of 2,957,708 common shares with a net capitalized value of $403,018 after related offering expenses.

Effective July 1, 2011 the Company entered into the SEA with ENYC, traded over the counter under the symbol ENYC.OTC. As a result of the SEA, the Company's pre-acquisition shareholders and consultants retained ownership of 1,375,730 shares and 120,000 shares respectively. The owners elected to retain the inventory and accordingly canceled 600,000 shares of common stock in 2013 as a condition of the SEA.

In August 2011, the Company began a second European private placement offering of restricted common stock to non USA citizens only. The offering consisted of up to 5,000,000 shares of common stock offered at the price of $0.40 USD per share. As of December, 2013, the Company had sold 4,841,856 shares.

In March 1, 2013 the Company began a third European private placement offering of restricted common stock to non USA citizens only. The offering consisted of up to 6,000,000 shares of common stock offered at the price of $0.33 USD per share. As of December 31, 2013, the Company had sold 4,239,612 shares.

ABCO settled a substantial legal billing for the preparation of the Regulation A offering and its FINRA applications with the issuance of 50,000 shares of restricted common stock. The shares were recorded at par during the 2013 and resulted in a reduction in legal fees expense and an increase in equity.

On March 18, 2013 the company founder cancelled the original issue 6,000,000 shares to satisfy a requirement for FINRA approval of the company merger, name change and roll back of ENYC shares. Additional shares sold plus this action resulted in the total number of common shares outstanding to be 18,985,216 and 17,768,574 as of March31, 2014 and December 31, 2013 respectively.

Note 9 Legal Matters

On March 5, 2014, the Arizona Superior Court affirmed the ruling of the Arizona Corporate Commission ("ACC") and remanded the matter for action consistent with the original ACC ruling. This means that the Company, a successor in interest to Westcap Energy, Inc. ("Westcap") is subject to an order, jointly and severally with the other defendants, to pay the $15,000 penalty to the ACC along with offering rescission to the 24 shareholders who received stock under the initial Westcap Reg. S offering. The Company intends to file a Notice of Appeal with the Arizona Court of Appeals. The filing of this Notice does not automatically stay the original ACC Order. It is the company's opinion that the defense of its legal position enhances it chance of survival and therefore has paid legal fees during 2013 totaling $48,059 and none in the first quarter of 2014.

The Company previously offered rescission voluntarily to the 21 of the 24 shareholders who could be reached, and none elected to accept the rescission offer. The Company believes that the ACC mandated rescission offer to the same 24 shareholders will ultimately not have an adverse impact on the Company's financial condition. Accordingly, the Company has not recorded a liability on the legal matter.

It is within the ACC's power to order the Company to place funds into escrow matching the amount required to accomplish rescission to all 24 shareholders. The ACC has thus far not indicated that the escrow payment will be required. If the aggregate of the 24 potential rescission claims plus the 4 ½% interest allowed by law is required to be placed into escrow, absent the infusion of new capital into the Company, the Company will be unable to pay the required amounts into escrow. If the escrow is ordered by the ACC, the Company intends to seek a waiver of the requirement.

Note 10 Subsequent Events

On November 19, 2012 the Securities and Exchange Commission approved the ABCO Energy, Inc. Regulation A offering documents, as amended, so that the Company may offer 6,250,000 shares of free trading common stock for an aggregate amount not to exceed $3,437,500. The Company is presently in the process of completing this financing. Legal fees relating to the Regulation A offering, blue sky registrations with states and other fund raising expenses were charged to additional paid in capital in the amount of $49,733 and $208,041 during the years ended December 31, 2013 and 2012 respectively.

ABCO Energy engaged the public company auditing firm of LL Bradford and Company, LLC, Certified Public Accountants during November 2013. This engagement is to audit the company's financial statements for the fiscal years 2013 and 2012. It is the Company's intent to qualify for registered market makers and to become an SEC fully reporting company. This accomplishment will provide a more active market for our shareholders securities and for ABCO to begin marketing its SEC approved Regulation A offering to raise capital. With increased capital we may be able to expand more rapidly to other markets and within our own occupied markets. The auditors have completed the audit of the fiscal year ended December 31, 2012 and are nearly completed with the audit of the fiscal year ended December 31, 2013.

Note 11 Warranties of the Company

ABCO Energy provides a five and ten year workmanship warranties for installed systems that cover labor and installation matters only. All installed products are warranted by the manufacturer. In the last four years of operations, all claims on workmanship have been handled expeditiously and inexpensively by the company. Management does not consider the warranty as a significant or material risk.

End of Footnotes to Financial Statements