As Filed with the Securities and Exchange Commission on May 22, 2017

File No: 000-55235

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDING MARCH 31, 2017

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____to_____

Commission file number: 000-55235

ABCO ENERGY, INC.
(Name of registrant as specified in its Charter)

Nevada	**20-1914514**
(State of Incorporation)	(IRS Employer Identification No.)
2100 North Wilmot #211, Tucson, AZ	**85712**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **520-777-0511**

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definition of "law accelerated filed," "accelerated filed," "Smaller reporting company," and "emerging growth company" in Rule 12b of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller Reporting Company ☒
Emerging growth company ☐	

If an emerging growth company, indicate by check mark (if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act subsequent to the distribution of securities under a plan confirmed by the court. Yes ☐ No ☐ N/A

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of May 19, 2017 we had 44,493,272 shares of common stock issued and outstanding.

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PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

ABCO ENERGY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2017

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ABCO ENERGY, INC.
CONSOLIDATED BALANCE SHEETS

ASSETS	March 31, 2017 Unaudited	December 31 2016 Audited
Current Assets		
Cash	$ 19,566	$ 12,534
Accounts receivable on completed projects	16,092	43,292
Costs and estimated earnings on contracts in progress	171,351	60,349
Inventory	46,679	46,701
Prepaid fees and expenses	151,846	151,846
Total Current Assets	$ 405,534	$ 314,722
Fixed Assets		
Vehicles, office furniture & equipment – net of accumulated depreciation	26,827	29,726
Other Assets		
Investment in long term leases	11,121	11,984
Security deposits	1,800	1,800
Total Other Assets	12,921	13,784
Total Assets	$ 445,282	$ 358,232
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 420,736	$ 472,210
Billings in excess of costs on incomplete projects	197,608	5,229
Current portion of long term debt	2,993	4,400
Convertible debentures – net of discount	146,608	40,411
Derivative liability on convertible debentures	325,235	397,722
Notes payable – merchant loans	138,762	150,342
Notes payable – related parties	177,171	177,347
Total Current Liabilities	1,409,113	1,247,661
Long term debt, net of current portion		-
Total Liabilities	1,409,113	1,247,661
Commitments and contingencies	0	0
Stockholders' Deficit:		
Common stock, 50,000,000 shares authorized, $0.001 par value, 26,871,876 and 26,871,876 outstanding at March 31, 2017 and December 31, 2016, respectively.	26,872	26,872
Common shares sold not issued	69,823	
Additional paid-in capital	3,018,971	3,023,926
Accumulated deficit	(4,079,497)	(3,940,227)
Total Stockholders' Deficit	(963,831)	(889,429)
Total Liabilities and Stockholders' Deficit	$ 445,282	$ 358,232

See accompanying notes to the unaudited consolidated financial statements.

ABCO ENERGY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended	
	March 31, 2017	**March 31, 2016**
Revenues	$ 212,806	$ 230,195
Cost of Sales	190,369	195,075
Gross Profit	22,437	35,120
Operating Expenses:		
Selling, General & Administrative	155,176	184,228
Income (Loss) from operations	(132,739)	(149,108)
Other expenses		
Interest on notes payable	16,189	28,577
Change in derivative valuation (Gain) Loss	(72,486)	102,288
Derivative valuation interest expense (Finance fees)	63,094	-
Total other income expense	(6,797)	(130,865)
Net (Loss) before provision for income taxes	(139,536)	(279,973)
Provision for income tax	-	-
Net Income (loss) applicable to common shareholders	$ (139,536)	$ (279,973)
Net Income (loss) per share (Basic and fully diluted)	$ (0.01)	$ (0.01)
Weighted average number of common shares used in the calculation	26,871,949	3,120,328

See accompanying notes to the financial statements.

ABCO ENERGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	March 31, 2017	March 31, 2016
Cash Flows from Operating Activities:		
Net loss	$ (139,536)	$ (279,973)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	2,899	3,420
Changes in operating assets and liabilities:		
Current period change in derivative debt discount	106,196	102,288
Derivative charge to finance fees	(72,486)	-
Accounts receivable on completed projects	27,200	170,865
Costs and estimated earnings in excess of billings on contracts in progress	(111,002)	-
Billings in excess of costs on incomplete contracts	192,379	-
Inventory	285	482
Accounts payable and accrued expenses	(51,474)	(75,934)
Net cash used in operating activities	(45,539)	(78,852)
Cash Flows from Investing Activities:		
Proceeds from investments in long term leases	865	158
Product and lease deposits	-	1,845
Net cash provided by (used for) investing activities	865	2,003
Cash Flows from Financing Activities:		
Proceeds from sale of common stock – net of expenses	64,868	39,352
Merchant loans – net of principal payments	(11,579)	126,659
Proceeds of related party notes payable	(176)	30,558
Payments on long term debt	(1,407)	(1,189)
Net cash provided by financing activities	51,706	195,380
Net increase (decrease) in cash	7,032	118,531
Cash, beginning of period	12,534	40,035
Cash, end of period	$ 19,566	$ 158,566
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 16,189	$ 28,577

See accompanying notes to the financial statements.

ABCO ENERGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2016
(UNAUDITED)

Note 1 Overview and Description of the Company

ABCO Energy, Inc. was organized on July 29, 2004 and operated until July 1, 2011 as Energy Conservation Technologies, Inc. (ENYC). On July 1, 2011 ENYC entered into a share exchange agreement (SEA) with ABCO Energy and acquired all of the assets of ABCO. ENYC changed its name to ABCO Energy, Inc. on October 31, 2011. The Company is in the Photo Voltaic (PV) solar systems industry and is an electrical product and services supplier.

The Company prepared these financial statements according to the instructions for Form 10-Q. Therefore, the financial statements do not include all disclosures required by generally accepted accounting principles in the United States. However, the Company has recorded all transactions and adjustments necessary to fairly present the financial statements included in this Form 10-Q. The adjustments made are normal and recurring. The following notes describe only the material changes in accounting policies, account details or financial statement notes during the first Three Months of 2017. Therefore, please read these financial statements and notes to the financial statements together with the audited financial statements and notes thereto in our Annual Report on Form 10-K for the year ended December 31, 2016. The income statement for the Three Months ended March 31, 2017 cannot necessarily be used to project results for the full year.

Note 2 Summary of Significant Accounting Policies

Use of estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates include, but are not limited to the estimated useful lives of equipment for purposes of depreciation and the valuation of common shares issued for services, equipment and the liquidation of liabilities.

Income (Loss) per Share
Basic earnings per share amounts are calculated based on the weighted average number of shares of common stock outstanding during each period. Diluted earnings per share is based on the weighted average numbers of shares of common stock outstanding for the periods, including dilutive effects of stock options, warrants granted and convertible preferred stock. Dilutive options and warrants that are issued during a period or that expire or are canceled during a period are reflected in the computations for the time they were outstanding during the periods being reported. Since ABCO Energy has incurred losses for all periods except the current period, the impact of the common stock equivalents would be anti-dilutive and therefore are not included in the calculation. In addition, there are no common stock equivalents outstanding at the time of this report.

Effects of Recently Issued Accounting Pronouncements
The Company has reviewed all recently issued accounting pronouncements noting that they do not affect the financial statements.

Fair Value of Financial Instruments

The Company measures assets and liabilities at fair value based on expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale date of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level.

The following are the hierarchical levels of inputs to measure fair value:

Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Unobservable inputs reflecting the Company's assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The carrying amounts of the Company's financial assets and liabilities, such as cash, accounts payable and accrued expenses, approximate their fair values because of the current nature of these instruments. Debt approximates fair value based on interest rates available for similar financial arrangements. Derivative liabilities which have been bifurcated from host convertible debt agreements are presented at fair value.

Derivative Financial Instruments

Fair value accounting requires bifurcation of embedded derivative instruments such as convertible features in convertible debts or equity instruments, and measurement of their fair value for accounting purposes. In determining the appropriate fair value, the Company uses the binomial option-pricing model. In assessing the convertible debt instruments, management determines if the convertible debt host instrument is conventional convertible debt and further if there is a beneficial conversion feature requiring measurement. If the instrument is not considered conventional convertible debt, the Company will continue its evaluation process of these instruments as derivative financial instruments.

Once determined, derivative liabilities are adjusted to reflect fair value at each reporting period end, with any increase or decrease in the fair value being recorded in results of operations as an adjustment to fair value of derivatives. In addition, the fair value of freestanding derivative instruments, such as warrants, are also valued using the binomial option-pricing model.

Note 3 Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the recoverability of assets and the satisfaction of liabilities in the normal course of business. Since its inception, the Company has been engaged substantially in financing activities and developing its business plan and marketing. As a result, the Company incurred accumulated net losses from inception through the period ended March 31, 2017 of $(4,079,497), which raises substantial doubt about the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent upon its ability to raise additional capital from the sale of common stock or through debt financing and, ultimately, the achievement of significant operating revenues. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

Note 4 Inventory

Inventory of construction supplies not yet charged to specific projects was $46,679 and $46,701 as of March 31, 2017 and December 31, 2016, respectively. The Company values items of inventory at the lower of cost or market and uses the first in first out method to charge costs to jobs.

Note 5 Note Payable – Officers, Directors and Related Parties

Officer loans are demand notes totaling $177,171 and $177,347, respectively, as of March 31, 2017 and December 31, 2016. These notes provide for interest at 12% per annum and are unsecured. Notes payable to the Directors resulted in interest charges of $5,244 and $11,699 for the periods ended March 31. 2017 and December 31, 2016, respectively. Other related party notes totaled $59,470 at March 31, 2017 for loans from a person who is neither an officer or director.

Related party notes payable as of March 31, 2017and December 31, 2016 consists of the following:

Description	March 31, 2017	December 31, 2016
Notes payable – Director bearing interest at 12% per annum, unsecured, demand notes.	$ 60,000	$ 60,000
Note payable - Officer bearing interest at 12% per annum, unsecured, demand note	57,701	53,501
Note payable – other bearing interest at 12% per annum, unsecured, demand note.	59,470	63,846
Total	$ 177,171	$ 177,347

The first note in the amount of $60,000 provides for interest at 12% per annum and is unsecured. This note resulted in an interest charge of $19,876 accrued and unpaid at December 31, 2016.

The second note was increased by loans of $30,557 and $33,000 during the period ended December 31, 2016. A repayment of $20,000 was made in December 2016.which decreased the total note to $53,501 as of December 31, 2016. Another loan was made in February 2017 in the amount of $4,200. The note is an unsecured demand note and bears interest at 12% per annum. This note resulted in an interest charge of $7,496 accrued and unpaid at March 31, 2017.

The third note is from a related party and has a current balance of $59,470 as of March 31, 2017. The note is an unsecured demand note and bears interest at 12% per annum. This note resulted in an interest charge of $7,013 accrued and unpaid at March 31, 2017.

Note 6 Short Term Notes Payable

Description	March 31, 2017	December 31, 2016
Note payable – Orchard Street Funding – This loan was paid off in January, 2016. (1)	$ -	$ -
Merchant Note payable to Web Bank, borrowed 2-1-16, bearing interest at 23% per annum, unsecured. (1)	82,235	82,323
Merchant Note payable to Quarterspot Lending, borrowed 6-27-16, bearing interest at 31% per annum, unsecured. (2)	39,027	40,474
Merchant note payable to Premier Capital Funding, borrowed 7-12-16, bearing interest at 29% per annum, unsecured. (3)	17,500	27,546
Total	$ 138,762	$ 154,743

(1) On February 1, 2016, the Company financed operations with a loan in the amount of $150,000 from WebBank. The note is an open credit line with interest rate of 23% maturing in March of 2017. A portion of the loan was used to pay off a credit loan from Orchard Street Funding in the amount of $44,061. On August 22, 2016, the Company ceased making payments on this loan and at December 31, 2016 the Company owed $82,235 in principal and accrued interest. This loan is personally guaranteed by an Officer of the Company. On March 20, 2017, the Company and WebBank agreed to a monthly payment schedule with payment of $2,508 per month until June 20, 2017, paid biweekly. No arrangements have been made for the final payment schedule on this loan beyond that date. No default notice has been received by the Company on the loan as of March 31, 2017. Payments on this account have been made for the past few months but most of the sums have been applied to interest.

(2) On June 28, 2016, the Company financed operations with a loan in the amount of $43,500 from Quarterspot, a lending institution. The note is an open line with interest rate of approximately 31% maturing in September of 2017. On August 22, 2016, the Company ceased making payments on this loan. As of December 31, 2016, the Company owed $40,474 in principal and accrued interest. This loan is not personally guaranteed by an Officer of the Company. On November 30, 2016, the Company and Quarterspot agreed to a monthly payment schedule with payment of $1,500 per month until January 31, 2017. On March 27, 2017, the Company agreed to begin payments of $3,010 per month for twelve months until paid in full. No arrangements have been made for the final payment schedule on this loan beyond that date. No default notice has been received by the Company on the loan as of March 31, 2017. Payments on this account have been made for the past few months but most of the sums have been applied to interest.

(4) On July 12, 2016, the Company financed operations with a loan in the amount of $45,000 from Premier Capital Funding, LLC, a lending institution. The note is an open line with interest rate of approximately 29% maturing in November 28, 2016. On August 22, 2016, the Company ceased making payments on this loan. On October 17, 2016, the Company agreed to pay Premier $4,000 per month for ten months to pay this loan in full. The Company had a total balance of $27,546 as of December 31, 2016. This loan is personally guaranteed by an Officer of the Company. No default notice has been received by the Company on the loan as of March 31, 2017. Payments on this account have been made for the past few months but most of the sums have been applied to interest.

The Company has been negotiating more favorable payment and payoff arrangements for these debts. If the Company is not successful in this process the note holders may take legal action to collect their respective debt against the Company and/or its officers.

Note 7 Long Term Debt

Long term debt as of March 31, 2017 and December 31, 2016 consisted of the following:

Description	March 31, 2017	December 31, 2016
Note payable to Ascentium Capital, secured by truck, bearing interest at 9% per annum, matures on September 20, 2017. This loan has payments of $469 per month.	$ 2,993	$ 4,400
Less current portion of truck loan	(2,993)	(4,400)
Total long term debt net of current portion	$ 0	$ 0

Note 8 Fair Value of Financial Instruments

The following is the major category of liabilities measured at fair value on a recurring basis as of March 31, 2017, using quoted prices in active markets for identical liabilities (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

	March 31, 2017	December 31, 2016
Derivative Liabilities from Convertible Notes (Level 3)	$ 325,235	$ 397,722

Note 9 Stockholder's Equity

From October 7, 2016 through December 31, 2016, the Company issued an aggregate of 198,727,390 pre-split (19,872,739 post split) shares of its common stock upon conversions of six different convertible notes at conversion prices ranging from $0.0015 to $0.0047 per share. As a result of such issuances, all six [6] of the notes have paid in full as of that date. The Company recorded $424,878 for the equity infusion provided by these notes.

During the three-month period ended March 31, 2017 the Company sold but have not yet issued 14,781,250 shares of common stock and received or credited gross proceeds of $139,962. The expenses of offering totaled $70,139. The net proceeds of $69,823 were used for working capital, corporate expenses, legal fees and public company expenses.

The Board of Directors of the Company has approved a reverse stock split of its common stock, at a ratio of 1-for-10 (the "Reverse Stock Split"). The Reverse Stock Split became effective with FINRA (the Financial Industry Regulatory Authority) and in the marketplace on January 13, 2017 (the "Effective Date"), whereupon the shares of common stock began trading on a split adjusted basis. On the Effective Date, the Company's trading symbol was changed to "ABCED" for a period of 20 business days, after which the "D" will be removed from the Company's trading symbol, which will revert to the original symbol of "ABCE". In connection with the Reverse Stock Split, the Company's CUSIP number will change to 00287V204. On the Effective Date, the total number of shares of the Company's Common Stock held by each stockholder will be converted automatically into the number of whole shares of Common Stock equal to (i) the number of issued and outstanding shares of Common Stock held by such stockholder immediately prior to the Reverse Stock Split, divided by (ii) 10. No fractional shares will be issued, and no cash or other consideration will be paid. Instead, the Company will issue one whole share of the post-Reverse Stock Split Common Stock to any stockholder who otherwise would have received a fractional share because of the Reverse Stock Split.

As a result of the Reverse Stock Split the number of authorized shares of common stock was reduced to 50,000,000 from 500,000,000 shares. The Company is calling a Special Meeting of Stockholders for May 2017 to authorize an amendment to the Articles of Incorporation to increase the authorized capital to 1,000,000,000 common shares and 100,000,000 preferred shares.

Note 10 Other matters

Legal fees relating to financing activities, blue sky registrations with states and other fund raising expenses were charged to additional paid in capital in the amount $4,900 for the Three Months ended March 31, 2017 and $126,315 during the year ended December 31, 2016.

During the fiscal year ended December 31, 2016 the Company sold 2,486,382 shares in Regulation S offerings to non-US investors. The total proceeds from the offering was $767,234. Commission and expense reimbursements totaled $441,170. The Company recorded net proceeds totaling $326,064.

Stock subscriptions executed under an earlier offering included a provision whereby ABCO agrees to pay a dividend (defined as interest) of from 6% to 12% of the total amount invested for a period of one year from receipt of the invested funds. This dividend (defined as interest) is allocated between the broker and the investor with amounts paid to the broker treated as a cost of the offering and netted against additional paid in capital and amounts paid to the investor treated as interest expense. The balance of accrued interest at March 31, 2017 and December 31, 2016 amounted to $49,290 and no payments have been made during the current period.

ABCO has evaluated these agreements under ASC 480-10: Certain Financial Instruments with Characteristics of Both Liabilities and Equity and determined that the capital contributions made under these subscription agreement more closely resemble equity than liabilities as they can only be settled through the issuance of shares and although they have a stated cost associated with them which accrues in the same manner as interest, the cost is only incurred in the first twelve months after placement as is more closely associated with a cost of raising funds than interest expense.

During November, 2016, the Company issued an aggregate of 1,449,649 shares to financial consulting entities for services relating to fund raising activities. The total issuance was valued at $103,400 for fair market value as negotiated and that amount is charged to additional paid in capital.

Effective June 30, 2016, the Company entered into a Consulting Agreement ("CA") with Joshua Tyrell ("Tyrell") which provides for Tyrell to assist in various business development activities on behalf of the Company, including but not limited to realizing new business opportunities. In consideration for rendering such services, Tyrell was issued 1,500,000 free trading shares of Company common stock. The CA has a six month term expiring on March 31, 2017. On November 7, 2016 and on November 30, 2016, the CA was amended to provide for the payment of an additional 6,300,000 and an additional 5,000,000 free-trading shares, respectively to Tyrell for services rendered due to the huge trading volume of the derivative conversions and to extend the term of the CA to twelve (12) months ending November 7, 2017. The consultant received a total of 14,300,000 (1,430,000 post reverse split) shares of free trading and restricted common stock valued at $91,600.

The Company has entered into Securities Purchase Agreement with Blackbridge Capital, LLC, a Delaware limited liability company ["SPA"], operating out of New York, New York ("Blackbridge") whereby Blackbridge has agreed to purchase up to $5,000,000 worth of shares of the Company's common stock. The Company has agreed to file a Registration Statement to register such shares for sale to Blackbridge. In addition, the Company has issued [i] a convertible promissory note to Blackbridge pursuant to the Securities Purchase Agreement equal to $150,000 as a commitment fee, that is currently charged to prepaid expenses until services are provided (the "Blackbridge Note"), [ii] and a $100,000 Convertible Note to cover the expenses to be incurred for the preparation and filing of the Registration Statement and related matters ("Expenses Note").

On March 13, 2017, the Company and Blackbridge, entered into an Agreement, effective as of March 1, 2017, terminating the SPA. The Registration Statement on Form S-1 filed by the Company pursuant to the SPA could not be processed because of technical issues raised by the SEC and was withdrawn on February 28, 2017. In addition, the Blackbridge Note issued by the Company as a commitment fee remains, by its express terms, in full force and effect notwithstanding the termination of the SPA as does the Expenses Note.

Note 11 Income Tax

The company has net operating loss carryforwards as of March 31, 2017 totaling approximately $3,624,1501. A deferred tax benefit of approximately $1,232,211 has been offset by a valuation allowance of the same amount as its realization is not assured.

Note 12 Subsequent Events

During the period April 1, 2017 through May 19, 2017 the Company sold 2,840,000 shares of restricted common stock for gross proceeds of $19,985 and net proceeds of $10,712. In addition, the Company sold 14,781,250 restricted shares of common stock between January 1, 2017 and March 31, 2017. None of the above restricted shares have been issued as it is the Company's policy to issue shares when the restrictions can be removed.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS – OVERVIEW

THREE MONTHS ENDED MARCH 31, 2017 COMPARED TO THREE MONTHS ENDED MARCH 31, 2016.

Our discussion of operating results for the Three months ended March 31, 2017 and March 31, 2016 are presented below with major category details of revenue and expense including the components of operating expenses.

Sales consist of photovoltaic products, electrical services and LED lighting products and installation during both periods for the three months ended March 31, 2017 and for the three months ended March 31, 2016.

Sales for the three months ended March 31, 2017 were $ 212,806 as compared to $230,195 for the same three months in 2016. This is an decrease of 17,389 or 7.6 % below the 2016 sales. The Solar sales revenue in 2017 and 2016 reflected seasonal and changing market conditions in the financing of solar installations and competition from the public utilities in the Arizona markets. When the utilities in Arizona cancelled or substantially reduced the rebate programs, the financing or leasing companies were able to reduce the financial requirements by accepting the rebates as partial payments were no longer able to make loans or lease that required no money down or longer terms for their finance products. This severally reduced the opportunities for sales and reduced gross margins substantially. Without available financing, the sales of solar products became even more difficult. The prices of solar products were reduced in 2017 and 2016 to offset the reduction or elimination of rebates and the market has recovered from this time. ABCO has worked diligently to overcome these changes by focusing on commercial applications and the increased interest of business and government in the LED lighting contracts.

Cost of sales was 90% of revenues in 2017 and 85% of revenues in 2016. Gross margins were 10% of revenue in 2017 and 15% of revenue for the three months of 2016. During 2017 and 2016 we have been offering new products and have found our entry market prices for steel parking structures have added gross margins higher than usual because we use outside contractors for the entire projects. Our gross profit reflects this decision. We feel that we have made progress in entering the parking shade markets and that our gross margins will stabilize as growth lowers these margins in the future.

Total selling, general and administrative expenses were 73% of revenues in 2017 and 80% of revenues for the same period in 2016. Net loss for the three-month period ended March 31, 2017 was $(139,536) as compared to the net loss of $(279,973) for the same three- month period ended March 31, 2016. Our operating expenses for this period were lower as a percentage of revenue and lower by $28,451 than the comparative period in 2016. The interest expense during the period ended March 31, 2017 was lower by $12,388 than in the period ended March 31, 2016 due mostly to the working capital provision of merchant loans and convertible debt. Interest on derivative liabilities of convertible debentures increased by $16,085 during the current period as compared to the prior year. This combination of factors decreased the operating loss for the period ending March 31, 2017 by $(140,437) as compared to March 31, 2016, due almost entirely by the change in derivative valuation and finance fees. This change amounted to $92,896 for the current period. Since our year to date revenues are lower than the previous year, this resulted in lower operating expenses as a percentage of total revenue.

As noted in previous paragraphs discussing market conditions, ABCO could not finish its backlog of work and expand into the markets of LED lights and commercial solar markets without maintaining staff, facilities and sales expenses. When sales revenues fall, and expenses are not reduced in equal amounts or percentages, the result is an increase of the percentage of operating expenses to sales revenue. Operating expenses for the two periods increased to accommodate our expansion of sales programs, but not in the same ratio as the reduction in sales. ABCO chose to maintain a level of expenses that would not cripple the Company's future.

STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016

During the three months ended March 31, 2017 our net cash used by operating activities was $(45,539) and comparatively the net cash used by operating activities in the three months ended March 31, 2016 was $(78,852). Net cash used by operating activities in the period ended March 31, 2017 consisted primarily of net loss from operations of $(139,536) for 2017 as compared to $(279,973) for 2016. Depreciation adjustments were of non-cash expenses were $2,899 and $3,420 for each period respectively. Derivative portion of convertible debt accounted for charges to income for future changes in value of the underlying stock in the amount of $33,710 for the period ended March 31, 2017. None of this expense will be realized if this debt is retired before maturity. The Company experienced a decrease in accounts payable of $51,474 and a decrease of $75,934 for each period respectively. This is primarily due to the Company's ability apply cash receipts from investors and operations to pay past and current creditors during each period. Accounts receivable decreased by $83,802, net of adjustments for contracts in process, during the period ended March 31, 2017 due to rapid increases in contracts at the end of the period.

Net cash used for investing activities for the periods ended March 31,2017 and 2016 was $865 and $2,003 respectively due to receipt of principal on leases and equipment acquisitions.

Net cash provided by financing activities for the periods ended March 31, 2017 and 2016 was $51,706 and $195,380 respectively. Net cash provided by financing activities for 2017 and 2016 resulted primarily from the sale of common stock, loans from a financial institution and loans from a Director. Cash provided by financing activities during the periods ended March 31, 2017 were primarily from the sale of common stock and loans from financial institutions. The total principal paid on the two current period loans is $11,579. Any future conversions will increase the number of shares outstanding and the Stockholders Equity by the amount of the original investment. Management intends to retire these notes before maturity.

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 approval in order to be paid for the contracts. This process can easily exceed 90 days and sometimes requires the contractor to pay all or most of the cost of the project without assistance from suppliers. Our working capital at March 31, 2017 was $(1,003,579) and it was $(932,939) at December 31, 2016. This decrease of $70,640 was primarily due to losses from operations during the period ended March 31, 2017 and adjustments for possible future losses on derivative conversions. Bank financing has not been available to the Company but we have been able to increase our credit lines with our suppliers because of good credit. There are no material covenants on our credit lines, normally due in 30 days, since they are standard in the industry and the balances vary on a daily basis. Most are personally guaranteed by the Officer of the Company.

We have been able to borrow $4,200 from one of our Directors to increase working capital during the period end March 31, 2017 bringing the total borrowed from Directors and officers to $177,171. There are no existing agreements or arrangement with any Director to provide additional funds to the Company.

During the three months period ended March 31, 2017 or the last fiscal year ended December 31, 2016 there were no transactions, or proposed transactions, which have materially affected or will materially affect the Company in which any director, executive officer or beneficial holder of more than 5% of the outstanding common, or any of their respective relatives, spouses, associates or affiliates, has had or will have any direct or material indirect interest. We have no policy regarding entering into transactions with affiliated parties.

PLAN OF OPERATIONS

Based on our current financial position, we cannot anticipate whether we will have sufficient working capital to sustain operations for the next year if we do not raise additional capital. We will not, however, be able to reach our goals and projections for multistate expansion without a cash infusion. We have been able to raise sufficient capital through the sale of our common shares and we have incurred substantial increases in debt from our trade creditors in the normal course of business. Management will not expand the business until adequate working capital is provided. Our ability to maintain sufficient liquidity is dependent on our ability to attain profitable operations or to raise additional capital. We have no anticipated timeline for obtaining neither additional financing nor the expansion of our business. We will continue to keep our expenses as low as possible and keep our operations in line with available working capital as long as possible. There is no guarantee that the Company will be able to obtain adequate capital from any sources, or at all.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not Applicable to Smaller Reporting Companies.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures.

As of the end of the reporting period, March 31, 2017, we carried out an evaluation, under the supervision and with the participation of our management, including the Company's Chairman and Chief Executive Officer/Principal Accounting Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"), which disclosure controls and procedures are designed to insure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within required time periods specified by the SEC's rules and forms. Based upon that evaluation, the Chairman/CEO and the Chief Financial Officer concluded that our disclosure controls and procedures are not currently effective in timely alerting them to material information relating to the Company required to be included in the Company's period SEC filings. The Company is attempting to expand such controls and procedures, however, due to a limited number of resources the complete segregation of duties is not currently in place.

(b) Changes in Internal Control.

Subsequent to the date of such evaluation as described in subparagraph (a) above, there were no changes in our internal controls or other factors that could significantly affect these controls, including any corrective action with regard to significant deficiencies and material weaknesses.

(c) Limitations.

Our management, including our Principal Executive Officer and Principal Financial Officer, does not expect that our disclosure controls or internal controls over financial reporting will prevent all errors or all instances of fraud. However, we believe that our disclosure controls and procedures are designed to provide reasonable assurance of achieving this objective. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and any design may not succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitation of a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II-OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any such legal proceedings or claims that we believe will have, individually or in the aggregate, a material adverse effect on our business, consolidated financial condition, or operating results.

Item 1A. Risk Factors

Not Applicable.

Item 2. Unregistered Sale of Equity Securities and Use of Proceeds

During the three-month period ended March 31, 2017 the Company sold but have not yet issued 14,781,250 shares of common stock and received or credited gross proceeds of $139,962. The expenses of offering totaled $70,139. The net proceeds of $69,823 were charged to “shares to be issued on the Balance Sheet and the funds were used for working capital, corporate expenses, legal fees and public company expenses.

Item 3. Defaults upon Senior Securities

None

Item 4. Mine Safety Disclosures.

Not Applicable

Item 5. Other Information

Not Applicable

Item 6. Exhibits

Exhibits Index

10(a)	12% $40,000 Convertible Note dated March 16, 2016 (1)
10(b)	8% $25,000 Convertible Note dated March 23, 2016 (1)
10(c)	10% $55,000 Convertible Note dated April 1, 2016 (2)
10(d)	5% $42,000 Convertible Note dated April 5, 2016 (2)
10(e)	10% $40,000 Convertible Note dated May 3, 2016 (2)
10(f)	$30,000 Convertible Note dated May 6, 2016 (2)
10(g)	8% $30,000 Convertible Note dated May 6, 2016 (4)
10(h)	Consulting Agreement between ABCO Energy, Inc. and Benchmark Advisory Partners effective September 20, 2016 (5)
10(i)	Agreement effective October 19, 2016 between the Company and Joshua Tyrell (5)
10(j)	Amendment No. 1 to Consulting Agreement effective November 11, 2016 between the Company and Joshua Tyrell (6)
10(k)	Securities Purchase Agreement dated as of November 7, 2016 between the Company and Blackbridge Capital Growth Fund (6)
31.1	Section 302 Certification of Chief Executive Officer
31.2	Section 302 Certification of Chief Financial Officer
32.1	Section 906 Certification of Chief Executive Officer
32.2	Section 906 Certification of Chief Financial Officer
101 INS	XBRL Instance Document
101 SCH	XBRL Taxonomy Extension Schema Document
101 CAL	XBRL Taxonomy Calculation Linkbase Document
101 DEF	XBRL Taxonomy Extension Definition Linkbase Document
101 LAB	XBRL Taxonomy Labels Linkbase Document
101 PRE	XBRL Taxonomy Presentation Linkbase Document

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(1) Previously filed with the Company’s Form 10-K, File No. 000-55235, filed with the Commission on April 11, 2016, and incorporated herein by this reference as an exhibit to this Form 10-Q.
(2) Filed herewith.
(3) Previously filed with and incorporated herein by this reference the Company’s Form 8K, filed with the Commission on October 21,2016.
(4) Previously filed with and incorporated herein by this reference the Company’s Form 8K filed with the Commission on October 2016.
(5) Previously filed with and incorporated herein by this reference the Company’s Form 8K, filed with the Commission on November 29, 2016.
(6) Previously filed with and incorporated herein by this reference the Company’s Form 8K, with the Commission on November 29, 2016.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report or amendment thereto to be signed on its behalf by the undersigned thereunto duly authorized.

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

May 22, 2017

ABCO ENERGY, INC

/s/ Charles O’Dowd
Charles O’Dowd
Title: President &
Chief Executive Officer (CEO)

/s/ Charles O’Dowd
Charles O’Dowd
Chief Financial Officer (CFO)
Principal Accounting Officer (PAO)

Exhibit 31.1

Sarbanes-Oxley Act of 2002 CEO 302 CERTIFICATION PURSUANT TO RULE 13A-15(E)/15D-15(E)

Certification of the Chief Executive Officer

I, Charles O'Dowd, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of ABCO Energy, Inc.

(2) Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the 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 in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for the periods presented in this Quarterly Report;

(4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, if any, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

(d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 22, 2017

ABCO ENERGY, INC.

By: /s/ Charles O'Dowd
Charles O'Dowd
President & CEO

Exhibit 31.2

Sarbanes-Oxley Act of 2002 CFO 302 CERTIFICATION PURSUANT TO RULE 13A-15(E)/15D-15(E)

Certification of the Chief Financial Officer

I, Charles O'Dowd, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of ABCO Energy, Inc.

(2) Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the 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 in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

(4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, if any, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

(d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 22, 2017

ABCO ENERGY, INC.

By: /s/ Charles O'Dowd
Charles O'Dowd
CFO & PAO

Exhibit 32.1

Chief Executive Officer Certification (Section 906)

CERTIFICATION PURSUANT TO
18 U.S.C., SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), I, the undersigned Chief Executive Officer of ABCO Energy, Inc., (the “Company”), herby certify that, to the best of my knowledge, the Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2017 (the “Report”) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company. A signed original of this written statement required by Section 906 has been provided to the registrant and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: May 22, 2017

ABCO ENERGY, INC.

/s/ Charles O’Dowd

Charles O’Dowd
President & CEO

Exhibit 32.2

Chief Financial Officer Certification (Section 906)

CERTIFICATION PURSUANT TO
18 U.S.C., SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), I, the undersigned Chief Financial Officer of ABCO Energy, Inc., (the "Company"), herby certify that, to the best of my knowledge, the Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2017 (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company. A signed original of this written statement required by Section 906 has been provided to the registrant and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: May 22, 2017

ABCO ENERGY, INC.

/s/ Charles O'Dowd
Charles O'Dowd
Chief Financial Officer