

CLEAN ENERGY PATHWAYS, INC.

Financial Statements

As of and for the Six Months Ending June 30, 2019 and 2018

# CLEAN ENERGY PATHWAYS, INC.

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# CLEAN ENERGY PATHWAYS, INC.

## Balance Sheet

For the Six Months Ending:	June 30, 2019	June 30, 2018
<b>Assets:</b>		
Current Assets:		
Cash	\$ 159	\$ 0
Accounts Receivable (Shareholder)	7,765	7,765
Inventory	<u>23,400</u>	<u>23,400</u>
Total Current Assets	\$ <u>31,324</u>	\$ <u>31,165</u>
Furniture, Fixtures, and Equipment (net)	0	0
Total Assets	\$ <u>31,324</u>	\$ <u>31,165</u>
<b>Liabilities and Stockholder's Equity (Deficit)</b>		
Current Liabilities		
Trade Accounts Payable	\$ 117,847	\$ 117,847
Note Payable	75,185	50,627
Deferred Revenue	3,530,191	3,530,191
Other Accrued Expenses	<u>348,463</u>	<u>348,463</u>
Total Liabilities	\$ <u>4,071,686</u>	\$ <u>4,047,128</u>
Stockholder's Equity (Deficit)		
<b>Common Stock</b> , \$.001 par value, 190,000,000 shares authorized, 164,509,162 and 164,509,162 issued and outstanding at June 30, 2019 and June 30, 2018, respectively	\$ 164,509	\$ 164,509
<b>Convertible Preferred Stock</b> , \$.001 par value, 10,000,000 shares authorized, 1,520,000 and 1,520,000 issued and outstanding at June 30, 2019 and June 30, 2018 respectively	1,520	1,520
<b>Treasury Stock</b> , at cost; 950,000 shares at June 30, 2019 and 950,000 at June 30, 2018 respectively	(199,599)	(199,599)
Additional Paid-In Capital	13,442,577	13,442,577
Retained Earnings (Deficit)	<u>(17,449,169)</u>	<u>(17,424,970)</u>
Total Stockholder's Equity (Deficit)	\$ <u>(4,040,362)</u>	\$ <u>(4,015,963)</u>
Total Liabilities and Stockholder's Equity (Deficit)	\$ <u>31,324</u>	\$ <u>31,165</u>

# CLEAN ENERGY PATHWAYS, INC.

## Statement of Operations

For the Six Months Ended	June 30, 2019	June 30, 2018
Revenue	\$ 0	\$ 0
Cost of Goods Sold	<u>0</u>	<u>0</u>
Gross Margin	\$ <u>0</u>	\$ <u>0</u>
Operating Expenses	\$ <u>8561</u>	\$ <u>4,000</u>
<b>Net Income (Loss) Before Taxes</b>	\$ <u>(8,561)</u>	\$ <u>(4,000)</u>
Provision for Income Taxes	0	0
<b>Net Income (Loss)</b>	<u>(8,561)</u>	<u>(4,000)</u>
	\$	\$
<b>Net income (loss) per share:</b>		
Basic	\$ 0.00001	\$ 0.00001
Diluted	\$ 0.00001	\$ 0.0000
Weighted average shares outstanding: basic	164,509,162	164,509,162
Weighted average shares outstanding: diluted	164,509,162	164,509,162

## CLEAN ENERGY PATHWAYS, INC.

Statement of Stockholder's Equity (Deficit)  
the Six Months Ending June 30, 2019

	Common Number Of Shares	Stock \$0.001 Par Value	Preferred Number Of Shares	Stock \$0.001 Par Value	Treasury Number Of Shares	Stock Cost	Additional Paid-In Capital	Accumulated (Deficit)	Total Stockholders Equity(Deficit)
Balance December 31, 2018	164,509,162	\$ 164,509	1,520,000	\$ 1,520	950,000	\$ (199,599))	\$ 13,422,577	\$ (17,435,591)	\$ (4,026,584)
Stock Issued for Services									
Conversion from Preferred to Common									
Purchase Treasury Stock									
<u>Net Income</u>	=	=	=	=	=	=		<u>(13,578)</u>	<u>(13,578)</u>
Balance June, 2018	164,509,162	\$ 164,509	1,520,000	\$ 1,520	950,000	\$ (199,599)	\$ 13,422,577	\$ (17,449,169)	\$ (4,040,362)

# CLEAN ENERGY PATHWAYS, INC.

## Statement of Cash Flows

For the Six Months Ended	June 30, 2019	June 30, 2018
<b>Operating Activities</b>		
Net Income (Loss)	\$ (8,561)	\$ (4,000)
Adjustments to reconcile net loss to cash provided by operating activities:		
Bad Debts	0	0
Depreciation	0	0
Common Stock Issued for Services	0	0
Loss on Disposal of Assets	0	0
(Increase) Decrease in:		
Accounts Receivable	0	0
Prepaid Expenses	0	0
Prepaid Income Taxes	0	0
Inventory	0	0
Increase (Decrease) in:		
Accounts Payable	8,602	3,900
Other Accrued Expenses	0	0
<b>Cash Used in Operating Activities</b>	\$ <u>8,561</u>	\$ <u>100</u>
<b>Financing Activities</b>		
Purchase of Treasury Shares	\$ 0	\$ 0
<b>Cash Provided by Financing Activities</b>	\$ <u>0</u>	\$ <u>0</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	\$ <u>59</u>	\$ <u>(100)</u>
<b>Cash and Cash Equivalents-Beginning of Period</b>	\$ <u>100</u>	\$ <u>100</u>
<b>Cash and Cash Equivalents-End of Period</b>	\$ <u><u>159</u></u>	\$ <u>0</u>

## **NOTES TO FINANCIAL STATEMENTS**

### **Note 1. Organization, History and Business**

Clean Energy Pathways, Inc. (“the Company”) was last incorporated in Wyoming on January 25, 2017.

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

#### **Revenue Recognition**

Revenue is derived from contracts with our consumers. Revenue is recognized in accordance with ASC 605. As such, the Company identifies performance obligations and recognizes revenue over the period through which the Company satisfies these obligations. Any contracts that by nature cannot be broken down by specific performance criteria will recognize revenue on a straight line basis over the contractual term of period of the contract.

#### **Accounts Receivable**

Accounts receivable is reported at the customers’ outstanding balances, less any allowance for doubtful accounts. Interest is not accrued on overdue accounts receivable.

#### **Allowance for Doubtful Accounts**

An allowance for doubtful accounts on accounts receivable is charged to operations in amounts sufficient to maintain the allowance for uncollectible accounts at a level management believes is adequate to cover any probable losses. Management determines the adequacy of the allowance based on historical write-off percentages and information collected from individual customers. Accounts receivable are charged off against the allowance when collectability is determined to be permanently impaired.

#### **Stock Based Compensation**

When applicable, the Company will account for stock-based payments to employees in accordance with ASC 718, “Stock Compensation” (“ASC 718”). Stock-based payments to employees include grants of stock, grants of stock options and issuance of warrants that are recognized in the statement of operations based on their fair values at the date of grant.

The Company accounts for stock-based payments to non-employees in accordance with ASC 505-50, “Equity-Based Payments to Non-Employees.” Stock-based payments to non-employees include grants of stock, grants of stock options and issuances of warrants that are recognized in the consolidated statement of operations based on the value of the vested portion of the award over the requisite service period as measured at its then-current fair value as of each financial reporting date.

### **Loss per Share**

The Company reports earnings (loss) per share in accordance with ASC Topic 260-10, "Earnings per Share." Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Diluted earnings (loss) per share has not been presented since there are no dilutive securities.

### **Cash and Cash Equivalents**

For purpose of the statements of cash flows, the Company considers cash and cash equivalents to include all stable, highly liquid investments with maturities of three months or less.

### **Concentration of Credit Risk**

The Company primarily transacts its business with one financial institution. The amount on deposit in that one institution may from time to time exceed the federally-insured limit.

### **Depreciation**

Equipment is stated at cost less accumulated depreciation. Major improvements are capitalized while minor replacements, maintenance and repairs are charged to current operations. Depreciation is computed by applying the straight-line method over the estimated useful lives, which are generally three to five years.

### **Income Taxes**

The Company accounts for its income taxes under the provisions of ASC Topic 740, "Income Taxes." The method of accounting for income taxes under ASC 740 is an asset and liability method. The asset and liability method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between tax bases and financial reporting bases of other assets and liabilities.

### **Recent Accounting Pronouncements**

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change. The Company currently does not have any recent accounting pronouncements that they are studying and feel may be applicable.

### **Note 3. Income Taxes**

Deferred income tax assets and liabilities are computed annually for differences between financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.



On an interim basis, the Company has a net operating loss carryover of available to offset future income for income tax reporting purposes. However, the Company's ability to use the carryover net operating loss

The Company's unrecognized income tax assets or liabilities as of June 30, 2019 in the amount of \$3,530,191.

The Company's policy regarding income tax interest and penalties is to expense those items as general and administrative expense but to identify them for tax purposes. During the period ending June 30, 2019 there were no income tax, or related interest and penalty items in the income statement, or liabilities on the balance sheet. The Company files income tax returns in the U.S. federal jurisdiction and Wyoming state jurisdiction. We are not currently involved in any income tax examinations.

#### **Note 4. Related Party Transactions**

None.

#### **Note 5. Stockholders' Equity**

##### **Common Stock**

The holders of the Company's common stock are entitled to one vote per share of common stock held. As of June 30, 2019 the Company had 166,092,840 shares issued and outstanding.

#### **Note 6. Commitments and Contingencies**

##### ***Commitments:***

The Company currently has no long-term commitments as of our balance sheet date.

##### ***Contingencies:***

None as of our balance sheet date.

#### **Note 7. Notes Payable**

Notes payable consist of the following for the periods ended; working capital notes with no stated interest rate. Note is payable on demand.

**Note 8. Going Concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Currently, the Company has a limited operating history and has incurred operating losses, and as of the period ending June 30, 2019 the Company had a working capital deficit and an accumulated deficit.

These factors raise substantial doubt about the Company's ability to continue as a going concern. Management believes that the Company's capital requirements will depend on many factors including the success of the Company's development efforts and its efforts to raise capital. Management also believes the Company needs to raise additional capital for working capital purposes. There is no assurance that such financing will be available in the future. The conditions described above raise substantial doubt about our ability to continue as a going concern. The financial statements of the Company do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

**Note 9. Subsequent Events**

None