

**SOLAR ENERGY INITIATIVES, INC.**

**For the Year Ended July 31,2022**

**FEIN 20-5241121**

## **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

### **SOLAR ENERGY INITIATIVES, INC.**

2245 Texas Drive, Ste 300  
Sugar Land, Texas 77479  
713-446-7481

<https://solar-initiatives.com> (Website)  
[info@solar-initiatives.com](mailto:info@solar-initiatives.com) (Email)

**SIC Code 7389**

**Annual report  
For the Period Ending: July 31, 2022**

As of July 31, 2022, (current reporting period) the number of shares outstanding of our Common Stock was:

**1,499,996,657**

As of April 30, 2022, (Prior quarter reporting date) the number of shares outstanding of our Common Stock was:

**1,499,996,657**

As of July 31, 2021 (Last Fiscal Year) the number of shares outstanding of our Common Stock was:

**1,499,996,657**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☒ No: ☐

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

### **1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

*The public company, NP Capital, Inc. was accepted for quotation on the NASDAQ Over the Counter Bulletin on July 15, 2008, under the symbol "NPCX". On August 21, 2008, the Company entered into a Website Purchase Agreement with Solar Energy, Inc. and on*

*September 18, 2008, filed corporate amendments with the State of Delaware changing its name to Solar Energy Initiatives, Inc. and on September 24, 2008, changed its symbol to "SNRY".*

*SOLAR ENERGY INITIATIVES, Inc. was formed as a Delaware corporation on June 20, 2006 for the purpose of operating acquired solar energy assets. Over the next several years, it formed or acquired several subsidiaries. By 2013, each of the subsidiaries was dormant and were all closed.*

*Recognizing the limitations of the solar market as of 2013, the Company pursued plans of entertaining and hospitality industries. This re-direction of company resources never reached fruition, and since 2014, the Company has been virtually dormant.*

*Effective June 24, 2021, the Company was sold to Krisa Management who is currently researching an operating company to either merge or purchase the Company and reactivate the operations of the company.*

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

*Delaware – Active*

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

*None*

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

*As noted above, the company's controlling interest was acquired by Krisa Management*

The address(es) of the issuer's principal executive office:

*(Effective 6/24/21)*

*2245 Texas Drive, Ste300  
Sugar Land, TX 77479*

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

*None*

## **2) Security Information**

Trading symbol: SNRY  
Exact title and class of securities outstanding: Common

CUSIP:	83416P207	
Par or stated value:	0.001	
Total shares authorized:	1,500,000,000	as of July 31,2022
Total shares outstanding:	1,499,996,657	as of July 31,2022
Number of shares in the Public Float <sup>2</sup> :	1,477,961,648	as of July 31,2022
Total number of shareholders of record:	391	as of July 31,2022

*All additional class(es) of publicly traded securities (if any):*

Trading symbol:	None	
Exact title and class of securities outstanding:	Preferred	
CUSIP:	Not applicable	
Par or stated value:	0.001	
Total shares authorized:	10,000,000	as of July 31,2022
Total shares outstanding:	1,000,000	as of July 31,2022

#### Transfer Agent

Name: OTR, Inc.  
Phone: (503) 225-0375 Fax: 813.388.4549  
Email: team1@otrtransfer.com  
Address: 1050 SW Sixth Ave, Ste 1230, Portland, OR 97204

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes: ☒ No: ☐

### **3) Issuance History**

#### **A. Changes to the Number of Outstanding Shares**

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☒

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>7/31/2020</u> Common: <u>1,499,996,657</u> Preferred: <u>1,000,000</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report: <u>Ending Balance:</u> Date <u>7/31/2022</u> Common: <u>1,499,996,657</u> Preferred: <u>1,000,000</u>									

## B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
3/1/2014	135,000	135,000	-0-	None	None	5 Star Consulting LLC (bought from former owner) Bryan Wilkinson -0- Investment control	Consulting by a former CEO

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP  
☐ IFRS

B. The financial statements for the reporting period were prepared by (name of individual)<sup>4</sup>:

Name: **Tyrus C. Young, Factsco, LLC**  
Title: **None**  
Relationship to Issuer: **None, Consultant**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet, as of July 31, 2022 and July 31, 2021
- D. Statement of Income; for the year ended July 31, 2022 and 2021
- E. Statement of Cash Flows; for the year ended July 31, 2022 and 2021
- F. Statement of Changes in Stockholders' Equity, for the period July 31, 2020 through July 31, 2022
- G. Notes to the Financial Statements

#### 5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations

*Currently the Company does not have operations following the change of ownership June 24, 2021.*

B. Please list any subsidiaries, parents, or affiliated companies.

*None*

C. Describe the issuers' principal products or services.

*Currently the Company does not have operations following the change of ownership June 24, 2021*

#### 6) Issuer's Facilities

*The issuer's Corporate Headquarters are located at 2245 Texas Dr., Ste 300, Sugar Land, Texas 77479*

#### 7) Company and Control Persons)

Name of Officer/Director or or Control Person	Affiliation with Company (e.g. Officer Title/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Krisa Management	CEO/CFO/Chairman (Carey W. Cooley)	Sugar Land, Texas	1,000,000	Preferred	100 %	
<b>SEE BELOW</b>	<b>SEE BELOW</b>		<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Asher Enterprises, Inc	Investor/former Creditor (Chad M Asher, President)	Eau Claire, WI	107,764,706	Common	7.2%	

- a) Effective June 24, 2021, Krisa Management (Carey W. Cooley) purchased the preferred holdings of Michael Gelmon, and is submitting this report.
- b) The Voting rights of the authorized Preferred Shares, collectively, represent 51% of the voting rights of both classes combined.

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

*None*

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

*None*

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

*None*

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

*None*

## 9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Jonathan D. Leinwand, P.A.  
Firm: Jonathan D. Leinwand, P.A.  
Address 1: 18305 Biscayne Blvd, Suite 200  
Address 2: Aventura, FL 33160  
Phone: 954-903-7856  
Email:

Accountant

Name: Tyrus C. Young  
Firm: Factsco, LLC  
Address 1: 11117 Saintsbury Place  
Address 2: Charlotte, NC 28270  
Phone: 727 470-8684  
Email: [factsco@gmail.com](mailto:factsco@gmail.com)

Other Service Providers

None

**10) Issuer Certification**

*Principal Executive and Financial Officer:*

I, Carey W. Cooley, certify that:

1. I have reviewed this Annual Disclosure Statement of SOLAR ENERGY INITIATIVES, INC.
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

October 31, 2022

/s/ Carey W. Cooley  
Carey W. Cooley, CEO/CFO



SOLAR ENERGY INITIATIVES, INC.  
Balance Sheet

ASSETS	July 31, 2022 (Unaudited)	July 31, 2021 (Unaudited)
Current assets		
Cash	\$ -	\$ -
	<u>-</u>	<u>-</u>
Total current assets	-	-
Other assets		
	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current liabilities		
Accounts payable	\$ -	\$ -
Note Payable	-	-
Advances by Shareholder	-	-
Total current liabilities	<u>-</u>	<u>-</u>
Notes payable to shareholder	<u>135,000</u>	<u>135,000</u>
<b>Total Liabilities</b>	<b><u>135,000</u></b>	<b><u>135,000</u></b>
Stockholders' equity (deficit)		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized; 1,000,000 and 1,000,000 shares issued and outstanding at July 31, 2022 and July 31, 2021, respectively	1,000	1,000
Common stock, \$0.001 par value; ,1,500,000,000 shares shares authorized; 1,499,996,657 and 1,499,996,657 shares issued and outstanding at July 31, 2022 and July 31, 2021, respectively	1,499,997	1,499,997
Additional paid-in capital	15,026,315	15,026,315
Accumulated deficit	(16,662,312)	(16,662,312)
Total stockholders' (deficit)	<u>(135,000)</u>	<u>(135,000)</u>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>

The accompanying notes are an integral part of these financial statements

SOLAR ENERGY INITIATIVES, INC.  
Income Statement

	For the Year Ended July 31,	
	2022	2021
	(Unaudited)	(Unaudited)
Consulting Revenues	\$ -	\$ -
Operating Expenses		
General & Administrative	-	-
Total Operating Expenses	-	-
Net Operating Income	-	-
Other Income (Expense)	-	-
Total Other Income (Expense)	-	-
NET INCOME	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

SOLAR ENERGY INITIATIVES, INC.  
Cash Flows

	For the Year Ended July 31,	
	2022	2021
	(Unaudited)	(Unaudited)
<b>Cash flows from operations</b>		
Net (loss)	\$ -	\$ -
Loss on Sale of Marketable Securities	-	-
Adjustments to reconcile net loss to net cash		
Accounts Receivable	-	-
Prepaid expenses	-	-
Write off of Inventory	-	-
Accounts Payable	-	-
Accrued expenses	-	-
Advances by Shareholder	-	-
<b>Net cash provided by(used) operating activities</b>	-	-
<b>Cash flows from investing activities</b>	-	-
<b>Cash flows from financing activities</b>	-	-
<b>Net Increase (Decrease) in cash</b>	-	-
Cash, Beginning of Period	-	-
Cash, End of Period	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

SOLAR ENERGY INITIATIVES, INC.

Shareholder Equity

	Common Stock		Preferred Stock		Additional	Accumulated	Total
	Shares	Par Value	Shares	Par Value	Paid in Capital	Deficit	Stockholder's Equity
<b>Balance - July 31, 2020</b>	<u>1,499,996,657</u>	<u>\$ 1,499,997</u>	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>\$ 15,026,315</u>	<u>\$ 16,662,312</u>	<u>\$ (135,000)</u>
Net Profit (Loss)	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>-</u>	<u>-</u>
<b>Balance - July 31, 2021</b>	<u><u>1,499,996,657</u></u>	<u><u>\$ 1,499,997</u></u>	<u><u>1,000,000</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 15,026,315</u></u>	<u><u>\$ 16,662,312</u></u>	<u><u>\$ (135,000)</u></u>
Net Profit (Loss)	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>-</u>	<u>-</u>
<b>Balance - July 31, 2022</b>	<u><u>1,499,996,657</u></u>	<u><u>\$ 1,499,997</u></u>	<u><u>1,000,000</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 15,026,315</u></u>	<u><u>\$ 16,662,312</u></u>	<u><u>\$ (135,000)</u></u>

The accompanying notes are an integral part of these financial statements

**SOLAR ENERGY INITIATIVES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**Note 1 – Company Background**

*History of Company*

The public company, NP Capital, Inc. was accepted for quotation on the NASDAQ Over the Counter Bulletin on July 15, 2008, under the symbol “NPCX”. On August 21, 2008, the Company entered into a Website Purchase Agreement with Solar Energy, Inc. and on September 18, 2008, filed corporate amendments with the State of Delaware changing its name to Solar Energy Initiatives, Inc. and on September 24, 2008, changed its symbol to “SNRY”.

SOLAR ENERGY INITIATIVES, Inc. was formed as a Delaware corporation on June 20, 2006 for the purpose of operating acquired solar energy assets. Over the next several years, it formed or acquired several subsidiaries. By 2013, each of the subsidiaries was dormant and were all closed.

Recognizing the limitations of the solar market as of 2013, the Company pursued plans of entertaining and hospitality industries. This re-direction of company resources never reached fruition, and since 2014, the Company has been virtually dormant.

Effective June 24, 2021, the Company was sold to Krisa Management who is currently researching an operating company to either merge or purchase the Company and reactivate the operations of the company.

*Nature of Business*

SOLAR ENERGY INITIATIVES, Inc. was formed as a Delaware corporation on June 20, 2006 for the purpose of operating acquired solar energy assets. Over the next several years, it formed or acquired several subsidiaries. By 2013, each of the subsidiaries was dormant and were all closed.

Recognizing the limitations of the solar market as of 2013, the Company pursued plans of entertaining and hospitality industries. This re-direction of company resources never reached fruition, and since 2014, the Company has been virtually dormant.

Effective June 24, 2021, the Company was sold to Krisa Management who is currently researching an operating company to either merge or purchase the Company and reactivate the operations of the company.

**Note 2 – Summary of Significant Account Policies**

*Basis of Presentation*

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”). In preparing this report the numbers and balances reflected in this report were supplied by the Company, though the underlying data was not presented for review.

*Use of Estimates*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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. The most significant assumptions and estimates relate to the valuation of equity issued for services, valuation of equity associated with convertible debt, the valuation of derivative liabilities, and the valuation of deferred tax assets. Actual results could differ from these estimates.

#### *Fair Value Measurements and Fair Value of Financial Instruments*

The Company adopted ASC Topic 820, Fair Value Measurements. ASC Topic 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2: Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3: Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The estimated fair value of certain financial instruments, including all current liabilities are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments.

#### *Derivative Liability*

We evaluate convertible instruments, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for under ASC Topic 815, "Derivatives and Hedging." The result of this accounting treatment is that the fair value of the derivative is marked-to-market each balance sheet date and recorded as a liability. In the event the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income (expense). Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Equity instruments that are initially classified as equity that become subject to reclassification under ASC Topic 815 are reclassified to liabilities at the fair value of the instrument on the reclassification date.

#### *Deferred Taxes*

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes ("ASC 740-10") for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods.

Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse and are considered immaterial.

#### *Cash and Cash Equivalents*

For purposes of the Statements of Cash Flows, the Company considers highly liquid investments with an original maturity of three months or less to be cash equivalents.

### *Accounts Receivable and Allowance for Doubtful Accounts*

The Company monitors outstanding receivables based on factors surrounding the credit risk of specific customers, historical trends, and other information. The allowance for doubtful accounts is estimated based on an assessment of the Company's ability to collect on customer accounts receivable. There is judgment involved with estimating the allowance for doubtful accounts and if the financial condition of the Company's customers were to deteriorate, resulting in their inability to make the required payments, the Company may be required to record additional allowances or charges against revenues. The Company writes-off accounts receivable against the allowance when it determines a balance is uncollectible and no longer actively pursues its collection. As of July 31, 2018, and July 31, 2018 based upon the review of the outstanding accounts receivable, the Company has determined that an allowance for doubtful accounts is not material. The allowance for doubtful accounts is created by forming a credit balance which is deducted from the total receivables balance in the balance sheet.

### *Property and Equipment*

Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives of 3 to 5 years. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings.

### *Stock Based Compensation Expense*

We expect to account any share-based compensation pursuant to SFAS No. 123 (revised 2004) Share-Based Payment, or SFAS No. 123R. SFAS No. 123R requires measurement of all employee share-based payments awards using a fair-value method. When a grant date for fair value is determined we will use the Black-Scholes-Merton pricing model. The Black-Scholes-Merton valuation calculation requires us to make key assumptions such as future stock price volatility, expected terms, risk-free rates and dividend yield. The

weighted-average expected term for stock options granted was calculated using the simplified method in accordance with the provisions of Staff Accounting Bulletin No. 107, Share-Based Payment. The simplified method defines the expected term as the average of the contractual term and the vesting period of the stock option. We will estimate the volatility rates used as inputs to the model based on an analysis of the most similar public companies for which Solar Energy Initiatives, Inc. has data. We will use judgment in selecting these companies, as well as in evaluating the available historical volatility data for these companies.

SFAS No. 123R requires us to develop an estimate of the number of share-based awards which will be forfeited due to employee turnover. Annual changes in the estimated forfeiture rate may have a significant effect on share-based payments expense, as the effect of adjusting the rate for all expense amortization after January 1, 2006 is recognized in the period the forfeiture estimate is changed. If the actual forfeiture rate is higher than the estimated forfeiture rate, then an adjustment is made to increase the estimated forfeiture rate, which will result in a decrease to the expense recognized in the financial statements. If the actual forfeiture rate is lower than the estimated forfeiture rate, then an adjustment is made to decrease the estimated forfeiture rate, which will result in an increase to the expense recognized in the financial statements. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. We have never paid cash dividends, and do not currently intend to pay cash dividends, and thus have assumed a 0% dividend yield.

Solar Energy Initiatives, Inc. will continue to use judgment in evaluating the expected term, volatility and forfeiture rate related to its stock-based awards on a prospective basis, and in incorporating these factors into the model. If our actual experience differs significantly from the assumptions used to compute its stock-based compensation cost, or if different assumptions had been used, we may record too much or too little share-based compensation cost.

### *Revenue Recognition*

Revenue includes product sales. The Company recognizes revenue from product sales in accordance with Topic 605 "Revenue Recognition in Financial Statements" which considers revenue realized or realizable and earned when all of the following criteria are met:

- (i) persuasive evidence of an arrangement exists,
- (ii) the services have been rendered and all required milestones achieved,
- (iii) the sales price is fixed or determinable, and
- (iv) Collectability is reasonably assured.

### *Convertible Debentures*

If the conversion features of conventional convertible debt provide for a rate of conversion that is below market value at issuance, this feature is characterized as a beneficial conversion feature ("BCF"). A BCF is recorded by the Company as a debt discount pursuant to ASC Topic 470-20 "Debt with Conversion and Other Options." In those circumstances, the convertible debt is recorded net of the discount related to the BCF, and the Company amortizes the discount to interest expense, over the life of the debt.

### *Fair Value of Financial Instruments*

Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10") requires disclosure of the fair value of certain financial instruments. The carrying value of cash and cash equivalents, accounts payable and accrued liabilities as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments. All other significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

The Company follows Accounting Standards Codification subtopic 820-10, Fair Value Measurements and Disclosures ("ASC 820-10") and Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10"), which permits entities to choose to measure many financial instruments and certain other items at fair value.

### *Beneficial Conversion Feature*

For conventional convertible debt where the rate of conversion is below market value, the Company records a "beneficial conversion feature" ("BCF") and related debt discount.

When the Company records a BCF, the relative fair value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument (offset to additional paid in capital) and amortized to interest expense over the life of the debt.

### Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss, capital loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to unrecognized tax benefits as a component of general and administrative expenses. Our consolidated federal tax return and any state tax returns are not currently under examination.

The Company has adopted FASB ASC 740-10, Accounting for Income Taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually from differences between the financial statement and tax basis 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.



### **Recent Accounting Pronouncements**

ASU 2014-10, "Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements". ASU 2014-10 eliminates the distinction of a development stage entity and certain related disclosure requirements, including the elimination of inception-to-date information on the statements of operations, cash flows and stockholders' equity. The amendments in ASU 2014-10 will be effective prospectively for annual reporting periods beginning after December 15, 2014, and interim periods within those annual periods, however early adoption is permitted. The Company evaluated and adopted ASU 2014-10 during the year ended July 31, 2015.

In August 2014, the FASB issued ASU No. 2014-15, "Presentation of Financial Statements—Going Concern." The provisions of ASU No. 2014-15 require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). The amendments in this ASU are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The Company is currently assessing the impact of this ASU on the Company's consolidated financial statements.

Other accounting standards are not expected to have a material impact on the Company's consolidated financial position or results of operations.

### **Note 3 – Related Party Transaction**

There have been no related party transactions during the periods covered by these financial statements.

### **Note 4 – Commitments & contingencies**

The Company has no commitments or contingences other than the \$135,000 promissory note to 5 Star Consulting LLC. Originally written in 2014 in favor of former CEO Michael Gelmon bearing interest at 8% per annum and allowed conversion to common stock, no interest was paid, nor was the note converted. On June 24, 2021, 5 Star Consulting LLC purchased the note from Michael Gelmon.

### **Note 5 – Going Concern**

The Company's financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. Continued losses may adversely affect the liquidity of the Company in the future. In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to raise additional capital, obtain financing and to succeed in its future operations. The 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 be necessary should the Company be unable to continue as a going concern. Management has taken the following steps to revise its operating and financial requirements, which it believes are sufficient to provide the Company with the ability to continue as a going concern.

## **Note 6 – Subsequent Events**

In accordance with FASB ASC Topic 855, Subsequent Events, the Company evaluates events and transactions that occur after the balance sheet date for potential recognition in the financial statements. The effects of all subsequent events that provide additional evidence of conditions that existed at the balance sheet date are recognized in the financial statements as of July 31, 2020. In preparing these financial statements, the Company evaluated the events and transactions that occurred through the date these financial statements were issued.

### **.1 SIGNATURE**

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

**Solar Energy Initiatives, Inc.**

October 31, 2022

/s/ Carey W. Cooley

Carey W. Cooley, CEO/CFO