

**Quarterly Report for the Nine Month Period Ended December 31, 2015**

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

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

McKenzie Bay International Ltd.  
Name change to CGE Energy Inc. effective September 14, 2015

**2) Address of the issuer's principal executive offices**

Company Headquarters  
Address 1: 7627 Park Place  
Address 2: Brighton, MI 48116  
Address 3: \_\_\_\_\_  
Phone: 248-446-1344  
Email: reception@cgeenergy.com  
Website(s): www.cgeenergy.com

IR Contact  
Address 1: 7627 Park Place  
Address 2: Brighton, MI 48116  
Address 3: \_\_\_\_\_  
Phone: 248-446-1344  
Email: reception@cgeenergy.com  
Website(s): www.cgeenergy.com

**3) Security Information**

Trading Symbol: CGEI  
Exact title and class of securities outstanding: Common Stock  
CUSIP: 125286104  
Par or Stated Value: .00001  
Total shares authorized: 92,000,000 as of: 12-31-15  
Total shares outstanding: 62,792,404 as of: 12-31-15

Additional class of securities (if necessary):  
Trading Symbol: \_\_\_\_\_  
Exact title and class of securities outstanding: \_\_\_\_\_  
CUSIP: \_\_\_\_\_  
Par or Stated Value: \_\_\_\_\_  
Total shares authorized: \_\_\_\_\_ as of: \_\_\_\_\_  
Total shares outstanding: \_\_\_\_\_ as of: \_\_\_\_\_

Transfer Agent  
Name: Signature Stock Transfer  
Address 1: 2632 Coachlight Court  
Address 2: Plano, TX 75093  
Address 3: \_\_\_\_\_  
Phone: 972-612-4120

Is the Transfer Agent registered under the Exchange Act?\* Yes:  No:

\*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

144 legend for restricted shareholders only

Describe any trading suspension orders issued by the SEC in the past 12 months.

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:

Issuer acquired a private company, Clean Green Energy LLC, a Delaware limited liability company effective at the close of business on January 31, 2015. The acquisition required a reverse stock split of one for twenty-five of the Issuer's existing Common Shares outstanding; a change in authorized shares of Common Stock from 300,000,000 to 92,000,000; the authorization of 100,000,000 shares of Preferred Stock; the issuance of 50,000,000 shares of Common Stock to the owners of the outstanding and issued Membership Units of Clean Green Energy LLC; and, the assumption of all outstanding Clean Green Energy Membership Unit earn-in agreements. On September 14, 2015 FINRA approved the merger and changing the name of the Company to CGE Energy, Inc. and changing its trading symbol to CGEI.

#### **4) Issuance History**

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

**As of September 30, 2014, a total of 300,000,000 shares of Common Stock were issued and outstanding.**

On January 31, 2015, the Company's Merger Subsidiary has acquired a private Delaware limited liability company, Clean Green Energy LLC, by way of a reverse merger, in exchange for fifty million (50,000,000) shares of the Company's Common Stock conditional on the Company reversing its presently issued and outstanding shares of Common Stock one for twenty-five and reducing authorized shares of Common Stock to ninety-two million (92,000,000) shares of Common Stock from three hundred million (300,000,000) shares of Common Stock.

**As of March 31, 2015, a total of 62,000,000 shares of Common Stock were issued and outstanding.**

In April, 2015, Common Stock Options for 100,000 shares of Common Stock were exercised by the holder at \$0.60 per share of Common Stock for a total investment of \$60,000,000.

In June, 2015, Common Stock Options for 100,000 shares of Common Stock were exercised by the holder at \$0.60 per share of Common Stock for a total investment of \$60,000,000.

**As of June 30, 2015, a total of 62,200,000 shares of Common Stock were issued and outstanding.**

In July, 2015, Common Stock Options for 41,650 Common Shares were exercised by the holder at \$0.60 per share of Common Stock for a total investment of \$24,990.

In September, 2015 FINRA approved the merger resulting in the issuance of 121 Common Shares for fractional conversions.

**As of September 30, 2015, a total of 62,241,771 shares of Common Stock were issued and outstanding.**

In October, 2015, a total of 578,750 Common Shares were issued to six vendors for services rendered.

In December, 2015 a total of 375,633 Common Shares were issued to a vendor for services rendered.

**As of December 31, 2015, a total of 63,196,154 shares of Common Stock were issued and outstanding.**

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

N/A

B. Any jurisdictions where the offering was registered or qualified;

N/A

C. The number of shares offered;

N/A

D. The number of shares sold;

N/A

E. The price at which the shares were offered, and the amount actually paid to the issuer;

N/A

F. The trading status of the shares; and

N/A

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

N/A

## 5) Financial Statements

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

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otcq.com in the field below.

Quarterly Report for the Period Ended December 31, 2015

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

**6) Describe the Issuer's Business, Products and Services**

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations;

CGE Energy, Inc., and its wholly-owned subsidiary Clean Green Energy, Inc. operates as an energy services and renewable energy technology company. Services include the sale and installation of energy technologies, long-term maintenance contracts, and long-term renewable energy generation and energy efficiency contracts. These services are performed at our customer's commercial, municipal, nonprofit and international facilities. CGE Energy brings the right combination of the appropriate technologies to meet the customer's energy needs, including industry-leading energy technologies from strategic partners Cree® LED Lighting, SolarWorld® solar PV, as well as our own patented WIND•e20® wind turbine.

B. Date and State (or Jurisdiction) of Incorporation:

August 14, 1998 - Delaware

C. the issuer's primary and secondary SIC Codes;

Primary 4911 Electric Services      Secondary 561790

D. the issuer's fiscal year end date;

March 31

E. principal products or services, and markets;

Cree® LED Lighting,  
SolarWorld® solar PV,  
The Company's own patented WIND•e20® wind turbine  
CGE Sustain  
CGE Protect  
CGE Renew  
Markets – Commercial facilities domestically in USA and International markets

**7) Describe the Issuer's Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

**ASSETS - PATENTS**

CGE Energy, Inc. via its wholly owned subsidiary, Clean Green Energy, Inc. applied for three patents in connection with their WIND•e20® technology with the US Patent and Trademark office. Two patents have been granted and the third is

patent-pending. CGE Energy Inc., including its wholly owned subsidiary, Clean Green Energy, also owns patent rights for other related technologies as further described below.

WIND•e20® vertical axis wind turbine technology: Clean Green Energy holds multiple patent rights for the WIND•e20® vertical axis wind turbine technology.

US8985948 - Fluid driven vertical axis turbine

US8823199 - Fluid driven turbine

US20130136612 - Fluid Driven Turbine & Turbine Using Same. Patent-pending.

WindStor® vertical axis wind turbine technology: CGE Energy, Inc. holds a joint patent with Analytical Design Service Corporation for the WindStor® vertical axis wind turbine technology.

Danotek generator technology: CGE Energy, Inc. holds a joint patent with Danotek Motion Technologies, Inc. for the proprietary generator and cooling mechanism utilized in the WindStor® vertical axis wind turbine design.

Dermond vertical axis wind turbine technology: CGE Energy, Inc. holds patent rights for the Dermond vertical axis wind turbine technology.

### **ASSETS - TRADEMARKS**

Clean Green Energy has filed for and received Trademarks from the US Patent and Trademark office for its WIND•e20® wind turbine, R.A.M.P® lighting maintenance program, and its Project EverGREEN Schools® initiative. Trademarks have been applied for EverGREEN Energy System and NET ZER·O REC.

Project EverGreen Schools®

US Serial Number 85492829

WIND-e20®

US Serial Number 85485827

R.A.M.P. ®

US Serial Number 85924054

### **FACILITY LEASE**

The Company and its wholly owned subsidiary Clean Green Energy, Inc. lease an office for its operations at 7627 Park Place, Suite 301, Brighton, MI at the rate of \$5,300 per month.

## **8) Officers, Directors, and Control Persons**

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Bryan Zaplitny, Director & Officer, 32,904,005 Common Shares 52.07%

Gary Zaplitny, control person, 4,620,000 Common Shares 7.31%

Gary Westerholm, Director & Officer, 3,271,706 Common Shares 5.18%

Craig Hancock, Director, 1,637,436 Common Shares 2.59%

Mark Cecil, Director, 79,936 Common Shares 0.13%

Michael Pollakowski, Director, 1,415,262 Common Shares 2.24%

Kevin Cook, Director, 1,418,055 Common Shares 2.24%

William Naubert, Director, 152,293 Common Shares 0.24%

Paul Schneider, Director & Officer, 375,000 Common Shares 0.59%

Derek Spangler, Director, 13,974 Common Shares 0.02%

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five 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

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Bryan Zaplitny, 11136 Cloverlawn, Brighton, MI 48114 - 32,904,005 Common Shares, 52.07%

## 9) **Third Party Providers**

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

### Other Counsel

Name: Richard Jones  
Firm: Jones & Haley, PC  
Address 1: 115 Perimeter Center Place  
Address 2: Atlanta, GA 30346-1238  
Phone: 770-804-0500  
Email: [jones@corplaw.net](mailto:jones@corplaw.net)

### Go To Counsel

Name: Gregory DeMars & Jason Abel  
Firm: Honigman, Miller, Schwartz and Cohn LLP  
Address 1: 2290 First National Building  
Address 2: 660 Woodward Avenue, Detroit, MI 48226-3506  
Phone: 313-465-7356  
Email: [gdemars@honigman.com](mailto:gdemars@honigman.com)

Accountant or Auditor

Name: Harold Telners  
Firm: Harold Telners, CPA, PC  
Address 1: 25201 Michigan Avenue  
Address 2: Dearborn, MI 48124  
Phone: 313-271-9360  
Email: [harold@telnerscpa.com](mailto:harold@telnerscpa.com)

Investor Relations Consultant

Name: None  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: None  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**10) Issuer Certification**

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Bryan Zaplitny certify that:

1. I have reviewed this quarterly disclosure statement CGE Energy, 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.

February 15, 2016

/s/Bryan Zaplitny

President / CEO

**CGE ENERGY, INC.**

CGE ENERGY, INC. AND  
CLEAN GREEN ENERGY INC.

**COMBINED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED  
DECEMBER 31, 2015**

Prepared by:  
**Harold Telners, C.P.A. PC.**  
Certified Public Accountant  
25201 Michigan Avenue  
Dearborn, Michigan 48124  
(313) 271-9360



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**Harold Telnors, C.P.A. PC.  
Certified Public Accountant  
25201 Michigan Avenue  
Dearborn, Michigan 48124  
(313) 271-9360**

To the Management  
CGE Energy, Inc. and Subsidiary

We have reviewed the accompanying consolidated balance sheet of CGE Energy, Inc. (a corporation) and its subsidiary as of December 31, 2015, and the related consolidated statements of income and shareholders' equity and cash flows for the nine months then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountant. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the consolidated financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Harold Telnors, C.P.A., PC

February 12, 2016

**CGE Energy, Inc. and Its Subsidiary**  
**Consolidated Balance Sheet**  
**As of December 31, 2015**

ASSETS

Current Assets:	
Cash in Bank	\$ 759
Accounts Receivable	3,940,328
Inventory-Stock	119,786
	4,060,873
Total Current Assets	
Property and Equipment:	
Computer Equipment & Software	188,708
Furniture & Fixtures	34,386
Leasehold Improvements	52,376
Equipment	2,698,012
Vehicles	3,899
	2,977,381
Less Accumulated Depreciation	(2,031,459)
	945,922
Total Fixed Assets	
Other Assets	
Prepaid Expenses	76,348
Investments (Note B)	58,144,296
Research & Development (Note F)	1,366,540
Patents and Trademarks (Note I)	83,290
Long-Term Receivables (Note G)	6,905,819
Organization Costs, Net	141,614
	66,717,907
Total Other Assets	
Total Assets	
	\$ 71,724,702

LIABILITIES AND CAPITAL

Current Liabilities:	
Accounts Payable	\$ 3,383,133
Total Current Liabilities	
	3,383,133
Long Term Liabilities:	
Note Payable – Bryan Zaplitny (Note D)	2,888,397
Note Payable – Anderson (Note D)	50,000
Note Payable – Hiestand (Note D)	50,000
Deferred Revenue (Note G)	6,905,819
	9,894,216
Total Long Term Liabilities	
Capital	
Common Stock - \$0.00001 par value 92,000,000 shares authorized	
Common Stock - \$0.00001 par value 63,196,154 shares Issued	632
Paid-In-Capital	81,881,255
Accumulated Deficit	(23,434,534)
	58,447,353
Total Capital	
Total Liabilities and Capital	
	\$ 71,724,702

**CGE Energy, Inc. and Its Subsidiary**  
**Consolidated Statement of Shareholder's Equity**  
**For the Nine Months Ended December 31, 2015**

	<u>Common Stock</u>	<u>Additional Paid in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>SHAREHOLDERS' EQUITY</b>				
<b>April 1, 2015</b>	\$ 1,550,000	\$ 80,004,040	\$ (23,886,305)	\$ 57,667,735
Increase/(Decrease)	(1,549,368)	1,874,973		325,605
Net Income/(Loss) 2015	.		454,013	454,013
<b>SHAREHOLDERS' EQUITY</b>				
<b>December 31, 2015</b>	<u>\$ 632</u>	<u>\$ 81,879,013</u>	<u>\$ (23,432,292)</u>	<u>\$ 58,447,353</u>

**CGE Energy, Inc. and Its Subsidiary**  
**Consolidated Statement of Revenue and Expenses**  
**For the Nine Months Ended December 31, 2015**

Sales	<u>\$ 3,354,615</u>
Cost of Goods Sold	
Purchases	2,063,236
Auto Expenses	8,450
Commissions	73,260
Contract Labor	262,020
Engineering Consulting	61,540
Equipment Rental	7,635
Equipment Repairs and Maintenance	17,116
Insurance	9,468
Other Job Expenses	27,280
Rent (Note E)	48,836
Sales & Use Tax Expense	8,461
Travel, Lodging, Meals	5,484
Utilities	<u>1,306</u>
Total Cost of Goods Sold	<u>2,594,092</u>
Gross Profit	760,523
Total Operating Expenses (Schedule)	<u>302,599</u>
Net Income from Operations; before Interaset Income/(Expense)	<u>457,924</u>
Other Income/(Expense)	
Interest Expense	<u>(3,911)</u>
Net Income	<u><u>\$ 454,013</u></u>

**CGE Energy, Inc. and Its Subsidiary**  
**Consolidated Statement of Cash Flows**  
**For the Nine Months Ended December 31, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income	\$	454,013.00
Adjustments to reconcile net income to net cash provided by Operating Activities		
Depreciation & Amortization		137,928
(Increase)/decrease in:		
Accounts Receivable		(1,620,075)
Prepaid Expenses		(48,429)
Inventory-Stock		185,719
		1,125,794
Increase/(decrease) in:		
Accounts Payable		1,125,794
		1,125,794
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		234,950
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment		(92,289)
		(92,289)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		(92,289)
CASH FLOWS FROM FINANCING ACTIVITIES		
Research & Development, Patents & Organizational Costs		(64,145)
Deferred Revenue		(674,164)
Loans and Notes Payable		(84,639)
Additional Paid-in Capital		325,605
		(497,343)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES		(497,343)
NET INCREASE (DECREASE) IN CASH		(354,682)
CASH AT APRIL 1, 2015		355,441
		355,441
CASH AT DECEMBER 31, 2015	\$	759.00

**CGE Energy, Inc. and its Subsidiary**  
**Notes to Consolidated Financial Statements**  
**For the Nine Month Period Ended December 31, 2015**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Business Activity

CGE Energy, Inc., and its wholly-owned subsidiary Clean Green Energy, Inc., (doing business as and hereinafter “CGE Energy”) is a developer of long-term energy projects which solve the unique energy challenges of their commercial, municipal, nonprofit and international customers.

Basis of Accounting and Consolidation

The accompanying consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (“US GAAP”). These financial statements include the activities of the Company and its wholly-owned subsidiary, Clean Green Energy, Inc. All inter-subsidiary and inter-company balances and transactions have been eliminated in consolidations.

Basis of presentation

The financial statements of the Company have been prepared on the basis of the Company continuing as a going concern, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. The Company's continued existence is dependent upon its ability to raise additional capital and generate profits. However, management believes that it will be successful at raising additional capital in the short-term and will have profitable operations in the long-term. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash and accounts receivable. The Company places its cash with high credit qualified financial institutions. At times, such cash in banks may be in excess of the FDIC insurance limit. With respect to accounts receivable, the Company attempts to minimize credit risk by reviewing all customers' credit history before extending credit and monitoring customers' credit exposure on a continuing basis

Inventory

Inventory is presented at lower of cost or market using the FIFO (first in first out) method.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the declining balance method over their estimated useful lives under the MACRS convention.

The Company states its property and equipment at historical costs and is depreciated at various approved methods over a three to thirty-nine year life for both financial and reporting purposes.

Impairment of Long-Lived Assets

The Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is determined by comparing the carrying value of the asset to its estimated future undiscounted cash flows, and impairment is recognized when such estimated cash flows are less than the carrying value of the asset. Measurement of the amount of impairment, if any, is based upon the difference between carrying value and estimated fair value.

Corporate Organization and Income Taxes

CGE Energy, Inc. is a Delaware corporation that files tax returns as a corporation. The Company will file a consolidated tax return as a corporation including its wholly owned subsidiary, Clean Green Energy Inc.

**CGE Energy, Inc. and its Subsidiary**  
**Notes to Consolidated Financial Statements (continued)**  
**For the Nine Month Period Ended December 31, 2015**

The Company accounts for income under the asset and liability method. Under this 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. 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 realized 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. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Net gain (loss) per share

Basic earnings (loss) per share are computed by dividing net income (loss) (the numerator) by the weighted-average number of outstanding common shares (the denominator) for the period. The computation of diluted earnings (loss) per share includes the same numerator, but the denominator is increased to include the number of additional common shares that would have been outstanding if potentially dilutive common shares had been issued (such as the common share equivalents for stock options and warrants).

**NOTE B – INVESTMENT IN CLEAN GREEN ENERGY, INC, WHOLLY OWNED SUBSIDIARY**

The Company owns 100% of the authorized Common Stock of its wholly owned subsidiary, Clean Green Energy, Inc.

**NOTE C – NOTES RECEIVABLE**

There are no outstanding Notes Receivables as of December 31, 2015. Consequently, no interest was collected during the period.

**NOTE D – NOTES PAYABLE**

The other notes payable accrue interest at the rate of 12% per year. Each note is renewable annually at the discretion of the lender. The total interest paid as of December 30, 2015 was \$-0-.

**NOTE E – LEASE OBLIGATIONS**

Its subsidiary, Clean Green Energy Inc. has a month-to-month lease on its current office and operations facility of \$5,300 per month.

The Company's subsidiary, Clean Green Energy Inc. also entered into a 20 year lease with Young Men's Christian Association of Greater Toledo, an Ohio non-profit corporation, d/b/a YMCA Storer Camps. The monthly rent is \$1,250 beginning in January, 2015.

**NOTE F – RESEARCH & DEVELOPMENT**

Research and development costs are capitalized and amortized over fifteen years. During this nine month period the Company incurred \$64,146 of Research and Development costs.

**NOTE G – DEFERRED REVENUE AND LONG-TERM CONTRACTS RECEIVABLE**

CGE Energy Inc. enters into long-term contracts of five to twenty-five years for maintenance services (CGE Protect) and CGE Sustain Program that includes renewable energy generation. Unbilled Revenues for the remaining term of all long-term contracts outstanding as of the date of these financial statements are reported as an Other Liability as "Deferred Revenue" and as an Other Asset as "Long-Term Contracts Receivable".

Long-term contract Revenue is recognized as Sales throughout the term of the contract when the customer is billed on a monthly basis per their contract for services and/or energy generation.

As of December 31, 2015, CGE Sustain Program and CGE Protect contracts to be invoiced after December 31, 2015 total \$6,905,719. Of this total, \$45,448 will be invoiced as Sales in fiscal year ending March 31, 2016, \$537,164 will be invoiced as Sales in fiscal year ending March 31, 2017, \$586,378 will be invoiced as Sales in fiscal year ended March 31, 2018, and, the remainder, \$5,736,729 will be invoiced as Sales in fiscal years ending after March 31, 2018.



**CGE Energy, Inc. and its Subsidiary**  
**Notes to Consolidated Financial Statements (continued)**  
**For the Nine Month Period Ended December 31, 2015**

**NOTE H – SUBSEQUENT EVENTS**

None

**NOTE I - PATENTS, TRADEMARKS, AND INTELLECTUAL PROPERTY**

PATENTS

The Company via its wholly owned subsidiary, Clean Green Energy, Inc. applied for three patents in connection with their WIND•e20® technology with the US Patent and Trademark office. Two patents have been granted and the third is patent-pending. The Company, including its wholly owned subsidiary, Clean Green Energy, also owns patent rights for other related technologies as further described below.

WIND•e20® vertical axis wind turbine technology: Clean Green Energy holds multiple patent rights for the WIND•e20® vertical axis wind turbine technology.

US8985948 - Fluid driven vertical axis turbine

US8823199 - Fluid driven turbine

US20130136612 - Fluid Driven Turbine & Turbine Using Same. Patent-pending.

WindStor® vertical axis wind turbine technology: The Company holds a joint patent with Analytical Design Service Corporation for the WindStor® vertical axis wind turbine technology.

Danotek generator technology: the Company holds a joint patent with Danotek Motion Technologies, Inc. for the proprietary generator and cooling mechanism utilized in the WindStor® vertical axis wind turbine design.

Dermond vertical axis wind turbine technology: The Company holds patent rights for the Dermond vertical axis wind turbine technology.

INTELLECTUAL PROPERTY

McKenzie Bay Process: The Company owns a proprietary method to process vanadium bearing ore into high purity vanadium products, in particular vanadium electrolyte for vanadium redox batteries.

TRADEMARKS

Clean Green Energy has filed for and received Trademarks from the US Patent and Trademark office for its WIND•e20® wind turbine, R.A.M.P® lighting maintenance program, and Project EverGREEN Schools® initiative. Trademarks have been applied for EverGREEN Energy System and NET ZER·O REC.

Project EverGreen Schools®            US Serial Number 85492829

WIND-e20®                                    US Serial Number 85485827

R.A.M.P. ®                                    US Serial Number 85924054

**SUPPLEMENTARY  
INFORMATION**

**CGE Energy, Inc. and Its Subsidiary**  
**Consolidated Schedule of Operating Expenses**  
**For the Nine Months Ended December 31, 2015**

Operating Expenses:	
Accounting	\$ 54,332
Advertising	5,604
Amortization Expense	16,016
Automobile Expense	4,257
Bank Charges	1,586
Contribution	300
Depreciation Expense	121,912
Dues and Subscriptions	16,028
Entertainment and Meals	1,581
Insurance	10,064
Legal & Professional Fees	14,531
Licenses and Fees	3,204
Other Expense	10,039
Office Supplies and Expenses	27,899
Postage and Printing	1,663
Taxes	1,064
Telephone	10,408
Travel	2,111
	<hr/>
Total Operating Expense	<u><u>\$ 302,599</u></u>