Quarterly Report

(For the Period Ended June 30, 2012)

ENERGY CONSERVATION TECHNOLOGIES, INC.
NOW KNOWN AS "ABCO ENERGY, INC."

1000 E. Fort Lowell Road,
Tucson, AZ 85719
(520) 777-0511
www.abcosolar.com

Federal I.D. No.	**CUSIP No.**
20-1914514	**29267V108**

ISSUER'S EQUITY SECURITIES

Capital Stock
500,000,000 Shares Authorized
Par Value $ .001
19,833,680 Common Shares Issued and Outstanding as of June 30, 2012

ENERGY CONSERVATION TECHNOLOGIES, INC.
NOW KNOWN AS "ABCO ENERGY, INC."
Quarterly Report
(For the period ended June 30, 2012

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

Forward-Looking Statements

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

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

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

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

The Company's corporate offices are located at:

1000 E. Fort Lowell Road
Tucson, AZ 85719
Phone: (520) 777-0521
Fax: (520) 620-5574

Item 2 Shares Outstanding

As of June 30, 2012, the share structure for the Issuer was as follows:

Common Stock Authorized	500,000,000
Common Stock Issued	19,833,680
Par Value:	$.001
Float:	5,811,980
Number of Shareholders of Record	166

Item 3 Interim Financial Statements

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

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

RESULTS OF OPERATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2011 AND 2010 AND THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes. This discussion and analysis contains certain statements that are not historical facts, including, among others, those relating to our anticipated financial performance for fiscal 2012, cash requirements, and our expected operating office openings. Only statements which are not historical facts are forward-looking and speak only as of the date on which they are made. There are risks and uncertainties including those discussed in this offering under "Risk Factors." Information included in this discussion and analysis includes commentary on company-owned offices and sales volumes. Management believes such sales information is an important measure of our performance, and is useful in assessing consumer acceptance of the ABCO Energy Business Model and the overall health of the Company. All of our financial information is reported in accordance with U. S. Generally Accepted Accounting Principles (GAAP). Such financial information should not be considered in isolation or as a substitute for other measures of performance prepared in accordance with GAAP.

Overview

As of June 30, 2012, we operated in three locations in Arizona. We believe that we will grow the ABCO Energy office expansion to 10 locations in North America in the next year if this offering is fully filled and we hope to reach our goals of expansion to other target cities within the next few years.
We believe that the solar and energy efficiency business functions better if the employees are local individuals working and selling in their own community. Our customers have indicated a preference for dealing with local firms. Our growth and success depend on several factors and trends. First, we will continue our focus on trends in company-owned solar systems which are leased out to third parties. We also review the overall trend in sales as an indicator of our ability to increase the sales volume and, therefore, cash flow per location. Once a local firm is established, growth tends to come from experience

quality and name recognition. This will result in larger jobs, statewide expansion and growth in revenue. We remain committed to high quality operations.

Our operating results for the six months ended June 30, 2012 and June 30, 2011 and the years ended December 31, 2011 and 2010 are presented below with major category details of revenue and expense including the components of operating expenses.

FISCAL YEAR ENDED DECEMBER 31, 2011 COMPARED TO FISCAL YEAR ENDED DECEMBER 31, 2010

Sales increased by $604,318, or 127% over 2010, to $1,080,635 in 2011 from $476,317 in 2010. The Solar sales revenue increase was $563,001 because of increases in contracting sales, our first commercial contracting and our opening of our Phoenix office in October, 2011. Leasing fees and interest income represented about 8% of our 2011 sales because our subsidiary AEFC was only operational during the last quarter of the year. AEFC had no revenue in 2010. Interest income is the result of long term lease contracts and amounted to $1,035 for the year ended December 31, 2011.

Cost of sales increased by $447,694, or 130%, to $791,820 in 2011 from $344,126 in 2010 due primarily to more contracts being completed in 2011. Gross margin as a percentage of total sales decreased to 27% in 2011 from 28% in 2010, primarily due to lower product prices partially offset by a sales mix shift to the lower profit and competition of residential leases.

Administrative payroll expenses increased by $37,121, or 48%, to $113,661 in 2011 from $76,540 in 2010. Our administrative payroll expense as a percentage of total sales increased by 1% to 2.65% in 2011. This same expense was 1.66% of sales in 2010. Cost of administrative payroll expense as a percentage of total sales was primarily due to additional personnel being needed to service higher volume sales in 2011.

General and administrative expenses increased by $137,912, or 51%, to $405,967 in 2011 from $268,055 in 2010 due primarily to more contracts and sales in 2011. Operating expenses as a percentage of sales decreased to 38% in 2011 from 56% in 2010. The decrease in operating expenses as a percentage of sales was primarily due to higher volume of sales for fixed operating costs.

Interest expense increased from $34,064 in 2010 to $65,756 in 2011 primarily because of the increase in preferred shares sold and the time the shares were outstanding. Our offering included an 8% interest (this was called a dividend on the offering documents but is now classified as interest because we have not yet earned a profit) that was classified as interest expense on these financial statements. This offering was curtailed in 2011 and all interest was accrued and paid through June 30, 2011. The Company does not expect any more of this expense in the future since all preferred share holdings have been converted to non-dividend bearing common stock.

SIX MONTHS ENDED JUNE 30, 2012 COMPARED TO SIX MONTHS ENDED JUNE 30, 2011.

Sales consist of photovoltaic products and installation during both periods and interest income was $264 for the six months ended June 30, 2012 and none for the six months June 30 2011. Sales for the six months ended June 30, 2012 increased by $710,053, or 198%, to $1,070,029 in 2012 from $359,976 for

the same six months in 2011. The Solar sales revenue in 2012 included the revenue of larger commercial jobs with sales that were started in the first quarter of 2012.
Cost of sales increased by $586,827, or 236%, to $835,896 in 2012 from $249,069 in 2011 due primarily to more contracts being completed in 2012. Gross margin as a percentage of total sales was 28% in 2012 and 28% in 2011. Commercial construction represented 39% of the six months sales for 2012 as compared to 0% in 2011.

Total operating expenses increased by $62,096, or 33%, to $247,503 in 2012 from $185,407 in 2011 due primarily to more contracts and sales in 2012. Operating expenses as a percentage of sales decreased to 23% in 2012 from 52% in 2011. The decrease in operating expenses as a percentage of sales was primarily due to higher volume of sales for fixed operating costs. Administrative payroll expenses increased by $39,846, or 72%, to $94,772 in 2012 from $54,936 in 2011. Cost of administrative payroll expense increased primarily due to additional personnel being needed to service higher volume sales in 2012. Interest expense decreased from $304 in 2011 to $960 in 2012.

Dividends on convertible preferred stock are classified as an expense on these financial statements for net income available to common shareholders. This offering was curtailed in 2011 and all dividends were accrued and paid through June 30, 2011. The Company does not expect any more of this expense in the future since all preferred share holdings have been converted to non-dividend bearing common stock.

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity and capital requirements have been for carrying cost of accounts receivable after completion of contracts. The industry habitually requires the solar contractor to wait for the utility rebate and in order to be paid for the contracts. This process can easily exceed 90 days and requires the contractor to pay all or most of the cost of the project without assistance from suppliers. Our working capital at June 30, 2012 was $615,108 and it was $129,896 June 30 2011. This increase of $485,212 was primarily supplied by our equity offerings and the profits for the six months ended June 30, 2012, since bank financing has not been available to the Company. Our supplier lines of credit have increased by 230% in this period due to our working capital and credit experience.

During the six months ended June 30, 2012 and 2011 our net cash provided by operating activities was $170,837and $(125,745) respectively. Net cash provided by operating activities in the period ended June 30, 2011 consisted primarily of net loss from operations adjusted for non-cash expenses and an increase in accounts payable and accrued expenses. The increase in accounts payable was primarily due to an increase in the number of contracts that were not yet paid to leasing suppliers for equipment. The suppliers had not yet paid to ABCO for installations. The major supplier programs were changed in January of 2012 and this decreased the use of our working capital for materials. Also, substantial funds were due from utilities and the US Treasury Department at December 31, 2011. By the end of the period ended June 30, 2012 all of the utility and treasury receivables had been collected.

Net cash used in investing activities for the six months ended June 30, 2012 and 2011 was $22,956 and $11,333 respectively due to acquisitions of equipment and deposits on inventory. Net cash provided by financing activities for the six months ended June 30, 2012 and 2011 was $83,909 and $14,250 respectively. Net cash provided by financing activities for 2012 resulted primarily from the issuance of common stock and the activities for 2011 resulted for the sale of preferred shares.

ABCO Energy has very little contracted lease obligations or long term debt. At June 30, 2012 the company owed Officers and Directors $15,000 and $25,000 respectively on demand notes. The 2011 note was reduced in the first quarter of 2012.
We are paying the expenses of the offering because we intend to become a reporting company with the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "1934 Act") by the filing of a Form 10 or a Form S-1 Registration Statement, and enable our common stock to be traded on the OTC Bulletin Board.

ABCO ENERGY, INC.
STATEMENTS OF CASH FLOWS

Since our inception on August 8, 2008 through June 30, 2012 we have incurred net operating losses of ($267,228) including our profitable six months ended June 30, 2012. Our cash and cash equivalent balances were $400,925 for the period ended June 30, 2012. At June 30, 2012 we had total liabilities of $79,309 as opposed to $267,151 at December 31, 2011. This indicates a payment of our liabilities in the amount of $187,842 in this six months period.

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

Based on our current operating plan, we have sufficient working capital to sustain operations for the short term if we do not expand our business. In addition, we have sufficient cash and working capital to execute our operations and will not need to obtain additional financing to expand our business for the next twelve months. We will not however, be able to reach our goals and projections for multistate expansion without cash infusion. We expect that our revenue will increase at a steady pace and that this volume of business will result in profitable operations in the future. Management will not expand the business until adequate working capital is provided by this offering or other means, such as bank or private borrowing.

We anticipate we will raise enough capital necessary to fund our business expansion through a subsequent offering of equity securities. Additional financing, whether through public or private equity or debt financing, arrangements with security holder or other sources to fund operations, may not be available, or if available, may be on terms unacceptable to us.

We have been able to raise sufficient capital through the sale of our common shares and we have paid off nearly all of our debt other than creditors due in the normal course of business. Since March 31, 2010 we have continued to raise funds through the sale of common or preferred shares and feel that our capital requirements will be completed with this Regulation A offering. We will use these funds for fees and expenses related to this offering and to sustain our business over the next year.

Our ability to maintain sufficient liquidity is dependent on our ability to continue profitable operations or to raise additional capital. If we issue additional equity securities to raise funds, the ownership percentage of our existing security holders would be reduced. New investors may demand rights, preferences or privileges senior to those of existing holders of our common stock. Debt incurred by us would be senior to equity in the ability of debt holders to make claims on our assets. The terms of any debt issued could impose restrictions on our operations. If adequate funds are not available to satisfy either short or long-term capital requirements, our operations and liquidity could be materially adversely affected.

PLAN OF OPERATION

Based on our current operating plan, we expect to generate revenue that is sufficient to cover our expenses for the next twelve months. In addition, we have sufficient cash and working capital to execute our operations and will not need to obtain additional financing to expand our business for the next twelve months.

Item 5. <u>Legal Proceedings</u>

There are no known material legal proceedings filed or pending against the Company. Additionally, the Company has not been delisted by any securities exchange or deleted from the OTC:BB or any other market. We have no current, past, pending, or threatened legal proceedings that could have a material effect on our business, financial condition, or operations. We have had no current, past, or pending trading suspensions by a securities regulator.

Item 6. <u>Defaults Upon Senior Securities</u>

Not Applicable.

Item 7. <u>Other Information</u>

There are no other information items to be included in this Report.

Item 8. <u>Exhibits</u>

There are no other exhibits that have not been described.

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

I, Charles O'Dowd, certify that:

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

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

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

Date: December 17, 2012

/s/

Name: Charles O'Dowd

Title: President

ABCO ENERGY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

JUNE 30, 2012 AND JUNE 30, 2011
AND
FOR THE YEARS ENDED DECEMBER 31, 2011 (Restated) AND 2010 (Restated)

(UNAUDITED)

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See Footnote 3 for details of restated financial statements for the years ended December 31, 2011 and 2010

ABCO ENERGY, INC.
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2012 AND DECEMBER 31, 2011 AND DECEMBER 31, 2010

ASSETS	June 30, 2012	Restated (Note 3) Dec. 31,2011	Restated (Note 3) Dec. 31, 2010
Current Assets			
Cash in bank	$ 400,925	$ 169,135	$ 153,406
Accounts receivable –net of reserve of $0 – Note 2	168,364	444,955	147,170
Inventory – Note 4	121,123	113,887	5,565
Other current assets	4,005	2,012	2,610
Total Current Assets	694,417	729,989	308,751
Fixed Assets – Note 7			
Vehicles, office furniture & equipment - net of accumulated depreciation	38,888	28 639	15,957
Other Assets			
Investment in long term leases –Note 6	22,990	23,729	
Product deposits	7,800	-	
Security deposits – Note 5	5,300	5,300	4,190
Total Other Assets	36,090	29,029	4,190
Total Assets	$ 769,395	$ 787,657	$ 328,898
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued expenses	$ 64,309	$ 247,151	$ 96,009
Note payable – Director – Note 8	15,000	20,000	15,157
Total Current Liabilities	79,309	267,151	111,166
Total Liabilities	79,309	267,151	111,166
STOCKHOLDERS' EQUITY: - NOTE 9			
Preferred Stock, 2,886,704 shares authorized Series A, $0.001 par value; convertible, 0 outstanding at June 30, 2012 and December 31, 2011, 244,667 outstanding at December 31, 2010	$ 0	$ 0	$ 2,447
Preferred Stock – Additional paid in capital in excess of par – net of expenses: $0.0 balance at June 30, 2012 and December 31, 2011, and this balance at December 31, 2010			325,275
Common stock, 497,113,296 shares authorized, $0.001 par value, 19,833,680 outstanding at June 30, 2012, 18,129,871 outstanding at December 31, 2011 and 11,000,000 outstanding at December 31, 2010	19,834	18,130	11,000
Additional paid in capital in excess of par	937,480	855,274	49,000
Accumulated deficit	(267,228)	(352,898)	(169,990)
Total Stockholders' Equity	690,086	520,506	217,732
Total Liabilities and Stockholders' Equity	$ 769,395	$ 787,657	$ 328,898

See accompanying notes to the financial statements.

ABCO ENERGY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND JUNE 30, 2011
AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	For The Six Months Ended		For the Years Ended	
			Restated (Note 3)	Restated (Note 3)
	June 30, 2012	June 30, 2011	Dec. 31, 2011	Dec. 31, 2010
Revenues	$ 1,170,029	$ 359,976	$ 1,080,635	$ 476,317
Cost of Sales	835,896	249,069	791,820	344,126
Gross Profit	334,133	110,907	288,815	132,191
Operating Expenses:				
Selling, General & Administrative	247,503	185,407	405,967	268,055
Income (loss) from operations	86,630	(74,500)	(117,152)	(135,864)
Other expenses				
Interest on notes payable	960	304	2,216	3,245
Income (Loss) before provision for income taxes	85,670	(74,804)	(119,368)	(139,109)
Provision for income tax - Note 1	-	-	-	-
Net Income (loss)	$ 85,670	$ (74,804)	$ (119,368)	$ (139,109)
Convertible preferred stock dividends-Note 10	$ 0	$ (61,870)	$ (63,540)	$ (30,819)
Net Income (loss) applicable to common shareholders	$ 85,670	$ (136,674)	$ (182,908)	$ (169,928)
Net Income (loss) per share (Basic and fully diluted)	$ 0.00	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of common shares used in the calculation	18,981,177	13,957,770	13,521,895	11,000,000

See accompanying notes to the financial statements.

ABCO ENERGY, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE PERIOD BEGINNING DECEMBER 31, 2009
UNTIL THE PERIOD ENDED JUNE 30, 2012

	Common Stock $0.001Par Shares	Common Stock $0.001Par Amount	Additional Paid in Capital	Preferred stock Series A Shares	Preferred stock Series A Amount	Accumulated Deficit	Total Stockholders' Equity
Balances at December 31, 2009	10,000,000	$ 1,000		-	-	$ (62)	$ 938
Common shares change in par value		9,000					9,000
Common shares sold during year	1,000,000	1,000	49,000				50,000
Preferred shares sold during 2010 – net of expenses				244,667	327,722	-	327,722
Net (loss) for the Year – before dividends						(139,109)	(139,109)
Convertible preferred stock dividends	-	-	-	-	-	(30,819)	(30,819)
Net (loss) for the Year applicable to common shareholders- restated	-	-	-	-	-	(169,928)	(169,928)
Balances at December 31, 2010 - restated	11,000,000	11,000	49,000	244,667	327,722	(169,990)	217,732
Preferred shares sold during 2011				15,059	75,296		75,296
Preferred shares converted to common shares at July 1, 2011	2,957,708	2,958	400,060	(259,726)	(403,018)		
Shares issued for acquisition of ENYC July 1, 2011	1,495,730	1,496	90,752				92,248
Common shares issued under private placement offering	2,676,433	2,676	315,462				318,138
Net (loss) for the Year – before dividends						(119,368)	(119,368)
Convertible preferred stock dividends	-	-	-	-	-	(63,540)	(63,540)
Net (loss) for the Year applicable to common shareholders- restated	-	-	-	-	-	(182,908)	(182,908)
Balance at December 31, 2011 - restated	18,129,871	18,130	855,274	-	-	(352,898)	520,506
Common shares issued under private placement offering – net of expenses	1,703,809	1,704	82,206				83,910
Net income (loss) for the period	-	-	-	-	-	85,670	85,670
Balance at June 30, 2012	19,833,680	$ 19,834	$ 937,480	$ 0	$ 0	$(267,228)	$690,086

See accompanying notes to the financial statements

ABCO ENERGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND JUNE 30, 2011
AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	For The Six Months Ended		For The Years Ended	
			Restated (Note 3)	Restated (Note 3)
	June 30, 2012	June 30, 2011	Dec. 31, 2011	Dec. 31, 2010
Cash Flows From Operating Activities:				
Net Income (loss) for the period before preferred stock dividends	$ 85,670	$ (74 804)	$ (119 368)	$ (139 109)
Add back non-cash items -depreciation	5,646	4,198	10,043	3,439
Adjustments to reconcile net loss to net cash provided by (used for) operating activities				
Accounts receivable (increase) decrease	276,591	(65,984)	(297,785)	(145,660)
Inventory (increase) decrease	(7,236)	(33,855)	(16,074)	(5,565)
Other current assets (increase.) decrease	(1,993)	652	598	(2,610)
Payment of Director's short term debt	(5,000)			
Accounts payable and accrued expenses - increase (decrease)	(182,841)	44,048	155,984	101,163
Net cash provided (used for) operating activities	170,837	(125,745)	(266,602)	(188,342)
Cash Flows From Investing Activities:				
Purchase of vehicles, furniture & equipment	(15,895)	(11,333)	(22,726)	(19,396)
Principal payments on long term leases	739			
Purchase of long term leases			(23,729)	
Product and lease deposits	(7,800)	-	(1,110)	(4,190)
Net cash provided by (used for) investing activities	(22,956)	(11,333)	(47,565)	(23,586)
Cash Flows From Financing Activities:				
Proceeds from sale of common stock – net of expenses	83,909	-	393,436	59,000
Payment of preferred stock dividends		(61,870)	(63,540)	(30,819)
Proceeds from sale of preferred shares net of expense of offering	-	76,120	-	327,722
Net cash provided by financing activity	83,909	14,250	329,896	355,903
Net Increase (Decrease) in cash	231,790	(122,828)	15,729	143,975
Cash At The Beginning of The Period	169,135	153,406	153,406	9,431
Cash At The End of The Period	$ 400,925	$ 30,578	$ 169,135	$ 153,406

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

Cash paid for interest	$ 960	$ 62,174	$ 65,756	$ 34,064
Inventory acquired with common stock -2011			$ 92,248	
Common stock issued for consulting fees			$ 120	
Non-cash expense for Officers shares				$ 9,000

See accompanying notes to the financial statements

ABCO ENERGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND JUNE 30, 2011
AND THE YEARS ENDED DECEMBER 31, 2011 (Restated – Note 3)
AND DECEMBER 31, 2010 (Restated – Note 3)

Description of Business

Note 1 Overview and Description of the Company

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

ABCO Energy holds 100% of the outstanding common shares of ABCO Solar, Inc., an Arizona corporation, whose business is the installation of solar photovoltaic products.

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

ABCO Energy, Inc. (the "Company" or "ABCO Energy") was formerly named "Energy Conservation Technologies, Inc. (ENYC)" and currently trades on the pink sheets as ENYC-OTC.

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

ABCO offers solar leasing and long term financing programs from Sunpower, Suncap and AEFC that are offered to ABCO customers and other marketing and installation organizations.

We are operating in Tucson, Phoenix and Williams, Arizona. We operate all of our locations as company owned businesses. Tucson is our warehousing and training facility for all other company operations.

Note 2 Summary of significant accounting policies

Critical Accounting Policies and Use of Estimates

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

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

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

Cash and Cash Equivalents

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

Property and Equipment

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

Revenue Recognition

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

Revenue segment description	2011 Restated		2010 Restated	
Solar residential and commercial sales	$ 1,039,318	95%	$ 476,317	100%
Leasing fees income	40,282	4%		
Interest Income	1,035	1%	-	-
Total revenue	$ 1,080,635	100%	$ 476,317	100%

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

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

Accounts Receivable

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

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

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

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

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

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

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

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

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

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

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

Note 3 Change in Accounting Policy and Correction of a prior period error

We have prepared a restatement of 2011 and 2010 financial statements as a result of change in accounting policy and correction of errors. The changes are the result of changes in consolidation entries for a subsidiary, recording changes in completed project estimates and correction concerning capitalized costs. Some changes for the year ended December 31, 2010 affected the financial statements for 2011 also.

The following tables indicate the accounts affected, and the year to year adjustments for these changes.

December 31, 2010 Comparative year

Balance Sheet	Original 2010	Change in accounting policy	Correction of Error	Restated Actual 2010
Cash (3)	$ 153,309		$ 97	$ 153,406
Accounts receivable (1)	122,870		24,300	147,170
Other current assets	8,175			8,175
Fixed assets (3)	15,248		709	15,957
Investment in subsidiaries (2)	18,991		(18,991)	0
Other assets	4,190			4,190
Total assets	$322,783		$ 6,115	$328,898
Liabilities and Stockholders' Equity				
Accounts payable and accrued expenses (1)	$90,065		$21,101	$111,166
Preferred stock capital	327,722			327,722
Common stock capital	60,000			60,000
Retained deficit	(155,004)		(14,986)	(169,990)
Total Liabilities and Stockholders' Equity	$322,783		$6,115	$328,898

December 31, 2010 **Consolidated Statement of Operations**	Original 2010	Change in accounting policy	Correction of Error	Restated Actual 2010
Sales (1)	$450,217		$26,100	$476,317
Cost of Sales (1)	318,495		25,631	344,126
Gross profit	131,722		469	132,191
Selling, General and admin (4)	255,845		15,455	271,300
Net Loss before preferred stock dividends(2)	(124,123)		(14,986)	(139,109)
Preferred stock dividends	(30,819)		0	(30,819)
Net loss applicable to common shareholders	$(154,942)		$(14,986)	$(169,928)

Notes

(1) Represents correction of work in process due to timing difference.

(2) Investment in subsidiaries was corrected to eliminate investment that appears to be unrecoverable for an abandoned merger and the remainder was eliminated in intercompany consolidation.

(3) Cash and fixed assets were adjusted for consolidation of a subsidiary accounting errors.

(4) Resulting from changes to policy of capitalizing professional fees for fund raising and public company development to reclassify as expense of the period.

December 31, 2011 Comparative Year Balances

Balance Sheet	Original 2011	Change in accounting policy	Correction of Error	Restated Actual 2011
Cash	$169,135			$169,135
Accounts receivable	444,955			444,955
Inventory	113,887			113,887
Other current assets	2012			2012
Fixed assets	28,639			28,639
Investment in Long term leases	23,729			23,729
Goodwill (1)	30,000		(30,000)	
Other assets	5,300			5,300
Total assets	$817,657		$(30,000)	$787,657
Liabilities and Stockholders' Equity				
Accounts payable and accrued expenses	$267,151			$267,151
Common stock capital	883,718		(10,314)	873,404
Retained deficit (2)	(333,212)		(19,686)	(352,898)
Total Liabilities and Stockholders’ Equity	$817,657	-	$(30,000)	$787,657

December 31, 2011 Consolidated Statement of Operations	Original 2011	Change in accounting policy	Correction of Error	Restated Actual 2011
Sales (3)	$1,078,038		$2,597	$1,080,635
Cost of Sales (3)	806,017		(14,197)	791,820
Gross profit	272,021		16,794	288,815
Gen and admin expense (4)	386,689		21,494	408,183
Loss from operations before preferred stock dividends	(114,668)		(4,700)	(119,368)
Preferred stock dividends	(63,540)			(63,540)
Net Loss applicable to common shareholders	$(178,208)	-	$(4,700)	$(182,908)

Notes
(1) Management decision to reclassify value of shares issued for acquisition of Energy Conservation Technologies, Inc. The impairment of goodwill effects additional paid in capital account only.
(2) Retained deficit correction for 2010 is $14,986 and for 2011 is $4,700. Total correction is $19,686 increase in the loss for the two years.
(3) Represents correction of work in process due to timing difference and prior year adjustments.
(4) Resulting from changes to policy of capitalizing professional fees for fund raising and public company development to reclassify as expense of the period.
(5) Additional interest accrual correction.

Note 4 Share Exchange Agreements between ABCO Energy, Inc. and Energy Conservation Technologies, Inc. (ENYC)

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

ENYC did not have sales or operations since 2009 but maintained a significant group of assets including the inventory listed in the table of consolidation assets in table below.

The principle reason for the SEA on the part of the acquirer, ABCO, was to become a publicly traded entity for access to the capital markets. The principle reason for ENYC agreeing to the SEA was to provide sales and operations in their development stage entity which did not have significant sales transactions.

Even though ENYC is the survivor and all aspects of the entity are intact, the control of ENYC is now with the management and majority shareholders of ABCO.

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

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

Issued to	Issued for	Number of shares
Management of ENYC (1)	Inventory – subject to escrow agreement	600,000
To be issued to management and insiders	Shares exchanged	112,849
To be issued to ENYC preferred shareholder	Preferred share conversion	124,254
To be issued to non-management ENYC shareholders	Common shares exchanged	538,627
Consulting services (2)	Allocated to consulting fees expense	120,000
Total shares to be issued	Exchanged shares total	1,495,730

(1) The controlling shareholders of pre-exchange ENYC agreed to purchase the inventory of ENYC for cash after closing of the SEA. A total of 600,000 restricted shares will be held in escrow until the payment to the company of $92,248 or these shares will be cancelled for non-payment.

(2) An additional 120,000 shares were issued to consultants who were instrumental in the completion of the transaction. The value of $120 ($0.0010 per share (par)) for this service has been charged to expense in the transaction. The total resulting shares retained by the ENYC shareholders and consultants was 1,495,730 shares as a result of the exchange. ABCO pre-acquisition shareholders will be issued 13,957,708 shares of the post-acquisition company.

Shortly after the effective date of the SEA, the name of ENYC was changed to ABCO Energy, Inc. This SEA created a complete change of control, and all prior Directors and Officers resigned from the company before the effective date of July 1, 2011. The predecessor to ABCO Energy, the private company, was liquidated after transferring all of its assets to ENYC. The private company owned the wholly owned subsidiaries, ABCO Solar and AEFC prior to the exchange agreement.

The following table shows the consolidation details of the assets, liabilities and stockholder's equity of the private subsidiary companies and ENYC at June 30, 2011. The effective date of the share exchange agreement was July 1, 2011.

ASSETS	ABCO ENERGY	(ENYC)	TOTAL
Cash in banks	$ 30,099	$ -	$ 30,099
Accounts receivable	159,529		159,529
Inventory	128,084	92,248	220,332
Other current assets	11,651		11,651
Fixed assets	24,630		24,630
Other assets	13,757	-	13,757
Total assets	$ 367,750	$ 92,248	$ 459.998
LIABILITIES AND STOCKHOLDER'S EQUITY			
Accounts payable and accrued expenses	$ 155,402	$ 0	$ 155,402
Shareholders' equity	212,348	92,248	304,596
Total liabilities & Stockholder's Equity	$ 367,750	$ 92,248	$ 459,998

ENYC had no sales for the period ended June 30, 2011 and no operating expenses because the company was inactive. Pro-forma statements of operations would only show ABCO Energy consolidated operating numbers.

Note 5 Security deposits and Long Term Commitments

The Company has paid security deposits on the two rented spaces it occupies for offices and warehouse. Neither of these leases extends past April 1, 2013. The remaining lease on the Phoenix property totals $3,336 and the remaining lease on the Tucson property is $19,980. There is no lease on the Williams, Arizona property because this office is located in the office of a Director and no lease has been established.

Note 6 Alternative Energy Finance Corporation (AEFC)

AEFC is a wholly owned subsidiary of ABCO Energy, Inc. AEFC provides funding for leases of photovoltaic systems. AEFC finances its leases from cash payments from its own cash or from single payments or long term leases from lessees. In addition, AEFC takes assignments of utility rebates and US treasury department section 1603 grants for alternative energy credits.

Because the basis is often reduced to zero for rebates, grants and tax credits the ownership of the leased systems have no cost to AEFC and are held at no basis. The long term leases however, are booked at the net present value of the cash flow of the long term payments. AEFC charges a fee for financing a lease for other contractors and for applications for 1603 grants. These fees are reported as income. Long term leases recorded on the consolidated financial statements were $22,990 and $23,729 at June 30, 2012 and December 31, 2011 respectively. The aggregate total of leases receivable over the entire term including inputted interest at 8% internal rate of return is approximately $43,022 and $44,025 at June 30, 2012 and December 31, 2011 respectively.

On December 31, 2011 the US Treasury Department curtailed the 1603 grant program except for those alternative energy projects that had a substantial start at the time of curtailment, projects known as "Safe Harbor Projects". AEFC has no safe harbor projects and has stopped applications for 1603 grants. The Company still operates and is offering leases that have tax credits that are salable to private parties. As of the date of this report, the company has made no sales of tax credits to any private buyer.

The funding of leases will continue to provide income to the Company if the Company is successful in sourcing of investor or bank funding for their projects.

Note 7 Property and equipment

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

Asset	June 30, 2012	December 31, 2011	December 31, 2010
Equipment	$ 58,016	$ 42,121	$ 19,396
Accumulated depreciation	19,126	13,482	3,439
Net Fixed Assets	$ 38,888	$ 28,639	$ 15,957

Note 8 Note Payable Officer

Officer's loan is demand note totaling $15,000 as of June 30, 2012 and $20,000 and $15,157 at December 31, 2011 and December 31, 2010 respectively. This note provides for interest at 12% per annum and is unsecured.

Note 9 Stockholder's Equity

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

On March 2, 2010, the Company began a private placement of an 8% Series A Convertible Preferred Stock ("Preferred Stock") offering which was offered only in the European markets. All preferred shares sold in this offering were convertible to common stock upon the event of going public on USA markets. The Preferred Stock was priced at $5.00 and had an interest requirement of 8% per annum which ceases upon the conversion to common or when held for 12 months. Each share of Preferred Share was convertible into 10 shares of common stock. This offering was terminated as of March 31, 2011, when a total of 295,771 preferred shares were sold. Effective July 1, 2011, all of the Preferred Stock was converted to common shares. This conversion cancelled all of the preferences of the preferred shares and they are now equal to the common shareholders. This resulted in the issue of 2,957,708 common shares with a net capitalized value of $403,018.

Effective July 1, 2011 the Company entered into the Stock Exchange Agreement with ENYC, traded over the counter under the symbol ENYC.OTC. As a result of the exchange agreement, the Company's pre-acquisition shareholders and consultants retained ownership of 1,495,730 shares. This transaction produced a capitalized value of $92,248.

In August 2011, the Company began a second European private placement offering of restricted common stock to non USA citizens only. The offering consisted of up to 5,000,000 shares of common stock offered at the price of $0.40 USD per share. As of June 30, 2012, the Company had sold 4,380,242 shares. The offering has been terminated. This offering has produced $83,909 and $393,436 in net equity capital as of June 30, 2012 and December 31, 2011 respectively.

The total number of common shares outstanding was 19,833,680 and 18,129,871 as of June 30, 2012 and December 31, 2011 respectively.

Note 10 Interest Expense and Accrual Disclosures

The Company issued preferred stock during 2011 and 2010 with a designated dividend of 8% on the total investment before expenses. The dividend resulted in expense of $63,540 for the year ended December 31, 2011 and $30,819 for the year ended December 31, 2010. The dividends for the six months ended June 30, 2011 was $61,870. As of the effective date of the acquisition of ENYC, all interest ceased and no interest was accrued to any period after July 1, 2011 for this preferred stock issue. All accrued interest on this offering was paid during 2011. Notes payable to shareholders resulted in an interest charge of $960 for the period ended June 30, 2012 and $0 for the six months ended June 30, 2011. The interest for Directors and Officers notes were $2,216 for the year ended December 31, 2011 and $3,245 for the year ended December 31, 2010.

Note 11 Warranties of the Company

ABCO Energy provides a five year workmanship warranty for installed systems that covers labor and installation matters only. All installed products are warranted by the manufacturer. In the last four years of operations, no claims on workmanship have been experienced by the company. Management does not consider the warranty as a significant or material risk.

<u>End of Footnotes to Financial Statements</u>