

**NATIONAL OILHEAT RESEARCH ALLIANCE, INC.**

**DECEMBER 31, 2014 AND 2013**

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may be reproduced only  
in their entirety.**

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

DECEMBER 31, 2014 and 2013

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## **INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
National Oilheat Research Alliance, Inc.  
Alexandria, Virginia

### **Scope**

We have audited the accompanying statements of the National Oilheat Research Alliance, Inc. (the Alliance), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The Board of Directors  
National Oilheat Research Alliance, Inc.  
Alexandria, Virginia  
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### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alliance as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Correction of Error**

As discussed in Note 11 to the financial statements, certain errors resulting in overstatement of amounts previously reported for the gain on reversal of grants payable, unrestricted net assets, change in net assets, and understatement of state grant rebates remaining under NORA Public Law 106-469 and total liabilities as of December 31, 2013, were discovered by management of the Alliance during the current year. Accordingly, amounts reported for these accounts have been restated in the 2014 financial statements now presented, and an adjustment has been made to net assets as of December 31, 2013, to correct the error. Our opinion is not modified with respect to that matter.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Expenses by State/Jurisdiction for the year ended December 31, 2014 in Schedules 1-4 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Ross, Lenzan & Mc Kendrick*  
*C.P.A.*

CERTIFIED PUBLIC ACCOUNTANTS

January 14, 2016

## NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2014 AND 2013

## ASSETS

	2014	2013 (Restated)
<b>CURRENT ASSETS</b>		
Cash	\$ 3,286,187	\$ 1,826,717
Assessments receivables	2,869,163	-
Other receivables	84,743	46,840
Other current assets	<u>21,023</u>	<u>38,598</u>
Total current assets	6,261,116	1,912,155
<b>OTHER NONCURRENT ASSETS</b>	<u>33,300</u>	<u>19</u>
<b>TOTAL ASSETS</b>	<u>\$ 6,294,416</u>	<u>\$ 1,912,174</u>

## LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 559,388	\$ 29,193
Other current liabilities	32,756	26,053
State grants payable	1,852,176	-
Obligation for unallocated state rebates	906,381	-
State grant rebates remaining under NORA Public Law 106-469	<u>774,402</u>	<u>1,180,758</u>
<b>TOTAL LIABILITIES</b>	<u>4,125,103</u>	<u>1,236,004</u>
<b>NET ASSETS</b>		
Unrestricted undesignated net assets	207,760	-
Designated net assets-		
Pre-2014 reauthorization net assets	487,232	676,170
State grants and rebates made after year end	297,416	-
National spending not yet incurred	<u>1,176,905</u>	<u>-</u>
Total unrestricted net assets	<u>2,169,313</u>	<u>676,170</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 6,294,416</u>	<u>\$ 1,912,174</u>

See independent auditor's report. The accompanying notes are an integral part of these financial statements.

## NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u> <u>(Restated)</u>
CHANGE IN UNRESTRICTED NET ASSETS		
REVENUE AND GAINS/LOSSES		
Assessments revenue - net of refunds	\$ 5,521,669	\$ -
Contract revenue	37,903	45,942
Gain on reversal of grants payable	-	618,247
Other income, net of cost of sales of \$71,708 in 2014 and \$52,512 in 2013	<u>21,399</u>	<u>21,444</u>
Total revenue and gains/losses	.....5,580,971	.....685,633
EXPENSES		
Program expenses:		
Research, development, and demonstration	579,435	169,396
Heating oil efficiency and upgrade	700,841	-
Consumer education, safety, and training	1,403,505	36,709
Unallocated state rebates	<u>907,000</u>	<u>-</u>
Total program expenses	3,590,781	206,105
Administrative expenses:		
Administrative costs	303,785	466,246
General and special projects:		
Assessment and collection costs	<u>193,262</u>	<u>-</u>
Total expenses	<u>4,087,828</u>	<u>672,351</u>
CHANGE IN UNRESTRICTED NET ASSETS	1,493,143	13,282
NET ASSETS, BEGINNING OF YEAR	<u>676,170</u>	<u>662,888</u>
NET ASSETS, END OF YEAR	<u>\$ 2,169,313</u>	<u>\$ 676,170</u>

See independent auditor's report. The accompanying notes are an integral part of these financial statements.

## NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u> (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,493,143	\$ 13,282
Adjustments to reconcile change in unrestricted net assets to net cash provided by/(used in) operating activities:		
Depreciation and amortization	2,219	289
Change in assets and liabilities:		
Increase in assessments receivables	( 2,869,163)	-
(Increase)/decrease in other receivables	( 37,903)	45,240
Decrease in other current assets	17,575	36,638
Increase in other noncurrent assets	-	7,283
Increase/(decrease) in accounts payable and accrued expenses	530,195	( 3,142)
Increase/(decrease) in other current liabilities	6,703	( 11,029)
Increase in grants payable	1,852,176	-
Increase in obligation for unallocated state rebates	906,381	-
Decrease in state grant rebates remaining under NORA Public Law 106-469	<u>( 406,356)</u>	<u>( 872,061)</u>
Total adjustments	<u>1,827</u>	<u>( 796,782)</u>
Net cash provided by/(used in) operating activities	1,494,970	( 783,500)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of noncurrent assets	<u>( 35,500)</u>	<u>-</u>
<b>NET CHANGE IN CASH</b>	1,459,470	( 783,500)
<b>CASH, BEGINNING OF YEAR</b>	<u>1,826,717</u>	<u>2,610,217</u>
<b>CASH, END OF YEAR</b>	<u>\$ 3,286,187</u>	<u>\$ 1,826,717</u>

See independent auditor's report. The accompanying notes are an integral part of these financial statements.

# NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - THE ORGANIZATION

The National Oilheat Research Alliance, Inc. (the Alliance) is a non-profit trade organization developed under the National Oilheat Research Alliance Act of 2000 (NORA), Public Law 106-469, legislation passed by the U.S. Congress and signed into law in November 2000. The law was amended in 2014 under NORA Public Law 113-79. The Alliance was created to educate consumers about the benefits of oilheat, to perform research and development, to encourage heating oil efficiency and upgrades, and to provide technical training to provide better customer service. The Alliance's Board consists of members from the oilheat industry, retail markets, wholesale distributors, public members, and representatives from the states with the highest oilheat sales. The Alliance was incorporated on January 31, 2001. Funding under the NORA Public Law 106-469 ceased on February 6, 2010. On February 7, 2014, the NORA Public Law 113-79 extended the provisions of NORA Public Law 106-469 to February 6, 2019. Funding under NORA Public Law 113-79 resumed effective April 1, 2014.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting following the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), which is the sole source of authoritative generally accepted accounting principles in the United States. The Alliance reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

#### Accounting Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that could affect certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, the reported amounts of revenue and expenses and their functional allocations during the year. Actual results could differ from those estimates.

#### Assessments Receivables

An estimate of assessments to be received, but not remitted to the Alliance at the end of the reporting period, is recognized. Receivables are charged to bad debt expense as they are deemed uncollectible based upon a periodic review of the accounts. At December 31, 2014 and 2013, no allowance for uncollectible accounts was considered necessary.

#### Assessment Revenue

The NORA Public Law 113-79 requires wholesale distributors of No. 1 distillate and No. 2 dyed distillate to remit an assessment of two-tenths of one cent per gallon at the point of sale to the Alliance. If the No. 1 distillate or No. 2 dyed distillate is imported after the point of sale, the assessment is to be made when the product enters the United States. Assessments are to be remitted to the Alliance at least quarterly.

Under NORA Public Law 113-79's collections rules, any dyed distillate or blends are subject to assessment. Some of this fuel is used for non-heating applications and is refunded. Assessments revenue is presented in the accompanying statements of activities net of refunds recorded of \$883,316 for the year ended December 31, 2014. There were no refunds in the year ended December 31, 2013.



NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Receivables and Contract Revenue

Other receivables consist of amounts due from research and development contracts. Bad debts are recognized based on historical experience and management's evaluation of outstanding accounts receivable. Accounts are written off when all reasonable efforts for collection have been utilized. No allowance was deemed necessary by management at December 31, 2014 or 2013. Contract revenue is recognized when services have been completed.

Subsequent Events

The Alliance has evaluated subsequent events through January 14, 2016, which is the date the financial statements were available to be issued.

Reclassifications

Certain 2013 amounts have been reclassified to conform with 2014 classifications.

NOTE 3 - INCOME TAX STATUS

The Alliance received a determination letter from the Internal Revenue Service (IRS) that it has been granted an exemption from federal income taxes and it qualifies under Section 501(c)(6) of the Internal Revenue Code. The Alliance believes its operations are consistent with the nature of their exemption granted by the IRS. There is no current liability for income taxes on unrelated business income and no temporary differences resulting in deferred taxes as of December 31, 2014 and 2013.

The Alliance is required to measure, recognize, present, and disclose in its financial statements uncertain income tax positions the Alliance has taken in the tax years that remain subject to examination or expects to take on an income tax return. The Alliance recognizes the tax benefits from uncertain income tax positions only if it is more likely than not the tax position will be sustained on examination by tax authorities. Prior year income tax returns may be subject to audit in various tax jurisdictions, most of which define open tax years as three years from the later of the due date or the date the return was filed. The Alliance recorded no liability for uncertain income tax positions for any open tax years.

NOTE 4 - PROGRAM SERVICES

The NORA Public Law 113-79 places requirements on how the Alliance can spend the assessments it collects. Upon amendment of the NORA Public Law 113-79 effective April 1, 2014, the Alliance made an estimate of what total assessments would be during the first year. Grants were made to states and national campaigns were undertaken based on this estimate. Actual assessments revenue differed from the estimate. The difference between the estimate and actual assessments are to be reflected in the grants made in future years. The law establishes strict percentage allocations for program spending and these percentages are tied to the revenue received from assessments. Management has developed procedures to ensure these percentages are reflected in budgets and carried forward as appropriate. Variances between the percentages disclosed in the program descriptions below are descriptive of the current year's operations and management believes they do not indicate non-compliance with the statute.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - PROGRAM SERVICES (continued)

Research, Development, and Demonstration

The NORA Public Law 113-79 requires the Alliance to ensure not less than 30 percent of the assessments collected for each calendar year under the NORA Public Law 113-79 are used by qualified state associations or the Alliance to conduct research, development, and demonstration activities relating to oilheat fuel, including the development of energy-efficient heating systems to be placed into the marketplace. This also includes the Alliance, in conjunction with an institution or organization engaged in biofuels research, to develop consumer education materials describing the benefits of using biofuels as or in oilheat fuel based on the technical information developed. In 2014, the first nine months under the new law, the Alliance granted \$579,435 for the research, development, and demonstration program. Subsequent to year end, the Alliance made additional state grants of \$128,570 and budgeted \$959,251 in additional national spending from 2014 assessment revenue for the research, development, and demonstration program making the total 30 percent of net assessments revenue. Additionally, unallocated state rebates of 2014 revenue will be used for the research, development, and demonstration program.

Heating Oil Efficiency and Upgrade

The NORA Public Law 113-79 requires the Alliance to ensure not less than 15 percent of the assessments collected for each calendar year under the NORA Public Law 113-79 are used by qualified state associations or the Alliance to carry out programs to assist consumers (i) to make cost-effective upgrades to more fuel efficient heating oil systems or otherwise make cost-effective modifications to an existing heating system to improve the efficiency of the system, (ii) to improve energy efficiency or reduce energy consumption through cost-effective energy efficiency programs for consumers, or (iii) to improve the safe operation of a heating system. In 2014, the first nine months under the new law, the Alliance granted \$700,841 for the heating oil efficiency and upgrade program. Subsequent to year end, the Alliance made additional state grants of \$64,285 and budgeted \$73,159 in additional national spending from 2014 assessment revenue for the heating oil efficiency and upgrade program making the total 15 percent of net assessments revenue. Additionally, unallocated state rebates of 2014 assessments revenue will be used for the heating oil efficiency and upgrade program.

Consumer Education, Safety, and Training

The NORA Public Law 113-79 requires the Alliance to ensure not more than 30 percent of the assessments collected for each calendar year under the NORA Public Law 113-79 are used (i) to conduct consumer education activities relating to oilheat fuel, including providing information to consumers on energy conservation strategies, safety, new technologies that reduce consumption or improve safety and comfort, the use of biofuel blends, and federal, state, and local programs designed to assist oilheat fuel consumers, (ii) to conduct worker safety and training activities relating to oilheat fuel, including energy efficiency training, (iii) to carry out other activities recommended by the Secretary of the Energy, or (iv) to establish a data collection process to track equipment, service, and related safety issues to develop measures to improve safety. In 2014, the first nine months under the new law, the Alliance granted \$1,403,505 for the consumer education, safety, and training program. Subsequent to year end, the Alliance made additional state grants of \$128,570 and budgeted \$144,495 in additional national spending from 2014 assessment revenue for the consumer education, safety, and training making the total 30 percent of net assessments revenue program.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - PROGRAM SERVICES (continued)

Unallocated State Rebates

In addition to the specific program commitments discussed previously, the Alliance has committed \$907,000, which is 16.4 percent of net assessment revenue, for state rebates that have not yet been allocated to a program specified in the NORA Public Law 113-79. Subsequent to year end, the Alliance allocated \$24,009 of these state rebates to programs. The states develop detailed plans for use of the rebates to do research, development, and demonstration and/or heating oil efficiency and upgrades. These funds will be allocated between programs in accordance with the requirements of NORA Public Law 113-79 as discussed previously.

NOTE 5 - STATE GRANTS PAYABLE AND OBLIGATION FOR UNALLOCATED REBATES

Under NORA Public Law 113-79, the Alliance has entered into various grant agreements which may require periodic payment of grant funds. The outstanding grant liability is as follows as of December 31:

	<u>2014</u>
Research, development, and demonstration	\$ 235,974
Heating oil efficiency and upgrade	595,454
Consumer education, safety, and training	1,020,748
Unallocated state rebates	<u>906,381</u>
Total	<u>\$ 2,758,557</u>

NOTE 6 - ADMINISTRATIVE EXPENSE CAP

NORA Public Law 113-79 requires the Alliance to limit expenditures for “Administrative” costs to five percent of revenue generated by assessment remittances beginning April 1, 2014. In 2014, the Alliance expended \$303,785 for administrative expenses, including \$109,386 incurred before the NORA Public Law 113-79 was effective that were paid from previously accrued assets, rather than the assessments received in 2014. Since the NORA Public Law 113-79 effective date, the Alliance expended 4 percent of net assessments revenue in the year ended December 31, 2014. Thus, management believes the Alliance is in compliance with the NORA Public Law 113-79.

NOTE 7 - COLLECTION COSTS

The Alliance has also developed an audit system for collections compliance, and has the legal authority to conduct audits to ensure member compliance. Collection costs include the costs incurred to process annual assessments, to publicize the collection system, and to ascertain compliance as stipulated by NORA Public Law 113-79. Collection costs were \$193,262 for the year ended December 31, 2014. There were no collection costs in the year ended December 31, 2013.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - STATE GRANT REBATES REMAINING UNDER NORA PUBLIC LAW 106-469

Under NORA Public Law 106-469, the Alliance entered into various grant agreements, which may require periodic payments of grant funds. The outstanding grant liability, which is recorded as a current liability in the accompanying statements of financial position, was granted to state organizations in accordance with NORA Public Law 106-469. Because of the expiration of the NORA Public Law 106-469, the Alliance communicated to grant recipients during 2013 that some of the remaining grants would not be funded so the assets could be used to fund operations. As a result, the Alliance recorded a gain on reversal of grants payable of \$618,247 in the year ended December 31, 2013. As of December 31, 2014 and 2013, \$774,402 and \$1,180,758, respectively, remained outstanding.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

From time to time, the Alliance may receive inquiries from government agencies, because of the nature of its funding sources. Management does not expect the result of such inquiries to impact the financial information of the Alliance.

NOTE 10 - CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Alliance to concentrations of credit risk include cash deposits with commercial banks and cash and investments held in broker-managed accounts. The Alliance cash management policies limit its exposure to concentrations of credit risk by maintaining a cash account at a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2014, the Alliance held no cash in excess of FDIC limits.

In addition, the Alliance has exposure to credit risk on its cash and investments held in broker-managed accounts. The assets are insured by the Securities Investor Protection Corporation (SIPC), which protects investors for up to \$500,000 including a maximum of \$250,000 for claims of cash if the brokerage firm holding the assets becomes insolvent, but it does not insure the underlying assets of \$3,328,697 as of December 31, 2014. Management does not consider this a significant concentration of credit risk.

NOTE 11 - PRIOR YEAR RESTATEMENT

The Alliance has state grant rebates remaining under NORA Public Law 106-469. In 2013, the Alliance communicated to grant recipients that some of the remaining grants would not be funded so the assets could be used to fund operations. The amount recorded as a gain on reversal of grants payable in 2013 was overstated by \$73,889. The net impact in December 31, 2013 from this error is as follows:

Increase in state grant rebates remaining under NORA Public Law 106-469	<u>\$ 73,889</u>
Increase in total liabilities	<u>\$ 73,889</u>
Decrease in gain on reversal of grants payable	<u>\$ 73,889</u>
Decrease in change in net assets	<u>\$ 73,889</u>
Decrease in unrestricted net assets	<u>\$ 73,889</u>

See independent auditor's report. The accompanying notes are an integral part of these financial statements.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 12 - DESIGNATED NET ASSETS

Pre-2014 Reauthorization Designated Net Assets

As discussed previously, the NORA Public Law 113-79 became effective April 1, 2014. The Alliance has designated the remaining net assets under the former NORA Public Law 106-469 as of March 31, 2014 of \$487,232 for use in a national oilheat education program.

State Grants and Rebates Made After Year End Designated Net Assets

Upon the reauthorization of the NORA Public Law 113-79, the Alliance established a budget for net assessment revenue and made state grants and obligations for state rebates based on this budget. Actual results were higher than this initial budget. Therefore, subsequent to year end, the Alliance communicated additional state grants and rebates to the states totaling \$297,416 to be in compliance with NORA Public Law 113-79. Net assets of this amount are designated by the Alliance for future use as state grants and rebates as of December 31, 2014.

National Spending Not Yet Incurred Designated Net Assets

Included within the initial budget is \$1,176,905 in national spending of 2014 assessments revenue, which had not yet been incurred as of December 31, 2014. The Alliance has designated net assets in this amount as of December 31, 2014 for future program spending.

## NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

SUPPLEMENTAL SCHEDULE OF EXPENSES BY STATE/JURISDICTION -  
RESEARCH, DEVELOPMENT, AND DEMONSTRATION  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Amounts Granted/ Expended in 2014	2014 State Grants Made After Year End	2014 National Spending Not Yet Incurred	Total
STATE GRANTS-				
Connecticut	\$ 23,178	\$ 12,016	\$ -	\$ 35,194
Delaware	2,043	1,059	-	3,102
Idaho	223	116	-	339
Indiana	555	288	-	843
Kentucky	4,093	2,122	-	6,215
Maine	14,056	7,287	-	21,343
Maryland	7,367	3,819	-	11,186
Massachusetts	27,525	14,270	-	41,795
Michigan	7,564	3,922	-	11,486
Nevada	119	62	-	181
New Hampshire	11,958	6,199	-	18,157
New Jersey	21,139	10,959	-	32,098
New York -				
NYOHA	16,381	7,725	-	24,106
UNYEA	6,496	6,734	-	13,230
HVOEC	5,383	3,101	-	8,484
OHILI	18,144	7,458	-	25,602
ESEA	5,156	1,711	-	6,867
North Carolina	7,838	4,063	-	11,901
Ohio	7,017	3,638	-	10,655
Oregon	1,019	528	-	1,547
Pennsylvania	33,543	17,390	-	50,933
Rhode Island	7,748	4,017	-	11,765
South Carolina	1,205	625	-	1,830
Virginia	7,014	3,636	-	10,650
Vermont	4,892	2,536	-	7,428
Washington	1,513	784	-	2,297
Washington, D.C.	196	102	-	298
Wisconsin	4,635	2,403	-	7,038
NATIONAL	<u>331,435</u>	<u>-</u>	<u>959,251</u>	<u>1,290,686</u>
TOTAL STATE GRANTS AND NATIONAL SPENDING	<u>\$ 579,435</u>	<u>\$ 128,570</u>	<u>\$ 959,251</u>	<u>\$ 1,667,256</u>

In addition to the these amounts, the unallocated state rebates detailed in Schedule 4 will be used for either this program or for the heating oil efficiency and upgrade program.

## NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

SUPPLEMENTAL SCHEDULE OF EXPENSES BY STATE/JURISDICTION -  
HEATING OIL EFFICIENCY AND UPGRADE  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Amounts Granted/ Expended in 2014	2014 State Grants Made After Year End	2014 National Spending Not Yet Incurred	Total
STATE GRANTS-				
Connecticut	\$ 62,991	\$ 6,008	\$ -	\$ 68,999
Delaware	5,553	530	-	6,083
Idaho	606	58	-	664
Indiana	1,508	144	-	1,652
Kentucky	11,123	1,061	-	12,184
Maine	38,200	3,643	-	41,843
Maryland	20,021	1,910	-	21,931
Massachusetts	74,807	7,135	-	81,942
Michigan	20,558	1,961	-	22,519
Nevada	323	31	-	354
New Hampshire	32,498	3,100	-	35,598
New Jersey	57,452	5,480	-	62,932
New York -				
NYOHA	44,519	3,863	-	48,382
UNYEA	17,655	3,366	-	21,021
HVOEC	14,629	1,550	-	16,179
OHILI	49,311	3,729	-	53,040
ESEA	14,013	855	-	14,868
North Carolina	21,301	2,032	-	23,333
Ohio	19,071	1,819	-	20,890
Oregon	2,769	264	-	3,033
Pennsylvania	91,162	8,695	-	99,857
Rhode Island	21,058	2,008	-	23,066
South Carolina	3,275	312	-	3,587
Virginia	19,063	1,818	-	20,881
Vermont	13,294	1,268	-	14,562
Washington	4,111	392	-	4,503
Washington, D.C.	532	51	-	583
Wisconsin	12,597	1,202	-	13,799
NATIONAL	<u>26,841</u>	<u>-</u>	<u>73,159</u>	<u>100,000</u>
TOTAL STATE GRANTS AND NATIONAL SPENDING	<u>\$ 700,841</u>	<u>\$ 64,285</u>	<u>\$ 73,159</u>	<u>\$ 838,285</u>

In addition to the these amounts, the unallocated state rebates detailed in Schedule 4 will be used for either this program or for the research, development, and demonstration program.

## NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

SUPPLEMENTAL SCHEDULE OF EXPENSES BY STATE/JURISDICTION -  
CONSUMER EDUCATION, SAFETY, AND TRAINING  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Amounts Granted/ Expended in 2014	2014 State Grants Made After Year End	2014 National Spending Not Yet Incurred	Total
STATE GRANTS-				
Connecticut	\$ 116,634	\$ 12,016	\$ -	\$ 128,650
Delaware	10,282	1,059	-	11,341
Idaho	1,122	116	-	1,238
Indiana	2,792	288	-	3,080
Kentucky	20,596	2,122	-	22,718
Maine	70,733	7,287	-	78,020
Maryland	37,071	3,819	-	40,890
Massachusetts	138,514	14,270	-	152,784
Michigan	38,066	3,922	-	41,988
Nevada	598	62	-	660
New Hampshire	60,174	6,199	-	66,373
New Jersey	106,379	10,959	-	117,338
New York -				
NYOHA	82,432	7,725	-	90,157
UNYEA	32,693	6,734	-	39,427
HVOEC	27,088	3,101	-	30,189
OHILI	91,306	7,458	-	98,764
ESEA	25,946	1,711	-	27,657
North Carolina	39,442	4,063	-	43,505
Ohio	35,312	3,638	-	38,950
Oregon	5,127	528	-	5,655
Pennsylvania	168,801	17,390	-	186,191
Rhode Island	38,992	4,017	-	43,009
South Carolina	6,064	625	-	6,689
Virginia	35,297	3,636	-	38,933
Vermont	24,616	2,536	-	27,152
Washington	7,613	784	-	8,397
Washington, D.C.	985	102	-	1,087
Wisconsin	23,325	2,403	-	25,728
NATIONAL	<u>155,505</u>	<u>-</u>	<u>144,495</u>	<u>300,000</u>
TOTAL STATE GRANTS AND NATIONAL SPENDING	<u>\$ 1,403,505</u>	<u>\$ 128,570</u>	<u>\$ 144,495</u>	<u>\$ 1,676,570</u>

See independent auditor's report.



## NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

SUPPLEMENTAL SCHEDULE OF EXPENSES BY STATE/JURISDICTION -  
UNALLOCATED STATE REBATES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Amounts Granted/ Expended in 2014	2014 State Rebates After Year End	2014 National Spending Not Yet Incurred	Total
UNALLOCATED STATE REBATES-				
Connecticut	\$ 84,767	\$( 2,244)	\$ -	\$ 82,523
Delaware	7,473	( 198)	-	7,275
Idaho	815	( 22)	-	793
Indiana	2,029	( 54)	-	1,975
Kentucky	14,969	( 396)	-	14,573
Maine	51,406	( 1,361)	-	50,045
Maryland	26,942	( 713)	-	26,229
Massachusetts	100,667	( 2,665)	-	98,002
Michigan	27,665	( 732)	-	26,933
Nevada	435	( 12)	-	423
New Hampshire	43,732	( 1,158)	-	42,574
New Jersey	77,312	( 2,047)	-	75,265
New York -				
NYOHA	59,908	( 1,443)	-	58,465
UNYEA	42,767	( 1,255)	-	41,512
HVOEC	19,687	( 579)	-	19,108
OHILI	47,350	( 1,393)	-	45,957
ESEA	18,857	( 319)	-	18,538
North Carolina	28,665	( 759)	-	27,906
Ohio	25,663	( 679)	-	24,984
Oregon	3,726	( 99)	-	3,627
Pennsylvania	122,677	( 3,247)	-	119,430
Rhode Island	28,338	( 750)	-	27,588
South Carolina	4,407	( 117)	-	4,290
Virginia	25,652	( 679)	-	24,973
Vermont	17,890	( 474)	-	17,416
Washington	5,533	( 146)	-	5,387
Washington, D.C.	716	( 19)	-	697
Wisconsin	16,952	( 449)	-	16,503
<b>TOTAL UNALLOCATED STATE REBATES</b>	<b>\$ 907,000</b>	<b>\$( 24,009)</b>	<b>\$ -</b>	<b>\$ 882,991</b>

These unallocated state rebates will be allocated to either the research, development, and demonstration or the heating oil efficiency and upgrade programs based on detailed plans for use of the rebates to be submitted by the states.