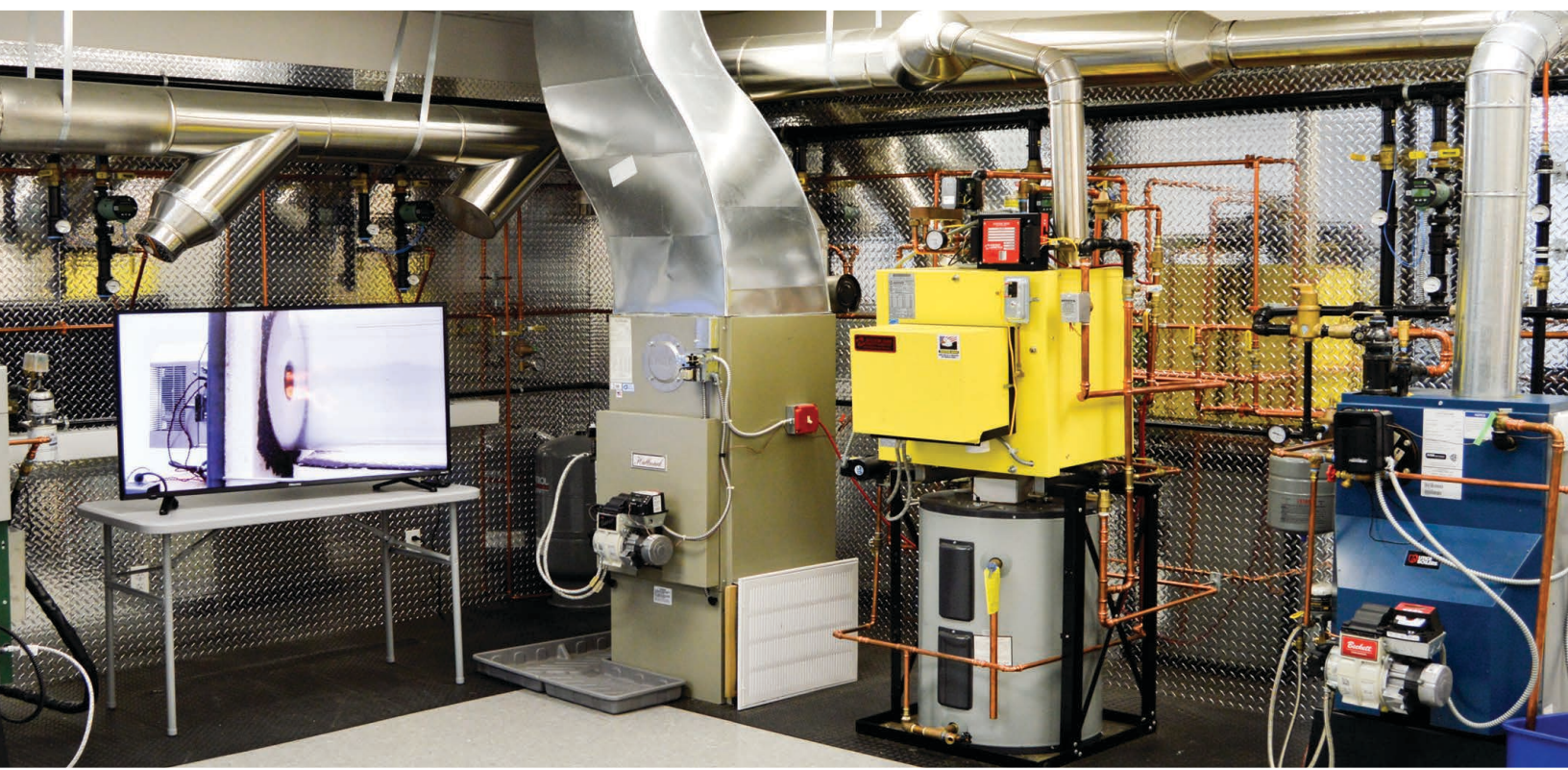


ANNUAL REPORT

2018



National Oilheat Research Alliance

NORA 2018 Directors

NORA is governed by a Board that represents wholesalers and retailers every state where NORA is active. Additionally, the Board includes representatives from the research and manufacturers. The Board meets twice a year and is responsible for the general governance of the Alliance.

The By-Laws established an Executive Committee to manage the organization. The members of the 2018 Executive Committee are: Peter Aziz, Kate Childs, Steve Clark, Eric DeGesero, Mike Estes, Allison Heaney, Roger Marran, John McCusker, Steve McCracken, Ted Noonan, Tom Santa and Charlie Uglietto.

Greg Anderson
Justin Andress
Peter Aziz
Will Berry
Al Breda
Jay Buehler
Peter Buotte
Greg Childs
Kate Childs
Steve Clark
Kevin Conti
Chris Daly
Kirk Darby
Eric DeGesero

Mike Estes
Larry Galgoci
Randy Groft
Scott Hacker
Susan Hammond
Bruce Q. Harris
Allison Heaney
Michael Januario
Quincy W. Longacre
Roger Marran
Steve McCracken
John McCusker
George McQueeney
Matt Meehan

John Miles
Natalie Mondsin
Mike Neish
Ted Noonan
Joe Phillips
Ken Russ
Stephen Sack
Tom Santa
Susan Santopietro
Ed Scott
Daniel Singer
Charles Uglietto
Joe Wills

Since its authorization by Congress in 2000, NORA has aggressively pursued its mission of improving the oilheating experience for its customers while driving technological innovation and technical education.

NORA spending is restricted to three major areas for the advancement of oilheating technology, education and efficiency.

NORA 2018 Officers:

Immediate Past Chairperson

Allison Heaney

Chairperson

Tom Santa

First Vice-Chairman

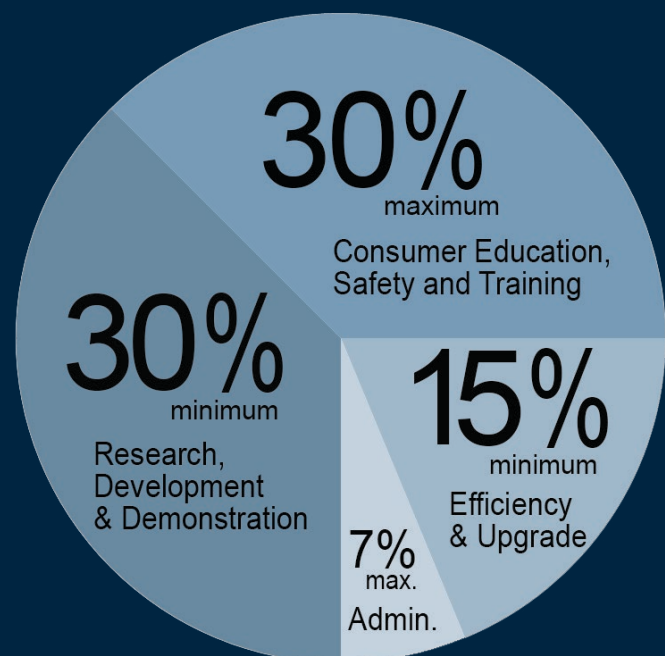
Charlie Uglietto

Treasurer

Eric DeGesero

President

John Huber





From the Chairman

Charlie Uglietto

Cubby Oil, Somerville, MA

First, I want to thank the NORA Executive Committee and Board of Directors for a terrific year as Chairman of the National Oilheat Research Alliance (NORA). The individuals who serve are committed, intelligent and contribute their time and thoughtfulness to our industry. Without them, we would not be where we are today; much less have a plan for the future.

Every generation, each business faces challenges that require the commitment and energy of its leaders. Our industry also has challenges. However, unlike most industries or businesses, we confront competitors who have the “heavy hand of the state” working cooperatively with them. This makes the challenge all the greater and often means that the consumer choice of best product at best price becomes less relevant. This is important to remember as we begin to confront the existential challenge of “renewable” electricity. How we respond will determine our immediate future and whether this industry can survive and prosper for decades to come.

The challenge of global warming and the need to decrease greenhouse gas emissions is real. Our competitors, natural gas and electricity, use this to try to convert customers to their products and seek government subsidies to encourage this. However, our industry has made significant advancements in improving efficiency through working with our customers

to have better appliances in their home. Additionally, the adoption of improved fuels, including low-carbon Bioheat®, along with ultra-low sulfur heating, oil gives the industry a voice that needs to be heard.

Currently, State governments are subsidizing the use of electric heat pumps and the installation of photovoltaic arrays and windmills effectively declaring one form of technology the winner. However, this is premature, they have not looked closely at the better alternative, us. We can provide low emissions at a fraction of the cost of a conversion to other fuel sources. In many cases, we can provide equal or superior benefits at little or no cost.

Our industry, through NORA, has been working for decades to develop heating equipment and techniques that can use ever increasing blends of biofuels that drastically lowers the carbon footprint.

Research in the biodiesel industry has been identifying waste oils (used cooking oil & surplus soy and corn oil) and turning these products into fuels for our homes. These oils come from plants that have absorbed the same amount of carbon dioxide as is released heating the home making them carbon neutral.

Natural Gas is not the fuel of the future. It is a hydrocarbon and it emits carbon dioxide when it burns. Additionally, when it is developed and transported, it releases methane.

Electricity made from wind and photovoltaics may be a valid choice in the future, but not today. Electricity made from renewable sources (wind, solar, hydropower) contributes a fraction of the total supply. Renewably sourced electric generation should replace coal-fired electricity first followed by oil-fired electricity. Its priority should be powering electric vehicles. By the time that happens, we will meet them with a 100% ultra-low carbon fuel with no emissions. A superior product which will provide unlimited hot water and a warm house on the coldest day in Maine. If and when electricity can offer a truly green product, that does not cost \$20,000 to implement in a home and one that works in bad weather, then we will be concerned.

Our industry is now committed to higher blends of ultra-low-sulfur biodiesel into our fuel with the goal of having a fully renewable and zero greenhouse gas product in 2050. NORA has tested material compatibility, fuel stability and equipment operation with the highest blends of biodiesel. NORA has worked, and will continue to work, to ensure this becomes a reality at a low cost for our industry and our consumers.

The oilheating industry, through its ultra-low carbon fuel options, has an answer to greenhouse gas emissions from homes, but it requires the industry to coordinate efforts. I am very thankful for my term at NORA. Because of the time spend working these issues through with the organization, I am absolutely convinced that we have the resources and talent to move our industry forward to the next generation.

NORA's activities

cover a broad range of areas at the state, regional and national levels. The prescribed areas of involvement are: Research, Development & Demonstration, Consumer Education, Training & Safety, and Energy Efficiency.

The National Oilheat Research Alliance continued its important work in 2018 and 2019.

The National Oilheat Research Alliance was established by Act of Congress in 2000. Through a referendum of the industry, NORA was put in place in 2001. Over the past 19 years, NORA has been the leading voice for the oilheating industry and its consumers. In 2018, NORA was provided a ten-year extension by the U.S. Congress. However, due to internal rules of Congress, NORA must now escrow 25 % of the funds collected each year. These funds will be escrowed and then redistributed beginning in 2028.

One of the most consequential tasks for the industry is to transform from a petroleum-based fuel to a fuel made from low-carbon renewable resources. The heating oil industry, as well as its consumers, are sensitive to the demands of reducing emissions of greenhouse gases. NORA has been working on the issues associated with using a renewable fuel in its equip-

ment for many years. However, the industry is demanding that these efforts accelerate, and the obstacles to the use of that fuel be eliminated.

NORA's Alexandria headquarters is headed by NORA's president, John Huber. Here the education program for NORA is coordinated and supervision of the state energy efficiency rebate programs occurs. It coordinates the research about oilheat and its role in the modern American economy. The Alexandria office also is responsible for the overall administration of NORA working with the Board and Executive Committee and development of an effective research program.

Education of the oilheating equipment service professionals is vital to the future of the industry. To that end, NORA maintains and regularly updates its training website which can be found at *Learning.NORAweb.org*. At this site, almost 30,000 service technicians are certified as either Silver, Bronze or Gold Technicians.

The Bronze technician is the recent entry into the industry. They have been trained at certified schools and have passed a NORA certification exam. They will become Silver technician after proving themselves in the field and completing additional continuing education credits.

The Silver technician is the industry stalwart. These individuals have proven themselves in the field. They have completed education and testing and must participate in ongoing education. They are the

individuals who come to the customer's home.

The top tier of NORA technicians are the Gold Certified. These technicians generally have decades of experience, are active in education groups and have taken additional training to ensure that they can view the whole house and locate and remedy problems associated with comfort and efficiency.

The *Learning.NORAweb.org* website provides a place for technicians and service managers to monitor their educational records and the status of their certifications. It is also integrated with an on-line testing program that can be administered in a classroom setting or on an individual basis. At *Learning.NORAweb.org*, technicians can access an ever expanding library of online courses offering continuing education credits.

The research and development program, based at the Laboratory in Plainview, NY, is led by Dr. Tom Butcher. Dr. Butcher is a nationally recognized expert on heating fuels, combustion and systems. He is active in, and takes a leading role with the American Society of Testing Materials (ASTM), Underwriters Laboratories (UL) and American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE). At these forums, Dr. Butcher provides high quality information while ensuring oilheating is well represented.

The Laboratory in Plainview is additionally staffed with two talented engineers.



Neehad Islam has a master's degree in Mechanical Engineering and works on several projects focused on the operation of heating equipment. He has been key in the development and evaluation of "tankless" coil boilers, helping the industry improve their efficiency. He has also worked diligently to assess the operation of systems utilizing high blends of biofuels.

Ryan Kerr has a bachelor's degree in Chemical Engineering. His work has focused on fuel issues in the industry and analyzing fuels that may be problematic in operation. Ryan has a well-stocked lab with a variety of analytic tools and works with many companies to understand fuel problems and potential remedies.

Responding to the needs of oilheat customers to have a fuel and equipment with a low greenhouse gas profile has been the driving force behind the lab's activities.

The National Biodiesel Board has been a key partner in that effort by contributing funding for the lab

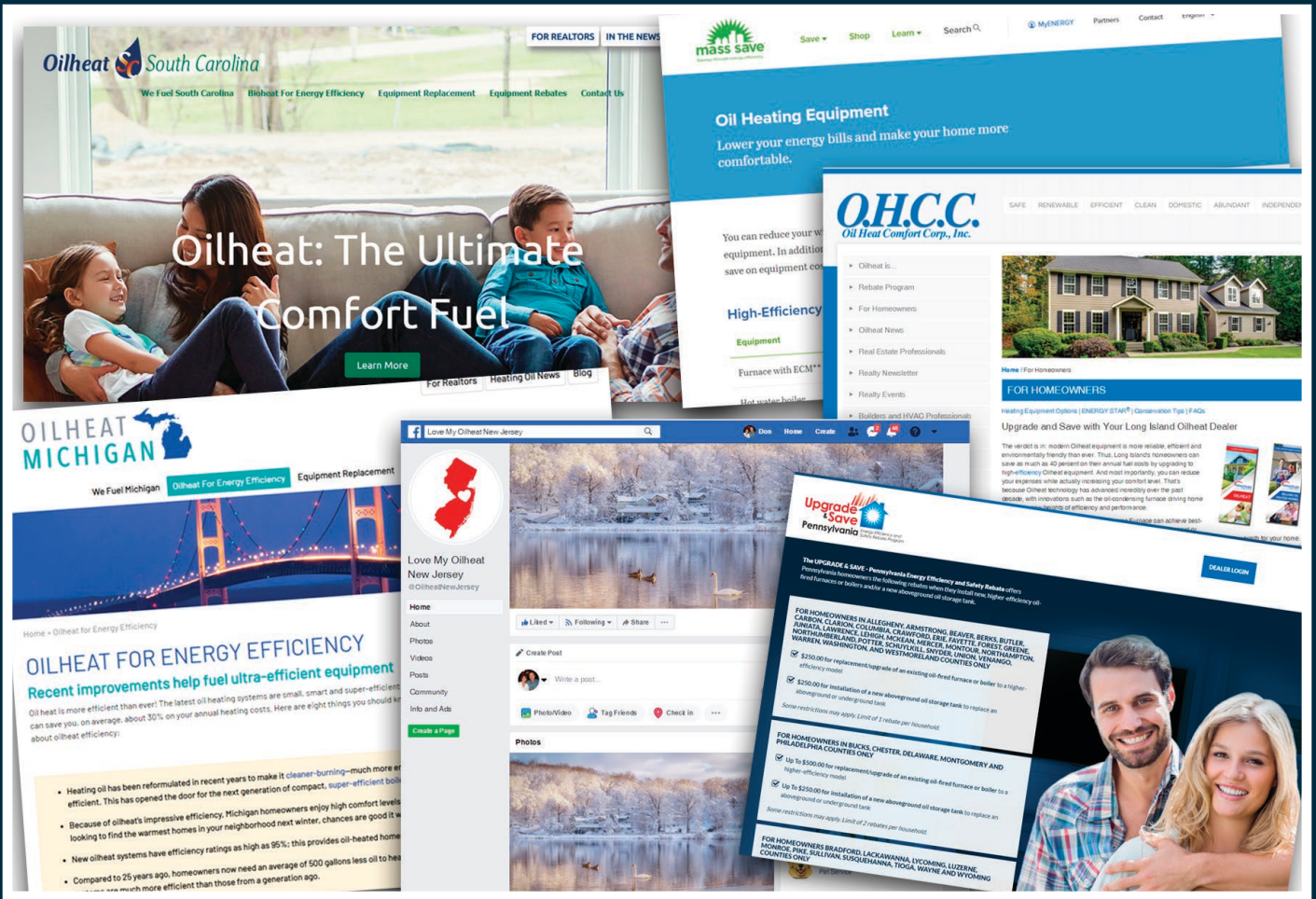
as well as technical support and insights. Currently, ultra-low carbon biodiesel has the best potential to allow the industry to substantially lower and eventually eliminate greenhouse gas emissions. However, that requires high blends of biodiesel to be delivered and consumed at the home possibly creating operational issues and concerns. To discover and remedy these, the lab work includes cold weather performance, material compatibility and flame sensing. NORA's goal is to deliver this new fuel with minimal impact to consumers.

NORA has worked on a long-term project to evaluate a cellulosic based biofuel (ethyl levulinate) made from wood waste. Its current greenhouse gas score is negative, essentially its emissions are zero and it displaces other emissions. NORA has successfully used this material in both a commercial facility and a residence. It faces hurdles to becoming a residential product. It could however, be useful in positioning the industry.

NORA is also working on a grand slam project. In partnership with the New York State Energy Research and Development Authority (NYSERDA), NORA will be conducting a test project which uses a liquid fuel-fired heat pump, a modulating burner and ethyl levulinate. The heat pump is critical as it will demonstrate that liquid fuels can provide efficiencies in excess of 100 %.

This would raise the current 86% AFUE oilfired heating equipment to an efficiency of 150%. The burner in development will be designed to use heating oil, biodiesel and ethyl levulinate. The goal is to have a burner that can use all available fuels and switch among them without incident, modification or maintenance.

Finally, we will be using ethyl levulinate as a developmental fuel that is the most exotic of the other fuels. Our efforts will also validate that the other fuels will work as well. This study will provide us an opportunity to show that our industry is the future.



Samples of state activities and programs

State activities NORA is an alliance of more than twenty-one state and local associations representing heating oil marketers across the U.S. Each state association is qualified to request rebates from NORA for programs that meet the criteria of the NORA Statute. These programs all operate under the four tenants of NORA: Research, Development & Demonstration, Consumer Education Safety & Training, and Energy Efficiency.

CONNECTICUT

Connecticut worked diligently to have a very active rebate program for tanks and new heating equipment. Part of those efforts included outreach to consumers on the importance of having modern efficient appliances in their home. Additionally, they provided scholarships for young people to be trained as service professionals in the industry.

In the research and development arena CEMA focused on demonstration tools to visualize flame combustion and how to improve combustion. Additionally, introducing Bioheat® in the market is very important as a response to global warming.

DELAWARE MARYLAND

This organization coordinates the activities for the District of Columbia, Maryland and Delaware. MAPDA worked diligently to have a very active rebate program for tanks and new heating equipment. Part of those efforts included outreach to consumers on the importance of having modern efficient appliances in their home.

KENTUCKY

Kentucky spent most of its efforts to educate companies and consumers on the advantages of oilheat and potential use of Bioheat®. The limited role of oilheat in Kentucky presents several hurdles. The association focused promotion of oilheat to realtors as key influencers in Kentucky, as well as industry education through state conferences and events. Bioheat® has some unique opportunities in Kentucky and thus direct outreach

to consumers was also undertaken by using online communication tools.

MAINE

Maine, as a leading oilheat state, worked to ensure the customers understand the value of oilheat through its efficiency and that oilheat has an easy path to reducing greenhouse gas emissions by blending every increasing amounts of biodiesel into the fuel.

Maine also used funds to ensure that oilheating service professionals were of the highest caliber through a very strong school and educational program. This has brought hundreds of new technicians into the industry and provided them a good source of employment. Maine also helped revise the journeyman's exam.

Maine worked diligently to have a very active rebate program for tanks and new heating equipment. Part of those efforts included outreach to consumers on the importance of having modern efficient appliances in their home.

MASSACHUSETTS

The Massachusetts Energy Marketers Association (MEMA) had a very active rebate program for new storage tanks and heating equipment. In addition, MEMA included outreach to consumers on the importance of having modern efficient appliances in their home.

During 2018, Massachusetts also transitioned to an ultra-low sulfur heating fuel. MEMA educated customers, retailers and service professionals about the advantages of that product.

Massachusetts continues to focus on training. It recognizes the industry's dependence on quality service

professionals and has hired trainers and conducted training throughout the state.

Massachusetts continued its effective real estate agent outreach program educating real estate professionals about how oilheat continues to be an efficient and safe way to heat a home.

MICHIGAN

Michigan had a very active 2018 with several outreach campaigns. Even though the density of oilheated homes is light, the state coordinated an active out-of-home and radio campaign, as well as an on-line campaign to educate consumers on the benefits of oilheat.

NEW HAMPSHIRE

New Hampshire worked diligently to have a very active rebate program for tanks and new heating equipment. New Hampshire also began selling ultra-low sulfur oil in 2018 and dedicated funds to educating consumers about its advantages.

New Hampshire provided a number of education opportunities by providing scholarships to bring new technicians into the industry. Additionally, New Hampshire worked to improve the skills of the drivers of the delivery trucks, with a focus on hazardous materials transportation.

New Hampshire worked actively to bring U. S. military veterans into the industry through training both veterans and companies of the benefits of "hiring a vet".

NEW JERSEY

New Jersey was very active with several programs. Like other states, New Jersey had an active rebate program. Part of this effort in the program was

to encourage and educate consumers about the benefits of high efficiency equipment.

An new regulation was implemented in NJ that required additional training for service professionals on heating and venting requirements under NFPA. New Jersey organized a large outreach effort and educational program to ensure these rules were complied with.

Finally, New Jersey continued its very effective real estate agent outreach program. This program educates these professionals as how oilheat continues to be an efficient and safe way to heat a home.

NEW YORK

New York City

New York Oil Heating Association (NYOHA), representing New York city and Westchester county, worked had a very active rebate program for tanks and new heating equipment. Part of those efforts included outreach to consumers on the importance of having modern efficient appliances in their home. These rebate programs were coordinated with a public outreach campaign.

NYOHA also provides regular consumer newsletters highlighting the proper use of oilheat and how to get the most value from being an oilheat consumer.

NYOHA has also been working actively to promote Biheat®, as ever gallon of fuel sold in New York contains biodiesel.

Long Island

Oil Heat Comfort Corp. (OHCC) represents and supports the industry and its customers in Nassau and Suffolk counties.

OHCC have a very active rebate

program for tanks and new heating equipment. Part of those efforts included outreach to consumers on the importance of having modern efficient appliances in their home. These rebate programs were coordinated with a public outreach campaign.

OHCC is also a major supporter of training that is conducted at the NORA lab in Plainview. This includes both basic training for new entrants as well as nighttime continuing education classes.

Like several other states, OHCC believes that communication with real estate agents is important and thus communicates through a newsletter sent to agents on Long Island.

Hudson Valley

HVOEC had a active rebate program for new tanks and heating equipment which included outreach to consumers on the importance of having modern efficient appliances in their home.

As part of their efforts to educate consumers, HVOEC maintained an active website.

Upstate New York Energy Association (UNYEA)

This association represents the industry outside of New York, Hudson Valley and Long Island. As a result, it covers an extensive geographic footprint and an area that experiences severe cold spells. UNYEA manages an active website for consumers to receive information about oilheat/Bioheat®.

The association also conducted seminars and training for home inspectors and for customer service interactions. For technicians it conducted both introductory classes as well as specialized training on electricity.

UNYEA had an active rebate program for tanks and new heating equipment. Part of those efforts included outreach to consumers on the importance of having modern efficient appliances in their home. These rebate programs were coordinated with a public outreach campaign.

NORTH CAROLINA

North Carolina had a very active rebate program for new storage tanks and heating equipment. This included outreach to consumers on the importance of having modern, efficient, oil-fired appliances in their home. Therebate program was coordinated also included outreach campaign heating contractor groups in the state.

North Carolina focuses on training. It recognizes the industry's dependence on quality service professionals and has hired trainers and conducted training throughout the state.

North Carolina also utilized the University of North Carolina's Tar Heels Sports Network to reach hard-to-reach consumers of oilheat.

PENNSYLVANIA

Pennsylvania is one of the largest heating oil states. The Pennsylvania Petroleum Association (PPA) had a very active rebate program for tanks and new heating equipment. Part of those efforts included outreach to consumers on the importance of having modern efficient appliances in their home. These rebate programs were coordinated with a public outreach campaign.

PPA also focuses on training. It recognizes the industry's dependence on quality service professionals and has hired trainers and conducted training throughout the state. The majority of

their training is conducted at its Harrisburg Training Center. Included this year, was training for technicians to understand how to integrate heat pumps and oil systems.

PPA continued its very effective real estate agent outreach program. This program educates these professionals as how oilheat continues to be an efficient and safe way to heat a home.

In addition to these activities, Pennsylvania conducted outreach to consumers throughout the state. They utilized traditional media such as television and radio and also online tools. Like many of the other states, Pennsylvania is focused on Bioheat® as the fuel of the future.

RHODE ISLAND

Rhode Island Oilheat Association (OHIRI) had a very active rebate program for tanks and new heating equipment included outreach to consumers on the importance of having modern efficient appliances in their home. These rebate programs were coordinated with a public outreach campaign.

Rhode Island also dedicates significant effort to training. They have done widespread training on driving hazardous materials safely and customer service.

Rhode Island continued its very effective real estate agent outreach program educating these professionals as how oilheat continues to be an efficient and safe way to heat a home.

Rhode Island also put a focus on millennials, and conducted a millennial consumer survey. As the oilheating industry transitions to Bioheat® in Rhode Island responding to the

needs of the next generation of home buyers is essential.

SOUTH CAROLINA

South Carolina is NORA's southernmost state and is in an area with limited oilheat consumption. Thus, the state focused on developing programs of consumer outreach and rebates for consumers.

VERMONT

Vermont has a very cold climate as well as has a strong environmental ethos. To accommodate these needs, Vermont Fuel Dealers Association (VFDA) worked diligently to have a very active rebate program for tanks and new heating equipment. Part of those efforts included outreach to consumers on the importance of having modern efficient appliances in their home. These rebate programs were coordinated with a public outreach campaign.

Vermont's training activities are widespread and conducted throughout the state. Classes include NORA's Silver and Bronze classes, Tune-Ups and classes on specific burners.

Additionally, Vermont has adopted stringent requirements for tanks in Vermont and has thus worked to educate service professionals to ensure customers and companies are in compliance with these rules.

VIRGINIA

Virginia Petroleum Marketers Association (VPCMA) had an active rebate program for tanks and new heating equipment. Part of those efforts included outreach to consumers on the importance of having modern efficient appliances in their home. These rebate programs were coordinated

with a public outreach campaign.

Virginia also had an active training program. They focused on safety management and customer service. Included in the safety management program was hazardous materials training.

WASHINGTON

Washington state is a very environmentally forward thinking state. To respond to the needs of consumers, the oilheating industry has worked to educate consumers as to the benefits of oilheating and how a transition to Bioheat® can make this product environmentally friendly. A transition to Bioheat® will allow consumers to transition to a clean fuels while keeping the comfort of oilheat.

WISCONSIN

Wisconsin had a very active rebate program for tanks and new heating equipment. Part of those efforts included outreach to consumers on the importance of having modern efficient appliances in their home. These rebate programs were coordinated with a public outreach campaign.

Wisconsin also had an outreach program to consumers that focused on upgrading and improving the equipment in their homes. This was supplemented with consumer newsletters.



Financial report The following pages contain the complete financial report for the National Oilheat Research Alliance for its 2018-2017 fiscal years.

Audit Report Contents

Independent Auditor's Report p. 11

Financial Statements

Statements of Financial Position, *December 31, 2018 and 2017* p. 13

Statements of Activities, *For the Years Ended December 31, 2018 and 2017* p. 14

Statements of Functional Expenses, *For the Years Ended December 31, 2018 and 2017* p. 14

Statements of Cash Flows, *For the Years Ended December 31, 2018 and 2017* p. 16

Notes to Financial Statements p. 17

Supplementary Information

Supplemental Schedules of Expenses by State/Jurisdiction For the Year Ended December 31, 2018 p. 23

Ross, Langan & McKendree, LLP

7900 Westpark Drive, Suite T420
McLean, VA 22102703-893-2660
fax 703-893-2123

INDEPENDENT AUDITOR'S REPORT

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

Scope

We have audited the accompanying financial statements of the National Oilheat Research Alliance, Inc. (the Alliance), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, 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 audits 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 Alliance'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 Alliance'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

Opinion

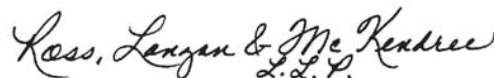
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alliance as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, in 2018, the Alliance adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

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 on pages 14-17 for the year ended December 31, 2018, 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.



CERTIFIED PUBLIC ACCOUNTANTS

August 19, 2019

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 9,151,550	\$ 9,343,450
Assessments receivable	3,086,323	2,987,247
Prepaid state assessments	137,970	217,360
Other assets	<u>112,632</u>	<u>78,190</u>
TOTAL ASSETS	<u>\$ 12,488,475</u>	<u>\$ 12,626,247</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 760,957	\$ 1,098,309
Refunds payable	337,662	318,984
State grants payable	3,084,544	3,389,090
Obligation for unallocated state rebates	1,988,799	2,615,817
Other liabilities	<u>68,175</u>	<u>45,619</u>
TOTAL LIABILITIES6,240,1377,467,819
NET ASSETS		
Net assets without donor restrictions available for obligation - other than for consumer education, safety, and training	642,774	431,117
Designated net assets:		
Pre-2014 reauthorization net assets	55,933	55,933
National spending not yet incurred:		
Research, development, and demonstration - not yet obligated	5,098,554	3,779,596
Research, development, and demonstration - obligated under contract	316,580	750,328
Heating oil efficiency and upgrade - not yet obligated	123,040	110,763
Heating oil efficiency and upgrade - obligated under contract	-	-
Consumer education, safety, and training - not yet obligated	11,457	30,691
Consumer education, safety, and training - obligated under contract	<u>-</u>	<u>-</u>
Total net assets without donor restrictions	<u>6,248,338</u>	<u>5,158,428</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,488,475</u>	<u>\$ 12,626,247</u>

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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE AND GAINS/LOSSES		
Assessments revenue, net of refunds	\$ 9,241,652	\$ 8,851,079
Contract revenue	257,259	83,800
Other income	<u>73,832</u>	<u>28,684</u>
Total revenue and gains/losses9,572,7438,963,563
EXPENSES		
Program expenses:		
Research, development, and demonstration	1,928,697	1,869,509
Heating oil efficiency and upgrade	1,394,446	1,313,136
Consumer education, safety, and training	2,791,730	2,651,449
Unallocated state rebates	<u>1,942,501</u>	<u>1,818,717</u>
Total program expenses8,057,3747,652,811
Administrative costs231,756195,263
General and special projects:		
Assessment and collection costs	135,230	179,944
Annual report costs	<u>58,473</u>	<u>59,663</u>
Total general and special projects	<u>193,703</u>	<u>239,607</u>
Total expenses	<u>8,482,833</u>	<u>8,087,681</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,089,910	875,882
NET ASSETS, BEGINNING OF YEAR	<u>5,158,428</u>	<u>4,282,546</u>
NET ASSETS, END OF YEAR	<u>\$ 6,248,338</u>	<u>\$ 5,158,428</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018							
	PROGRAM SERVICES							
	Research, Development, and Demonstration	Heating Oil Efficiency and Upgrade	Consumer Education, Safety, and Training	Unallocated State Rebates	Total Program Services	Administrative Costs	General and Special Projects	Total 2018
Grants	\$ 713,907	\$ 1,326,723	\$ 2,463,485	\$ 1,942,501	\$ 6,446,616	\$ -	\$ -	\$ 6,446,616
Salaries, taxes, and benefits	388,799	56,854	67,656	-	513,309	59,661	36,037	609,007
Professional fees	727,318	4,738	249,398	-	981,454	151,383	153,089	1,285,926
Other expenses	98,673	6,131	11,191	-	115,995	20,712	4,577	141,284
TOTAL 2018 EXPENSES	\$ 1,928,697	\$ 1,394,446	\$ 2,791,730	\$ 1,942,501	\$ 8,057,374	\$ 231,756	\$ 193,703	\$ 8,482,833
	2017							
	PROGRAM SERVICES							
	Research, Development, and Demonstration	Heating Oil Efficiency and Upgrade	Consumer Education, Safety, and Training	Unallocated State Rebates	Total Program Services	Administrative Costs	General and Special Projects	Total 2017
Grants	\$ 563,659	\$ 1,248,355	\$ 2,369,317	\$ 1,818,717	\$ 6,000,048	\$ -	\$ -	\$ 6,000,048
Salaries, taxes, and benefits	335,166	35,994	54,021	-	425,181	79,182	45,173	549,536
Professional fees	783,147	25,755	216,764	-	1,025,666	97,737	140,036	1,263,439
Other expenses	187,537	3,032	11,347	-	201,916	18,344	54,398	274,658
TOTAL 2017 EXPENSES	\$ 1,869,509	\$ 1,313,136	\$ 2,651,449	\$ 1,818,717	\$ 7,652,811	\$ 195,263	\$ 239,607	\$ 8,087,681

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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,089,910	\$ 875,882
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation and amortization	31,121	31,064
Changes in assets and liabilities:		
Assessments receivable	(99,076)	(168,978)
Prepaid state assessments	79,390	(149,571)
Other assets	(65,563)	11,332
Accounts payable	(337,352)	385,975
Refunds payable	18,678	(74,006)
State grants payable	(304,546)	(712,752)
Obligation for unallocated state rebates	(627,018)	(315,060)
Other liabilities	<u>22,556</u>	<u>11,378</u>
Net change in cash from operating activities	<u>(191,900)</u>	<u>(104,736)</u>
NET CHANGE IN CASH	(191,900)	(104,736)
CASH, BEGINNING OF YEAR	<u>9,343,450</u>	<u>9,448,186</u>
CASH, END OF YEAR	<u>\$ 9,151,550</u>	<u>\$ 9,343,450</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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 United States 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. On December 20, 2018, Public Law 115-334, *the Agriculture Improvement Act of 2018* (NORA Public Law 115-334) was signed. NORA Public Law 115-334 extended and modified the provisions of NORA Public Law 113-79 to February 6, 2029.

Pursuant to NORA Public Law 113-79, Congress established a limit on the use of assessments revenue of 30 percent for consumer education, safety, and training; a minimum of at least 30 percent of assessments revenue for research, development, and demonstration; a minimum of at least 15 percent of assessments revenue for heating oil efficiency and upgrade; and a limit on the use of assessments revenue of 5 percent for administrative costs. In the years ended December 31, 2018 and 2017, the Alliance was in compliance with these percentages. Beginning February 6, 2019, NORA Public Law 115-334 increased the limit on administrative costs to 7 percent of assessments revenue. Furthermore, NORA Public Law 115-334 requires in each calendar year beginning February 6, 2019, the Alliance may not obligate an amount greater than the sum of (1) 75 percent of the amount of assessments estimated to be collected in the calendar year; (2) 75 percent of the amount of assessments actually collected in the most recent calendar year for which an audit report has been submitted less the amount estimated in (1) above; and (3) amounts permitted in preceding calendar years to be obligated that have been obligated. The assessments collected in excess of the amounts permitted to be obligated in (1), (2), and (3) above, shall be deposited in an escrow account and be unavailable for use until October 1, 2028, when it can be used consistent with the provisions of NORA Public Law 106-469.

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 accounting principles generally accepted in the United States of America (GAAP). The Alliance reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Accounting Estimates

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

Reclassifications

Certain 2017 amounts have been reclassified to conform with 2018 classifications.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)Other Receivables and Contract Revenue

Other receivables consist of amounts due from research and development contracts. Contract revenue is recognized when services have been completed. Bad debts are recognized based on historical experience and an evaluation of outstanding receivables. Receivables are written off when all reasonable efforts for collection have been utilized. No allowance was deemed necessary by management at December 31, 2018 or 2017.

Assessments 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 of America. Assessments are due 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 \$1,444,746 and \$1,264,055 for the years ended December 31, 2018 and 2017, respectively.

Assessments Receivable

An estimate of assessments to be received, but not remitted to the Alliance as of year-end, is recognized. Receivables are charged to bad debt loss as they are deemed uncollectible based upon a periodic review of the accounts. As of December 31, 2018 and 2017, no allowance for uncollectible accounts was considered necessary by management.

Functional Allocation of Expenses

The cost of providing the various programs and other activities have been presented on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates of time and effort of staff.

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, 2018 and 2017.

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. The Alliance recorded no liability for uncertain income tax positions for any open tax years.

Subsequent Events

The Alliance has evaluated subsequent events through August 19, 2019, which is the date the financial statements were available to be issued.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017NOTE 3 - CONCENTRATIONS OF CREDIT RISK

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 \$9,151,550 as of December 31, 2018. Management does not consider this a significant concentration of credit risk.

NOTE 4 - PROGRAM SERVICES

The NORA Public Law 113-79 places requirements on how the Alliance can spend the assessments it collects. At the beginning of each year, the Alliance makes an estimate of what total assessments are anticipated to be in the coming year. Grants are made to state organizations and national campaigns are undertaken based on the estimates. Actual assessments revenue differ from the estimates. The difference between the estimates 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.

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 2018, the Alliance granted or expended \$1,928,697 for the research, development, and demonstration program, including \$1,214,790 in grants and spending of past year's assessments revenue. The Alliance also budgeted \$2,100,000 in additional national spending from 2018 assessments revenue to be spent subsequent to year-end for the research, development, and demonstration program, making the total for 2018, 30 percent of net assessments revenue. Additionally, unallocated state rebates of 2018 assessments 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 2018, the Alliance granted or expended \$1,394,446 for the heating oil efficiency and upgrade program, including \$67,723 in grants and spending of past year's assessments revenue. The Alliance also budgeted \$80,000 in additional national spending from 2018 assessments revenue to be spent subsequent to year-end for the heating oil efficiency and upgrade program, making the total for 2018, 15 percent of net assessments revenue. Additionally, unallocated state rebates of 2018 assessments revenue will be used for the heating oil efficiency and upgrade program.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017NOTE 4 - PROGRAM SERVICES (continued)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 Energy, or (iv) to establish a data collection process to track equipment, service, and related safety issues to develop measures to improve safety.

In 2018, the Alliance granted or expended \$2,791,730 for the consumer education, safety, and training program, including \$30,691 in grants and spending of past year's assessments revenue. The Alliance also budgeted \$309,010 in additional national spending from 2018 assessments revenue for the consumer education, safety, and training program, of which \$11,457 remained unspent as of December 31, 2018, making the total for 2018, 30 percent of net assessments revenue.

Unallocated State Rebates

In addition to the specific program commitments discussed previously, the Alliance has committed \$1,942,501, which is 21 percent of net 2018 assessment revenue, for state rebates that have not yet been allocated to a program specified in the NORA Public Law 113-79. The Alliance plans to allocate these state rebates to the research, development, and demonstration and/or heating oil efficiency and upgrade programs. State organizations develop detailed plans for use of the rebates to do work under these programs. These funds will be allocated between programs in accordance with the requirements of NORA Public Law 113-79 as discussed previously.

NOTE 5 - ADMINISTRATIVE EXPENSE CAP

NORA Public Law 113-79 requires the Alliance to limit expenditures for "Administrative" costs to 5 percent of revenue generated by assessment remittances beginning April 1, 2014. In 2018, the Alliance expended \$231,756 for Administrative expenses, which was 3 percent of net assessments revenue in the year ended December 31, 2018. In 2017, the Alliance expended \$195,263 for Administrative expenses, which was 2 percent of net assessments revenue in the year ended December 31, 2017. Thus, management believes the Alliance is in compliance with this provision of NORA Public Law 113-79.

NOTE 6 - STATE GRANTS PAYABLE AND OBLIGATION FOR UNALLOCATED REBATES

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

	<u>2018</u>	<u>2017</u>
Research, development, and demonstration	\$ 1,146,035	\$ 994,231
Heating oil efficiency and upgrade	874,895	1,247,501
Consumer education, safety, and training	1,063,614	1,147,358
Unallocated state rebates	<u>1,988,799</u>	<u>2,615,817</u>
Total state grants payable and obligations for unallocated rebates	<u>\$ 5,073,343</u>	<u>\$ 6,004,907</u>

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017NOTE 7 - COLLECTION COSTS

The Alliance has 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. Assessment and collection costs were \$135,230 and \$179,944 for the years ended December 31, 2018 and 2017, respectively.

NOTE 8 - FINANCIAL ASSETS AND LIQUIDITY

Financial assets available within one year for operations that are not subject to restrictions that make them unavailable for general operations as of December 31, were as follows:

	<u>2018</u>	<u>2017</u>
Cash	\$ 9,151,550	\$ 9,343,450
Assessments receivable due within one year	3,086,323	2,987,247
Prepaid state assessments	137,970	217,360
Other current assets	74,509	9,986
Less: state grants payable	(3,084,544)	(3,389,090)
Less: obligation for unallocated state rebates	(1,988,799)	(2,615,817)
Less: designated net assets for national spending not yet incurred	<u>(5,549,631)</u>	<u>(4,671,378)</u>
 Total financial assets available within one year for operations	 <u>\$ 1,827,378</u>	 <u>\$ 1,881,758</u>

The Alliance has a budgetary process to develop estimates and make grant payables to comply with NORA Public Law 113-79 and NORA Public Law 115-334. Liquid assets are maintained in cash accounts to minimize risk of loss.

NOTE 9 - NET ASSETSPre-2014 Reauthorization Designated Net Assets

As discussed previously, NORA Public Law 113-79 became effective April 1, 2014. The Alliance designated the remaining net assets under the former NORA Public Law 106-469 for use in a national oilheat education program. As of December 31, 2018 and 2017, \$55,933 remained unspent and are designated for future use.

State Grants and Rebates Made After Year-End Designated Net Assets

The Alliance establishes a budget for net assessments revenue and makes state grants and obligations for state rebates based on this budget. Actual results were not substantially different than this initial budget.

National Spending Not Yet Incurred Designated Net Assets

Included within the budget is \$5,549,631 and \$4,671,378 in national spending of assessments revenue, which had not yet been incurred as of December 31, 2018 and 2017, respectively. The Alliance has designated net assets in these amounts for future program spending, some of which, the Alliance has approved contracts to expend.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017NOTE 9 - NET ASSETS (continued)Net Assets Available for Obligation - Other Than For Consumer Education, Safety, and Training

The amount reported as net assets without donor restrictions available for obligation - other than for consumer education, safety, and training are the net amounts available for future obligation for all purposes other than consumer education, safety, and training, since NORA Public Law 113-79 has placed limits on the use of assessments revenue from consumer education, safety, and training.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The Alliance has entered into operating lease agreements for office space and a liquid fuels research center. Total rent expense under these leases was \$95,413 and \$99,795 for the years ended December 31, 2018 and 2017, respectively. Subsequent to December 31, 2018, the Alliance extended this lease through December 31, 2025. Future minimum lease payments are as follows for the years ending December 31:

2019	\$	82,121
2020		84,584
2021		100,998
2022		104,028
2023		107,149
2024		110,364
2025		<u>113,674</u>
Total future minimum lease payments	\$	<u>702,918</u>

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 11 - RETROSPECTIVE IMPLEMENTATION OF NEW STANDARD

In the year ended December 31, 2018, the Alliance retrospectively implemented Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This standard is intended to improve the net asset classification and the information presented in the financial statements and notes about a not-for-profit organization's liquidity, financial performance, net assets, cash flows, and expenses. As a result of this implementation, the Alliance renamed unrestricted net assets to net assets without donor restrictions.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

SUPPLEMENTAL SCHEDULE OF EXPENSES BY STATE/JURISDICTION -
RESEARCH, DEVELOPMENT, AND DEMONSTRATION
FOR THE YEAR ENDED DECEMBER 31, 2018

	Amounts Granted/ Expended in 2018	2018 State Grants Made After Year-End	2018 National Spending Not Yet Incurred	Total
STATE GRANTS-				
Connecticut	\$ 87,827	\$ -	\$ -	\$ 87,827
Delaware	4,460	-	-	4,460
Idaho	346	-	-	346
Indiana	906	-	-	906
Kentucky	9,950	-	-	9,950
Maine	48,714	-	-	48,714
Maryland	22,792	-	-	22,792
Massachusetts	90,540	-	-	90,540
Michigan	15,209	-	-	15,209
Nevada	187	-	-	187
New Hampshire	31,904	-	-	31,904
New Jersey	41,204	-	-	41,204
New York -				
NYOHA	41,755	-	-	41,755
UNYEA	32,780	-	-	32,780
HVOEC	19,252	-	-	19,252
OHILI	36,292	-	-	36,292
North Carolina	24,037	-	-	24,037
Ohio	19,151	-	-	19,151
Pennsylvania	95,746	-	-	95,746
Rhode Island	19,350	-	-	19,350
South Carolina	10,045	-	-	10,045
Virginia	22,381	-	-	22,381
Vermont	18,815	-	-	18,815
Washington	3,499	-	-	3,499
Washington, D.C.	227	-	-	227
Wisconsin	16,537	-	-	16,537
NATIONAL	<u>1,214,791</u>	<u>-</u>	<u>2,100,000</u>	<u>3,314,791</u>
TOTAL STATE GRANTS AND NATIONAL SPENDING	<u>\$ 1,928,697</u>	<u>\$ -</u>	<u>\$ 2,100,000</u>	<u>\$ 4,028,697</u>

In addition to these amounts, the unallocated state rebates detailed in the accompanying supplemental schedule of expenses by state/jurisdiction - unallocated state rebates 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, 2018

	Amounts Granted/ Expended in 2018	2018 State Grants Made After Year-End	2018 National Spending Not Yet Incurred	Total
STATE GRANTS-				
Connecticut	\$ 163,218	\$ -	\$ -	\$ 163,218
Delaware	8,289	-	-	8,289
Idaho	643	-	-	643
Indiana	1,684	-	-	1,684
Kentucky	18,491	-	-	18,491
Maine	90,529	-	-	90,529
Maryland	42,356	-	-	42,356
Massachusetts	168,259	-	-	168,259
Michigan	28,265	-	-	28,265
Nevada	348	-	-	348
New Hampshire	59,291	-	-	59,291
New Jersey	76,573	-	-	76,573
New York -				
NYOHA	77,598	-	-	77,598
UNYEA	60,918	-	-	60,918
HVOEC	35,777	-	-	35,777
OHILI	67,445	-	-	67,445
North Carolina	44,670	-	-	44,670
Ohio	35,590	-	-	35,590
Pennsylvania	177,934	-	-	177,934
Rhode Island	35,960	-	-	35,960
South Carolina	18,668	-	-	18,668
Virginia	41,593	-	-	41,593
Vermont	34,966	-	-	34,966
Washington	6,503	-	-	6,503
Washington, D.C.	421	-	-	421
Wisconsin	30,733	-	-	30,733
NATIONAL	<u>67,724</u>	<u>-</u>	<u>80,000</u>	<u>147,724</u>
TOTAL STATE GRANTS AND NATIONAL SPENDING	<u>\$ 1,394,446</u>	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ 1,474,446</u>

In addition to these amounts, the unallocated state rebates detailed in the accompanying supplemental schedule of expenses by state/jurisdiction - unallocated state rebates 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, 2018

	Amounts Granted/ Expended in 2018	2018 State Grants Made After Year-End	2018 National Spending Not Yet Incurred	Total
STATE GRANTS-				
Connecticut	\$ 303,066	\$ -	\$ -	\$ 303,066
Delaware	15,392	-	-	15,392
Idaho	1,194	-	-	1,194
Indiana	3,128	-	-	3,128
Kentucky	34,335	-	-	34,335
Maine	168,096	-	-	168,096
Maryland	78,648	-	-	78,648
Massachusetts	312,428	-	-	312,428
Michigan	52,483	-	-	52,483
Nevada	647	-	-	647
New Hampshire	110,093	-	-	110,093
New Jersey	142,182	-	-	142,182
New York -				
NYOHA	144,084	-	-	144,084
UNYEA	113,113	-	-	113,113
HVOEC	66,431	-	-	66,431
OHILI	125,232	-	-	125,232
North Carolina	82,945	-	-	82,945
Ohio	66,085	-	-	66,085
Pennsylvania	330,392	-	-	330,392
Rhode Island	66,772	-	-	66,772
South Carolina	34,663	-	-	34,663
Virginia	77,230	-	-	77,230
Vermont	64,926	-	-	64,926
Washington	12,074	-	-	12,074
Washington, D.C.	782	-	-	782
Wisconsin	57,066	-	-	57,066
NATIONAL	<u>328,243</u>	<u>-</u>	<u>11,457</u>	<u>339,700</u>
TOTAL STATE GRANTS AND NATIONAL SPENDING	<u>\$ 2,791,730</u>	<u>\$ -</u>	<u>\$ 11,457</u>	<u>\$ 2,803,187</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, 2018

	Amounts Granted/ Expended in 2018	2018 State Rebates After Year-End	2018 National Spending Not Yet Incurred	Total
UNALLOCATED STATE REBATES-				
Connecticut	\$ 238,972	\$ -	\$ -	\$ 238,972
Delaware	12,137	-	-	12,137
Idaho	942	-	-	942
Indiana	2,466	-	-	2,466
Kentucky	27,074	-	-	27,074
Maine	132,547	-	-	132,547
Maryland	62,015	-	-	62,015
Massachusetts	246,355	-	-	246,355
Michigan	41,383	-	-	41,383
Nevada	510	-	-	510
New Hampshire	86,810	-	-	86,810
New Jersey	112,113	-	-	112,113
New York -				
NYOHA	113,613	-	-	113,613
UNYEA	89,192	-	-	89,192
HVOEC	52,382	-	-	52,382
OHILI	98,748	-	-	98,748
North Carolina	65,404	-	-	65,404
Ohio	52,109	-	-	52,109
Pennsylvania	260,519	-	-	260,519
Rhode Island	52,651	-	-	52,651
South Carolina	27,332	-	-	27,332
Virginia	60,897	-	-	60,897
Vermont	51,195	-	-	51,195
Washington	9,521	-	-	9,521
Washington, D.C.	617	-	-	617
Wisconsin	44,997	-	-	44,997
TOTAL UNALLOCATED STATE REBATES	<u>\$ 1,942,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,942,501</u>

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.

National Oilheat Research Alliance
600 Cameron Street, Suite 206
Tel: 703.340.1660
NORAweb.org
E: info@noraweb.org

