

DIS Case Number: 13-0788-EL-AGG

Section A: Application Information

Section B: Applicant Managerial Capability and Experience

Section C: Applicant Financial Capability and Experience

C-2. Financial statements

Provide copies of the applicant's two most recent years of audited financial statements, including a balance sheet, income statement, and cash flow statement. If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, provide audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns with **social security numbers and bank account numbers redacted**.

If the applicant is unable to meet the requirement for two years of financial statements, the Staff reviewer may request additional financial information.

File(s) attached

Section D: Applicant Technical Capacity



Public Utilities
Commission

Application Attachments

	Dec 31, 20
ASSETS	
Current Assets	
Checking/Savings	
1020 · Bank Newport 150000516795	2.72
1025 · BANKRI #2309	726.04
1050 · Cash - B of A #4163	8,934.60
1100 · Cash - Op Acct-B of A #4150	862.87
Total Checking/Savings	10,526.23
Other Current Assets	
1400 · Security Deposits	400.00
Total Other Current Assets	400.00
Total Current Assets	10,926.23
Fixed Assets	
1230 · Computers	4,165.74
1500 · Furniture and Equipment	8,500.45
1700 · Accumulated Depreciation	-12,351.16
Total Fixed Assets	315.03
TOTAL ASSETS	11,241.26
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2135 · Accrued Expenses	400.00
2431 · L/P-Citizens Bank #0979	54,742.50
2441 · L/P Ascentium \$2112.37	67,803.71
2450 · L/O/C-Bank RI #C1 0001	99,298.53
3100 · To/From Powertrak	-62,007.64
Total Other Current Liabilities	160,237.10
Total Current Liabilities	160,237.10
Long Term Liabilities	
2300 · Notes Payable - John Holmes	50,000.00
2325 · Notes Payable - Philip Fitting	89,328.98
2350 · Notes Payable - Verde Energy	218,243.48
3500 · EDIL Loan	83,600.00
Total Long Term Liabilities	441,172.46
Total Liabilities	601,409.56
Equity	
3070 · Capital J.T.H.	-680,870.09
Net Income	90,701.79
Total Equity	-590,168.30
TOTAL LIABILITIES & EQUITY	11,241.26

Frontline Power Solutions LLC

Profit & Loss

January through December 2020

	Jan - Dec 20
Income	
4240 · Brokerage Commission Income	238,537.23
Total Income	238,537.23
Cost of Goods Sold	
5000 · Sales Commission Expense	23,501.10
Total COGS	23,501.10
Gross Profit	215,036.13
Expense	
6000 · Marketing/Advertising/Promotion	5,397.00
6040 · Bank Service Charges	2,820.64
6170 · Computer and Technology	1,287.62
6171 · Internet Expenses	3,543.82
6173 · Hardware/Software/Misc Supplies	740.20
6233 · Utilities	390.00
6236 · Telephone	1,431.99
6237 · Rent	34,800.00
6238 · Repairs / Maintenance	1,080.43
6239 · Postage and Overnight Delivery	67.92
6240 · Depreciation Expense	631.20
6335 · Insurance Expense	616.80
6340 · Interest Expense	56,520.57
6430 · Meals and Entertainment	1,309.11
6490 · Office Expense	1,703.18
6495 · Licenses	492.98
6670 · Professional Fees	
6674 · Accounting & Bookkeeping	6,000.00
6670 · Professional Fees - Other	200.00
Total 6670 · Professional Fees	6,200.00
6675 · Recruiting Expense	2,245.88
6800 · Conferences	310.80
6840 · Travel Expense	2,344.20
8000 · Reconciliation Discrepancies	0.00
8080 · Suspense	0.00
9660 · State Min Tax	400.00
Total Expense	124,334.34
Net Income	90,701.79

Frontline Power Solutions LLC

Balance Sheet

As of December 31, 2021

	Dec 31, 21
ASSETS	
Current Assets	
Checking/Savings	
1015 · Citizens Bank #3027	143.41
1016 · Citizens Bank #3035	5.00
1025 · BANKRI #2309	4.43
1050 · Cash - B of A #4163	2.60
1100 · Cash - Op Acct-B of A #4150	6,283.97
Total Checking/Savings	6,439.41
Other Current Assets	
1400 · Security Deposits	400.00
Total Other Current Assets	400.00
Total Current Assets	6,839.41
Fixed Assets	
1500 · Furniture and Equipment	7,072.00
1700 · Accumulated Depreciation	-7,072.00
Total Fixed Assets	0.00
TOTAL ASSETS	6,839.41
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2135 · Accrued Expenses	38,181.32
2431 · L/P-Citizens Bank #0979	42,046.84
2441 · L/P Ascentium \$2112.37	44,696.88
2450 · L/O/C-Bank RI #C1 0001	96,954.57
Total Other Current Liabilities	221,879.61
Total Current Liabilities	221,879.61
Long Term Liabilities	
2300 · Notes Payable - John Holmes	50,000.00
2325 · Notes Payable - Philip Fitting	89,328.98
2350 · Notes Payable - Verde Energy	218,243.48
3500 · EDIL Loan	83,600.00
3510 · SBA Loan	83,600.00
Total Long Term Liabilities	524,772.46
Total Liabilities	746,652.07
Equity	
3070 · Capital J.T.H.	-688,004.76
Net Income	-51,807.90
Total Equity	-739,812.66
TOTAL LIABILITIES & EQUITY	6,839.41

Frontline Power Solutions LLC

Profit & Loss

January through December 2021

	Jan - Dec 21
Income	
4240 · Brokerage Commission Income	118,172.38
Total Income	118,172.38
Cost of Goods Sold	
5000 · Sales Commission Expense	29,230.45
Total COGS	29,230.45
Gross Profit	88,941.93
Expense	
6000 · Marketing/Advertising/Promotion	1,420.50
6040 · Bank Service Charges	2,342.45
6170 · Computer and Technology	1,339.00
6171 · Internet Expenses	4,431.42
6173 · Hardware/Software/Misc Supplies	9,000.30
6233 · Utilities	1,056.47
6236 · Telephone	1,574.87
6237 · Rent	27,900.00
6238 · Repairs / Maintenance	565.22
6239 · Postage and Overnight Delivery	1,568.45
6240 · Depreciation Expense	315.60
6335 · Insurance Expense	130.00
6340 · Interest Expense	55,649.97
6430 · Meals and Entertainment	1,539.18
6490 · Office Expense	372.89
6670 · Professional Fees	
6672 · Consulting	5,332.09
6673 · Legal Services	7,370.69
6674 · Accounting & Bookkeeping	8,620.00
6670 · Professional Fees - Other	35.00
Total 6670 · Professional Fees	21,357.78
6840 · Travel Expense	9,785.73
9660 · State Min Tax	400.00
Total Expense	140,749.83
Net Income	-51,807.90

SCHEDULE C
(Form 1040)
Profit or Loss From Business
(Sole Proprietorship)

OMB No 1545-0074

2021
Attachment
Sequence No **09**Department of the Treasury
Internal Revenue Service

(99)

Go to www.irs.gov/ScheduleC for instructions and the latest information.
 Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor:

JOHN T HOLMES

Social security number (SSN)

A Principal business or profession, including product or service (see instructions)**SALES-FRONTLINE****B** Enter code from instructions**541990****C** Business name. If no separate business name, leave blank.**FRONTLINE POWER SOLUTIONS, LLC****D** Employer ID number (EIN) (see instr.)**E** Business address (including suite or room no.) **PO BOX 1110**

City, town or post office, state, and ZIP code

BRISTOL**RI 02809****F** Accounting method: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) **▶****G** Did you "materially participate" in the operation of this business during 2021? If "No," see instructions for limit on losses☒ Yes ☐ No**H** If you started or acquired this business during 2021, check here **▶****I** Did you make any payments in 2021 that would require you to file Form(s) 1099? See instructions☒ Yes ☐ No**J** If "Yes," did you or will you file required Form(s) 1099?☒ Yes ☐ No
Part I **Income**

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ▶ <input type="checkbox"/>	1	118,172
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	118,172
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	118,172
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6 ▶	7	118,172

Part II **Expenses. Enter expenses for business use of your home only on line 30.**

8 Advertising	8	1,421	18 Office expense (see instructions)	18	373
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	29,231	20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	27,900
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	316	21 Repairs and maintenance	21	565
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	130	23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	9,786
b Other	16b	55,650	b Deductible meals (see instructions)	24b	1,539
17 Legal and professional services	17	5,332	25 Utilities	25	1,056
18 Total expenses before expenses for business use of home. Add lines 8 through 27a	18		26 Wages (less employment credits)	26	
19 Tentative profit or (loss). Subtract line 28 from line 7	19		27a Other expenses (from line 48)	27a	36,681
20 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions.	20		b Reserved for future use	27b	
Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30			28	28	169,980
21 Net profit or (loss). Subtract line 30 from line 29.	21		29	29	-51,808
• If a profit, enter on both Schedule 1 (Form 1040), line 3 and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3.			30	30	
• If a loss, you must go to line 32.			31	31	-51,808
22 If you have a loss, check the box that describes your investment in this activity. See instructions.			32a	<input checked="" type="checkbox"/> All investment is at risk.	
• If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3 and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3.			32b	<input type="checkbox"/> Some investment is not at risk.	
• If you checked 32b, you must attach Form 6198. Your loss may be limited.					

For Paperwork Reduction Act Notice, see the separate instructions.

DAA

Schedule C (Form 1040) 2021

JOHN T HOLMES

Schedule C (Form 1040) 2021

SALES-FRONTLINE

Page 2

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach explanation

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	
36 Purchases less cost of items withdrawn for personal use	36	
37 Cost of labor. Do not include any amounts paid to yourself	37	
38 Materials and supplies	38	
39 Other costs	39	
40 Add lines 35 through 39	40	
41 Inventory at end of year	41	
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42	

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ►

44 Of the total number of miles you drove your vehicle during 2021, enter the number of miles you used your vehicle for:

a Business b Commuting (see instructions) c Other

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

47a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If "Yes," is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

BANK SERVICE CHARGES	2,342
COMPUTER & TECH INTERNET EXP	1,339
INTERNET	4,431
HARDWARE/SOFTWARE	9,000
TELEPHONE EXPENSE	1,575
POSTAGE & OVERNIGHT DEL	1,568
PROFESSIONAL FEES	35
STATE MIN TAX	400
PROF FEES ACCT & BOOKKEEPING	15,991

48 Total other expenses. Enter here and on line 27a 48 36,681

SCHEDULE C
(Form 1040)Department of the Treasury
Internal Revenue Service (99)**Profit or Loss From Business**
(Sole Proprietorship)

► Go to www.irs.gov/ScheduleC for instructions and the latest information.
 ► Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

OMB No 1545-0074

2020Attachment
Sequence No **09**

Name of proprietor

JOHN T HOLMES

Social security number (SSN)

B Enter code from instructions

► **541990**

A Principal business or profession, including product or service (see instructions)

SALES - FRONTLINE

C Business name. If no separate business name, leave blank.

FRONTLINE POWER SOLUTIONS, LLC

D Employer ID number (EIN) (see instr.)

E Business address (including suite or room no.) ► **PO BOX 1110**City, town or post office, state, and ZIP code **BRISTOL RI 02809**F Accounting method: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) ►☒ Yes ☐ No

G Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses

☐ Yes ☐ No

H If you started or acquired this business during 2020, check here

☒ Yes ☐ No

I Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions

☒ Yes ☐ No

J If "Yes," did you or will you file required Form(s) 1099?

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked	<input type="checkbox"/>	1	238,537
2	Returns and allowances		2	
3	Subtract line 2 from line 1		3	238,537
4	Cost of goods sold (from line 42)		4	
5	Gross profit. Subtract line 4 from line 3		5	238,537
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		6	
7	Gross income. Add lines 5 and 6		7	238,537

Part II Expenses. Enter expenses for business use of your home only on line 30.

8	Advertising	8	5,397	18	Office expense (see instructions)	18	1,703
9	Car and truck expenses (see instructions)	9		19	Pension and profit-sharing plans	19	
10	Commissions and fees	10	23,501	20	Rent or lease (see instructions):		
11	Contract labor (see instructions)	11		a	Vehicles, machinery, and equipment	20a	
12	Depletion	12		b	Other business property	20b	34,800
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	631	21	Repairs and maintenance	21	1,080
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	22	
15	Insurance (other than health)	15	617	23	Taxes and licenses	23	493
16	Interest (see instructions):			24	Travel and meals:		
a	Mortgage (paid to banks, etc.)	16a		a	Travel	24a	2,344
b	Other	16b	56,521	b	Deductible meals (see instructions)	24b	655
17	Legal and professional services	17	6,000	25	Utilities	25	390
28	Total expenses before expenses for business use of home. Add lines 8 through 27a			26	Wages (less employment credits)	26	
29	Tentative profit or (loss). Subtract line 28 from line 7			27a	Other expenses (from line 48)	27a	13,050
30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30			b	Reserved for future use	27b	
31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3 and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.			28		28	147,182
32	If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3 and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.			29		29	91,355
				30		30	
				31		31	91,355
				32a	<input type="checkbox"/> All investment is at risk.		
				32b	<input type="checkbox"/> Some investment is not at risk.		

For Paperwork Reduction Act Notice, see the separate instructions.

Schedule C (Form 1040) 2020

DAA

JOHN T HOLMES

Schedule C (Form 1040) 2020

SALES-FRONTLINE

Page 2

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach explanation

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36 Purchases less cost of items withdrawn for personal use	36
37 Cost of labor. Do not include any amounts paid to yourself	37
38 Materials and supplies	38
39 Other costs	39
40 Add lines 35 through 39	40
41 Inventory at end of year	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶

44 Of the total number of miles you drove your vehicle during 2020, enter the number of miles you used your vehicle for:

a Business b Commuting (see instructions) c Other

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

47a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If "Yes," is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

BANK SERVICE CHARGES	2,821
COMPUTER & TECH INTERNET EXP	1,288
INTERNET	3,544
HARDWARE/SOFTWARE	740
TELEPHONE EXPENSE	1,432
POSTAGE & OVERNIGHT DEL	68
BROKERAGE LIC SERV	
PROFESSIONAL FEES	200
STATE MIN TAX	400
RECRUITING EXPENSE	2,246
PROF FEES ACCT & BOOKKEEPING	
CONFERENCE/TRADE SHOW	311

48 Total other expenses. Enter here and on line 27a 48 13,050

DAA

Schedule C (Form 1040) 2020

**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on**

7/1/2022 10:25:57 AM

in

Case No(s). 13-0788-EL-AGG

Summary: In the Matter of the Application of Front Line Power Solutions LLC