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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

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**NOTE 14. UNCERTAINTY**

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As shown in the accompanying financial statements, the Company incurred a net loss of \$666,300 during the year ended December 31, 2015, and as of that date, the Company's total liabilities exceeded its total assets by \$170,400. Those factors create uncertainty about the Company's ability to continue as a going concern. Management of the Company has evaluated these conditions and determined that the following actions would alleviate this uncertainty.

In 2013, due to historically low natural gas prices, the solar water heating market in the U.S. was declining rapidly. The Company was not immune to this decline. Realizing that the end was in sight for this segment of its business, the Company pivoted its resources to develop CoolPV®. CoolPV® is an enhanced solar electric system that combines solar electric and solar water heating in one panel. Now, homeowners with limited solar roof space can generate electricity and heat water using one product. Because the solar electric panel is cooled, CoolPV® can increase the electrical output of a standard solar electric module between 5% and 20% depending on the thermal load. A third party marketing study commissioned by a potential investor identified a \$300 million annual market in the U.S. alone for the product. As a result of the successful development of CoolPV® in 2015, the Company was able to raise enough additional capital to ensure its viability. Additional capital of \$500,000 was infused into the business in early 2016, and the Company believes it is on a path to return to profitability in 2016.