

SUSTAINABLE ENERGY UTILITY, INC.

**FINANCIAL STATEMENTS AND
ACCOUNTANTS' COMPILATION REPORT**

APRIL 30, 2011

Draft (Subject to Change)

BELFINT

LYONS &

SHUMAN

CERTIFIED PUBLIC ACCOUNTANTS

SUSTAINABLE ENERGY UTILITY, INC.
TABLE OF CONTENTS
APRIL 30, 2011

	<u>Page No.</u>
Accountants' Compilation Report	I
Financial Statements	
Statement of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	5

Draft (Subject to Change)



Accountants' Compilation Report

To the Board of Directors of
Sustainable Energy Utility, Inc.

CERTIFIED
PUBLIC
ACCOUNTANTS
& CONSULTANTS

1011 CENTRE ROAD
SUITE 310
WILMINGTON,
DE 19805
T: 302.225.0600
F: 302.225.0625
WWW.BELFINT.COM

We have compiled the accompanying statement of financial position of Sustainable Energy Utility, Inc. (a nonprofit organization) as of April 30, 2011, and the related statements of activities and cash flows for the month and four months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the organization's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Sustainable Energy Utility, Inc.

May 5, 2011
Wilmington, Delaware

SUSTAINABLE ENERGY UTILITY, INC.
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2011
(See Accountants' Compilation Report)

ASSETS

Cash and Cash Equivalents

Checking

Regional Greenhouse Gas Initiative

SEP ARRA Financing Programs

\$ 100
75

Total Checking

175

Money Market

Regional Greenhouse Gas Initiative

SEP ARRA Financing Programs

2,959,208

8,611,214

Total Money Market

11,570,422

Total Cash and Cash Equivalents

11,570,597

Regional Greenhouse Gas Initiative Funds Held by State

3,451,750

Federal Grants Receivable

Reimbursable Program Expenditures

2,188,770

Residential New Construction Incentive

175,513

Residential Energy Efficiency Incentives

2,997,046

Non-residential Energy Efficiency Incentives

1,307,142

Energy Efficiency and Renewable Energy Financing

3,000,000

Total Federal Grants Receivable

9,668,471

Deposits

Energy Efficiency and Renewable Energy Financing

432,678

TOTAL ASSETS

\$ 25,123,496

Draft Subject to Change

LIABILITIES

Accrued Liabilities	\$ 14,470
Deferred Revenue	14,127

TOTAL LIABILITIES

28,597

NET ASSETS

Unrestricted Net Assets	
Regional Greenhouse Gas Initiative	8,585,358
Temporarily Restricted Net Assets	
SEE ARP ARRA Appliance Rebate Program	-
Residential New Construction Incentive	175,513
Residential Energy Efficiency Incentives	2,997,046
Non-residential Energy Efficiency Incentives	1,307,142
Energy Efficiency and Renewable Energy Financing	12,029,840

TOTAL NET ASSETS

25,094,899

TOTAL LIABILITIES AND NET ASSETS

\$ 25,123,496

SUSTAINABLE ENERGY UTILITY, INC.
STATEMENT OF ACTIVITIES
MONTH ENDED APRIL 30, 2011
(See Accountants' Compilation Report)

	Temporarily Restricted							Total
	Unrestricted	SEE ARP ARRA Appliance Rebate	Residential New Construction Incentive	Residential Energy Efficiency Incentives	Non-residential Energy Efficiency Incentives	Energy Renewable Energy Financing	Temporarily Restricted	
REVENUES								
Governmental Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES								
Program Services								
Rebates	-	-	99,000	152,782	82,773	-	334,555	334,555
Supporting Services								
Contract Administrator Fees	-	-	6,317	135,588	111,332	-	253,237	253,237
Fiscal Agent Fees	8,268	-	-	-	-	-	-	8,268
Program Vendor Fees	-	-	8,512	195,635	167,131	-	371,278	371,278
Insurance Expense	-	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-	-
Bank Fees	-	-	-	-	-	25	25	25
Loan Fees	-	-	-	-	-	-	-	-
TOTAL EXPENSES	<u>8,268</u>	<u>-</u>	<u>113,829</u>	<u>484,005</u>	<u>361,236</u>	<u>25</u>	<u>959,095</u>	<u>967,363</u>
OTHER INCOME								
Interest Income	1,027	-	-	-	-	2,524	2,524	3,551
Loan Fees	-	-	-	-	-	-	-	-
TOTAL OTHER INCOME	<u>1,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,524</u>	<u>2,524</u>	<u>3,551</u>
CHANGE IN NET ASSETS								
NET ASSETS AT BEGINNING OF PERIOD	(7,241)	-	(113,829)	(484,005)	(361,236)	2,499	(956,571)	(963,812)
NET ASSETS AT END OF PERIOD	<u>8,592,599</u>	<u>-</u>	<u>289,342</u>	<u>3,481,051</u>	<u>1,668,378</u>	<u>12,027,341</u>	<u>17,466,112</u>	<u>26,058,711</u>
	<u>\$ 8,585,358</u>	<u>\$ -</u>	<u>\$ 175,513</u>	<u>\$ 2,997,046</u>	<u>\$ 1,307,142</u>	<u>\$ 12,029,840</u>	<u>\$ 16,509,541</u>	<u>\$ 25,094,899</u>

SUSTAINABLE ENERGY UTILITY, INC.
STATEMENT OF ACTIVITIES
FOUR MONTHS ENDED APRIL 30, 2011
(See Accountants' Compilation Report)

	Unrestricted	Temporarily Restricted						Total
		SEE ARP ARRA Appliance Rebate	Residential New Construction Incentive	Residential Energy Efficiency Incentives	Non-residential Energy Efficiency Incentives	Energy Efficiency and Renewable Energy Financing	Total Temporarily Restricted	
REVENUES								
Governmental Grants	\$ 1,580,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,580,255	
EXPENSES								
Program Services								
Rebates	18,000	31	108,000	1,214,571	151,272	-	1,491,874	
Supporting Services								
Contract Administrator Fees	-	-	7,910	261,740	190,066	-	459,716	
Fiscal Agent Fees	15,394	-	-	-	-	-	15,394	
Program Vendor Fees	-	-	8,899	452,022	327,117	-	788,038	
Insurance Expense	-	-	-	-	-	-	-	
Legal Fees	18,526	-	-	-	-	-	18,526	
Bank Fees	-	-	-	-	-	25	25	
Loan Fees	-	-	-	-	-	-	-	
TOTAL EXPENSES	51,920	31	124,809	1,928,333	668,455	25	2,773,573	
OTHER INCOME								
Interest Income	5,392	-	72	165	128	10,604	16,361	
Loan Fees	-	-	-	-	-	500	500	
TOTAL OTHER INCOME	5,392	-	72	165	128	11,104	16,861	
CHANGE IN NET ASSETS	1,533,727	(31)	(124,737)	(1,928,168)	(668,327)	11,079	(1,176,457)	
NET ASSETS AT BEGINNING OF PERIOD	7,051,631	31	300,250	4,925,214	1,975,469	12,018,761	26,271,356	
NET ASSETS AT END OF PERIOD	\$ 8,585,358	\$ -	\$ 175,513	\$ 2,997,046	\$ 1,307,142	\$ 12,029,840	\$ 25,094,899	

SUSTAINABLE ENERGY UTILITY, INC.
STATEMENTS OF CASH FLOWS
MONTH AND FOUR MONTHS ENDED APRIL 30, 2011
(See Accountants' Compilation Report)

CASH FLOWS FROM OPERATING ACTIVITIES	<u>Month Ended April 30, 2011</u>	<u>Four Months Ended April 30, 2011</u>
Change in Net Assets	\$ (963,812)	\$ (1,176,457)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Changes in Assets		
Accounts Receivable	-	(1,875,592)
Deposits	45,000	(432,678)
Changes in Liabilities		
Accrued Liabilities	-	(428,317)
Deferred Revenue	-	14,127
NET CASH FROM OPERATING ACTIVITIES	<u>(918,812)</u>	<u>(3,898,917)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(918,812)	(3,898,917)
CASH AND CASH EQUIVALENTS - Beginning	<u>12,489,409</u>	<u>15,469,514</u>
CASH AND CASH EQUIVALENTS - Ending	<u><u>\$ 11,570,597</u></u>	<u><u>\$ 11,570,597</u></u>