

**SUSTAINABLE ENERGY UTILITY, INC.**  
**FINANCIAL STATEMENTS AND**  
**ACCOUNTANTS' COMPILATION REPORT**

**FEBRUARY 28, 2011**

**Draft (Subject to Change)**

**BELFINT  
LYONS &  
SHUMAN**

**CERTIFIED PUBLIC ACCOUNTANTS**

**SUSTAINABLE ENERGY UTILITY, INC.**

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**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 February 28, 2011, and the related statements of activities and cash flows for the month and two 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.

March 4, 2011  
Wilmington, Delaware

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**FEBRUARY 28, 2011**  
(See Accountants' Compilation Report)

**ASSETS**

Cash and Cash Equivalents

Checking

Regional Greenhouse Gas Initiative

SEP ARRA Financing Programs

\$ 100  
100

Total Checking

200

Money Market

Regional Greenhouse Gas Initiative

SEP ARRA Financing Programs

4,410,688  
9,024,041

Total Money Market

13,434,729

Total Cash and Cash Equivalents

13,434,929

Regional Greenhouse Gas Initiative Funds Held by State

1,871,495

Federal Grants Receivable

Reimbursable Program Expenditures

Residential New Construction Incentive

Residential Energy Efficiency Incentives

Non-residential Energy Efficiency Incentives

Energy Efficiency and Renewable Energy Financing

750,329  
298,342  
3,918,061  
1,701,741  
3,000,000

Total Federal Grants Receivable

9,668,473

**TOTAL ASSETS**

\$ 24,974,897

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**LIABILITIES**

Accrued Liabilities

\$ 17,393

**TOTAL LIABILITIES**

17,393

**NET ASSETS**

Unrestricted Net Assets

Regional Greenhouse Gas Initiative

7,015,219

Temporarily Restricted Net Assets

SEE ARP ARRA Appliance Rebate Program

-

Residential New Construction Incentive

298,342

Residential Energy Efficiency Incentives

3,918,061

Non-residential Energy Efficiency Incentives

1,701,741

Energy Efficiency and Renewable Energy Financing

12,024,141

**TOTAL NET ASSETS**

24,957,504

**TOTAL LIABILITIES AND NET ASSETS**

\$ 24,974,897

Draft (Subject to Change)

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF ACTIVITIES**  
**MONTH ENDED FEBRUARY 28, 2011**  
(See Accountants' Compilation Report)

	Unrestricted		Temporarily Restricted					Total
	Regional Greenhouse Gas Initiative	SEE ARP ARRA Appliance Rebate	Residential New Construction Incentive	Residential Energy Efficiency Incentives	Non-residential Energy Efficiency Incentives	Energy Efficiency and Renewable Energy Financing	Temporarily Restricted	
<b>REVENUES</b>								
Governmental Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENSES</b>								
Program Services	(2,000)	-	-	144,469	20,406	-	164,875	162,875
Rebates	-	-	1,402	73,645	37,445	-	112,492	112,492
Supporting Services	2,922	-	-	-	-	-	-	2,922
Contract Administrator Fees	-	-	-	149,781	76,157	-	225,938	225,938
Fiscal Agent Fees	-	-	-	-	-	-	-	-
Program Vendor Fees	-	-	-	-	-	-	-	-
Insurance Expense	-	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-	-
Bank Fees	-	-	-	-	-	-	-	-
Loan Fees	-	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	922	-	1,402	367,895	134,008	-	503,305	504,227
<b>OTHER INCOME</b>								
Interest Income	1,377	-	34	25	59	2,553	2,671	4,048
<b>CHANGE IN NET ASSETS</b>	455	-	(1,368)	(367,870)	(133,949)	2,553	(500,634)	(500,179)
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	1,014,764	-	299,710	4,285,931	1,835,690	12,021,588	18,442,919	25,457,683
<b>NET ASSETS AT END OF PERIOD</b>	\$ 7,015,219	\$ -	\$ 298,342	\$ 3,918,061	\$ 1,701,741	\$ 12,024,141	\$ 17,942,285	\$ 24,957,504

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF ACTIVITIES**  
**TWO MONTHS ENDED FEBRUARY 28, 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	Temporarily Restricted
<b>REVENUES</b>							
Governmental Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENSES</b>							
Program Services	18,000	31	-	624,779	35,136	-	659,946
Rebates	-	-	(1,598)	126,152	78,734	-	206,479
Supporting Services	2,922	-	-	256,387	159,986	-	416,760
Contract Administrator Fees	-	-	387	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-
Program Vendor Fees	-	-	-	-	-	-	-
Insurance Expense	18,526	-	-	-	-	-	18,526
Legal Fees	-	-	-	-	-	-	-
Bank Fees	-	-	-	-	-	-	-
Loan Fees	7	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>39,448</b>	<b>31</b>	<b>1,980</b>	<b>1,007,318</b>	<b>273,856</b>	<b>-</b>	<b>1,283,185</b>
<b>OTHER INCOME</b>							
Interest Income	3,036	-	72	165	128	5,380	8,781
<b>CHANGE IN NET ASSETS</b>							
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	<b>(86,412)</b>	<b>(31)</b>	<b>(1,908)</b>	<b>(1,007,153)</b>	<b>(273,728)</b>	<b>5,380</b>	<b>(1,313,852)</b>
<b>NET ASSETS AT END OF PERIOD</b>	<b>7,015,219</b>	<b>31</b>	<b>300,250</b>	<b>4,925,214</b>	<b>1,975,469</b>	<b>12,018,761</b>	<b>26,271,356</b>
	\$ 7,015,219	\$ -	\$ 298,342	\$ 3,918,061	\$ 1,701,741	\$ 12,024,141	\$ 17,942,285
							\$ 24,957,504

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**MONTHS AND TWO MONTHS ENDED FEBRUARY 28, 2011**  
(See Accountants' Compilation Report)

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>Month Ended February 28, 2011</u>	<u>Two Months Ended February 28, 2011</u>
Change in Net Assets	\$ (500,179)	\$ (1,313,852)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Changes in Assets		
Accounts Receivable	(295,340)	(295,340)
Changes in Liabilities		
Accrued Liabilities	<u>(568,018)</u>	<u>(425,393)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>(1,363,537)</u>	<u>(2,034,585)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(1,363,537)	(2,034,585)
<b>CASH AND CASH EQUIVALENTS - Beginning</b>	<u>14,798,466</u>	<u>15,469,514</u>
<b>CASH AND CASH EQUIVALENTS - Ending</b>	<u><u>\$ 13,434,929</u></u>	<u><u>\$ 13,434,929</u></u>