

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

**MARCH 31, 2011**

Draft (Subject to Change)

**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.

We have compiled the accompanying statement of financial position of Sustainable Energy Utility, Inc. (a nonprofit organization) as of March 31, 2011, and the related statements of activities and cash flows for the month and three 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.

April 5, 2011  
Wilmington, Delaware

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2011**  
(See Accountants' Compilation Report)

**ASSETS**

Cash and Cash Equivalents

Checking

Regional Greenhouse Gas Initiative	\$ 100
SEP ARRA Financing Programs	100
	100

Total Checking	200
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Money Market

Regional Greenhouse Gas Initiative	3,880,519
SEP ARRA Financing Programs	8,608,690
	12,489,209

Total Money Market	12,489,209
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Total Cash and Cash Equivalents	12,489,409
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Regional Greenhouse Gas Initiative Funds Held by State	3,451,750
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Federal Grants Receivable

Reimbursable Program Expenditures	1,229,700
Residential New Construction Incentive	289,342
Residential Energy Efficiency Incentives	3,481,051
Non-residential Energy Efficiency Incentives	1,668,378
Energy Efficiency and Renewable Energy Financing	3,000,000
	9,668,471

Total Federal Grants Receivable	9,668,471
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Deposits

Green for Green	45,000
Energy Efficiency and Renewable Energy Financing	432,678
	477,678

Total Deposits	477,678
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<b>TOTAL ASSETS</b>	<b>\$ 26,087,308</b>
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**LIABILITIES**

Accrued Liabilities	\$ 14,470
Deferred Revenue	<u>14,127</u>

**TOTAL LIABILITIES**28,597**NET ASSETS**

Unrestricted Net Assets	
Regional Greenhouse Gas Initiative	8,592,599
Temporarily Restricted Net Assets	
SEE ARP ARRA Appliance Rebate Program	-
Residential New Construction Incentive	289,342
Residential Energy Efficiency Incentives	3,481,051
Non-residential Energy Efficiency Incentives	1,668,378
Energy Efficiency and Renewable Energy Financing	<u>12,027,341</u>

**TOTAL NET ASSETS**26,058,711**TOTAL LIABILITIES AND NET ASSETS**\$ 26,087,308

**SUSTAINABLE ENERGY UTILITY, INC.**

**STATEMENT OF ACTIVITIES**

**MONTH ENDED MARCH 31, 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 Efficiency and Renewable Energy Financing	Temporarily Restricted	
<b>REVENUES</b>								
Governmental Grants	\$ 1,580,255	-	-	-	-	-	-	\$ 1,580,255
<b>EXPENSES</b>								
Program Services	-	-	9,000	437,010	33,363	-	479,373	479,373
Supporting Services	-	-	-	-	-	-	-	-
Contract Administrator Fees	-	-	-	-	-	-	-	-
Fiscal Agent Fees	4,204	-	-	-	-	-	-	4,204
Program Vendor Fees	-	-	-	-	-	-	-	-
Insurance Expense	-	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-	-
Bank Fees	-	-	-	-	-	-	-	-
Loan Fees	-	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	4,204	-	9,000	437,010	33,363	-	479,373	483,577
<b>OTHER INCOME</b>								
Interest Income	1,329	-	-	-	-	2,700	2,700	4,029
Loan Fees	-	-	-	-	-	500	500	500
<b>TOTAL OTHER INCOME</b>	1,329	-	-	-	-	3,200	3,200	4,529
<b>CHANGE IN NET ASSETS NET ASSETS AT BEGINNING OF PERIOD</b>	1,577,380	-	(9,000)	(437,010)	(33,363)	3,200	(476,173)	1,101,207
<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
	\$ 8,592,599	\$ -	\$ 289,342	\$ 3,481,051	\$ 1,668,378	\$ 12,027,341	\$ 17,466,112	\$ 26,058,711

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF ACTIVITIES**  
**THREE MONTHS ENDED MARCH 31, 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 Efficiency and Renewable Energy Financing	Temporarily Restricted	
<b>REVENUES</b>								
Governmental Grants	\$ 1,580,255	-	-	-	-	-	-	\$ 1,580,255
<b>EXPENSES</b>								
Program Services								
Rebates	18,000	31	9,000	1,061,789	68,499	-	1,139,319	1,157,319
Supporting Services								
Contract Administrator Fees	-	-	1,593	126,152	78,734	-	206,479	206,479
Fiscal Agent Fees	7,126	-	-	-	-	-	-	7,126
Program Vendor Fees	-	-	387	256,387	159,986	-	416,760	416,760
Insurance Expense	-	-	-	-	-	-	-	-
Legal Fees	18,526	-	-	-	-	-	-	18,526
Bank Fees	-	-	-	-	-	-	-	-
Loan Fees	-	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>43,652</b>	<b>31</b>	<b>10,980</b>	<b>1,444,328</b>	<b>307,219</b>	<b>-</b>	<b>1,762,558</b>	<b>1,806,210</b>
<b>OTHER INCOME</b>								
Interest Income	4,365	-	72	165	128	8,080	8,445	12,810
Loan Fees	-	-	-	-	-	500	500	500
<b>TOTAL OTHER INCOME</b>	<b>4,365</b>	<b>-</b>	<b>72</b>	<b>165</b>	<b>128</b>	<b>8,580</b>	<b>8,945</b>	<b>13,310</b>
<b>CHANGE IN NET ASSETS</b>								
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	<b>1,540,968</b>	<b>(31)</b>	<b>(10,908)</b>	<b>(1,444,163)</b>	<b>(307,091)</b>	<b>8,580</b>	<b>(1,753,613)</b>	<b>(212,645)</b>
<b>NET ASSETS AT END OF PERIOD</b>	<b>7,051,631</b>	<b>31</b>	<b>300,250</b>	<b>4,925,214</b>	<b>1,975,469</b>	<b>12,018,761</b>	<b>19,219,725</b>	<b>26,271,356</b>
	\$ 8,592,599	-	\$ 289,342	\$ 3,481,051	\$ 1,668,378	\$ 12,027,341	\$ 17,466,112	\$ 26,058,711

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**MONTHS AND THREE MONTHS ENDED MARCH 31, 2011**  
(See Accountants' Compilation Report)

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Month Ended March 31, 2011</b>	<b>Three Months Ended March 31, 2011</b>
Change in Net Assets	\$ 1,101,207	\$ (212,645)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Changes in Assets		
Accounts Receivable	(1,580,255)	(1,875,593)
Deposits	(477,678)	(477,678)
Changes in Liabilities		
Accrued Liabilities	(2,921)	(428,316)
Deferred Revenue	14,127	14,127
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>(945,520)</u>	<u>(2,980,105)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(945,520)	(2,980,105)
<b>CASH AND CASH EQUIVALENTS - Beginning</b>	<u>13,434,929</u>	<u>15,469,514</u>
<b>CASH AND CASH EQUIVALENTS - Ending</b>	<u><u>\$ 12,489,409</u></u>	<u><u>\$ 12,489,409</u></u>