

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

**MAY 31, 2011**

**Draft (Subject to Change)**

**B E L F I N T**  
**L Y O N S &**  
**S H U M A N**

**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 May 31, 2011, and the related statements of activities and cash flows for the month and five 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.

June 6, 2011  
Wilmington, Delaware

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

**ASSETS**

Cash and Cash Equivalents

Checking

Regional Greenhouse Gas Initiative

SEP ARRA Financing Programs

\$ 3,100  
100

Total Checking

3,200

Money Market

Regional Greenhouse Gas Initiative

SEP ARRA Financing Programs

6,084,878

8,613,924

Total Money Market

14,698,802

Total Cash and Cash Equivalents

14,702,002

Regional Greenhouse Gas Initiative Funds Held by State

-

Federal Grants Receivable

Reimbursable Program Expenditures

2,940,312

Residential New Construction Incentive

97,513

Residential Energy Efficiency Incentives

2,483,205

Non-residential Energy Efficiency Incentives

1,147,441

Energy Efficiency and Renewable Energy Financing

3,000,000

Total Federal Grants Receivable

9,668,471

Deposit

Energy Efficiency and Renewable Energy Financing

782,678

Loan Receivable

250,000

**TOTAL ASSETS**

\$ 25,403,151

Draft (Subject to Change)

**LIABILITIES**

Accrued Liabilities  
Deferred Revenue

\$ 466,551  
1,548,394

**TOTAL LIABILITIES**

2,014,945

**NET ASSETS**

Unrestricted Net Assets  
Regional Greenhouse Gas Initiative  
Temporarily Restricted Net Assets  
SEE ARP ARRA Appliance Rebate Program  
Residential New Construction Incentive  
Residential Energy Efficiency Incentives  
Non-residential Energy Efficiency Incentives  
Energy Efficiency and Renewable Energy Financing

8,079,578

-

93,526

2,294,076

972,307

11,948,719

**TOTAL NET ASSETS**

23,388,206

**TOTAL LIABILITIES AND NET ASSETS**

\$ 25,403,151

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF ACTIVITIES**  
**MONTH ENDED MAY 31, 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
<b>REVENUES</b>							
Governmental Grants	\$ (452,531)	-	-	-	-	-	\$ (452,531)
<b>EXPENSES</b>							
Program Services	-	-	78,000	551,901	159,701	-	789,602
Rebates	-	-	1,838	69,193	43,256	37,408	151,695
Supporting Services	6,472	-	2,149	81,876	131,878	46,423	262,326
Contract Administrator Fees	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-
Program Vendor Fees	-	-	-	-	-	-	-
Insurance Expense	-	-	-	-	-	-	-
Legal Fees	48,850	-	-	-	-	-	48,850
Bank Fees	-	-	-	-	-	-	-
Loan Fees	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	55,322	-	81,987	702,970	334,835	83,831	1,203,623
<b>OTHER INCOME</b>							
Interest Income	2,073	-	-	-	-	2,710	2,710
Loan Fees	-	-	-	-	-	-	-
<b>TOTAL OTHER INCOME</b>	2,073	-	-	-	-	2,710	2,710
<b>CHANGE IN NET ASSETS</b>	(509,780)	-	(81,987)	(702,970)	(334,835)	(81,121)	(1,200,913)
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	8,585,358	-	175,513	2,997,046	1,307,142	12,029,840	25,094,899
<b>NET ASSETS AT END OF PERIOD</b>	\$ 8,079,578	-	\$ 93,526	\$ 2,294,076	\$ 972,307	\$ 11,948,719	\$ 23,388,206

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FIVE MONTHS ENDED MAY 31, 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	
<b>REVENUES</b>								
Governmental Grants	\$ 1,127,724	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,127,724
<b>EXPENSES</b>								
Program Services								
Rebates	18,000	31	186,000	1,766,472	310,973	-	2,263,476	2,281,476
Supporting Services								
Contract Administrator Fees	-	-	9,748	330,933	233,322	37,408	611,411	611,411
Fiscal Agent Fees	21,866	-	-	-	-	-	-	21,866
Program Vendor Fees	-	-	10,048	533,898	458,995	46,423	1,050,364	1,050,364
Insurance Expense	-	-	-	-	-	-	-	-
Legal Fees	67,376	-	-	-	-	-	-	67,376
Bank Fees	-	-	-	-	-	25	25	25
Loan Fees	-	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>107,242</b>	<b>31</b>	<b>206,796</b>	<b>2,631,303</b>	<b>1,003,290</b>	<b>83,856</b>	<b>3,925,276</b>	<b>4,032,518</b>
<b>OTHER INCOME</b>								
Interest Income	7,465	-	72	165	128	13,314	13,679	21,144
Loan Fees	-	-	-	-	-	500	500	500
<b>TOTAL OTHER INCOME</b>	<b>7,465</b>	<b>-</b>	<b>72</b>	<b>165</b>	<b>128</b>	<b>13,814</b>	<b>14,179</b>	<b>21,644</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,027,947</b>	<b>(31)</b>	<b>(206,724)</b>	<b>(2,631,138)</b>	<b>(1,003,162)</b>	<b>(70,042)</b>	<b>(3,911,097)</b>	<b>(2,883,150)</b>
<b>NET ASSETS AT BEGINNING 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>
<b>NET ASSETS AT END OF PERIOD</b>	<b>\$ 8,079,578</b>	<b>\$ -</b>	<b>\$ 93,526</b>	<b>\$ 2,294,076</b>	<b>\$ 972,307</b>	<b>\$ 11,948,719</b>	<b>\$ 15,308,628</b>	<b>\$ 23,388,206</b>

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

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Month Ended May 31, 2011</b>	<b>Five Months Ended May 31, 2011</b>
Change in Net Assets	\$ (1,706,693)	\$ (2,883,150)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Changes in Assets		
Accounts Receivable	3,451,750	1,576,158
Deposits	(350,000)	(782,678)
Loan Receivable	(250,000)	(250,000)
Changes in Liabilities		
Accrued Liabilities	452,081	23,764
Deferred Revenue	1,534,267	1,548,394
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,131,405</b>	<b>(767,512)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>3,131,405</b>	<b>(767,512)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning</b>	<b>11,570,597</b>	<b>15,469,514</b>
<b>CASH AND CASH EQUIVALENTS - Ending</b>	<b>\$ 14,702,002</b>	<b>\$ 14,702,002</b>