

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

NOVEMBER 30, 2010

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

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We have compiled the accompanying statement of financial position of Sustainable Energy Utility, Inc. (a nonprofit organization) as of November 30, 2010, the related statements of activities and cash flows for the month and eleven months then ended, and the accompanying schedules of supplementary information, which are presented only for additional analysis, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. 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.

December 8, 2010
Wilmington, Delaware

SUSTAINABLE ENERGY UTILITY, INC.
STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2010
(See Accountants' Compilation Report)

ASSETS

Cash and Cash Equivalents

Checking

Regional Greenhouse Gas Initiative	\$ 100
SEE ARP ARRA Appliance Rebate	100
SEP ARRA Financing Programs	100

Total Checking	300
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Money Market

Regional Greenhouse Gas Initiative	5,595,872
SEE ARP ARRA Appliance Rebate	1,621
SEP ARRA Financing Programs	9,015,747
SEP ARRA Incentive Programs	1,000,565

Total Money Market	15,613,805
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Total Cash and Cash Equivalents	15,614,105
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Governmental Grants Receivable

Regional Greenhouse Gas Initiative	1,082,620
SEP ARRA Financing Programs	3,000,000
SEP ARRA Incentive Programs	6,365,000

Total Governmental Grants Receivable	10,447,620
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Deposits

SEE ARP ARRA Appliance Rebate	76,450
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TOTAL ASSETS	\$ 26,138,175
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LIABILITIES

Accrued Liabilities

RGGI

\$ 12,067

TOTAL LIABILITIES

12,067

NET ASSETS

Unrestricted Net Assets

Regional Greenhouse Gas Initiative

6,666,525

Temporarily Restricted Net Assets

SEE ARP ARRA Appliance Rebate Program

78,171

Residential Renewable Energy Lending Program

1,000,000

Residential Energy Efficiency Lending Program

2,000,000

Commercial/Industrial Lending Program

2,003,521

Nonprofit/Small MUSH Lending Program

2,504,402

Nonresidential Renewables Lending Program

1,001,761

Low Income Multi-Family Lending Program

3,506,163

Appliance Rebate Incentive Program

207,485

Residential Lighting Markdown Incentive Program

886,302

Residential New Construction Incentive Program

300,211

Residential Energy Efficiency Incentive Program

3,992,489

Commercial/Industrial Incentive Program

978,814

Nonprofit/Small MUSH Incentive Program

1,000,264

TOTAL NET ASSETS

26,126,108

TOTAL LIABILITIES AND NET ASSETS

\$ 26,138,175

SUSTAINABLE ENERGY UTILITY, INC.
STATEMENT OF ACTIVITIES
MONTH ENDED NOVEMBER 30, 2010
(See Accountants' Compilation Report)

	Unrestricted	Temporarily Restricted			Total
	Regional Greenhouse Gas Initiative	SEE ARP ARRA Appliance Rebate	SEP ARRA Financing Programs	SEP ARRA Incentive Programs	
REVENUES					
Governmental Grants	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES					
Program Services					
Rebates	23,000	113,480	-	167,925	304,405
Supporting Services					
Contract Administrator Fees	126,186	-	-	-	126,186
Fiscal Agent Fees	6,441	-	-	-	6,441
Program Vendor Fees	212,034	-	-	-	212,034
Insurance Expense	-	-	-	-	-
Legal Fees	-	-	-	-	-
Bank Fees	54	(29)	-	-	25
Loan Fees	5,000	-	-	-	5,000
TOTAL EXPENSES	<u>372,715</u>	<u>113,451</u>	<u>-</u>	<u>167,925</u>	<u>654,091</u>
OTHER INCOME					
Interest Income	2,084	-	3,153	358	5,595
CHANGE IN NET ASSETS	(370,631)	(113,451)	3,153	(167,567)	(648,496)
NET ASSETS AT BEGINNING OF PERIOD	<u>7,037,156</u>	<u>191,622</u>	<u>12,012,694</u>	<u>7,533,132</u>	<u>26,774,604</u>
NET ASSETS AT END OF PERIOD	<u>\$ 6,666,525</u>	<u>\$ 78,171</u>	<u>\$ 12,015,847</u>	<u>\$ 7,365,565</u>	<u>\$ 26,126,108</u>

SUSTAINABLE ENERGY UTILITY, INC.
STATEMENT OF ACTIVITIES
ELEVEN MONTHS ENDED NOVEMBER 30, 2010
(See Accountants' Compilation Report)

	Unrestricted	Temporarily Restricted			Total
	Regional Greenhouse Gas Initiative	SEE ARP ARRA Appliance Rebate	SEP ARRA Financing Programs	SEP ARRA Incentive Programs	
REVENUES					
Governmental Grants	\$ 3,986,684	\$ 835,500	\$ 12,000,000	\$ 8,000,000	\$ 24,822,184
EXPENSES					
Program Services					
Rebates	147,300	758,035	-	457,218	1,362,553
Supporting Services					
Contract Administrator Fees	966,369	-	-	-	966,369
Fiscal Agent Fees	40,085	-	-	-	40,085
Program Vendor Fees	1,619,327	-	-	179,697	1,799,024
Insurance Expense	1,080	-	-	-	1,080
Legal Fees	67,048	-	-	-	67,048
Bank Fees	114	25	-	88	227
Loan Fees	5,000	-	-	-	5,000
TOTAL EXPENSES	2,846,323	758,060	-	637,003	4,241,386
OTHER INCOME					
Interest Income	18,364	731	15,847	2,568	37,510
CHANGE IN NET ASSETS	1,158,725	78,171	12,015,847	7,365,565	20,618,308
NET ASSETS AT BEGINNING OF PERIOD	5,507,800	-	-	-	5,507,800
NET ASSETS AT END OF PERIOD	\$ 6,666,525	\$ 78,171	\$ 12,015,847	\$ 7,365,565	\$ 26,126,108

SUSTAINABLE ENERGY UTILITY, INC.
STATEMENTS OF CASH FLOWS
MONTH AND ELEVEN MONTHS ENDED NOVEMBER 30, 2010
(See Accountants' Compilation Report)

	Month Ended November 30, 2010	Eleven Months* Ended November 30, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (648,496)	\$ 20,618,308
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Changes in Assets		
Accounts Receivable	-	(4,748,001)
Deposits	249,050	(76,450)
Changes in Liabilities		
Accrued Liabilities	(17,979)	(271,286)
	(417,425)	15,522,571
NET CASH FROM OPERATING ACTIVITIES		
	(417,425)	15,522,571
NET CHANGE IN CASH AND CASH EQUIVALENTS		
	(417,425)	15,522,571
CASH AND CASH EQUIVALENTS - Beginning	16,031,530	91,534
CASH AND CASH EQUIVALENTS - Ending	\$ 15,614,105	\$ 15,614,105

SUPPLEMENTARY INFORMATION

Draft (Subject to Change)

SUSTAINABLE ENERGY UTILITY, INC.
SCHEDULE OF SEP ARRA FINANCING ASSETS
NOVEMBER 30, 2010
(See Accountants' Compilation Report)

Checking	
SEP ARRA Financing Programs	<u>\$ 100</u>
Money Market	
Commercial/Industrial Lending Program	\$ 2,003,421
Nonprofit/Small MUSH Lending Program	2,504,402
Nonresidential Renewables Lending Program	1,001,761
Low Income Multi-Family Lending Program	<u>3,506,163</u>
Total Money Market	<u>\$ 9,015,747</u>
Governmental Grants Receivable	
Residential Renewable Energy Lending Program	\$ 1,000,000
Residential Energy Efficiency Lending Program	<u>2,000,000</u>
Total Contributions Receivable	<u>\$ 3,000,000</u>

SUSTAINABLE ENERGY UTILITY, INC.
SCHEDULE OF SEP ARRA INCENTIVE ASSETS
NOVEMBER 30, 2010
(See Accountants' Compilation Report)

Money Market	
Appliance Rebate Incentive Program	\$ 7,485
Residential Lighting Markdown Incentive Program	211,302
Residential New Construction Incentive Program	120,211
Residential Energy Efficiency Incentive Program	412,489
Commercial/Industrial Incentive Program	98,814
Nonprofit/Small MUSH Incentive Program	<u>150,264</u>
 Total Money Market	 <u><u>\$ 1,000,565</u></u>
 Governmental Grants Receivable	
Appliance Rebate Incentive Program	\$ 200,000
Residential Lighting Markdown Incentive Program	675,000
Residential New Construction Incentive Program	180,000
Residential Energy Efficiency Incentive Program	3,580,000
Commercial/Industrial Incentive Program	880,000
Nonprofit/Small MUSH Incentive Program	<u>850,000</u>
 Total Governmental Grants Receivable	 <u><u>\$ 6,365,000</u></u>

SUSTAINABLE ENERGY UTILITY, INC.
SCHEDULE OF SEP ARRA FINANCING PROGRAMS ACTIVITIES
MONTH ENDED NOVEMBER 30, 2010
(See Accountants' Compilation Report)

	Residential Renewable Energy Lending	Residential Energy Efficiency Lending	Commercial/ Industrial Lending	Nonprofit/ Small MUSH Lending	Non-residential Renewables Lending	Low Income Multi-Family Lending	Total
REVENUES							
Governmental Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES							
Program Services							
Rebates	-	-	-	-	-	-	-
Supporting Services							
Contract Administrator Fees	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-
Program Vendor Fees	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-
Bank Fees	-	-	-	-	-	-	-
Loan Fees	-	-	-	-	-	-	-
TOTAL EXPENSES	-	-	-	-	-	-	-
OTHER INCOME							
Interest Income	-	-	700	876	351	1,226	3,153
CHANGE IN NET ASSETS	-	-	700	876	351	1,226	3,153
NET ASSETS AT BEGINNING OF PERIOD	1,000,000	2,000,000	2,002,821	2,503,526	1,001,410	3,504,937	12,012,694
NET ASSETS AT END OF PERIOD	<u>\$ 1,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,003,521</u>	<u>\$ 2,504,402</u>	<u>\$ 1,001,761</u>	<u>\$ 3,506,163</u>	<u>\$ 12,015,847</u>

SUSTAINABLE ENERGY UTILITY, INC.
SCHEDULE OF SEP ARRA FINANCING PROGRAMS ACTIVITIES
ELEVEN MONTHS ENDED NOVEMBER 30, 2010
(See Accountants' Compilation Report)

	Residential Renewable Energy Lending	Residential Energy Efficiency Lending	Commercial/ Industrial Lending	Nonprofit/ Small MUSH Lending	Non-residential Renewables Lending	Low Income Multi-Family Lending	Total
REVENUES							
Governmental Grants	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 1,000,000	\$ 3,500,000	\$ 12,000,000
EXPENSES							
Program Services							
Rebates	-	-	-	-	-	-	-
Supporting Services							
Contract Administrator Fees	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-
Program Vendor Fees	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-
Bank Fees	-	-	-	-	-	-	-
Loan Fees	-	-	-	-	-	-	-
TOTAL EXPENSES	-	-	-	-	-	-	-
OTHER INCOME							
Interest Income	-	-	3,521	4,402	1,761	6,163	15,847
CHANGE IN NET ASSETS	1,000,000	2,000,000	2,003,521	2,504,402	1,001,761	3,506,163	12,015,847
NET ASSETS AT BEGINNING OF PERIOD	-	-	-	-	-	-	-
NET ASSETS AT END OF PERIOD	\$ 1,000,000	\$ 2,000,000	\$ 2,003,521	\$ 2,504,402	\$ 1,001,761	\$ 3,506,163	\$ 12,015,847

SUSTAINABLE ENERGY UTILITY, INC.
SCHEDULE OF SEP ARRA INCENTIVE PROGRAMS ACTIVITIES
MONTH ENDED NOVEMBER 30, 2010
(See Accountants' Compilation Report)

	Appliance Rebate Incentive	Residential Lighting Markdown Incentive	Residential New Construction Incentive	Residential Energy Efficiency Incentive	Commercial/ Industrial Incentive	Nonprofit/ Small MUSH Incentive	Total
REVENUES							
Governmental Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES							
Program Services							
Rebates	24,735	134,940	-	8,250	-	-	167,925
Supporting Services							
Contract Administrator Fees	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-
Program Vendor Fees	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-
Bank Fees	-	-	-	-	-	-	-
Loan Fees	-	-	-	-	-	-	-
TOTAL EXPENSES	24,735	134,940	-	8,250	-	-	167,925
OTHER INCOME							
Interest Income	9	82	42	147	26	52	358
CHANGE IN NET ASSETS	(24,726)	(134,858)	42	(8,103)	26	52	(167,567)
NET ASSETS AT BEGINNING OF PERIOD	232,211	1,021,160	300,169	4,000,592	978,788	1,000,212	7,533,132
NET ASSETS AT END OF PERIOD	\$ 207,485	\$ 886,302	\$ 300,211	\$ 3,992,489	\$ 978,814	\$ 1,000,264	\$ 7,365,565

SUSTAINABLE ENERGY UTILITY, INC.
SCHEDULE OF SEP ARRA INCENTIVE PROGRAMS ACTIVITIES
ELEVEN MONTHS ENDED NOVEMBER 30, 2010
(See Accountants' Compilation Report)

	Appliance Rebate Incentive	Residential Lighting Markdown Incentive	Residential New Construction Incentive	Residential Energy Efficiency Incentive	Commercial/ Industrial Incentive	Nonprofit/ Small MUSH Incentive	Total
REVENUES							
Governmental Grants	\$ 500,000	\$ 1,200,000	\$ 300,000	\$ 4,000,000	\$ 1,000,000	\$ 1,000,000	\$ 8,000,000
EXPENSES							
Program Services							
Rebates	292,655	134,940	-	8,250	21,373	-	457,218
Supporting Services							
Contract Administrator Fees	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-
Program Vendor Fees	-	179,697	-	-	-	-	179,697
Legal Fees	-	-	-	-	-	-	-
Bank Fees	69	19	-	-	-	-	88
Loan Fees	-	-	-	-	-	-	-
TOTAL EXPENSES	<u>292,724</u>	<u>314,656</u>	<u>-</u>	<u>8,250</u>	<u>21,373</u>	<u>-</u>	<u>637,003</u>
OTHER INCOME							
Interest Income	209	958	211	739	187	264	2,568
CHANGE IN NET ASSETS	<u>207,485</u>	<u>886,302</u>	<u>300,211</u>	<u>3,992,489</u>	<u>978,814</u>	<u>1,000,264</u>	<u>7,365,565</u>
NET ASSETS AT BEGINNING OF PERIOD	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS AT END OF PERIOD	<u>\$ 207,485</u>	<u>\$ 886,302</u>	<u>\$ 300,211</u>	<u>\$ 3,992,489</u>	<u>\$ 978,814</u>	<u>\$ 1,000,264</u>	<u>\$ 7,365,565</u>