

**SUSTAINABLE ENERGY UTILITY, INC.**

**FINANCIAL STATEMENTS AND  
ACCOUNTANTS' COMPILATION REPORT**

**OCTOBER 31, 2010**

**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.**  
**TABLE OF CONTENTS**  
**OCTOBER 31, 2010**

	<u>Page No.</u>
<b>Accountants' Compilation Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	5
<b>Supplementary Information</b>	
Schedule of SEP ARRA Financing Assets	7
Schedule of SEP ARRA Incentive Assets	8
Schedule of SEP ARRA Financing Programs Activities	9
Schedule of SEP ARRA Incentive Programs Activities	11



## 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 October 31, 2010, the related statements of activities and cash flows for the month and ten 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.

*Belfint, Lyons & Shuman, P.A.*

November 15, 2010  
Wilmington, Delaware

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**OCTOBER 31, 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		<u>100</u>

Total Checking		<u>300</u>
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Money Market

Regional Greenhouse Gas Initiative		5,935,062
SEE ARP ARRA Appliance Rebate		1,022
SEP ARRA Financing Programs		9,012,594
SEP ARRA Incentive Programs		<u>1,082,552</u>

Total Money Market		<u>16,031,230</u>
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Total Cash and Cash Equivalents		<u>16,031,530</u>
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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		<u>6,365,000</u>

Total Governmental Grants Receivable		<u>10,447,620</u>
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Deposits

Regional Greenhouse Gas Initiative Loan Origination Fees		25,000
SEE ARP ARRA Appliance Rebate		190,500
SEP ARRA Incentive Programs		<u>110,000</u>

Total Deposits		<u>325,500</u>
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<b>TOTAL ASSETS</b>		<u><u>\$ 26,804,650</u></u>
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**LIABILITIES**

## Accrued Liabilities

RGGI	\$ 5,626
SEP ARRA Incentive Programs	<u>24,420</u>

Total Accrued Liabilities	<u>30,046</u>
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<b>TOTAL LIABILITIES</b>	<u><b>30,046</b></u>
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**NET ASSETS**

## Unrestricted Net Assets

Regional Greenhouse Gas Initiative	7,037,156
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## Temporarily Restricted Net Assets

SEE ARP ARRA Appliance Rebate Program	191,622
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Residential Renewable Energy Lending Program	1,000,000
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Residential Energy Efficiency Lending Program	2,000,000
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Commercial/Industrial Lending Program	2,002,821
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Nonprofit/Small MUSH Lending Program	2,503,526
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Nonresidential Renewables Lending Program	1,001,410
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Low Income Multi-Family Lending Program	3,504,937
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Appliance Rebate Incentive Program	232,211
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Residential Lighting Markdown Incentive Program	1,021,160
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Residential New Construction Incentive Program	300,169
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Residential Energy Efficiency Incentive Program	4,000,592
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Commercial/Industrial Incentive Program	978,788
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Nonprofit/Small MUSH Incentive Program	<u>1,000,212</u>
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<b>TOTAL NET ASSETS</b>	<u><b>26,774,604</b></u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u><b>\$ 26,804,650</b></u></u>
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**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF ACTIVITIES**  
**MONTH ENDED OCTOBER 31, 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	
<b>REVENUES</b>					
Governmental Grants	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENSES</b>					
Program Services					
Rebates	3,000	139,600	-	45,545	188,145
Supporting Services					
Contract Administrator Fees	124,312	-	-	-	124,312
Fiscal Agent Fees	5,626	-	-	-	5,626
Program Vendor Fees	236,986	-	-	179,697	416,683
Insurance Expense	1,080	-	-	-	1,080
Legal Fees	-	-	-	-	-
Bank Fees	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>371,004</u>	<u>139,600</u>	<u>-</u>	<u>225,242</u>	<u>735,846</u>
<b>OTHER INCOME</b>					
Interest Income	2,060	30	2,892	378	5,360
<b>CHANGE IN NET ASSETS</b>	(368,944)	(139,570)	2,892	(224,864)	(730,486)
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	<u>7,406,100</u>	<u>331,192</u>	<u>12,009,802</u>	<u>7,757,996</u>	<u>27,505,090</u>
<b>NET ASSETS AT END OF PERIOD</b>	<u>\$ 7,037,156</u>	<u>\$ 191,622</u>	<u>\$ 12,012,694</u>	<u>\$ 7,533,132</u>	<u>\$ 26,774,604</u>

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF ACTIVITIES**  
**TEN MONTHS ENDED OCTOBER 31, 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	
<b>REVENUES</b>					
Governmental Grants	\$ 3,986,684	\$ 835,500	\$ 12,000,000	\$ 8,000,000	\$ 24,822,184
<b>EXPENSES</b>					
Program Services					
Rebates	124,300	644,555	-	289,293	1,058,148
Supporting Services					
Contract Administrator Fees	840,183	-	-	-	840,183
Fiscal Agent Fees	33,644	-	-	-	33,644
Program Vendor Fees	1,407,293	-	-	179,697	1,586,990
Insurance Expense	1,080	-	-	-	1,080
Legal Fees	67,048	-	-	-	67,048
Bank Fees	60	54	-	88	202
<b>TOTAL EXPENSES</b>	<b>2,473,608</b>	<b>644,609</b>	<b>-</b>	<b>469,078</b>	<b>3,587,295</b>
<b>OTHER INCOME</b>					
Interest Income	16,280	731	12,694	2,210	31,915
<b>CHANGE IN NET ASSETS</b>	<b>1,529,356</b>	<b>191,622</b>	<b>12,012,694</b>	<b>7,533,132</b>	<b>21,266,804</b>
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	<b>5,507,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,507,800</b>
<b>NET ASSETS AT END OF PERIOD</b>	<b>\$ 7,037,156</b>	<b>\$ 191,622</b>	<b>\$ 12,012,694</b>	<b>\$ 7,533,132</b>	<b>\$ 26,774,604</b>

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF CASH FLOWS**  
**MONTH AND TEN MONTHS ENDED OCTOBER 31, 2010**  
(See Accountants' Compilation Report)

	<u>Month Ended</u> <u>October 31, 2010</u>	<u>Ten Months</u> <u>Ended</u> <u>October 31, 2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (730,486)	\$ 21,266,804
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Changes in Assets		
Accounts Receivable	3,372	(4,748,001)
Deposits	-	(325,500)
Changes in Liabilities		
Accrued Liabilities	<u>24,109</u>	<u>(253,307)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>(703,005)</u>	<u>15,939,996</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(703,005)	15,939,996
<b>CASH AND CASH EQUIVALENTS - Beginning</b>	<u>16,734,535</u>	<u>91,534</u>
<b>CASH AND CASH EQUIVALENTS - Ending</b>	<u>\$ 16,031,530</u>	<u>\$ 16,031,530</u>



**SUPPLEMENTARY INFORMATION**

**SUSTAINABLE ENERGY UTILITY, INC.**  
**SCHEDULE OF SEP ARRA FINANCING ASSETS**  
**OCTOBER 31, 2010**  
(See Accountants' Compilation Report)

Checking	
SEP ARRA Financing Programs	<u>\$ 100</u>
Money Market	
Commercial/Industrial Lending Program	\$ 2,002,721
Nonprofit/Small MUSH Lending Program	2,503,526
Nonresidential Renewables Lending Program	1,001,410
Low Income Multi-Family Lending Program	<u>3,504,937</u>
Total Money Market	<u>\$ 9,012,594</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**  
**OCTOBER 31, 2010**  
(See Accountants' Compilation Report)

Money Market	
Appliance Rebate Incentive Program	\$ 56,632
Residential Lighting Markdown Incentive Program	236,159
Residential New Construction Incentive Program	120,169
Residential Energy Efficiency Incentive Program	420,592
Commercial/Industrial Incentive Program	98,788
Nonprofit/Small MUSH Incentive Program	<u>150,212</u>
Total Money Market	<u>\$ 1,082,552</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>\$ 6,365,000</u>
Deposits	
Residential Lighting Markdown Incentive Program	<u>\$ 110,000</u>

**SUSTAINABLE ENERGY UTILITY, INC.**  
**SCHEDULE OF SEP ARRA FINANCING PROGRAMS ACTIVITIES**  
**MONTH ENDED OCTOBER 31, 2010**  
(See Accountants' Compilation Report)

	<u>Residential Renewable Energy Lending</u>	<u>Residential Energy Efficiency Lending</u>	<u>Commercial/ Industrial Lending</u>	<u>Nonprofit/ Small MUSH Lending</u>	<u>Non-residential Renewables Lending</u>	<u>Low Income Multi-Family Lending</u>	<u>Total</u>
<b>REVENUES</b>							
Governmental Grants ..	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENSES</b>							
Program Services							
Rebates	-	-	-	-	-	-	-
Supporting Services							
Contract Administrator Fees	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-
Program Vendor Fees	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-
Bank Fees	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER INCOME</b>							
Interest Income	-	-	643	803	321	1,125	2,892
<b>CHANGE IN NET ASSETS</b>	-	-	643	803	321	1,125	2,892
<b>NET ASSETS AT</b>							
<b>BEGINNING OF PERIOD</b>	<u>1,000,000</u>	<u>2,000,000</u>	<u>2,002,178</u>	<u>2,502,723</u>	<u>1,001,089</u>	<u>3,503,812</u>	<u>12,009,802</u>
<b>NET ASSETS AT</b>							
<b>END OF PERIOD</b>	<u>\$ 1,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,002,821</u>	<u>\$ 2,503,526</u>	<u>\$ 1,001,410</u>	<u>\$ 3,504,937</u>	<u>\$ 12,012,694</u>

**SUSTAINABLE ENERGY UTILITY, INC.**  
**SCHEDULE OF SEP ARRA FINANCING PROGRAMS ACTIVITIES**  
**TEN MONTHS ENDED OCTOBER 31, 2010**  
(See Accountants' Compilation Report)

	<u>Residential Renewable Energy Lending</u>	<u>Residential Energy Efficiency Lending</u>	<u>Commercial/ Industrial Lending</u>	<u>Nonprofit/ Small MUSH Lending</u>	<u>Non-residential Renewables Lending</u>	<u>Low Income Multi-Family Lending</u>	<u>Total</u>
<b>REVENUES</b>							
Governmental Grants	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 1,000,000	\$ 3,500,000	\$ 12,000,000
<b>EXPENSES</b>							
Program Services							
Rebates	-	-	-	-	-	-	-
Supporting Services							
Contract Administrator Fees	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-
Program Vendor Fees	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-
Bank Fees	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER INCOME</b>							
Interest Income	-	-	2,821	3,526	1,410	4,937	12,694
<b>CHANGE IN NET ASSETS</b>	1,000,000	2,000,000	2,002,821	2,503,526	1,001,410	3,504,937	12,012,694
<b>NET ASSETS AT BEGINNING OF PERIOD</b>							
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS AT END OF PERIOD</b>							
	<u>\$ 1,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,002,821</u>	<u>\$ 2,503,526</u>	<u>\$ 1,001,410</u>	<u>\$ 3,504,937</u>	<u>\$ 12,012,694</u>

**SUSTAINABLE ENERGY UTILITY, INC.**  
**SCHEDULE OF SEP ARRA INCENTIVE PROGRAMS ACTIVITIES**  
**MONTH ENDED OCTOBER 31, 2010**  
(See Accountants' Compilation Report)

	<u>Appliance Rebate Incentive</u>	<u>Residential Lighting Markdown Incentive</u>	<u>Residential New Construction Incentive</u>	<u>Residential Energy Efficiency Incentive</u>	<u>Commercial/ Industrial Incentive</u>	<u>Nonprofit/ Small MUSH Incentive</u>	<u>Total</u>
<b>REVENUES</b>							
Governmental Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENSES</b>							
Program Services							
Rebates	25,170	-	-	-	20,375	-	45,545
Supporting Services							
Contract Administrator Fees	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-
Program Vendor Fees	-	179,697	-	-	-	-	179,697
Legal Fees	-	-	-	-	-	-	-
Bank Fees	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>25,170</u>	<u>179,697</u>	<u>-</u>	<u>-</u>	<u>20,375</u>	<u>-</u>	<u>225,242</u>
<b>OTHER INCOME</b>							
Interest Income	14	112	38	135	30	49	378
<b>CHANGE IN NET ASSETS</b>	(25,156)	(179,585)	38	135	(20,345)	49	(224,864)
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	<u>257,367</u>	<u>1,200,745</u>	<u>300,131</u>	<u>4,000,457</u>	<u>999,133</u>	<u>1,000,163</u>	<u>7,757,996</u>
<b>NET ASSETS AT END OF PERIOD</b>	<u>\$ 232,211</u>	<u>\$ 1,021,160</u>	<u>\$ 300,169</u>	<u>\$ 4,000,592</u>	<u>\$ 978,788</u>	<u>\$ 1,000,212</u>	<u>\$ 7,533,132</u>

**SUSTAINABLE ENERGY UTILITY, INC.**  
**SCHEDULE OF SEP ARRA INCENTIVE PROGRAMS ACTIVITIES**  
**TEN MONTHS ENDED OCTOBER 31, 2010**  
(See Accountants' Compilation Report)

	<u>Appliance Rebate Incentive</u>	<u>Residential Lighting Markdown Incentive</u>	<u>Residential New Construction Incentive</u>	<u>Residential Energy Efficiency Incentive</u>	<u>Commercial/ Industrial Incentive</u>	<u>Nonprofit/ Small MUSH Incentive</u>	<u>Total</u>
<b>REVENUES</b>							
Governmental Grants	\$ 500,000	\$ 1,200,000	\$ 300,000	\$ 4,000,000	\$ 1,000,000	\$ 1,000,000	\$ 8,000,000
<b>EXPENSES</b>							
Program Services							
Rebates	267,920	-	-	-	21,373	-	289,293
Supporting Services							
Contract Administrator Fees	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-
Program Vendor Fees	-	179,697	-	-	-	-	179,697
Legal Fees	-	-	-	-	-	-	-
Bank Fees	69	19	-	-	-	-	88
<b>TOTAL EXPENSES</b>	<u>267,989</u>	<u>179,716</u>	<u>-</u>	<u>-</u>	<u>21,373</u>	<u>-</u>	<u>469,078</u>
<b>OTHER INCOME</b>							
Interest Income	200	876	169	592	161	212	2,210
<b>CHANGE IN NET ASSETS</b>	232,211	1,021,160	300,169	4,000,592	978,788	1,000,212	7,533,132
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS AT END OF PERIOD</b>	<u>\$ 232,211</u>	<u>\$ 1,021,160</u>	<u>\$ 300,169</u>	<u>\$ 4,000,592</u>	<u>\$ 978,788</u>	<u>\$ 1,000,212</u>	<u>\$ 7,533,132</u>