

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

**SEPTEMBER 30, 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.**  
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**SEPTEMBER 30, 2010**

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## 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 September 30, 2010, the related statements of activities for the nine 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.

October 5, 2010  
Wilmington, Delaware

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

Total Checking 300

Money Market

Regional Greenhouse Gas Initiative	6,298,380
SEE ARP ARRA Appliance Rebate	141,055
SEP ARRA Financing Programs	9,009,702
SEP ARRA Incentive Programs - (\$1,977 Due to SEE ARP ARRA Appliance Rebate)	<u>1,285,098</u>

Total Money Market 16,734,235

Total Cash and Cash Equivalents 16,734,535

Governmental Grants Receivable

Regional Greenhouse Gas Initiative	1,085,992
SEP ARRA Financing Programs	3,000,000
SEP ARRA Incentive Programs	<u>6,365,000</u>

Total Governmental Grants Receivable 10,450,992

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 325,500

**TOTAL ASSETS** \$ 27,511,027

**LIABILITIES**

## Accrued Liabilities

RGGI	\$ 3,372
SEE ARP ARRA Appliance Rebate	2,440
SEP ARRA Incentive Programs	<u>125</u>
Total Accrued Liabilities	<u>\$ 5,937</u>

**TOTAL LIABILITIES**\$ 5,937**NET ASSETS**

## Unrestricted Net Assets

Regional Greenhouse Gas Initiative 7,406,100

## Temporarily Restricted Net Assets

SEE ARP ARRA Appliance Rebate Program 331,192

Residential Renewable Energy Lending Program 1,000,000

Residential Energy Efficiency Lending Program 2,000,000

Commercial/Industrial Lending Program 2,002,178

Nonprofit/Small MUSH Lending Program 2,502,723

Nonresidential Renewables Lending Program 1,001,089

Low Income Multi-Family Lending Program 3,503,812

Appliance Rebate Incentive Program 257,367

Residential Lighting Markdown Incentive Program 1,200,745

Residential New Construction Incentive Program 300,131

Residential Energy Efficiency Incentive Program 4,000,457

Commercial/Industrial Incentive Program 999,133

Nonprofit/Small MUSH Incentive Program 1,000,163**TOTAL NET ASSETS**27,505,090**TOTAL LIABILITIES AND NET ASSETS**\$ 27,511,027

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF ACTIVITIES**  
**MONTH ENDED SEPTEMBER 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	
<b>REVENUES</b>					
Governmental Grants	\$ 1,039,394	\$ -	\$ -	\$ -	\$ 1,039,394
<b>EXPENSES</b>					
Program Services					
Rebates	3,000	23,385	-	1,423	27,808
Supporting Services					
Contract Administrator Fees	-	-	-	-	-
Fiscal Agent Fees	3,373	-	-	-	3,373
Program Vendor Fees	-	-	-	-	-
Legal Fees	-	-	-	-	-
Bank Fees	-	-	-	62	62
<b>TOTAL EXPENSES</b>	<u>6,373</u>	<u>23,385</u>	<u>-</u>	<u>1,485</u>	<u>31,243</u>
<b>OTHER INCOME</b>					
Interest Income	2,610	91	3,332	465	6,498
<b>CHANGE IN NET ASSETS</b>	1,035,631	(23,294)	3,332	(1,020)	1,014,649
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	<u>6,370,469</u>	<u>354,486</u>	<u>12,006,470</u>	<u>7,759,016</u>	<u>26,490,441</u>
<b>NET ASSETS AT END 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>

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF ACTIVITIES**  
**NINE MONTHS ENDED SEPTEMBER 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	
<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	121,300	504,955	-	243,748	870,003
Supporting Services					
Contract Administrator Fees	715,871	-	-	-	715,871
Fiscal Agent Fees	28,018	-	-	-	28,018
Program Vendor Fees	1,170,307	-	-	-	1,170,307
Legal Fees	67,048	-	-	-	67,048
Bank Fees	60	54	-	88	202
<b>TOTAL EXPENSES</b>	<u>2,102,604</u>	<u>505,009</u>	<u>-</u>	<u>243,836</u>	<u>2,851,449</u>
<b>OTHER INCOME</b>					
Interest Income	14,220	701	9,802	1,832	26,555
<b>CHANGE IN NET ASSETS</b>	1,898,300	331,192	12,009,802	7,757,996	21,997,290
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	<u>5,507,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,507,800</u>
<b>NET ASSETS AT END 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>

**SUSTAINABLE ENERGY UTILITY, INC.**  
**STATEMENT OF CASH FLOWS**  
**MONTH AND NINE MONTHS ENDED SEPTEMBER 30, 2010**  
(See Accountants' Compilation Report)

	Month Ended September 30, 2010	Nine Months Ended September 30, 2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,014,649	\$ 21,997,290
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Changes in Assets		
Accounts Receivable	(1,035,217)	(4,751,373)
Deposits	-	(325,500)
Changes in Liabilities		
Accrued Liabilities	(891,673)	(277,416)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(912,241)</b>	<b>16,643,001</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(912,241)</b>	<b>16,643,001</b>
<b>CASH AND CASH EQUIVALENTS - Beginning</b>	<b>17,646,776</b>	<b>91,534</b>
<b>CASH AND CASH EQUIVALENTS - Ending</b>	<b>\$ 16,734,535</b>	<b>\$ 16,734,535</b>



SUPPLEMENTARY INFORMATION

*Draft (Subject to Change)*

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

Checking	
SEP ARRA Financing Programs	<u>\$ 100</u>
Money Market	
Commercial/Industrial Lending Program	\$ 2,002,078
Nonprofit/Small MUSH Lending Program	2,502,723
Nonresidential Renewables Lending Program	1,001,089
Low Income Multi-Family Lending Program	<u>3,503,812</u>
Total Money Market	<u>\$ 9,009,702</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**  
**SEPTEMBER 30, 2010**  
(See Accountants' Compilation Report)

Money Market	
Appliance Rebate Incentive Program	\$ 59,542
Residential Lighting Markdown Incentive Program	415,672
Residential New Construction Incentive Program	120,131
Residential Energy Efficiency Incentive Program	420,457
Commercial/Industrial Incentive Program	119,133
Nonprofit/Small MUSH Incentive Program	<u>150,163</u>
 Total Money Market	 <u><u>\$ 1,285,098</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>
 Deposits	
Residential Lighting Markdown Incentive Program	<u><u>\$ 110,000</u></u>

**SUSTAINABLE ENERGY UTILITY, INC.**  
**SEP ARRA FINANCING PROGRAMS ACTIVITIES**  
**MONTH ENDED SEPTEMBER 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
<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>	-	-	-	-	-	-	-
<b>OTHER INCOME</b>							
Interest Income	-	-	740	926	370	1,296	3,332
<b>CHANGE IN NET ASSETS</b>	-	-	740	926	370	1,296	3,332
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	<u>1,000,000</u>	<u>2,000,000</u>	<u>2,001,438</u>	<u>2,501,797</u>	<u>1,000,719</u>	<u>3,502,516</u>	<u>12,006,470</u>
<b>NET ASSETS AT END 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>

**SUSTAINABLE ENERGY UTILITY, INC.**  
**SEP ARRA FINANCING PROGRAMS ACTIVITIES**  
**NINE MONTHS ENDED SEPTEMBER 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
<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>	-	-	-	-	-	-	-
<b>OTHER INCOME</b>							
Interest Income	-	-	2,178	2,723	1,089	3,812	9,802
<b>CHANGE IN NET ASSETS</b>	1,000,000	2,000,000	2,002,178	2,502,723	1,001,089	3,503,812	12,009,802
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	-	-	-	-	-	-	-
<b>NET ASSETS AT END 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>

**SUSTAINABLE ENERGY UTILITY, INC.**  
**SEP ARRA INCENTIVE PROGRAMS ACTIVITIES**  
**MONTH ENDED SEPTEMBER 30, 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>Commerical/ Industrial Incentive</u>	<u>Nonprofit/ Small MUSH Incentive</u>	<u>Total</u>
<b>REVENUES</b>							
Governmental Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENSES</b>							
Program Services							
Rebates	425	-	-	-	998	-	1,423
Supporting Services							
Contract Administrator Fees	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-
Program Vendor Fees	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-
Bank Fees	62	-	-	-	-	-	62
<b>TOTAL EXPENSES</b>	<u>487</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>998</u>	<u>-</u>	<u>1,485</u>
<b>OTHER INCOME</b>							
Interest Income	17	148	45	155	45	55	465
<b>CHANGE IN NET ASSETS</b>	(470)	148	45	155	(953)	55	(1,020)
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	<u>257,837</u>	<u>1,200,597</u>	<u>300,086</u>	<u>4,000,302</u>	<u>1,000,086</u>	<u>1,000,108</u>	<u>7,759,016</u>
<b>NET ASSETS AT END 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>

**SUSTAINABLE ENERGY UTILITY, INC.**  
**SEP ARRA INCENTIVE PROGRAMS ACTIVITIES**  
**NINE MONTHS ENDED SEPTEMBER 30, 2010**  
(See Accountants' Compilation Report)

	Appliance Rebate Incentive	Residential Lighting Markdown Incentive	Residential New Construction Incentive	Residential Energy Efficiency Incentive	Commerical/ Industrial Incentive	Nonprofit/ Small MUSH Incentive	Total
<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	242,750	-	-	-	998	-	243,748
Supporting Services							
Contract Administrator Fees	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-
Program Vendor Fees	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-
Bank Fees	69	19	-	-	-	-	88
<b>TOTAL EXPENSES</b>	<b>242,819</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>998</b>	<b>-</b>	<b>243,836</b>
<b>OTHER INCOME</b>							
Interest Income	186	764	131	457	131	163	1,832
<b>CHANGE IN NET ASSETS</b>	<b>257,367</b>	<b>1,200,745</b>	<b>300,131</b>	<b>4,000,457</b>	<b>999,133</b>	<b>1,000,163</b>	<b>7,757,996</b>
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS AT END OF PERIOD</b>	<b>\$ 257,367</b>	<b>\$ 1,200,745</b>	<b>\$ 300,131</b>	<b>\$ 4,000,457</b>	<b>\$ 999,133</b>	<b>\$ 1,000,163</b>	<b>\$ 7,757,996</b>