

**SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2012

**SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY**

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Whisman Giordano & Associates LLC

INDEPENDENT AUDITORS' REPORT

Board of Directors
Sustainable Energy Utility, Inc. DBA Delaware Sustainable Energy Utility
Dover, Delaware

Report on the Financial Statements

We have audited the accompanying statements of financial position of Sustainable Energy Utility, Inc. DBA Delaware Sustainable Energy Utility as of December 31, 2012 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

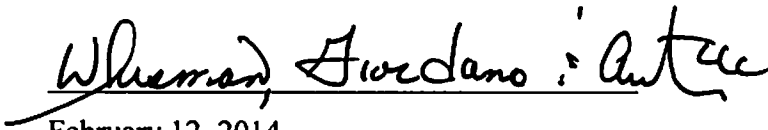
In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sustainable Energy Utility, Inc. DBA Delaware Sustainable Energy Utility as of December 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Wheman Jordano" followed by a stylized flourish.

February 12, 2014
Newark, Delaware

SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 8,696,243
Accrued revenues – RGGI appropriations	<u>816,828</u>

Total current assets 9,513,071

PROPERTY AND EQUIPMENT

3,767

OTHER ASSETS

Program loans receivable	165,888
Program receivable	36,851,071
Investments in SRECs	1,672,462
Assets whose use is limited and held by trustee	42,607,787
Deferred financing costs	<u>597,873</u>

Total other assets 81,895,081

TOTAL ASSETS \$ 91,411,919

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and other accrued liabilities	\$ <u>2,984</u>
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Total current liabilities 2,984

BONDS PAYABLE

71,554,406

TOTAL LIABILITIES 71,557,390

NET ASSETS

Unrestricted net assets	9,220,317
Temporarily restricted	<u>10,634,212</u>

Total net assets 19,854,529

TOTAL LIABILITIES AND NET ASSETS \$ 91,411,919

See notes to accompanying financial statements.

SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT, REVENUES AND GAINS			
RGGI appropriations	\$ 4,108,237	\$ -	\$ 4,108,237
Program service revenue	<u>1,034,309</u>	<u>-</u>	<u>1,034,309</u>
TOTAL SUPPORT, REVENUES AND GAINS	5,142,546	-	5,142,546
EXPENSES			
Program services	3,307,689	-	3,307,689
Management and general expenses	<u>386,776</u>	<u>-</u>	<u>386,776</u>
TOTAL EXPENSES	<u>3,694,465</u>	<u>-</u>	<u>3,694,465</u>
OTHER INCOME			
Investment income	<u>58,345</u>	<u>-</u>	<u>58,345</u>
TOTAL OTHER INCOME	<u>58,345</u>	<u>-</u>	<u>58,345</u>
CHANGE IN NET ASSETS	1,506,426	-	1,506,426
NET ASSETS – BEGINNING OF YEAR	<u>7,713,891</u>	<u>10,634,212</u>	<u>18,348,103</u>
NET ASSETS – END OF YEAR	<u>\$ 9,220,317</u>	<u>\$ 10,634,212</u>	<u>\$ 19,854,529</u>

See notes to accompanying financial statements.

SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES			
Salaries	\$ -	\$ 120,961	\$ 120,961
Employee benefits	-	10,583	10,583
Payroll taxes	-	<u>12,518</u>	<u>12,518</u>
Total salaries and related expenses	-	144,062	144,062
Advertising	-	1,956	1,956
Supplies	-	1,562	1,562
Professional fees	-	228,102	228,102
Office expense	-	353	353
Travel, meetings and conferences	8,021	-	8,021
Rent and occupancy	-	6,290	6,290
Books, subscriptions, and reference	-	497	497
Miscellaneous	3,156	-	3,156
Interest	2,380,712	-	2,380,712
Insurance	-	3,636	3,636
SREC purchase fees	914,882	-	914,882
Telephone	-	<u>318</u>	<u>318</u>
	<u>3,306,771</u>	<u>386,776</u>	<u>3,693,547</u>
Depreciation	<u>918</u>	<u>-</u>	<u>918</u>
TOTAL EXPENSES	<u>\$ 3,307,689</u>	<u>\$ 386,776</u>	<u>\$ 3,694,465</u>

See notes to accompanying financial statements.

SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 1,506,426
<i>Adjustment to reconcile change in net assets to net cash provided by operating activities:</i>	
Release of assets whose use is limited	35,593,530
Amortization of deferred financing costs	32,850
Depreciation	918
Due from related parties – DEO	1,858,847
Prepaid expenses	-
Accounts payable and other accrued liabilities	(224,415)
Accrued revenues	177,172
Accrued interest	<u>(994,000)</u>
Net cash provided by operating activities	37,951,328
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment in cash whose use is limited and held by trustee	(33,066,563)
Purchase of property and equipment	(4,685)
Purchase of SRECs investment	(1,326,853)
Collection of program loans receivable	<u>58,725</u>
Net cash (used for) investing activities	(34,339,376)
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of bonds payable	<u>(179,105)</u>
Net cash (used for) financing activities	<u>(179,105)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,432,847
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	<u>5,263,396</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$ 8,696,243</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid during the year for interest	<u>\$ 3,520,967</u>

See notes to accompanying financial statements.

SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Delaware Sustainable Energy Utility (the "SEU") is a nonprofit organization created by the State of Delaware to foster a sustainable energy future for the State of Delaware through conservation, efficiencies and the use of renewable energy sources, like solar, wind and geothermal. The oversight board of the SEU includes public, academic and private sector representatives who are responsible for overseeing the establishment and progress of various programs.

The Oversight Board of the SEU served as an advisory board to the Delaware Department of Natural Resources and Environmental Control ("DNREC") and the Delaware Energy Office (the "DEO") and did not control the "day to day" activities of the various programs handled by the DEO. In accordance with legislation (Title 7 of the Delaware Code Section 6046), the SEU was entitled to deposits of 65% of the net funds (gross funds less any auction costs incurred) by the DEO for the Regional Greenhouse Gas Initiative ("RGGI") "cap-and-trade" program. Prior to July 14, 2011, the Oversight Board of the SEU approved and then released the deposits to the various programs handled by the DEO. The oversight board of the SEU had no authority over how the transfers are subsequently spent.

Before May 10, 2011, "day-to-day" activities of various programs administered by the DEO and overseen by the SEU, including financial management, were handled by a contract administrator and a fiscal agent. On or around May 10, 2011, the DEO replaced the fiscal agent and assumed responsibility for fiscal management. On July 14, 2011, the SEU determined with the concurrence of the DEO, that in addition to being an advisory board to the DEO, the SEU was also in control of the RGGI funds and auctions. As a result, the DEO no longer controlled the funds and accounts even though the programs were still administered by the DEO. On October 14, 2011, the SEU replaced the contract administrator and assumed responsibility for contract management.

SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Organization (Continued)

From July 14, 2011 through December 31, 2011, the programs administered by the SEU are the following:

- A cash-incentive rebate program for individuals who are buyers of newly constructed energy-efficient homes in the State of Delaware (commonly known as the “Green for Green Program”).
- The purchase of solar renewable energy credits (“SREC”) from White Oak Solar, LLC to be resold at a later time (“commonly known as the “Dover Sun Park SREC Banking Program”).
- Low-interest loans for financing construction of energy conservation measures (commonly known as the “Energy-Plus Business Program”), and;
- Funding of capital improvements that provide energy efficiency for certain State of Delaware agencies through long-term bonds issued by the SEU (commonly known as the “Energy Efficiency Performance Bond Program”).

On November 21, 2011, the SEU formed SEU One, LLC, a wholly-owned subsidiary of the SEU, to carry out the business associated with the Delaware SREC Procurement Program.

On February 22, 2012, the SEU entered into a partnership with Delmarva Power (the “DPL”) and was sanctioned by the Delaware Public Service Commission (the “PSC”) to manage the Delaware Solar Renewable Energy Credit Procurement Program. The SEU, for a nominal fee, will purchase SRECs from the general public through a PSC approved lottery and auction process and sell them to DPL at cost.

Applicable Financial Reporting Framework

The financial position and results of activities of Sustainable Energy Utility, Inc. DBA Delaware Sustainable Energy Utility, Inc. have been reported on an acceptable applicable financial reporting framework. The applicable financial reporting framework used by Sustainable Energy Utility, Inc. DBA Delaware Sustainable Energy Utility is U.S. generally accepted accounting principles (GAAP). Under this applicable financial reporting framework, revenues are recognized in the period when earned and expenses are recorded when a liability is incurred.

Consolidated Financial Statements

The consolidated financial statements include the Sustainable Energy Utility, Inc. unit and the wholly owned subsidiary, SEU One, LLC. All significant intercompany transactions and accounts are eliminated.

SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

Sustainable Energy Utility, Inc. DBA Delaware Sustainable Energy Utility reports information regarding financial position and activities according to the presence or absence of outside restrictions on the use of its net assets. Therefore, net assets are presented in three classes: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The entity has no permanently restricted net assets.

The accompanying financial statements include the financial statements of the SEU and its wholly owned subsidiary. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results. Accounting measurements that are most affected by management's estimates of future events include the realization of accrued revenues and program receivables, investments in SRECs and assets whose use is limited, deferred financing costs and bonds payable. Management bases its estimates and assumptions on historical experience and on various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Management does not believe that any of its estimates involve assumptions that are highly uncertain or that different, reasonable estimates, or changes in accounting estimates that are reasonably likely to occur, would have a material impact on the financial statements. To the extent there are material differences between management's estimates and actual results, future results of operations will be affected.

Cash and Cash Equivalents Including Restricted Cash and Cash Equivalents and Credit Risk

The SEU considers short-term, highly liquid investments, which have remaining maturities of three months or less at the date of purchase to be cash equivalents.

SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents Including Restricted Cash and Cash Equivalents and Credit Risk (Continued)

Cash is maintained at financial institutions and balances may exceed federally insured limits. The SEU has never experienced any losses related to these balances. All of its non-interest bearing cash balances were fully insured at December 31, 2010 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts. Beginning 2013, insurance coverage will revert to \$250,000 per depositor at each financial institution, and non-interest bearing cash balances may again exceed federally insured limits. Interest-bearing amount on deposit in excess of federally insured limits at December 31, 2012 approximated \$8 million.

Program Receivables

The Program receivable is the portion of the bond which has been disbursed to the Energy Service Company (ESCO), whom the SEU agrees to provide capital for energy efficiency investments.

Assets Whose Use is Limited

Assets whose use is limited include assets set aside by the Board at December 31, 2012 for future capital improvements and capitalized interest for certain state agencies. Amounts available to meet current liabilities of the SEU will be reclassified as current assets in the accompanying balance sheets. At December 31, 2012, there are no current liabilities recorded for future capital improvement for state agencies.

Investment in SRECs

On April 22, 2010 and amended on August 17, 2010, the SEU entered into a contract to purchase 10,700 SRECs for approximately \$2,300,000 through October 13, 2013. On August 30, 2010, the SEU entered into a contract to resell the 10,700 SRECs in tranches of 2,700, 3,500, and 4,500 starting on October 1, 2014, October 1, 2015, and October 1, 2016, respectively for an aggregated price of approximately \$2,480,000.

Investments in SRECs held for sale at a later date are accounted for at cost using the average cost method plus the appreciation earned to date. For the year ended December 31, 2012, the SEU purchased \$1,672,463 in SRECs.

Program Loan Receivable

On June 27, 2011, the SEU made a \$250,000 loan to a third party for energy conservation measures with an interest rate of approximately 2%. Payments are due monthly and the loan matures on October 1, 2015. The SEU reviews program loan receivable on a recurring basis to determine if the loan is potentially uncollectible. The loan is deemed collectible. Interest is reported in the period earned.

SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Loan Receivable (Continued)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and the liability and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt are being amortized over the term of the related debt using the straight-line method, which approximates the effective interest rate method. Amortization was \$32,850 for the year ended December 31, 2012.

Unrestricted Net Assets

Transfers to and from the DEO for the RGGI cap-and-trade program can be employed for any purpose designated by the Oversight Board. The Oversight Board, in accordance with the citation, designates the transfers to and from DEO from the RGGI cap-and-trade program to be specifically for the various programs handled by the DEO.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the SEU has been limited by the Board to a specific purpose.

Earnings from RGGI Auctions

Earnings from RGGI Auctions represent amounts entitled by the SEU from the DEO for the RGGI cap-and-trade program after the SEU was in control of the RGGI funds and activities. The amounts are reported in the period of the auction date.

Appropriations from the State of Delaware for Construction Programs

Earnings from energy efficiency capital improvements represent amounts entitled by the SEU for appropriations from the State of Delaware on capital improvements made to certain State of Delaware agencies (see Note C). The amounts are reported in the period that funds received from the long-term bonds issued are disbursed.

SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions from State for Capital Improvements for Certain State of Delaware Agencies

The State of Delaware contributed \$11,270,000 for capital improvements for allocation to certain State of Delaware agencies as part of the long-term bonds issued (See Note C). The amount is reported in the period of the contribution as a temporarily restricted net asset. Amounts are released from temporarily restricted net assets in the period the payments for capital improvements are approved to the agencies if it is an agency that received an allocation of the State of Delaware contribution. Funds from the State of Delaware contribution are released prior to the disbursement of funds from the long-term bonds issued for capital improvements. For the year ended December 31, 2012, no assets were released from temporarily restricted net assets related to the construction program.

Income Taxes Status

The SEU qualifies as a tax-exempt organization from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the SEU's tax exempt purpose are subject to taxation as unrelated business income. The SEU did not engage in any such activities during the years ended December 31, 2012, 2011 and 2010.

Although the entity is not subject to federal and state income taxes, the entity was required to adopt ASC 740, "Accounting for Income Taxes," which applies to all entities including those that are tax exempt under 501(c)(3). ASC 740 clarifies the accounting and reporting for income taxes where interpretation of the tax law may be uncertain. ASC 740 prescribes a comprehensive model for the financial statements recognition, measurement, presentation and disclosure of income tax uncertainties with respect to positions taken or expected to be taken in income tax returns.

Management has reviewed its current and past federal income tax positions and has determined, based on clear and unambiguous tax law and regulations, that the tax positions taken are certain and that there is no likelihood that a material tax assessment would be made if the respective government agency examined tax returns subject to audit. Accordingly, no provision for the effects of uncertain tax positions has been recorded.

Currently, the December 31, 2012, 2011 and 2010 tax years are open and subject to examination by the Internal Revenue Service. However, the entity is not currently under audit nor has the entity been contacted by this jurisdiction. Any interest and penalties related to income taxes would be in income tax expenses. There are no interest and penalties as of December 31, 2012.

SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Allocation

The costs of providing various programs and other activities have been summarized by function in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain management and general expenses are allocated among the programs based on the budgeted expenditure amounts.

Fair Value Measures

ASC 820, "Fair Value Measurements and Disclosures" defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The fair value of the SEU's financial instruments, including cash and cash equivalents, restricted and cash and cash equivalents, loans receivable, investment in SRECs and assets whose use is limited approximate cost.

NOTE B - ASSETS WHOSE USE IS LIMITED

The composition of assets whose use is limited at December 31, 2012 is as follows:

Held by trustee	
Cash and cash equivalents	\$ 42,607,787
Funds held by trustee required for current liabilities	<u> -</u>
Non-current portion of funds held by trustee	\$ <u>42,607,787</u>

NOTE C - LONG-TERM BONDS

On August 1, 2012, the SEU issued Energy Efficient Revenue Bonds, Series 2012 Bonds ("Bonds"), in the amount of \$67,435,000 through the State of Delaware with varying maturity dates through September 15, 2034. The proceeds from the bonds will be used for funding projects consisting of the design, construction and installation of certain conservation measures at the facilities of certain state agencies, interest until the installations are complete and the payment of cost of issuance of the bonds. Bonds mature by tranches on September 15 of each year. Interest, at the rates set forth at the time of issuance, is payable each September 15 and March 15.

SUSTAINABLE ENERGY UTILITY, INC.
DBA DELAWARE SUSTAINABLE ENERGY UTILITY

NOTES TO FINANCIAL STATEMENTS

NOTE C - LONG-TERM BONDS (CONTINUED)

Long-term bonds consist of the following:

Series 2011 bonds: due in varying installments starting September 15, 2013 through September 15, 2034, plus interest at rates ranging from 2% to 5%	\$ 67,435,000
Unamortized original issue discount	(587,443)
Unamortized original issue premium	<u>4,706,849</u>
Bonds payable, net of unamortized discounts and premiums	<u>\$ 71,554,406</u>

The SEU executed agreements to unconditionally guarantee the payments of long-term bonds by appropriations made from the State of Delaware's General Funds. Scheduled principal payments on the long-term bonds at December 31, 2012 are as follows:

Year ending December 31,	
2013	\$ 1,775,000
2014	1,845,000
2015	3,325,000
2016	3,240,000
2017	3,435,000
Thereafter	<u>53,815,000</u>
	<u>\$ 67,435,000</u>

Interest expense, excluding amortization of bond premiums and discounts and debt issuance costs, for the year ended December 31, 2012 on long-term bonds amounted to \$2,380,712.

NOTE D - RELATED PARTIES

As of December 31, 2012, The Energy Coordinator for the State of Delaware was serving on the Board of the SEU, as required by law. In addition, four members on the Board were employed by the State of Delaware and two members on the Oversight Board were serving on the Delaware General Assembly.

SUSTAINABLE ENERGY UTILITY, INC.
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NOTES TO FINANCIAL STATEMENTS

NOTE E - COMMITMENTS

The SEU has an employment agreement with a certain key executive whereby the SEU is committed to pay severance under the agreement in the event employment of this key executive is terminated (other than voluntarily by the executive or by the SEU for cause or other events as defined in the agreements). The SEU commitment to pay under these agreements is approximately \$30,000 as of December 31, 2012.

NOTE F - SUBSEQUENT EVENTS

Management has reviewed and evaluated subsequent events through February 12, 2014, the date the financial statements were available to be issued, and has determined there were no matters that require adjustments to or disclosure in the December 31, 2012 financial statements.